



**For a carbon neutral 2030**





# ANNUAL REPORT 2022



FROM OUR **PAST** INTO  
THE COUNTRY'S **FUTURE**



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# GENERAL INDEX



<b>1</b>	<b>REPORT ON OPERATIONS</b>	<b>4</b>
AT 31 DECEMBER <b>2022</b>		
1. Introduction		8
2. Highlights		18
3. Outlook		33
4. Business Model		35
5. Strategy		106
6. Risks and opportunities		136
7. Creation of Value		188
8. Summary of the resolutions of the ordinary Shareholders' Meeting and other information		432
9. Consolidated non-financial statement		451
10. Glossary		481

## 2 POSTE ITALIANE'S FINANCIAL STATEMENTS

488

AT 31 DECEMBER **2022**

1. Introduction	492
2. Basis of preparation and significant accounting policies	494
3. Material events during the year	533
4. Poste Italiane Group Financial Statements at 31 December 2022	536
5. Poste Italiane SpA Financial Statements at 31 December 2022	614
6. Risk Management	702
7. Fair value of financial instruments	745
8. Hedging transactions	752
9. Proceedings pending and principal relations with the Authorities	758
10. Material non-recurring events and/or transactions	765
11. Exceptional and/or unusual transactions	765
12. Material events after the end of the reporting period	766
13. Additional information	767
14. BancoPosta RFC separate Report for the year ended at 31 December 2022	788

## 3 REPORTS AND ATTESTATIONS

934

# CAPILLARITÀ

Premura



# REPORT ON **OPERATIONS**

AT 31 DECEMBER **2022**



# 1 REPORT ON OPERATIONS

AT 31 DECEMBER 2022

## Table of contents

<b>1. Introduction</b>	<b>8</b>
Statement from the Chairwoman and the Chief Executive Officer	8
Presentation of the Integrated Report	14
<b>2. Highlights</b>	<b>18</b>
2.1 Outcomes of the Value Creation Process at Poste Italiane	19
2.2 Impact generated by Poste Italiane	20
2.3 Creating shared value to achieve the SDGs	26
<b>3. Outlook</b>	<b>33</b>
<b>4. Business Model</b>	<b>35</b>
4.1 Poste Italiane's Ownership and Organisational Structure	35
4.2 Poste Italiane's Business Model	40
4.3 Group Structure	50
4.4 Omnichannel approach and group operating segments	59
<b>5. Strategy</b>	<b>106</b>
5.1 Integrating sustainability within Poste Italiane's strategy	106
5.2 Poste Italiane's Sustainability Strategy	108
5.3 Poste Italiane's Sustainability path	127

<b>6. Risks and opportunities</b>	<b>136</b>
6.1 Poste Italiane's Corporate Governance	136
6.2 Poste Italiane's integrated internal control and risk management system	141
6.3 Risks associated with material topics and management methods	147
6.4 Poste Italiane's commitment to managing human rights risks	154
6.5 Managing climate change related risks and opportunities	158
6.6 Managing emerging risks and the related opportunities	169
<hr/>	
<b>7. Creation of Value</b>	<b>188</b>
7.1 Performance of Poste Italiane shares	189
7.2 Impacts resulting from the Russian-Ukrainian Conflict	191
7.3 Group operating results	193
7.4 Digital and third-party networks in the Group's Omnichannel Strategy	228
7.5 Group Capital Management Framework	231
7.6 Group financial position and cash flow	233
7.7 Performance of Poste Italiane SpA and Report on Operations of BancoPosta RFC	242
7.8 The ESG value (Environmental, Social and Governance)	256
7.9 Integrity and transparency	260
7.10 People development	278
7.11 Diversity and inclusion	308
7.12 Creating value for the country	322
7.13 Green transition	338
7.14 Customer experience	354
7.15 Innovation	368
7.16 Sustainable finance	384
7.17 Indicators tables	392
<hr/>	
<b>8. Summary of the resolutions of the ordinary Shareholders' Meeting and other information</b>	<b>432</b>
8.1 Summary of the resolutions of the ordinary Shareholders' Meeting	432
8.2 Other information	433
<hr/>	
<b>9. Consolidated non-financial statement</b>	<b>451</b>
9.1 Reporting standards and policies	452
9.2 European Taxonomy Regulation	453
9.3 Table of contents - GRI-Standards (GRI content index)	465
<hr/>	
<b>10. Glossary</b>	<b>481</b>



## 1. Introduction

# Statement from the Chairwoman and the Chief Executive Officer



**Maria Bianca Farina**  
Chairwoman

**Matteo Del Fante**  
Chief Executive Officer



## Shareholders,

it is with great satisfaction that we present to you, on behalf of the entire Board of Directors, whom we thank for their commitment, the fifth Integrated Report of the Poste Italiane Group.

2022 was a challenging year, spent in the full throws of recovery from the Covid-19 health crisis and in the knowledge that we are operating, now and in the near future, in an increasingly changing and unpredictable environment. The Russian-Ukrainian conflict, and the resulting humanitarian and energy supply crisis, has strained the resilience of our economy and community. This dramatic event, significantly altering the geopolitical balance at global level, which marked the first months of last year and whose effects, however, persist, draws attention to the need for companies to orient their business strategies towards a path of transition to a more sustainable economy, which places the central focus on the needs of the communities and territories in which they operate. Moreover, the continuation of the pandemic for the third consecutive year, although presenting an opportunity for change and accelerating crucial processes for the country's development such as the digital transition, risks, however, aggravating, in a broader context, inequalities by eroding social cohesion and increasing the social gap. In fact, this risk, according to the World Economic Forum's 2023 Global Risk Report, ranks seventh

globally among the most burdensome risks of the next ten years, along with climate change, biodiversity loss, large-scale involuntary migration and the depletion of available natural resources.

In order to face the many challenges arising from the current context, we are convinced of the effectiveness of our sustainable business model in the medium to long term, with a solid strategy based on measurable objectives that take into account the demands of all stakeholders, part of the commitment to maintaining ongoing dialogue. Aspects of innovation and sustainability have been at the core of all Group strategies since 2020, but in 2022 they were further strengthened and integrated into the challenging goals contained in the Strategic Plan. 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.

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. With regard to environmental sustainability, in recent years we

have seen a growing importance of these issues both at a global level, with the great resonance of COP 26 and the historic success of the establishment of the Loss & Damage fund during COP 27, and at a European level, with the publications on Environmental Taxonomy. At the national level, on the other hand, the substantial allocations in the PNRR (National Recovery and Resilience Plan) for the country's green transition confirm the need to implement processes increasingly focused on circular economy, sustainable mobility, energy efficiency of buildings and pollution monitoring, in order to improve the sustainability of the economic system to achieve a zero environmental impact society. In this regard, in order to meet the demands of institutions and our stakeholders, we have continued to pursue numerous activities to combat climate change. The ambitious commitments made by Poste Italiane are aimed at achieving carbon neutrality by 2030, well ahead of the time-line set by the European Union, and at the same time reflect the innovative green philosophy adopted by the Group that pervades all our services, processes and products. The holistic approach is also reflected in a greater involvement of customers through a carbon offsetting programme, the "Green Challenge", which rewards their "green behaviour", i.e. all those virtuous aspects of behaviour that benefit the environment.

From a social point of view, in 2022 Poste Italiane once again demonstrated that it is close to people and territories by making a significant contribution to the country. In fact, the Group, continuing with the approach adopted in 2021, made its channels available to the public for booking

requests for the fourth dose of the Covid vaccine, giving them the opportunity to book in different ways. Moreover, Poste Italiane's commitment to accompanying the country's recovery is further demonstrated by the Polis Project, a social inclusion programme aimed at countering the depopulation of small towns and contributing to their socio-economic development by fostering interaction with the local areas and synergies with local institutions.

Poste Italiane has once again been able to monitor the changes in an increasingly demanding market, identifying the challenges of the future by adopting a long-term perspective to achieve competitive advantage. A demonstration of this is the Group's recent entry into the energy market, which confirms the Company as a reference point for satisfying the needs of Italian families, no longer only related to savings, investment, financing, fixed and mobile telephony and fibre, but also linked to electricity and gas. The evolution of our activities and our growth path have always been geared towards customers, who can count on the widespread presence of our organisation, which boasts a physical network of around 13,000 Post Offices, as well as an extensive digital infrastructure capable of serving the entire national population. And it is precisely in order to anticipate the economic and social needs of citizens, especially at a delicate time such as that dictated by the current energy crisis, that Poste Italiane invests in its all-round expertise, with a special focus on the development and continuous improvement of its range of products and services.

The Poste Italiane Group plays a central role in the country's economy. With a turnover of around €11.9 billion and the highest number of employees among Italian companies, it is confirmed in 2022 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.

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.

In particular, Poste Italiane's Sustainability Strategy consists of the Strategic Plan, which contains sustainability targets and objectives aligned to the highest national, European and global targets, and of a body of corporate regulations including all the Sustainability Policies that regulate the non-financial aspects of the Group, its principles and corporate values.

Although in 2022 we were able to experience an effective return to the habits that had been lost due to the Covid-19 pandemic, the desire to establish an increasingly resilient business approach was reinforced. The integration of social, en-

vironmental and governance factors into our business model - which enabled us to overcome a period of sudden destabilisation - has been and will continue to be the key to a broader risk assessment, enabling the Group to think long-term.

Given the historical context in which we operate, and as the leading Company in the logistics sector in Italy, the relationship with our 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. In this regard, this year's Multi-stakeholder Forum once again was a crucial opportunity to discuss and listen to stakeholders, in full agreement with the key objectives of the Group's Sustainability Strategy, based on eight pillars: Integrity and transparency, People development, Diversity and inclusion, Creating value for the country, Green transition, Customer experience, Innovation and Sustainable finance. The event, now in its sixth year, was live streamed and was attended by more than 1,000 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 multiple recognitions obtained, nationally and internationally, from the most prestigious rating agencies confirm the effectiveness and far-sightedness of the sustainable strategies undertaken by the Group in recent years. In continuity with 2021, in 2022, Poste Italiane confirmed its

presence in the Dow Jones Sustainability World Index, a prestigious sustainability index which incorporates the best companies in the world in terms of the sustainable management of their business, and within the more selective Europe segment. In addition, the Group was not only reconfirmed as a leader in the fight against climate change by CDP (formerly the Carbon Disclosure Project), being placing 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, achieving an ESG Risk Rating of 12.7 (Low Risk). These prestigious awards are followed by further confirmations in equally important indices, such as Bloomberg Gender-Equality Index (GEI), FTSE4GOOD, MIB ESG and Euronext Vigeo-Eiris World 120. With regard to the latter, we are proud to report that the Company was again ranked first among

out of 5,000 companies evaluated on the basis of sustainability performance. In addition to being included again this year in the 2023 edition of S&P Global’s Sustainability Yearbook, ranked in the Top 5% S&P Global ESG Score 2022, the Group also earned the “AA” rating from MSCI, for the significant progress it has made with regard to the social sphere, improving its corporate sustainability performance and leadership in the sector.

The results achieved in 2022, pursued with great determination thanks to our people, not only give us special satisfaction with the path taken, but also strengthen our reputation as they highlight Poste Italiane’s concrete commitment to creating shared value. We are also aware that it is only possible to meet the new challenges of sustainable development through constant listening and dialogue with regard to the needs of our stakeholders and the pursuit of common goals.

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# Presentation of the Integrated Report

## MAIN RELATED TYPES OF CAPITAL



II The Poste Italiane Group's Integrated Report is now in its fifth edition and aims to illustrate how sustainability is increasingly integrated into the business model and corporate strategies, providing a clear and comprehensive representation of the Company's financial, environmental, social and governance performance.

The Integrated Report allows Poste Italiane to effectively represent the interrelationship between the financial and sustainability elements that contribute to the definition of the Group's business model and strategy, such as the external context, strategy, business model and forms of financial and non-financial capital. 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 under-

pinned 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.

In continuity with the preparation of the previous Integrated Report and consistent with regulatory requirements, the 2022 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 EU Regulation no. 852/2020 (Taxonomy Regulation), Poste Italiane’s Integrated Report include a differentiated disclosure of regulated KPIs, based on its industrial operations (Non Financial Undertakings) and financial operations (Financial Undertakings): in relation to industrial operations, the Group carried out an assessment in order to identify its share of Turnover, Capex and Opex aligned to the Taxonomy, while in relation to financial operations it has provided - for the second year of reporting - a disclosure of KPIs in accordance with the Eligibility analyses, in line with the Regulation.

In addition, Chapter 5 describes the methodology adopted by the Group for materiality analysis, revised to comply with the provisions of the 2021 update of the GRI standards for the inside-out perspective, and taking into account the EFRAG recommendations, albeit still in draft, for the outside-in perspective. The adoption of the dual materiality process to identify Poste Italiane’s material issues allows the Group to anticipate the entry into force of the Corporate Sustainability Reporting Directive, scheduled for FY 2024. In this regard, the main change from previous years is the updated system of indicators used for ESG performance reporting, in line with the new GRI Universal Standard 2021.

In continuity with previous years, the 2022 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 fifth Integrated Report was prepared by applying the Integrated Reporting framework published by the International Integrated Reporting Council (IIRC). In addition, Poste Italiane also provided disclosure of the impacts of the Russian invasion in Ukraine, which ESMA<sup>1</sup> required issuers to report in their 2022 Annual Financial Reports and Non-Financial Statements. In addition to the impacts of the conflict, ESMA also identifies climate change issues as a priority in the non-financial report for 2022. Confirming Poste Italiane’s commitment to combating climate change, it should be noted that as

1. ESMA document on European common supervisory priorities for 2022 “European common enforcement priorities for 2022 annual financial reports”, published on 28 October 2022.

of 2021 the Group has officially joined the supporters of the Task Force on Climate-related Financial Disclosure. 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 TCFD recommendations with the contents of the Integrated Report. 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 2022 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.

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 2022, 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 Financial Report, which was approved by the Board of Directors of Poste Italiane SpA on 29 March 2023, will be made available to the public within the

terms provided for by the regulations in force (i.e., by 30 April 2023) on the following web page: <https://www.posteitaliane.it/it/bilanci-e-relazioni.html#/>.

The following infographics are used in this document:



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



to indicate, 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

- 2022 Outcomes of the Value Creation Process at Poste Italiane
- Impacts generated by Poste Italiane
- Creating shared value to achieve the SDGs

### MAIN RELATED TYPES OF CAPITAL



FINANCIAL



PHYSICAL-STRUCTURAL



INTELLECTUAL



**Revenue: €11.9 bn** (+6% y/y)  
**EBIT: €2.3 bn** (+24% y/y)



Historical record

**Net profit €1.5 bn** (EPS €1.163)

**DPS growth** for 2022 (+10% y/y)

**Total financial assets €562 bn**

**Payments and Mobile SBU EBIT: €379 mln** (+35% y/y)

**Retail protection: €223 mln of premiums** (+18% y/y) x2 vs. 2016

**Leadership in proximity payments** through the acquisition of LIS

**Acquisitions:** Plurima, Agile Lab, and Sourcesense and public tender offer for Net Insurance

**12,755 post offices and 120 thousand employees** (zero offices closed in small municipalities in the year)

**Omni-channel Strategy: >20 mln** (+19% y/y) **daily interactions** of which **>9 mln on digital channels**

**Third-party networks ~ 58,000** physical points of contact

**~ 26 mln digital identities (SPID) issued**

**An impressive 1,900 m2 photovoltaic plant** was built in Pomezia, **saving 260 tonnes of CO<sub>2</sub>**

Number-one operator in Italy in **prepaid cards (21.4 mln)** and **e-commerce transactions** (+15.1% y/y)

**Over 400 Smart Mailboxes**, of which 300 in small municipalities, for the optimisation of mail collection

**Brand Finance:** Poste Italiane among the **25 global companies** by **brand strength** (+13 positions y/y)

Poste Italiane wins the **Assochange** award for the people engagement initiative INSIEME 24 SI: 2,900 contributors of ideas and colleagues who provided their expertise to implement them

**First place at the AiFin in Italian Award 2022** in the HR and Organisation category

for the project INSIEME 24SI

Poste.it is the **number-one Italian site** in the **Audiweb** ranking and 11th internationally

**The BancoPosta Business account** recognised at the **Milano Finanza Banking Awards 2022**

**PostePay in 1st place** for the **best customer service** in the first edition of Italy's Best Customer Service

The **160 Years of Poste project** wins **1st place** in the 'Best Event' category of the Felea 2022 Grand Prix

ISO 30415 certification obtained for Diversity & Inclusion

## < 2.1 Outcomes of the Value Creation Process at Poste Italiane

NFS

During 2022, 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.



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HUMAN



SOCIAL-RELATIONAL



NATURAL



~ 6 million hours of training provided in 2022

Over 6,900 initiatives in **Active Labour Policies** during 2022

Trade union agreement on **flexible work** valid until March 2023

**2022 performance bonus** : 5% increase y/y

Poste Italiane is a **Top Employer** for the 4th consecutive year

Poste Italiane receives **Equal Salary** certification for its pay equity policy

**Polis Project - Digital Service Houses (NRRP)** to foster social and territorial cohesion and overcome the digital divide in small towns

**Memorandum of understanding** with the **Third Sector Forum** on **sustainability** and **volunteering** projects

**Free delivery** of the **decoders** needed for the **new digital TV** to **needy retirees**

Disbursement, through post offices, of the **support contribution** for Ukrainian refugees

Poste Italiane is among the **200 Sustainability Leaders** in the ranking of Italy's 200 pioneers (Sole24Ore) and in the top 25 of economic sustainability rankings

The Poste e Telegraf logo recognised as a **"historical mark of national interest"**

Poste Italiane joins the **Stoxx Global ESG Leaders Index** and the **Euronext Equileap Gender Equality Eurozone 100 Index**

The Poste Italiane Group enters the **energy sector** with a **100% green omnichannel offer**

~ **23,000 low-emission vehicles** in the company fleet, of which ~**3,600 electric**

**Full green delivery**: zero-emission delivery in **28 city centres**

~ **1,600 buildings** involved in the **Smart Building project\***, over **410 thousand LED lamps** installed

Postaonline goes green - **FSC-certified\*\***, **biodegradable and recyclable paper**

Environmentally **friendly SIM cards** made using a sustainable, FSC-certified production cycle\*\*

**"Change the world 2022"**: Fortune rewards Poste Italiane for the electrification of its deliveries

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

\*\* FSC (Forest Stewardship Council) certification: the wood or paper from which the product is made comes from recycled and recovered material.

## < 2.2 Impact generated by Poste Italiane

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 (€3.2 billion in 2022) 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.

### MAIN RELATED TYPES OF CAPITAL



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



**58 mila€**

distribuiti alle famiglie nel corso del 2022, grazie al lavoro e all'impegno di ogni persona di Poste Italiane.

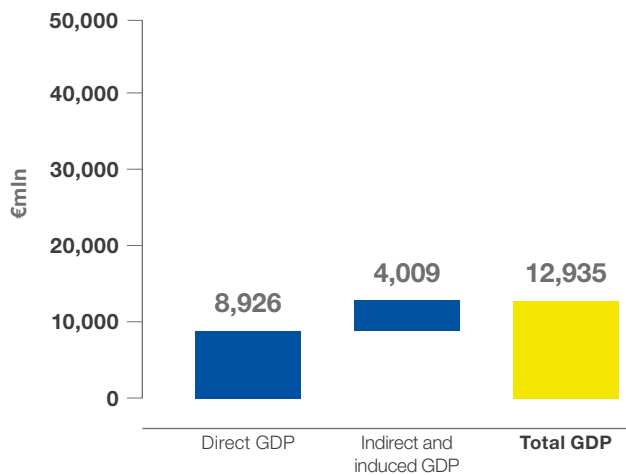
In 2022, the Poste Italiane Group generated impacts on the country in terms of Gross Domestic Product (GDP) totalling €12.9 billion and, in employing roughly €181 thousand people, contributed around €2.1 billion to the income of the Public Administration in terms of tax revenue. Furthermore, it is possible to estimate that Poste Italiane contributed directly and indirectly to the distribution of income to workers, totalling €7 billion.

The daily work and commitment of the Group's individual people contributes to the creation of value by Poste Italiane. In this regard, over the course of 2022, each person at Poste Italiane contributed to the creation of economic impacts for the region amounting to €107 thousand of GDP, €58 thousand of income for families, €11.6 thousand of tax contributions and the employment of 1.5 people.



### Contribution of Poste Italiane to gross domestic product - 2022

GDP

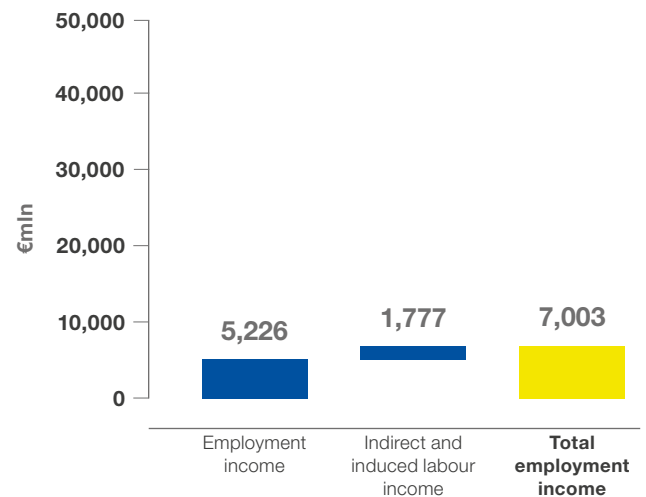


Each person at Poste Italiane, through their daily work and commitment, contributed to the creation of €107,000 in GDP during 2022



### Contribution of Poste Italiane to employment income - 2022

EMPLOYMENT INCOME

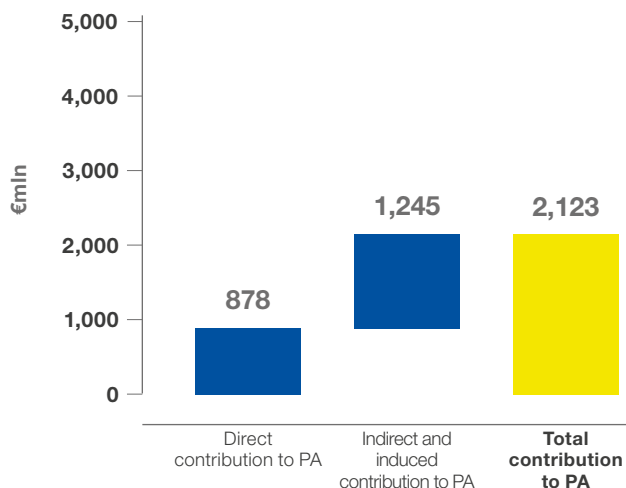


Each person at Poste Italiane, through their daily work and commitment, contributed to the distribution of €58,000 to families during 2022



### Contribution of Poste Italiane to PA - 2022

CONTRIBUTIONS TO PA

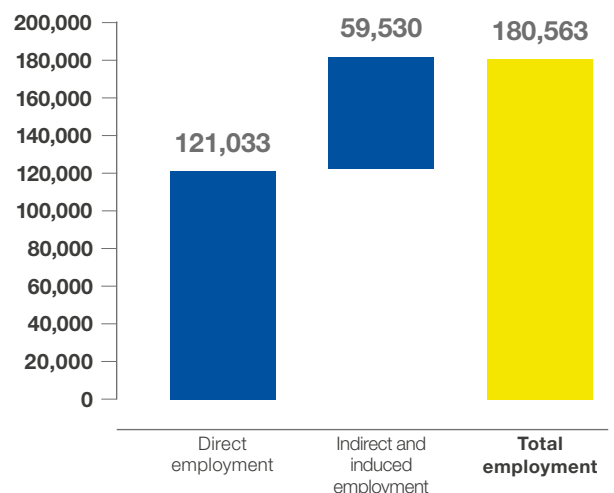


Each person at Poste Italiane, through their daily work and commitment, contributed to the creation of €11,6 thousand in tax revenue during 2022



### Contribution of Poste Italiane to employment - 2022

EMPLOYMENT



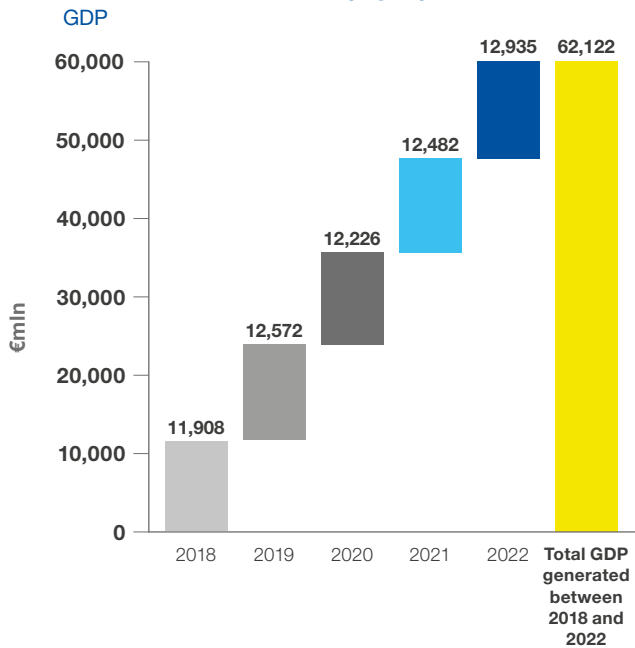
Each person at Poste Italiane, through their daily work and commitment, contributed to the employment of 1.5 people in 2022



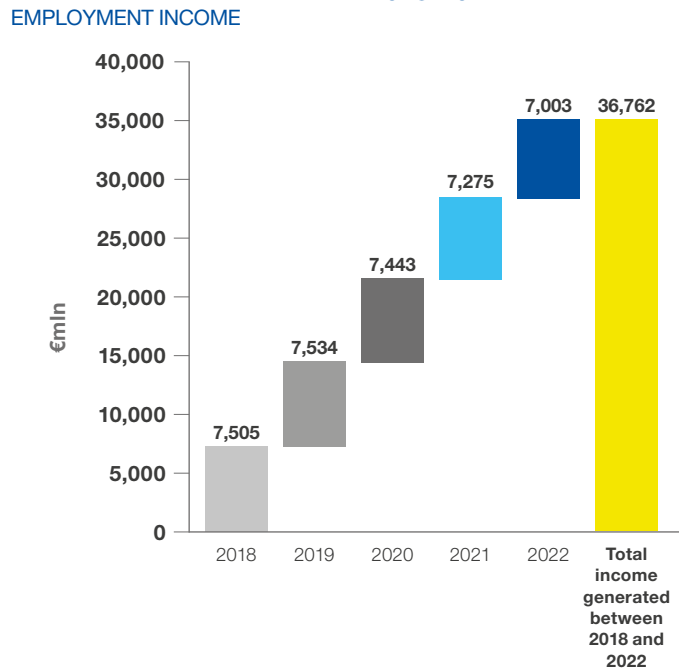
The commitment that Poste Italiane dedicates to serving the country system is not limited to 2022, but is embedded in a path of annual value creation. In fact, over the last five years, the Poste Italiane Group has generated overall impacts on the country of €62.1 billion in Gross Domestic Product (GDP), €36.8 billion in employment income, and €10 billion in tax revenue. In addition, the Group contributed an average of 185 thousand jobs between 2018 and 2022.



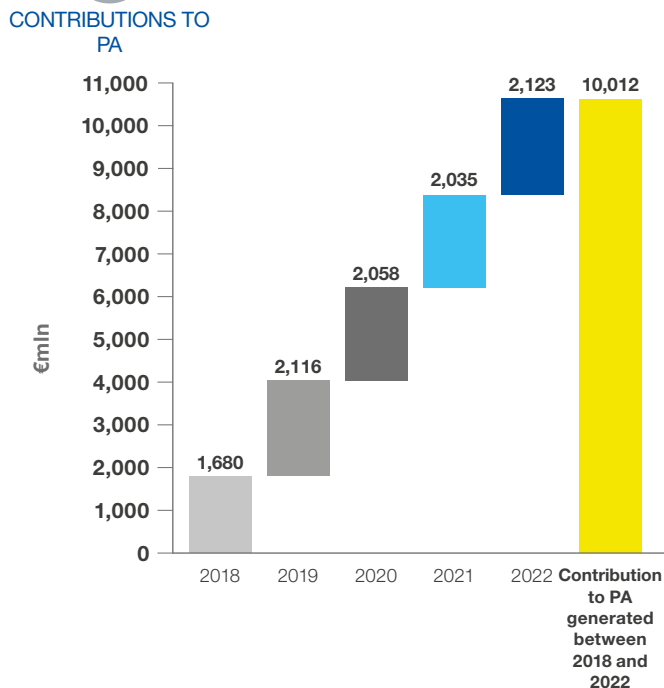
### Contribution of Poste Italiane to gross domestic product 2018-2022



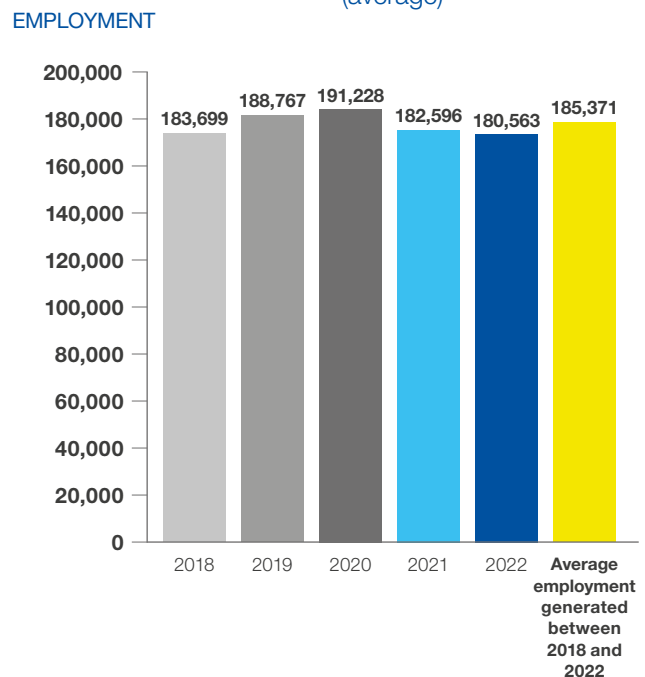
### Contribution of Poste Italiane to employment income 2018-2022



### Contribution of Poste Italiane to PA 2018-2022



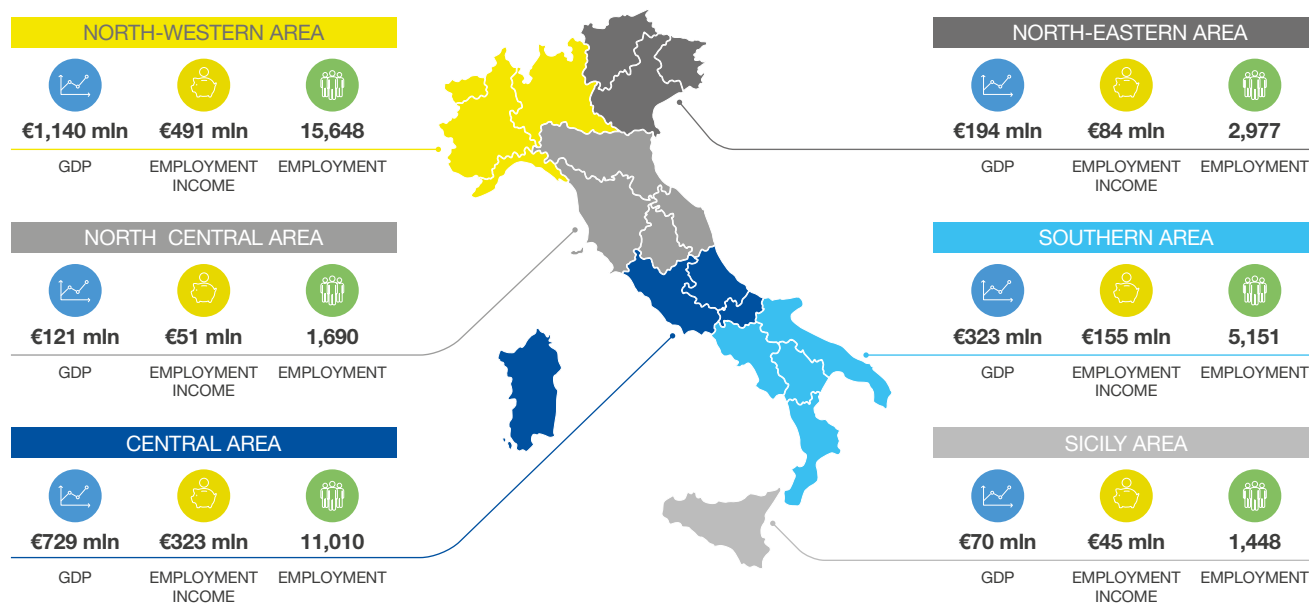
### Contribution of Poste Italiane to employment – 2018-2022 (average)



Below are two focus areas 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 2022

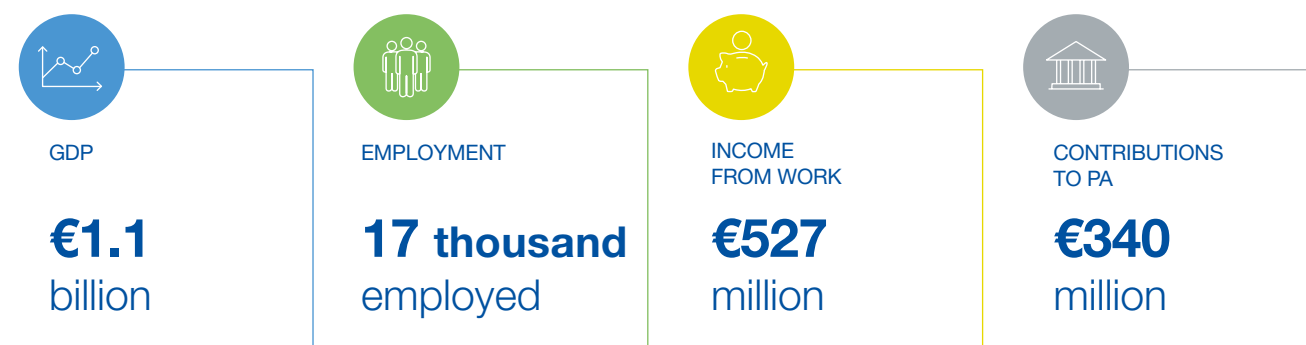
Considering the region of the registered office of suppliers, the indirect impacts generated by them in each Territorial Area in 2022 have been identified.



With reference to the various areas examined, there are values of Gross Domestic Product between €70 million and €1 billion. This results in an employment level of no less than one 1,500 people and total employment income between €45 million and €490 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 2022, SMEs impacted on the level of Gross Domestic Product for a value of €1.1 billion, leading to the employment of 17,000 people and an income distribution of around €527 million. Finally, more than €340 million has been generated in terms of tax revenue.

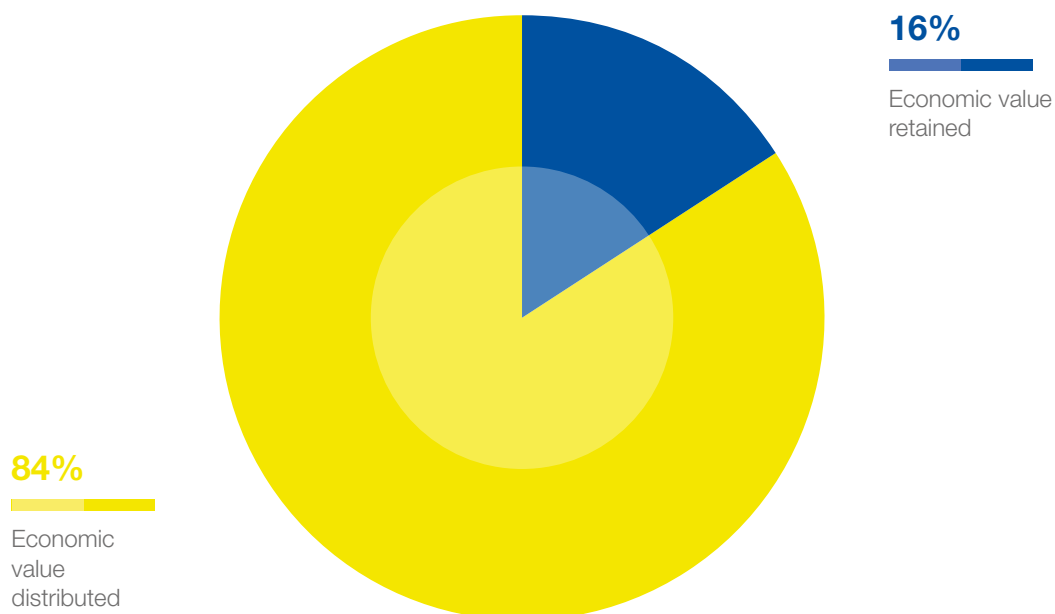
## The economic value generated and distributed by the Poste Italiane Group

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.

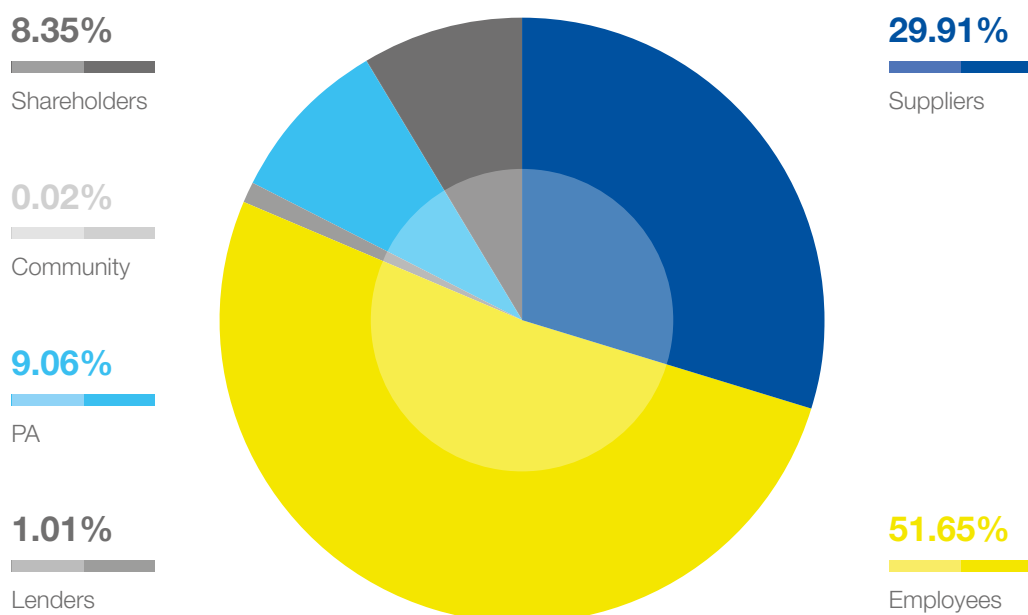
In 2022, more than 84% of the wealth produced by the Company was distributed to its stakeholders. In particular, employees and suppliers are among the stakeholder categories that benefit most from the wealth produced by the Company, accounting respectively for 51.65% and 29.91% of the total value distributed.

The economic value created in 2022 amounts to over **€11.9 billion, roughly 84% distributed** to stakeholders

### Distribution of the economic value generated



### Breakdown of the economic value distributed



## < 2.3 Creating shared value to achieve the SDGs

NFS

Poste Italiane is an integral 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 outcomes 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 (2022) prepared by ISTAT. The representation provides a description of the Group's impact on the UN SDGs.

1  
NO  
POVERTY

**Goal 1: End poverty in all its forms everywhere**

Italy

- In 2021, about 5.6 million individuals (9.4%) are in **absolute poverty**. Compared with 2020, the incidence of poverty remained stable at national level, with a decrease in the North-West (-2.1 p.p.) and an increase in the North-East (+0.4 p.p.), the Centre (+0.7 p.p.), the South (+1.5 p.p.) and the Islands (+0.1 p.p.). **The incidence of poverty** decreased slightly for all age groups, except for the youngest (0-17 years) for whom it increased by 0.7 p.p.
- In 2021, the **cost of housing** is a difficult burden for 7.2% of the population, a figure that is stable compared to 2020 and at the lowest level of the period. Over the last decade, the distances between regions have widened slightly.
- The **risk of poverty** or **social exclusion** remains stable compared to 2021 (25.4%, +0.1 p.p.), but still high in the European comparison, placing Italy at the bottom of the rankings of EU countries. Compared to ten years earlier, regional gaps, on the whole, have not narrowed.

**Posteitaliane**



- In 2022, the Sponsorship Committee approved **120 initiatives**, giving priority to those with a significant social impact, seeking to strengthen Poste Italiane's presence in the territory, and in particular in the country's peripheral areas. Poste Italiane contributed around €351,000 in **charitable donations**, €1,547,450 in investments in the **community** in collaboration with non-profit organisations and local institutions and
- €55,000 in **commercial initiatives** with beneficial effects on communities, for a total of around €1,954,000.
- In **December 2022**, Poste Italiane helped to support the community living on the island of **Ischia**, affected by the flood of 26 November 2022, in returning to their daily lives.
- Thanks to the support of Poste Italiane, Italy's Civil Defence was able to make a total of over **140,000 payments** to over **30,000 refugees** from the **conflict in Ukraine**.

3  
GOOD  
HEALTH  
AND  
WELL-BEING

**Goal 3: Ensure healthy lives and promote well-being for all at all**

Italy

- In 2021, total **all-cause mortality** declined on 2020, while remaining at **high levels**, with 709,035 deaths, 37,000 fewer than in 2020 (-5.0%), but 63,000 more than the 2015-2019 average (+9.8%).
- Much of the excess in 2021 was due to **Covid-19** and was observed in the first quarter, when vaccination coverage was very low.
- The **pandemic** and the measures to contain it continue to influence **mobility and road accident** trends in 2021.
- The continuation of the health emergency led citizens to forgo many **health services**: 11% gave up because of financial problems or difficulties in accessing the service and the **effects of the pandemic** (compared to 9.6% in 2020 and 6.3% in 2019).

**Posteitaliane**



- In total, for Group employees, **deaths due to occupational accidents** (on the job and on the way to work) in 2022 decreased by about 20% compared to 2021.
- 68,930 employees** were **trained on Health and Safety** issues during 2022.
- Poste Italiane considers the absence of drug and psychotropic substance **addiction** and the absence of **alcohol addiction** among the activities subject to health prevention measures, as set out in the Risk Assessment Document.
- In relation to **Covid-19 coverage** by the **Health Fund**, the **per diem** for workers admitted to intensive care was agreed, with **retroactive effect** from June 2021 until 31 March 2022.



#### Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

##### Italy

- The spaces available in public and private **early childhood services** in Italy covered 27.2% of children up to the age of two in academic year 2020/2021. The **gap** between the Centre-North and the South is wide.
- In 2021, the share of **young people** aged 18-24 leaving the education and training system **without having obtained a diploma** or qualification is 12.7% (517,000 young people), marginally lower than the previous year (14.2%).
- In academic year 2021/2022, the share of children in the fifth year of secondary school who did not achieve a sufficient degree of **literacy** was 48.5%, and inadequate **mathematical competence** was 49.9%.
- In 2021, the share of the population aged 30-34 in Italy that has completed **tertiary education** is 26.8%, down from the previous year (27.8%). The share is lowest in the south (20.7%) and among men (25%).
- During 2021, 9.9% of 25- and 64-year-olds had completed at least one **training activity** in the last four weeks (versus 7.1% in 2020 and 8.1% in 2019), largely making up for the loss in 2020, due to measures to stop the spread of **Covid-19**.

#### Posteitaliane



- In the two-year period 2021-2022, a total of more than **12 million hours of training** were provided, involving almost all professional figures.
- In 2022, **21.5%** of the Group's workforce had a **university** degree while **66.8%** held a **diploma**.
- **Collaboration** continued with leading universities and **business schools** for the further development of **innovative competences**.
- Poste Italiane continues to invest in the internal development of **STEM** skills and **roles**, including by promoting the inclusion of **young women** through this training.



#### Goal 5: Achieve gender equality and empower all women and girls

##### Italy

- In 2020, 263 **Anti-Violence Centres** (281 in 2019) and 242 Shelter Homes (257 in 2019) were active.
- In 2020, 116 **murders of women** were committed (111 in 2019). Of these, 83.6% occurred at **home**.
- In 2021, the ratio of the **employment rate** of **women** aged 25-49 with pre-school children to the employment rate of those without children stands at 73%, down from 2020 (-1.2 percentage points). The ratio is more unfavourable for women aged 25-34 (60.4%), for those with low educational qualifications (48.7%) and for those of foreign nationality (46.4%).
- In 2021, **Italy's representation of women in the European Parliament** is 39.5% (+0.5 p.p. compared to the EU27 average). The share of women elected to regional councils increased slightly in 2021.
- At the end of 2021, Italy occupies the second position (38.8%) after France (45.3%) in terms of the **presence of women on the boards of directors** and in senior management roles at large listed companies. **Female CEOs** (1.9%) and **Chairs** (3.5%) are still few, accounting for 2.4% of the total market value of listed companies and 20.7% of total capitalisation, respectively.

#### Posteitaliane



- The presence of women in the Company by category is **32.40%** in **management positions**, **16.3%** in **senior management** and **20.8%** in **STEM positions**.
- Through the **Suspension of mortgage payments**, Poste Italiane confirmed its commitment to the **inclusion of female victims of violence** in 2022.
- The **Lifed project** – a digital programme aimed at strengthening parenting skills – continued in **2022**.
- Poste Italiane fully financed the **project Housing autonomy for women victims of violence**, which involved the delivery, in March 2022, of **10** refurbished and furnished **accommodations** for **40 female** victims of violence.
- Poste Italiane participated in **Parks - Liberi e Uguali** to create inclusive working environments that respect all employees, and in particular those belonging to the **LGBTQIA+ community**.
- **The Board of Directors** of Poste Italiane is **44.4%** made up of **women**.



**Goal 6:** Ensure availability and sustainable management of water and sanitation for

## Italy

- In 2020 the **drinking water distribution networks** of provincial capitals and metropolitan cities dispensed 236 litres per inhabitant per day: approximately one litre less than in 2018.
- The **share of water fed into the network** that reaches end users in 2020 is 63.8% (0.9 percentage points higher than in 2018).
- In more than one of three capitals, **drinking water distribution network efficiency** levels are below 55%, while in one out of five capitals the values exceed 75%.
- In 2020, **drinking water distribution rationing measures** were adopted in eleven provincial capitals and metropolitan cities, all located in Southern Italy.
- The share of households saying they do not trust drinkingtap **water** remains high, though stable (28.5% in 2021).
- The share of households complaining of **irregularities in the water supply service** in their homes is 9.4% in 2021, slightly up from the previous year (8.9% in 2020).

## Posteitaliane

- Poste Italiane promotes **efficiency in the use of resources** necessary to carry out business activities, whether on its own or through suppliers and business partners.
- In 2022 Poste Italiane's **water withdrawal** amounted to approximately **1,585 megalitres**, mainly from groundwater (3,821 MI) and third-party water resources (1,582 MI), confirming the positive trend in **water withdrawal reduction**.



**Goal 7:** Ensure access to affordable, reliable, sustainable and modern energy for all.

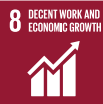
## Italy

- In 2020, the total contribution from **renewable energy sources** to gross final energy consumption reaches 20.4% (+3.4 percentage points above the European and Italian target), marking an improvement of 7.4 p.p. over the last ten years.
- Although the **growth of renewables** has helped **reduce** Italy's foreign energy **dependence**, the share of net imports in Italy's gross energy supply is one of the highest in the EU27.
- In 2020, **final energy consumption** trends, which also reflect the effects of lockdown measures, declined by 8.9%. The **decrease** is less pronounced than in Spain, but above the **EU27 average level** and France and Germany.
- Interrupting the series of progressive reductions that had characterised the last ten years, 2020 marks a slight **increase in total energy intensity**, fuelled by the industrial sector (+6.3%), while services confirm the previous year's values.
- The number of **electric and hybrid cars** is growing consistently, reaching 36.4% of newly registered cars in 2021

## Posteitaliane

- In 2022 around 99% of the **Group's electricity needs were met using 100% renewable sources**, certified by Guarantees of Origin.
- The **energy intensity** of Scope 1 and 2 direct and indirect GHG emissions **decreased** by about **19%** compared to 2021.
- In 2022 Poste Italiane continued to implement **initiatives aimed at reducing emissions**. In total, for annual investments of around **€21.7 million**, the projects yielded an annual savings of **12,630 tCO<sub>2</sub>e** and annual monetary savings of more than **€2.7 million**.
- In 2022, Poste Italiane entered the **energy market** through the **Energia160** offer, aimed at Group employees and retirees.





**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 person 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 2022 Poste Italiane generated impacts on the country of **€12.9 billion in GDP and €7 billion in employment income**, while also contributing to the creation of **181,000 jobs**.
- Each person at the Group contributed to the **creation of economic impacts for the region** amounting to €107 thousand in GDP, €58 thousand in income for families, and the employment of 1.5 people.
- In the same year, the Group **recruited 7,872 new employees**, three times as many as in 2021, of whom 53% were men and 47% women.
- On 1 March 2022, the Company signed an **Agreement with the Trade Unions**, in force until 31 March 2023, which regulates the application of **Agile Work** 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 the **renewal of its vehicle fleet**, going from 11% green vehicles in 2016 to 37% in 2022. The aim is to **replace the entire fleet with low-emission** vehicles by 2024.
- In 2022, the **largest photovoltaic plant** built by Poste Italiane **in Lazio** and among the largest in Italy went into operation in Pomezia.
- Through its **"Poste Sicuri Online"** anti-fraud campaign, the Group presented guidelines in 2022 to prevent fraud against its customers.



### 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 2022 Poste Italiane paid special attention to **the most vulnerable groups**, weakened by their physical, mental, family, economic, ethnic and social conditions.
- The Group continued the **programme** for communities in **small municipalities**, pledging to ensure continuity of service.
- The Group promoted the **Polis Project** to foster **economic, social and territorial cohesion** in Italy and end the **digital divide** in **small towns and inland areas**.
- Poste Italiane carried out numerous **corporate volunteering initiatives**, such as the partnership with Forum Terzo Settore to implement a corporate volunteering platform.
- To **support the community financially**, in April 2022 **Prestito BancoPosta Business Link Online** was launched in cooperation with Credimi SpA, allowing digital loans to be offered to sole proprietorships and small businesses.



### Goal 11: Make 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 PM2.5, but values remain high in large cities, with the resulting risks to human health.

### Posteitaliane



- In 2022, Poste Italiane generated **37,245.3 tonnes of waste**, **36,438.8** of which were **recovered** and **806.5** of which were **disposed of**.
- The Group took part in the **Cresco Awards Sustainable Cities 2022 Prize**, 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 inauguration of a new Post Office at the Fondazione Policlinico Universitario Campus Bio-Medico in Via Alvaro del Portillo 200, Rome.
- In **July 2022**, Poste Italiane inaugurated a new photovoltaic power plant in Palermo, capable of supplying the equivalent of one year's energy consumption of as many as 250 homes.



### 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 (54.4%; +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 2022 increased by 2% compared to 2021, while the total **renewable materials used increased by 3%**. The volume of **materials** (paper, cardboard and ink/toner) **used that originate from recycling** also increased. The trend confirms growth related to the development of volumes in e-commerce.
- In 2022, **Poste Italiane's Integrated Report** will reach its **fifth 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 2022, **€21.7m 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.
- As at 31 December 2021, there were 8,527 inmates **awaiting first trial**, or 15.8% of the prison population, lower in absolute terms than in the previous year, but higher as a percentage of total 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 updated its **Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001** to reflect internal organisational and operational developments.
- **ISO 37001** anti-corruption certification was extended to SDA and Poste Assicura.
- Thanks to the cooperation with the **Fire Department** of the Ministry of the Interior, Poste Italiane delivered **500 sleeping bags** to Ukrainian refugees accommodated in Latvia, and **two radiation detectors** to the embassies in Prague and Krakow, useful in the event of exposure of the population to radiation.
- Poste Italiane **confirmed its legality rating**, receiving a maximum score of three stars from AGCM.
- 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.



**Goal 17:** Strengthen methods of implementation and re-launch the global partnership for sustainable development

## Italy

- In 2021, **general government revenues** 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 SpA**, 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 2022, the Group contributed approximately **€2.1 billion in tax revenues**.

## 3. Outlook

Since the beginning of the year 2022, global economic activity has shown progressive signs of slowing down, related initially to the spread of Covid-19 variants and, subsequently, to the outbreak of the Russian-Ukrainian conflict in February. The unstable geopolitical situation continued throughout the year, accompanied by the energy crisis, largely a consequence of the conflict, and pressures on supply chains; these factors led to an escalation of energy prices, which affected those of other goods and services. This was compounded during the period by the repeated interest rate hikes decided by the major central banks to mitigate rising inflation. This context has led to growing uncertainty about the economic outlook, with inevitable risks of a deterioration in the macroeconomic scenario for 2023.

Against this backdrop, the Poste Italiane Group achieved record financial results in 2022, in line with the upgraded guidance communicated to the “financial community” in November 2022, which allowed for an increase in the dividend paid to shareholders for the year 2022 (DPS at €0.650, +10% y/y compared to the +7% y/y forecast by the dividend policy). The Poste Italiane Group, in addition to distinguishing itself through a diversified business structure that allows it to benefit from a constant natural balancing effect between the trends affecting its businesses, has historically demonstrated resilience in times of economic uncertainty and financial turbulence, indeed establishing itself as a “safe harbour” for savers, thanks to a portfolio of financial offerings characterised by products with reduced risk exposure and volatility. In this regard, it should be noted that the Group has negligible exposures to credit institutions recently involved in financial distress. The Group's cost structure is flexible, with a significant component of variable costs correlated to revenue; the Group mainly sources and competes in the domestic market, has no production units located in the countries affected by the Russian-Ukrainian conflict, or neighbouring countries, and has minor commercial relations with these countries; therefore, it has no direct repercussions that could have a significant impact on its business or on its profitability. Lastly, the Group benefits from the effects of actions implemented during favourable market periods, aimed at mitigating price fluctuations of production inputs or hedging transactions against the risk of fluctuations in fuel prices and gas and energy supplies. The National Collective Labour Agreement is valid until the end of 2023.

On 30 March 2023, the strategy update for the current year was presented to the financial community, reviewing the outlook of the various Strategic Business Units. The objective of configuring Poste Italiane as a platform company evolving towards a diversified and integrated business model to offer Italians a single, omnichannel access point for an increasingly wide range of products/services was confirmed.

In the Mail, Parcels and Distribution Strategic Business Unit: after a 2022 of substantial stability in the parcels and logistics segment, a return to a growth path is expected, however conditioned by the uncertainty of the macroeconomic reference variables. In this scenario, the Group aims to accelerate the transformation path towards an “all-round logistics operator”: the acquisition of Plurima, aimed at entering the specific hospital logistics sector, the renewal of the partnership with Amazon for 5 years, and the recent partnership with DHL (announced on 10 March 2023), which confirms the Group's commitment to developing its international business, are part of this strategy. The SBU, in the mail segment, will continue to adjust its offer and tariffs, managing the structural mail decline related to e-substitution.

In the Financial Services Strategic Business Unit, postal savings will remain at the centre of the Group's financial services offering, with a renewed and competitive commercial proposition, confirming itself as a simple and transparent tool for savers; at the same time, the net interest income will continue to contribute to revenue supported by higher rates in a changed macro environment.

The Insurance Services Strategic Business Unit confirms its relevance for the group's profitability also following the implementation of the IFRS17 accounting standard, with the recognition of a Contractual Service Margin (CSM) in transition of approximately €11 billion that will support sustainable profitability over time. The Group builds on its leading position in the life business and aims to develop the P&C business with an integrated modular offering of customised protection, assistance and service solutions. The acquisition of Net Insurance, which will be finalised during the second quarter, will help accelerate the growth and profitability of the protection business.

With regard to the Payments and Mobile Strategic Business Unit, the acquisition of LIS, a leader in proximity payments, will ensure an acceleration of the Group's omnichannel strategy, with the development of new services and leveraging the complementary nature of the tobacconist network with post offices and digital channels. In addition, the new Poste Energia offer for electricity and gas was launched on the market in January 2023, now available on digital web and app channels, with over 150 thousand contracts signed by the end of March. The offer exemplifies the clarity of the business proposition and ease of use of Poste Italiane's services, ensuring a unique omnichannel customer experience.

Continuing its commitment to the Group's digital transformation by supporting citizens, businesses and the PA in the digitalisation process, Poste Italiane confirms its role as a strategic pillar by effectively and efficiently connecting the country. The recent acquisition of Sourcesense, a company operating in the development of cloud-native solutions based on open source technology, aims to accelerate the Group's digital transformation with the internalisation of core competencies supporting a cutting-edge operating platform, while through the acquisition of Agile Lab, the Group will strengthen its presence in the modern "data industry", enhancing its capabilities to build "data-driven" businesses for internal use and for the market.

As part of the National Recovery and Resilience Plan, the Group will invest significant resources in the implementation of "Polis", a strategic project to support the country's social cohesion with particular reference to approximately 7,000 municipalities with a population of less than 15 thousand inhabitants by becoming the home 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.

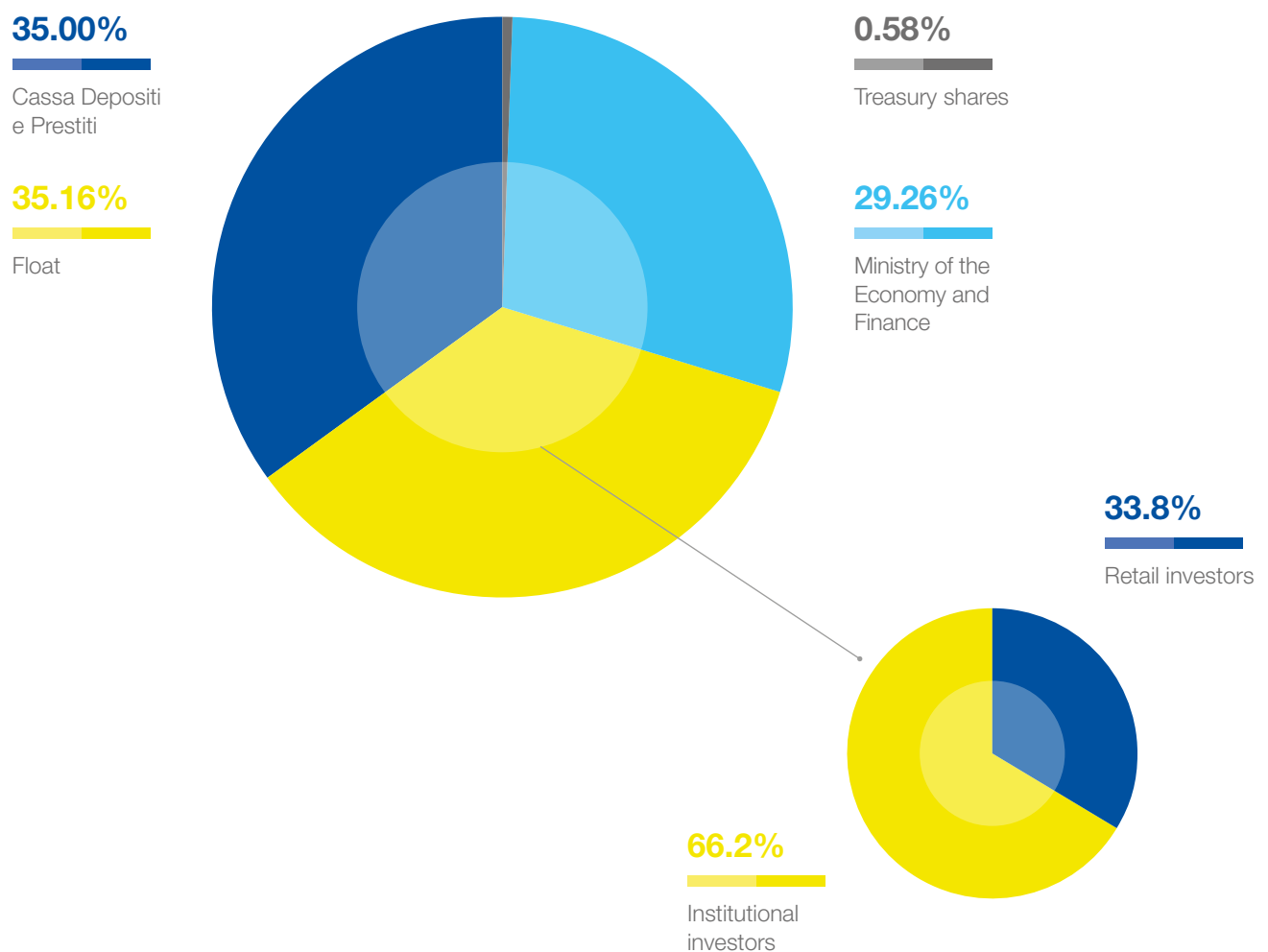
In the path of transition towards carbon neutrality by 2030, investments and strategic initiatives will continue, such as the renewal of the delivery fleet with low-emission vehicles, the installation of photovoltaic panels for energy supply, the modernisation of the fleet with low CO<sub>2</sub> emission 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 Business Model
- Group Structure
- Omnichannel approach and business segments

### 4.1 Poste Italiane's Ownership and Organisational Structure

#### 4.1.1 Poste Italiane Ownership Structure





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 2022, 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<sup>3</sup> of Poste Italiane SpA belong to investors who follow 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 1,298,574,009 are outstanding at 31 December 2022 (7,535,991 treasury shares).

The Ordinary Shareholders' Meeting of 27 May 2022 authorised Poste Italiane's Board of Directors to purchase and subsequently sell treasury shares for a maximum of 2.6 million ordinary Company shares, with a maximum expenditure of up to €40 million. The purchase of treasury shares was authorised over a period of eighteen months starting from the date of Meeting's resolution but no time limit was instead set for the sale of the treasury shares purchased. In the period between 30 May and 13 June 2022, Poste Italiane concluded its share buyback programme by acquiring 2,600,000 treasury shares for a total value of about €25.3 million.

On 9 November 2022, Poste Italiane's Board of Directors, in light of the financial position and results of operations of Poste Italiane SpA at 30 June 2022, the performance for the following months, the business outlook and the related expected economic prospects at 31 December 2022, and in line with the Group's dividend policy, resolved to bring forward, as an interim dividend, part of the ordinary dividend for 2022. 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 €0.210 per share, gross of any legal withholding taxes, was paid with effect from 23 November 2022, with "ex-dividend date" of coupon no. 11 coinciding with 21 November 2022 and record date (i.e. the date on which the dividend was entitled to be paid) coinciding with 22 November 2022.

Based on the number of shares outstanding at 9 November 2022, which amounted to 1,298,574,009, the total amount of the interim dividend was around €273 million.

## 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; Insurance Services and Payments and Mobile.

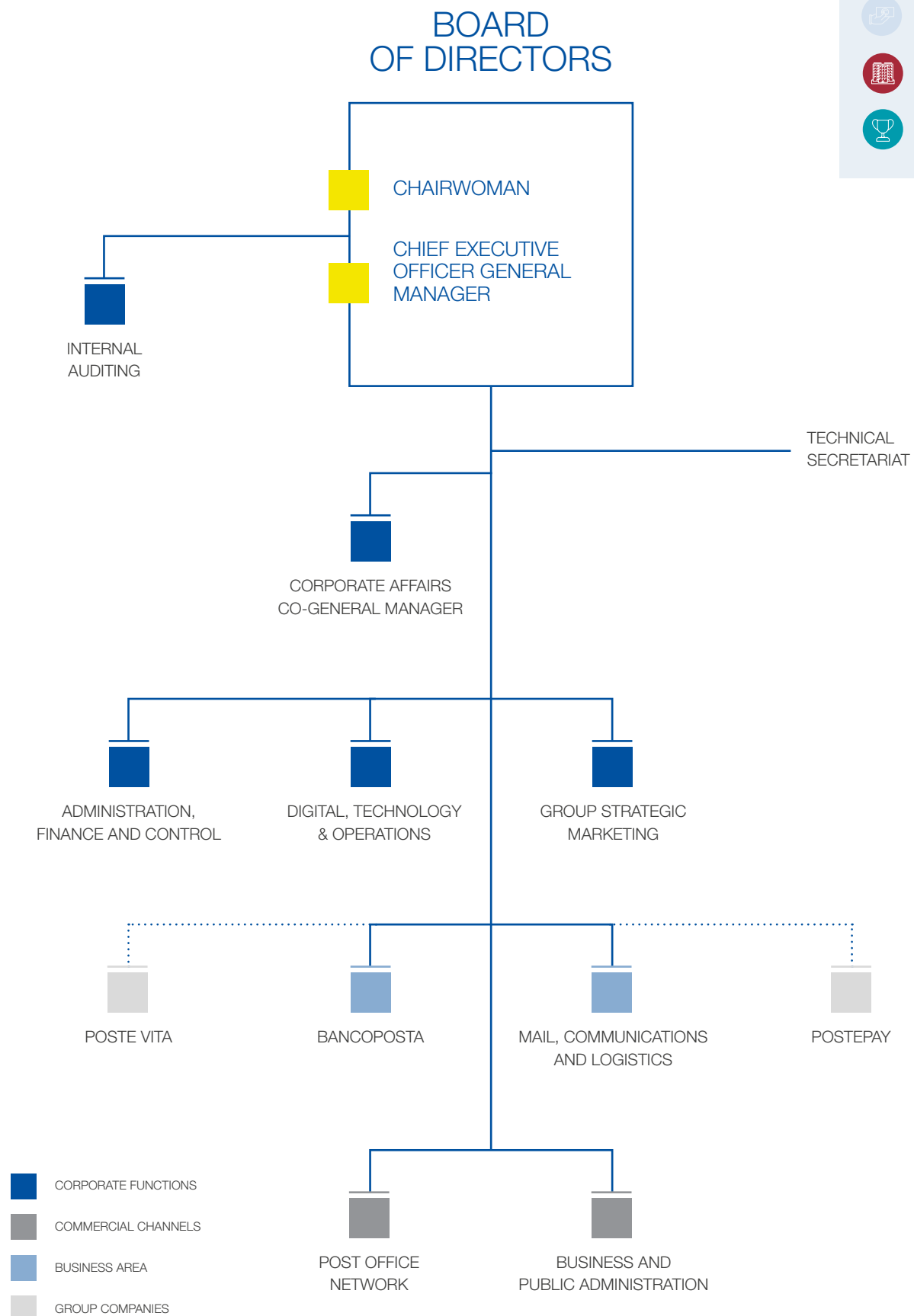


2. Source: Nasdaq Corporate Solutions.

3. Poste Italiane's institutional investors represent 23.3% of the share capital and 66.2% of the free float.



Below is Poste Italiane's organisational structure and:



#### MAIN RELATED TYPES OF CAPITAL



The organisation of Poste Italiane SpA envisages **business functions**<sup>4</sup> specialising in the main areas of offer 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**.

With particular reference to the corporate functions of Poste Italiane SpA, the **Corporate Affairs** function plays a fundamental role of guidance and cohesion of the corporate structure; moreover, in May 2020, the Head of Corporate Affairs was assigned the role and office of **Co-General Manager**.

During the first half of 2022, as part of the path of integration and development of synergies between the retail channel and the sales force dedicated to Small Economic Operators (POE) customers<sup>5</sup>, in the **Post Office Network** area, the POE territorial sales figures were brought back into the Post Office Network Macro Area sales functions by prevailing geographic competence.

During the third quarter of 2022, the **Group Strategic Marketing** function was created with the task of reviewing the development plans of the individual business lines in order to ensure consistency and ensure the coordination of the "go to market" by product and distribution channel.

In September 2022, the Human Resources and Organisation function was allocated to **Corporate Affairs**.

In December 2022, there was a comprehensive review of the Digital & Experience function in **Digital, Technology & Operations**, which is the enabler of the Group's innovation and omnichannel transformation.

## New "Group Strategic Marketing" Function

4. 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.

5. POE: Customers with VAT registration and turnover < €1 million or number of employees < 10.

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## < 4.2 Poste Italiane's Business Model

NFS



The year 2022 marked a decisive point in the country's recovery after more than two years of the Covid-19 health crisis, during which Poste Italiane was able to further confirm its centrality in supporting the community and the territory in which it operates. Thanks to its widespread presence throughout the country, the Group was a point of reference for the country at a time of defining new post-pandemic balances, as well as humanitarian and energy crises due to the conflict in Ukraine. Poste Italiane has strengthened its collaboration with institutions, supporting the public administration on the one hand and small municipalities on the other, contributing to the country's digital and sustainable transition.

MAIN RELATED TYPES  
OF CAPITAL

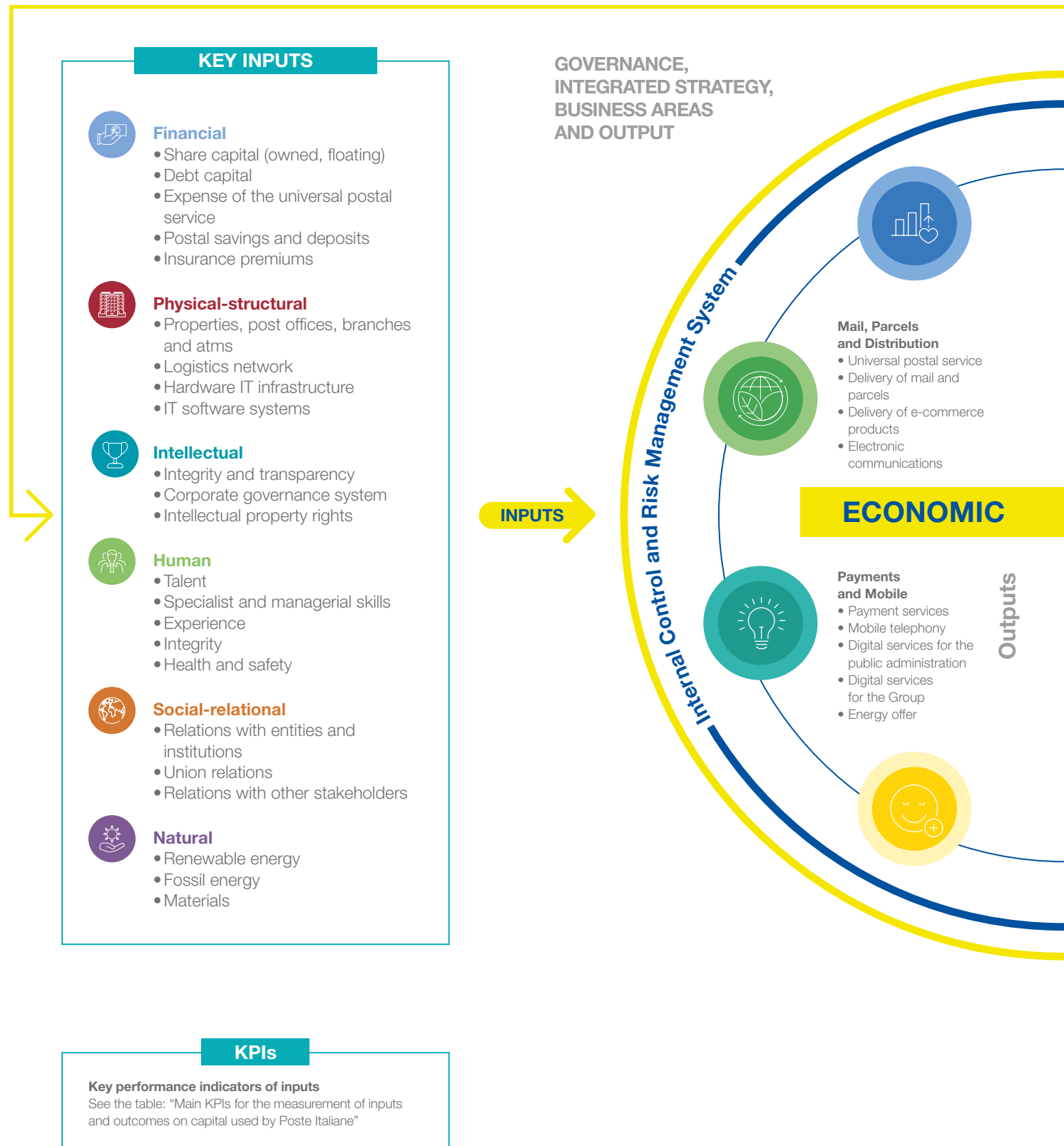
## of Poste Italiane



Grow responsibly thanks to the decisive contribution of its people to the sustainable success, innovation, digitisation and social cohesion of the country

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



## Resilience and Business Continuity

Outputs

### VALUE

#### Financial Services

- Collection and management of postal savings
- Asset Management
- Collection and payment services
- Placement and distribution of financial products

#### Insurance Services

- Protection of person, property and animals
- Funding protection
- Enterprise multi-risk
- Guaranteed savings and asset management
- Welfare

Sustainability governance system

OUTCOME

### OUTCOMES



#### Financial

- Revenue
- Assets
- EBIT



#### Physical-structural

- Territorial capillarity
- Digitisation
- Accessibility and availability of services



#### Intellectual

- Reputation
- Compliance
- Innovation



#### Human

- Talent
- Specialist and managerial skills
- Experience
- Integrity
- Health and safety



#### Social-relational

- Partnerships and collaborations
- Collaborative business climate
- Stakeholder engagement



#### Natural

- Emissions
- Waste



### KPIs

#### Key performance indicators of business activities (Outputs)

See the following tables in Chapter 7 "Value Creation":

- Operating KPIs of the Mail, Parcels and Distribution SBU
- Operating KPIs of the Payments and Mobile SBU
- Operating KPIs of the Financial Services SBU
- Operating KPIs of the Insurance Services SBU

### KPIs




#### Key Performance Indicators of Outcomes

See the table: "Main KPIs for the measurement of inputs and Outcomes on capital used by Poste Italiane"




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

Poste Italiane's business is based on heterogeneous capitals 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 2-6 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> <li>Dematerialisation of procedures and corresponding transactions</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>
 <b>Intellectual</b>	<ul style="list-style-type: none"> <li>Intellectual property, procedural/organisational system, reputation</li> </ul>	<p><b>INPUT:</b></p> <ul style="list-style-type: none"> <li>Business continuity plan resources</li> <li>GRI 205-1 Companies assessed for risks related to corruption and percentage of operations audited for risks related to corruption</li> <li>Specific training on procedures and policies of anti-corruption</li> <li>GRI 207-1 Approach to tax</li> </ul> <p><b>OUTCOME:</b></p> <ul style="list-style-type: none"> <li>GRI 205-3 Reports managed by the Whistleblowing Committee</li> <li>GRI 418 Customer Privacy</li> <li>IT security and cyber security breaches</li> <li>Number of customers involved in IT security breaches</li> <li>Cases of bribery and corruption and corrective actions</li> <li>Anti-competitive practices</li> <li>GRI 415-1 Political contributions</li> </ul>	<ul style="list-style-type: none"> <li>Work with transparency and integrity</li> <li>CyberSecurity, IT Security and Privacy</li> <li>Innovation and digitisation of products, services and processes</li> <li>Indicators tables</li> </ul>



CAPITAL	DESCRIPTION	MEASUREMENT INDICATORS	REFERENCE TO PARAGRAPHS OF THE REPORT
 Human	<ul style="list-style-type: none"> <li>Personnel knowledge and skills</li> </ul>	<p><b>INPUT:</b></p> <ul style="list-style-type: none"> <li>GRI 2-7 Number of personnel by contract type and gender</li> <li>GRI 2-8 Number of non-employees by contract type and gender</li> <li>GRI 401 Employment</li> <li>GRI 403-5 Worker training on occupational health and safety</li> <li>GRI 404 Training and Education</li> <li>GRI 405 Diversity and Equal Opportunity</li> <li>Number of participants in development programmes</li> <li>Average hours of training for employees by gender and category</li> <li>Training programmes and career development</li> </ul> <p><b>OUTCOME:</b></p> <ul style="list-style-type: none"> <li>Workforce trends (employee turnover)</li> <li>GRI 403-9 Occupational accidents</li> <li>Diversity</li> <li>Number of cases of non-compliance with labour standards</li> <li>Disputes</li> </ul>	<ul style="list-style-type: none"> <li>Work with transparency and integrity</li> <li>Protection of human rights at the Company</li> <li>Equal career development opportunities</li> <li>Occupational health and safety</li> <li>Staff training and development</li> <li>Staff welfare and well-being</li> <li>Indicators tables</li> </ul>
 Social-relational	<ul style="list-style-type: none"> <li>Partnerships and stakeholder engagement</li> </ul>	<p><b>INPUT:</b></p> <ul style="list-style-type: none"> <li>Suppliers with an ISO 14001 or EMAS certified environmental management system</li> <li>GRI 402 Labour/Management Relations</li> <li>GRI 203-1 Corporate giving and/or corporate citizenship initiatives</li> <li>Existing tenders that incorporate specific social criteria</li> </ul> <p><b>OUTCOME:</b></p> <ul style="list-style-type: none"> <li>Number of contacts handled</li> <li>Customer satisfaction</li> <li>GRI 203 Indirect economic impacts</li> <li>Quality of the Universal Postal Service</li> <li>Customer experience in Post Offices</li> <li>Customer complaints by type</li> <li>Monthly complaints</li> <li>Settlements</li> <li>New customers in the categories most at risk of financial exclusion as a percentage of total new acquisitions</li> <li>FS14 ATMs for inclusion</li> <li>FS14 Post offices for cultural integration</li> </ul>	<ul style="list-style-type: none"> <li>Protection of human rights at the Company</li> <li>Support for the socio-economic development of local communities</li> <li>Dialogue and transparency in relations with the authorities</li> <li>Relations with social partners</li> <li>Financial inclusion</li> <li>Quality and customer experience</li> <li>Legality and incorporation of ESG criteria within the procurement process</li> <li>Indicators tables</li> </ul>
 Natural	<ul style="list-style-type: none"> <li>Natural resources and ecosystem services</li> </ul>	<p><b>INPUT:</b></p> <ul style="list-style-type: none"> <li>GRI 301 Materials</li> <li>GRI 302 Energy</li> <li>GRI 303 Water and Effluents</li> <li>Total cost of energy purchased for real estate facilities</li> <li>Existing tenders that incorporate specific environmental criteria</li> </ul> <p><b>OUTCOME:</b></p> <ul style="list-style-type: none"> <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> <li>Weight of electricity consumption relating to real estate facilities by type of business</li> </ul>	<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>Indicators tables</li> </ul>

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 205 Anti-corruption</li><li>• GRI 207 Taxes</li><li>• GRI 415 Public Policy</li></ul>	 Intellectual  Financial
	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>	 Natural  Financial
			<ul style="list-style-type: none"><li>• Existing tenders that incorporate specific social criteria</li></ul>	 Human  Social-relational  Financial
		 	<ul style="list-style-type: none"><li>• GRI 301 Materials</li></ul>	 Natural  Financial
		 <b>People development</b>	Staff training and development	
Staff welfare and well-being	 		<ul style="list-style-type: none"><li>• GRI 2 General Standards</li><li>• GRI 401 Employment</li></ul>	 Human
Relations with social partners			<ul style="list-style-type: none"><li>• GRI 402 Labour/Management Relations</li></ul>	 Social-relational
Occupational health and safety	 		<ul style="list-style-type: none"><li>• GRI 403 Occupational Health and Safety</li></ul>	 Umano
 <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>
	Equal career development opportunities		<ul style="list-style-type: none"><li>• GRI 404 Training and Education</li></ul>	

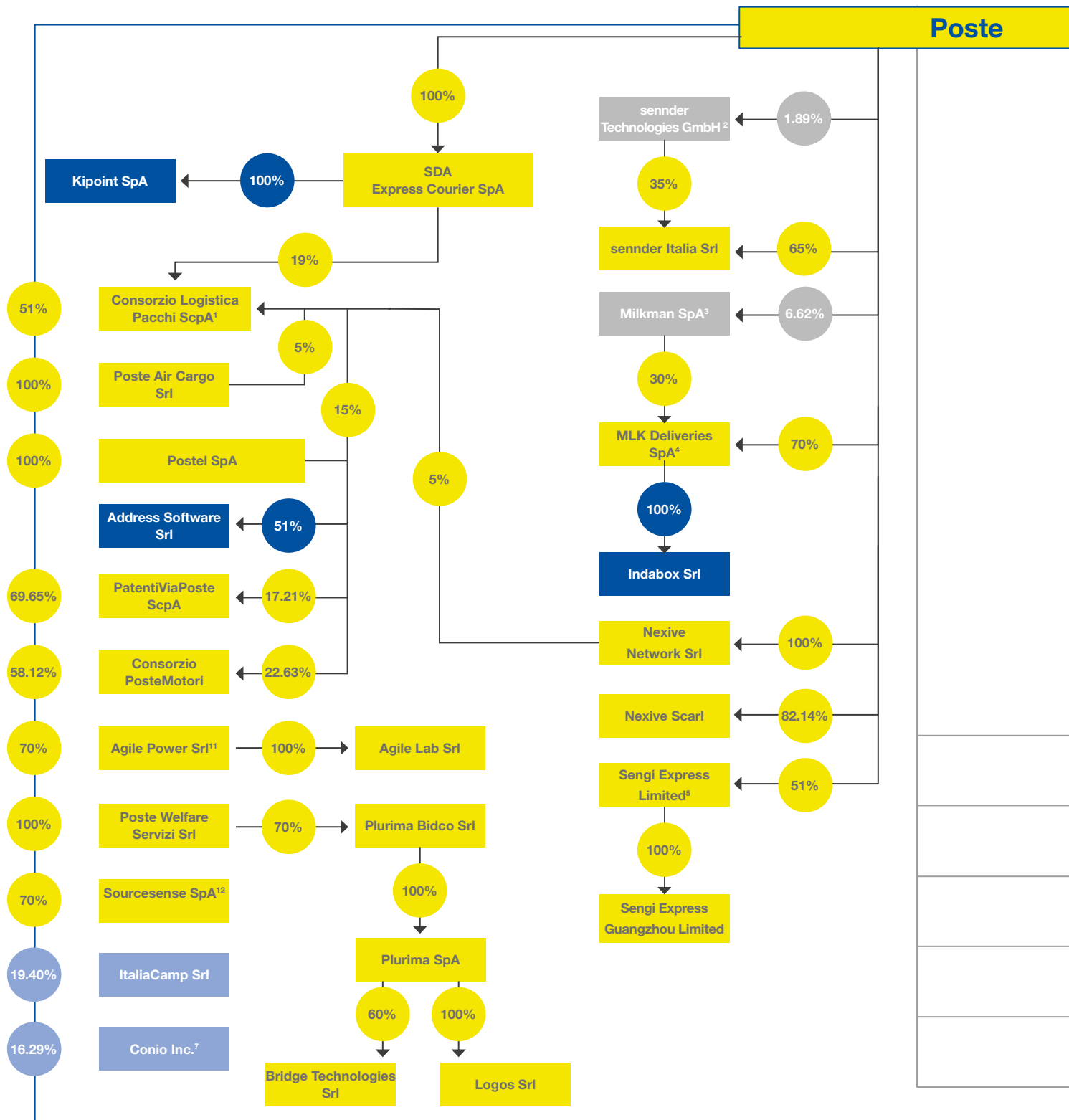
STRATEGIC PILLAR	MATERIAL TOPIC	SDG	KEY MEASUREMENT INDICATORS	CAPITALS IMPACTED
 <b>Creating value for the country</b>	Support for the socio-economic development of local communities	   	<ul style="list-style-type: none"> <li>GRI 203 Indirect economic impacts</li> </ul>	 Social-relational
			<ul style="list-style-type: none"> <li>Monetary contributions related to activities with the ability to influence public policies</li> </ul>	
	Financial inclusion		<ul style="list-style-type: none"> <li>Incidence of new customers in the categories most at risk of financial exclusion as a percentage of total new acquisitions</li> </ul>	 Social-relational  Financial

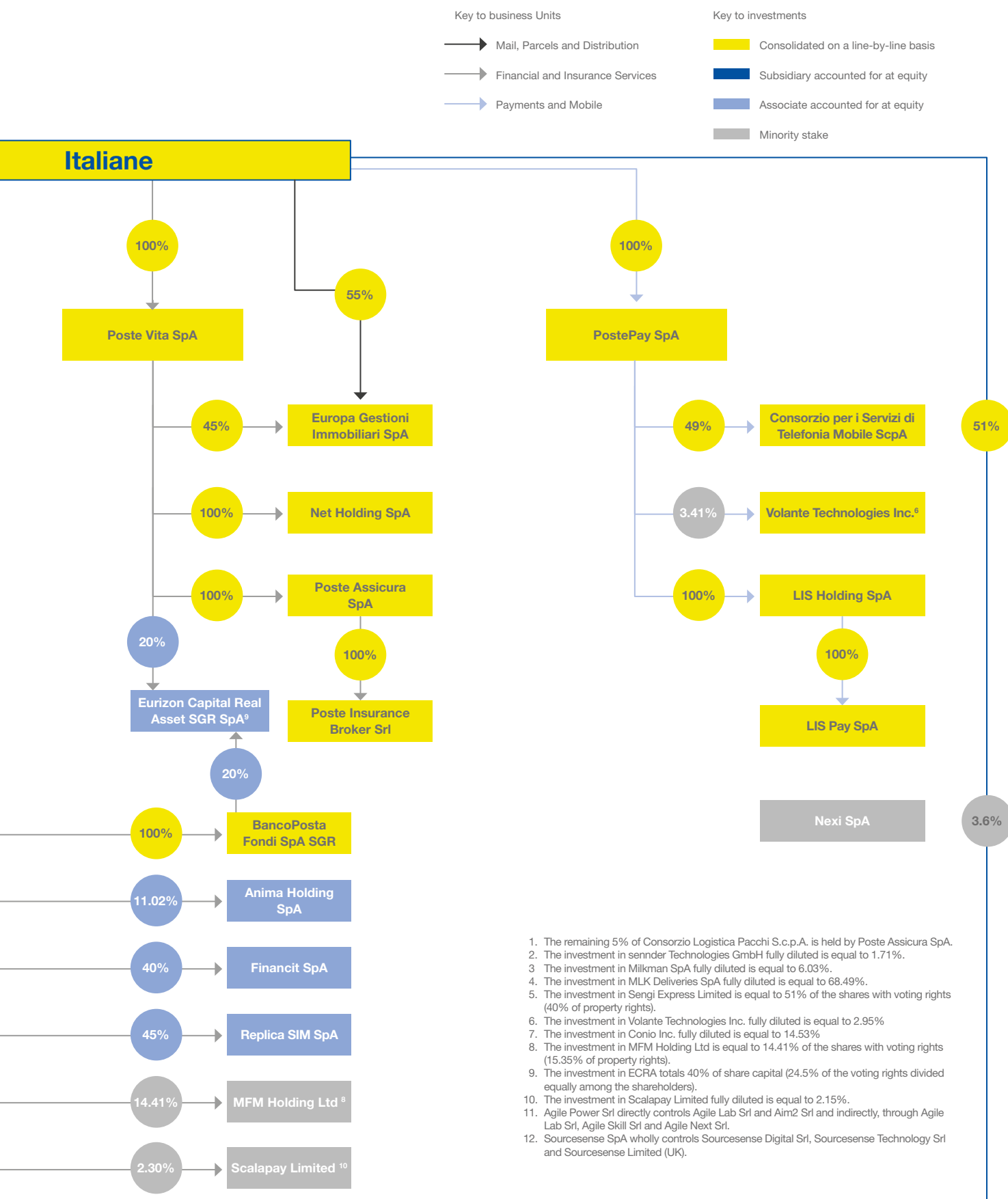
STRATEGIC PILLAR	MATERIAL TOPIC	SDG	KEY MEASUREMENT INDICATORS	CAPITALS IMPACTED
 <b>Green transition</b>	Environmental impacts of logistics	    	<ul style="list-style-type: none"> <li>• GRI 302 Energy</li> <li>• GRI 305 Emissions</li> </ul>	
		   	<ul style="list-style-type: none"> <li>• GRI 302 Energy</li> </ul>	 Physical-structural  Natural
	Environmental impacts of real estate facilities	  	<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>	

STRATEGIC PILLAR	MATERIAL TOPIC	SDG	KEY MEASUREMENT INDICATORS	CAPITALS IMPACTED
 <b>Customer experience</b>	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>	 Social-relational  Intellectual  Financial
	CyberSecurity, IT Security and Privacy		<ul style="list-style-type: none"> <li>• GRI 418 Customer Privacy</li> </ul>	
 <b>Innovation</b>	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>	 Intellectual  Physical-structural  Financial
	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>	 Social-relational  Financial  Human  Intellectual  Natural
 <b>Sustainable finance</b>	Integration of ESG factors into insurance policies			

## < 4.3 Group Structure

At 31 December 2022, the Group held, directly and indirectly, equity investments in 51 companies and consortia, of which 36 are consolidated on a line-by-line basis, 3 are subsidiaries and valued using the equity method, 6 are associates and valued using the equity method and 6 represent minority stakes.





The following table describes the activities of the Group companies, including them within the respective Business Units described in the section “Omnichannel approach and business segments” to which reference should be made for more details. [Q](#)



## Mail, Parcels and Distribution




<b>SDA Express Courier SpA</b>	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.
<b>Postel SpA</b>	Company operating in the business communications sector mainly oriented towards companies and Public Administration, to which it provides a full suite of services from printing, delivery, electronic document management (GED), incorporating integrated Data Driven Marketing solutions.
<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>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 the same ended on 31 March 2022.
<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>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.
<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).
<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>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>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>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>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>MLK Deliveries SpA (30% owned by Milkman 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.
<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 (wholly-owned by Sengi Express 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>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>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>Plurima Bidco Srl</b>	A holding company engaged in the holding and management of equity investments set up for the acquisition of <b>Plurima SpA</b> , which operates in the field of hospital logistics and document custody and management services for public and private hospitals. As of 1 January 2023, Plurima Bidco Srl was merged by incorporation into Plurima SpA.
<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>Agile Power Srl</b>	Company developing applications in Big Data and Machine Learning. It wholly and directly owns <b>Agile Lab Srl</b> , which specialises in Data Management, offering tailor-made technology solutions that exploit artificial intelligence, as well as services involving the reselling of open source.
<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 and Sourcesense Limited (UK)</b> .



## Financial Services

<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>
<b>BancoPosta Fondi SpA SGR</b>	Asset management company that operates through the establishment and management of <b>mutual investment funds</b>  and the individual portfolio management service relating to institutional mandates assigned to the Group.
<b>Anima Holding SpA</b>	Investment holding company in the asset management sector. It wholly owns Anima SGR, which, in turn, wholly owns Anima Asset Management Ltd.
<b>Moneyfarm Holding LTD</b>	Digital asset management company, specialised in <b>ETF</b>  (Exchange Traded Funds) portfolios.
<b>Financit SpA</b>	Part of the BNP Paribas Group, this company operates in the salary and <b>pension-backed loan</b>  and delegation of payment sector.
<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>Eurizon Capital Real Asset SGR S.p.A</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>Scalapay Limited</b>	A company operating in several European countries in the Buy Now Pay Later ("BNPL") market on on-line 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> (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).



## Payments and Mobile

<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. It wholly owns <b>LIS Pay SpA</b> , an electronic money institution that provides payment and e-money services through the PUNTOLIS network.
<b>Consorzio per i Servizi di Telefonia Mobile ScpA</b>	Consortium for the supply of services relating to mobile telephony and integrated messaging services (device info services connected with financial instruments) exclusively for Poste Italiane.
<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: Merchant Services & Solutions, Cards & Digital Payments e Digital Banking & Corporate Solutions.
<b>Volante Technologies Inc.</b>	American company 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.

Below are the main transactions that took place during the period:



## Mail, Parcels and Distribution

<b>Plurima SpA</b>	<p>On 18 March 2022, Poste Italiane signed a binding agreement with Opus Srl and the private equity operator Siparex to acquire a majority stake in <b>Plurima SpA</b> ("Plurima") for a consideration based on a total enterprise value of the Company of €130 million.</p> <p>The closing took place on 2 May 2022. The transaction was carried out through Poste Welfare Servizi Srl ("PWS"), a wholly-owned subsidiary of Poste Italiane, and financed with available cash resources. With the completion of the transaction, PWS holds 70% of the share capital of Plurima Bidco Srl (Bidco), which in turn owns 100% of Plurima.</p> <p>Plurima is a market leader in Italy in hospital logistics and document storage and management services for public and private hospitals. It operates through 41 logistics facilities and a fleet of around 300 vehicles. In light of the experience gained by PWS in the health sector with the provision of the Vaccine Platform services, it will be possible to further strengthen its role as a centre of excellence in the health sector by creating synergies with the services provided by Plurima.</p>	<b>Plurima: majority stake acquired</b>
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## Payments and Mobile

### LIS Holding SpA


On 14 September 2022, PostePay, following the authorisations received from the AGCM and the Bank of Italy, completed the acquisition of 100% of LIS Holding SpA (together with its subsidiary LIS Pay SpA, "LIS") at a price of €700 million determined on the basis of an enterprise value of €630 million and a conventionally agreed net available cash of €70 million.

LIS offers a wide range of services through the management of a technology platform made available to affiliated merchants consisting of approximately 50 thousand non-specialised points of sale<sup>6</sup>, of which approximately 32 thousand tobacconists, located throughout the country. LIS's platform supports and enables the provision at affiliated merchants of mainly collection and payment services (payment of pay slips, MAV, PagoPA and collection of pre-paid card top-ups, telephone top-ups, etc.).

The transaction consolidates PostePay's growth in the proximity payments market and strengthens its **acquiring services**  and the products offered to SMEs in line with the omnichannel strategy outlined in the Strategic Plan.

**100% acquired  
of the company  
LIS Holding  
SpA**

### Tink AB

On 23 June 2021, the Board of Directors of PostePay SpA approved the signing of binding agreements for the sale of the interest held by PostePay SpA in Tink AB, a fintech operator specialising in **open banking**  technology solutions, for a consideration of approximately €77 million, as part of the announced sale of 100% of Tink AB to Visa Open Connect Limited, a Visa Group company. The transaction was agreed on the basis of an enterprise value valuation of Tink AB of €1.8 billion.

PostePay SpA's total investment in Tink amounted to €22.1 million, representing a 4.7% interest in the company on a fully diluted basis.

The Poste Italiane Group will continue to collaborate with Tink to accelerate the expansion of the Group's digital service offering.

The closing of the transaction was completed on 10 March 2022.

6. Active points of sale at 31 December 2022.

## Other transactions

On 26 January 2022, **MFM Holding Ltd (Moneyfarm)** carried out a capital increase worth about €53 million, subscribed for about €44 million by M&G plc, a listed asset manager based in the United Kingdom, and pro-rata by Poste Italiane with an investment of about €9 million. The order not to dilute its own shareholding of about 14%.

In addition, on 24 November 2022, binding agreements were signed for Poste Italiane to participate, with an investment of approximately €3 million, in a further 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. The transaction is expected to be closed in the second quarter of 2023.

On 25 June 2021, Poste Vita and BancoPosta Fondi SGR signed definitive agreements for the acquisition of 40% of the share capital, including 24.50% of voting shares, of **Eurizon Capital Real Asset SGR SpA ("ECRA")**, a company specialising in investments supporting the real economy controlled by Eurizon (Intesa Sanpaolo Group).

At the same time as the subscription of the capital increase, a portfolio management mandate was finalised between the parties for the transfer to ECRA of the management of a number of alternative investment funds, thus gaining a global platform that will allow the development of an integrated management model throughout the investment life cycle. The closing of the transaction was completed on 31 January 2022. It should be noted that ECRA continues to be controlled and consolidated by Intesa Sanpaolo SpA.

On 8 April 2022, Poste Italiane, with a total investment of €25 million, acquired 2.30% (2.15% on a fully diluted basis) of the share capital of **Scalapay Limited**, a company that operates in several European countries in the Buy Now Pay Later ("BNPL") market on on-line and physical channels, allowing end customers to pay for a product/service in three monthly instalments without interest, against a commission paid by [merchants](#) .

On 24 June 2022, Poste Italiane's BoD approved the promotion, in agreement with certain shareholders of **Sourcesense SpA ("Sourcesense")**, of a voluntary cash takeover bid (OPA) on all the shares and warrants issued by the company. 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.

**Sourcesense:**  
Takeover bid  
finalised, giving  
Poste 70%  
control

At the end of the offer period (12 September-21 October 2022), also taking into account the instruments subject to the acceptance and non-acceptance commitment subscribed by the shareholders of Sourcesense who acted in concert with the takeover bid, a number of shares corresponding to 98.37% of the share capital of the issuer and a number of warrants corresponding to 96.03% of those issued were tendered. As a result of the above, the legal and statutory prerequisites have been created for Poste Italiane to exercise the Squeeze-out Right pursuant to Article 111 of the Consolidated Law on Finance and the Squeeze-out Obligation pursuant to Article 108, paragraph 1, of the Consolidated Law on Finance ("squeeze out"), on the remaining shares and warrants.

The transaction will enable Poste Italiane to strengthen its internal development capabilities of applications based on [cloud](#)  and open source technology, significantly increasing the level of internalisation of activities and evolving towards a "product factory" model, limiting the use of external personnel to specialised technology support and non-core activities.

On 4 November 2022, the squeeze-out procedure was finalised, as a result of which Poste Italiane holds a controlling stake in Sourcesense of 70%, and the shareholders who acted in concert with Poste Italiane have a minority stake of 30%.

On 24 January 2023, Sourcesense finalised the acquisition of **Eco-Mind Ingegneria Informatica Srl** 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 €1.1 million.

On 5 August 2022, Poste Italiane signed a binding agreement to **acquire a 70% stake in the Agile Lab group**, accompanied by a strategic partnership with the founding partners who will retain the remaining 30%.

Agile Lab is a specialised data management group, offering tailor-made technology solutions that exploit artificial intelligence, as well as services involving the reselling of open source software products developed by technology partners.

**Agile Lab:**  
majority stake  
acquired

The transaction represents an important opportunity for the Poste Italiane Group to accelerate the process of internalising software development activities in support of the business, reducing costs and time to market with solutions which also have the potential to be offered to the market. The closing of the transaction, completed on 13 October 2022 involved a consideration of approximately €18 million for 70% of Agile Lab. The remaining 30% of the share capital will be subject to call and put options to be activated as from 30 April 2026, which will allow Poste Italiane to acquire a 100% stake in the medium term.

**Net Insurance:**  
promotion of a  
takeover bid on the  
company of shares  
and warrants

On 28 September 2022, the Board of Directors of Poste Vita 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. Following the authorisations received from CONSOB, IVASS and AGCM, the acceptance period for the offers promoted by a corporate vehicle directly controlled by Poste Vita ("Net Holding") began on 27 February 2023. The acceptance period for the offers will end on 6 April 2023. The transaction is expected to be completed by the first half of 2023.

The consideration that has been offered for each share is €9.50 (corresponding to a premium of 28% on the weighted average of the official daily prices of Borsa Italiana for the last month) and the consideration that was offered for each warrant is €4.81 (corresponding to a premium of 60% on the weighted average of the official daily prices of Borsa Italiana for the last month).

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>7</sup>, thanks to agreements with technology partners.

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.

The transaction is also aimed at establishing a long-term strategic and commercial partnership with IBL Banca SpA ("IBL"), through the 40% stake it will acquire in Net Holding upon completion of the transaction, which will be further strengthened by the commercial commitments between IBL and Net Insurance.

## Intra-group transactions

On 24 February 2022, the sale by Poste Vita, in favour of Poste Italiane, of 100% of the shares held in **Poste Welfare Servizi** became effective, implementing a process of reorganisation of the Poste Italiane Group aimed at strengthening the role of Poste Welfare Servizi as a centre of excellence in the health sector.

On 24 June 2022, Poste Italiane's Board of Directors and the Shareholders' Meeting of **PSIA Srl** ("PSIA") approved the **merger by incorporation of PSIA into Poste Italiane**, which became effective on 1 November 2022. The merger is part of a corporate reorganisation that will allow Poste Italiane to directly hold shares in the listed company NEXI SpA, thereby simplifying the structure of the Group.

To this end, 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 1 October 2022, the **sale by BancoPosta Fondi SGR** of its Information Communication Technology (ICT) management **business unit** to Poste Italiane became effective. The transaction is part of the process of making Poste Group processes more efficient by centralising the management of the subsidiaries' information systems at the Parent Company.

7. 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).

## < 4.4 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

### 4.4.1 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. In 2022, Poste Italiane's omnichannel interaction platform reached more than 20 million interactions per day.

&gt;20 mln

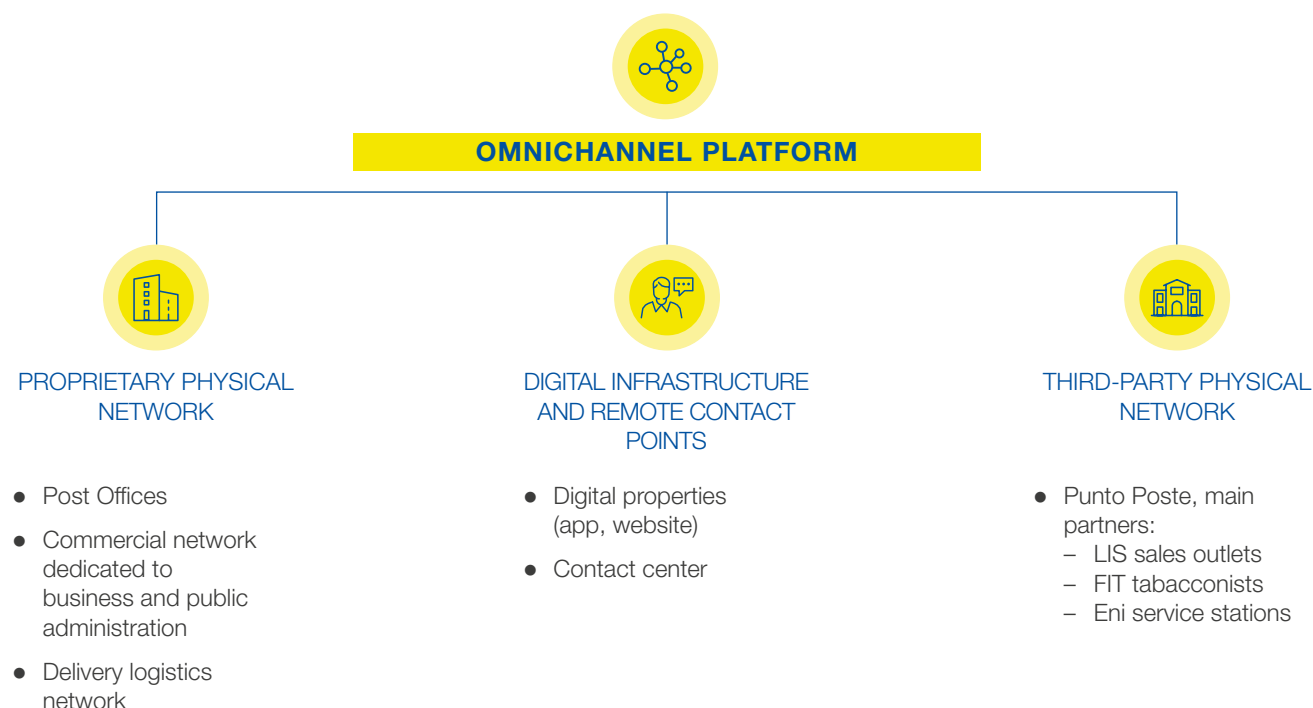
daily interactions as  
part of omnichannel

The 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;
- 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 58 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. For further details, please refer to the section 'Group structure'. 

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



#### 4.4.1.1 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 2022		31 December 2021	
	Unit	Personnel	Unit	Personnel
Macro Areas Post Office Network	6	1.1	6	0.4
Branch offices	132	3.6	132	3.6
Post Offices	12,755	49.3	12,761	48.7
<b>Total</b>	<b>12,893</b>	<b>54.0</b>	<b>12,899</b>	<b>52.7</b>

All workforce data is shown in full-time equivalent terms in thousands.

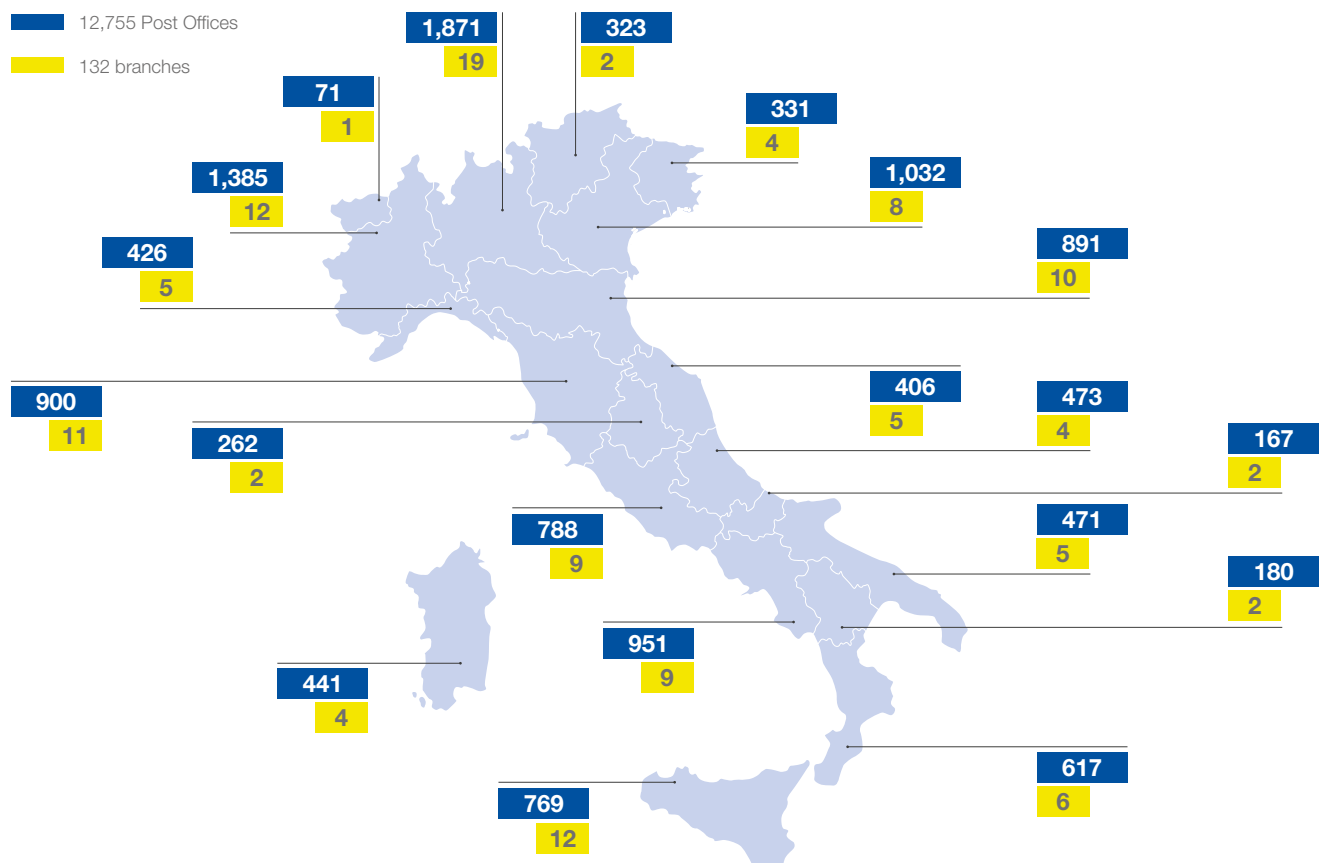
The performance of the workforce reflects the management dynamics during the period. In particular, within the Post Offices, the change reflects new hires and internal promotions from other areas/functions offset, only partially, by terminations of employment during the year. The increase in staff in the Macro Areas is mainly attributable to the organisational change that saw the transfer of the POE segment from the Business and Public Administration function to the Post office network function, as described above in the section "Ownership and Organisational Structure".



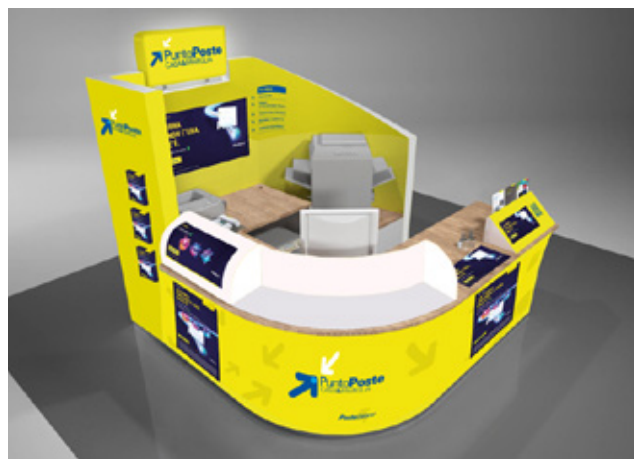
## Macro Areas Post Office Network



## Geographical distribution of Post Offices and branch offices



In order to better support the evolution of the front end, to support the enrichment and dynamism of the offer, the process of enhancing skills through the establishment of the Front End Operator<sup>8</sup> continues in order to better manage innovative businesses (Third-Party Motor Liability, Fibre and Energy) and an innovative offer format will be implemented on a panel of about 1,250 post offices. At 31 December 2022, more than 1,000 Post Offices have been completed with a new layout aimed at improving the customer experience and comfort (of which 460 POs with Corners, 575 POs with Lowered Counter Posts and 2 POs with New Corner Layout).



In order to increase commercial effectiveness towards digital customers who do not go to Post Offices, a “pilot” project is under way in three Territorial Branches with the introduction of the **Remote Consultant Specialist**, who sends customers dedicated savings and investment proposals and contacts them to inform them of the possibility of subscribing to the proposals received digitally (reserved area of the website using advanced electronic signature).

In order to implement the full integration of the commercial channel dedicated to **Small Economic Operators** within the Post office network commercial channel, **the organisational model** of the function was **developed** with the aim of ensuring unitary governance of the commercial chain, maximising synergies between the business and retail networks.

The network of Reception Operators was strengthened in about 220 post offices with the aim of supporting the counter operations and improving the customer experience, and the number of Multi-ethnic Post Offices<sup>9</sup> was extended to 35 in order to take into account the unique area characteristics and the needs of areas with a higher density of foreign citizens.

8. The Front End Operator is the professional figure in the PuntoPosteCasa&Famiglia network who focuses on the sale of products such as third-party motor liability, energy and fibre.

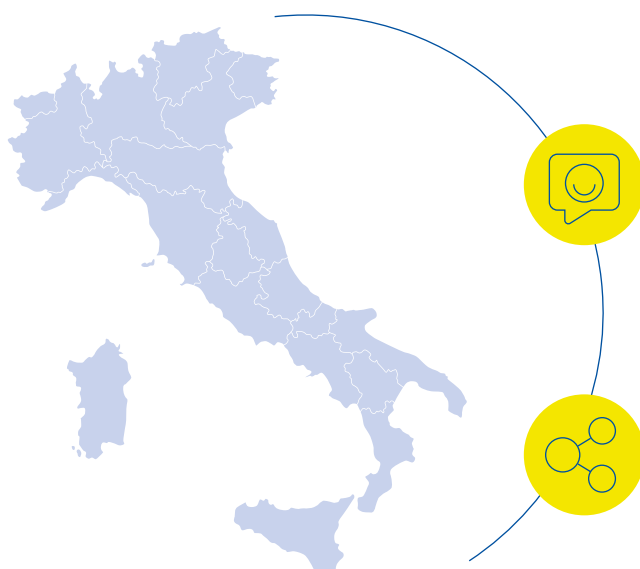
9. Post office with multilingual staff offering services focused on the needs of foreign citizens.

P O L I S

DAI PICCOLI CENTRI  
SI FA GRANDE L'ITALIA

## Polis Project – Home 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 - Home 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

€1.2 bn	€0.8 bn	6,933	250
Financial plan of investments	Public Funds within the National Plan Complementary to the NRRP	Affected Post Offices with < 15,000 inhabitants	Co-working spaces
5,000	1,000	4,000	7,000
Charging stations	Photovoltaic plants	Digital showcases	Advanced ATMs
	4,000	1,000	
	Self-service kiosks	Equipped outdoor spaces	

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

### Identity Documents

- Electronic Identity
- Passport
- National Services Card
- Health Card
- Tax Code
- Duplicate Driving Licence

### Personal Identity Certificates

- Card Birth Certificate
- Citizenship
- Residence
- Civil Status
- Family Status

### Judicial Certificates

- Criminal Records
- Acts of voluntary jurisdiction

### Social Security Certificates

- OBIS/M Model
- Pay slips Pensions
- Single Certification Compulsory

### Services to Regions and other services

- Reservation on the single regional CUP
- Self-declaration of income exemptions
- Insurance for Housewives
- Waiver/exemption of RAI fee

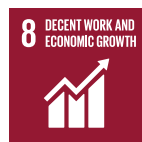
## 2022 Initiatives

- **One-stop shop:** The renovation and technological upgrading of the Post Offices was launched after the authorisation from the European Commission, received in October 2022. During 2022, design activities and works at 27 sites were finalised. At 31 December 2022, work was completed on 4 Post Offices.
- **Spaces for Italy:** During the course of 2022, both the preparatory activities for the definition of the business model and those related to the definition of the perimeter of the 250 co-working spaces were carried out. Approximately 400 assets were analysed and the development of the initiative was planned over the next 4 years (2023-2026). Renovation work was started for the subsequent opening of the relevant co-working spaces.

## 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 **Progetto Polis**.

\* 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.

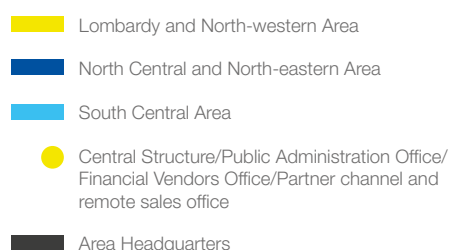
### 4.4.1.2 Physical network - Business and Public Administration

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 to the commercial management of products/services of logistics and parcels and specialised by industry;
- 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.

#### Macro Areas Business and Public Administration



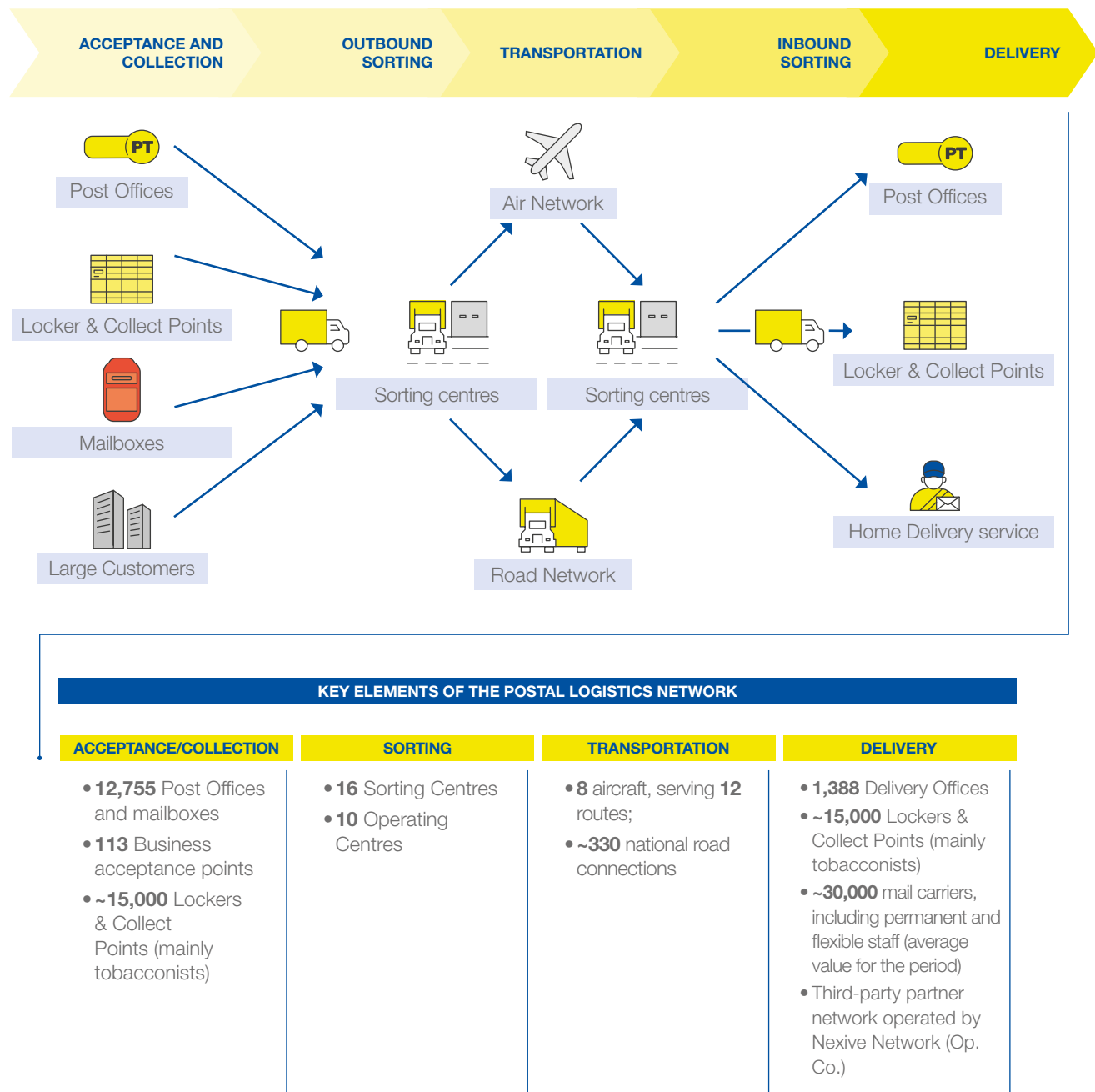
### 4.4.1.3 Logistics network

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

The integration between the two networks was strengthened already in 2020 by increasing the interchange of small parcel volumes between the two networks (carriable parcels, i.e. under 5 kilos) using cost-effectiveness as distinguishing factor. The delivery of these products in Italy can be carried out indistinctly by the postal and parcel logistics network according to a dynamic approach, aimed at maximising efficiency for each area.

## Postal logistics network activities

The postal logistics network accepts, sorts and delivers mail products and small parcels (carriable parcels). The following chart provides an overview of the postal 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 development of the workforce for the year 2022, shown in the table below, reflects a trend in line with or down from the previous year in all organisational areas.

	31 December 2022		31 December 2021	
	Unit	Personnel	Unit	Personnel
Macro Areas for Logistics*	6	1.3	6	1.3
Sorting Centres	16	7.0	16	7.1
Operating Centres	10	1.0	10	1.0
Delivery Centres**	1,388	37.7	1,430	37.8
<b>Total</b>	<b>1,420</b>	<b>46.9</b>	<b>1,462</b>	<b>47.2</b>

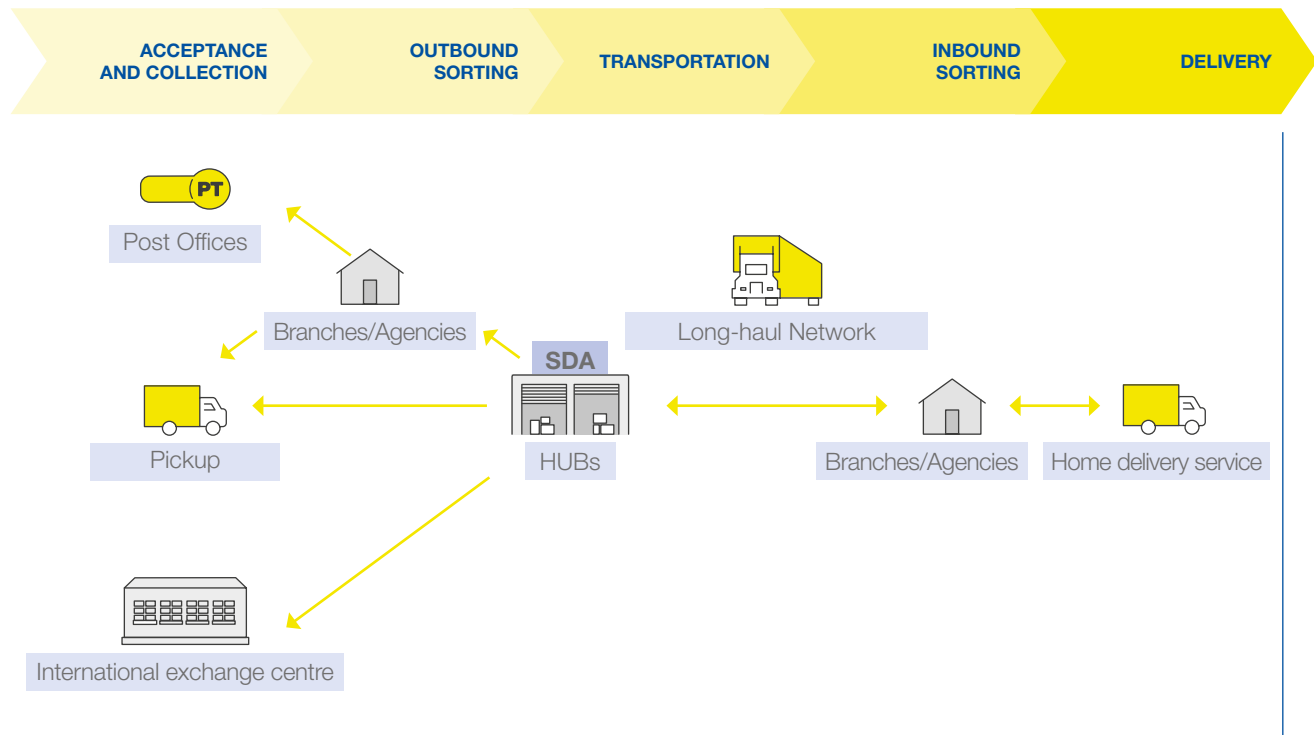
All workforce data (permanent and flexible) is shown in full-time equivalent terms in thousands.

\* These 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 31.6k postmen and women and delivery supervisors (31.4k at 31 December 2021).

## Parcel logistics network activities

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





### KEY ELEMENTS OF THE LOGISTICS NETWORK

ACCEPTANCE/COLLECTION	SORTING	TRANSPORTATION	DELIVERY
<ul style="list-style-type: none"> <li>• 12,755 Post Offices</li> <li>• ~ 5,700 pick-up lines</li> <li>• ~ 90 Branches/Agencies</li> </ul>	<ul style="list-style-type: none"> <li>• 4 Automated hubs</li> <li>• 5 Mini hubs</li> </ul>	<ul style="list-style-type: none"> <li>• ~900 road transport lines</li> </ul>	<ul style="list-style-type: none"> <li>• ~ 5,700 SDA delivery lines</li> <li>• ~ 270 MLK delivery lines</li> <li>• Third-party partner network operated by Nexive Network (Op. Co.)</li> </ul>



### 4.4.1.4 Digital infrastructure and remote contact points - web, app and contact centre

To support the Group's digital transformation, a technology engine based on hybrid **cloud** , **open API**  and exponential technologies<sup>10</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 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.

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.



**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.

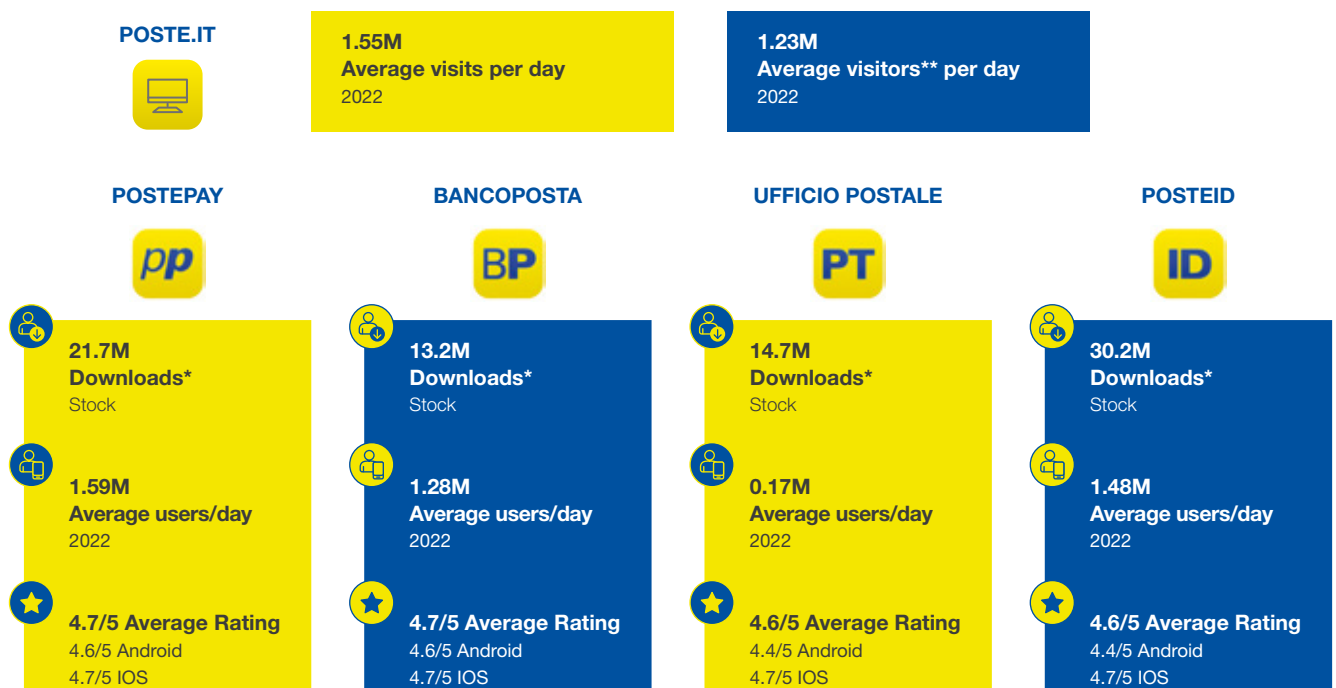


**Post Office app:** app that allows you to locate the Post Office and book an appointment, reducing waiting time. Via the app it is possible to check the status of a shipment, book a pick-up at the Post Office or send parcels or mail.



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

During the period, 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.



Source: Webtrends, Adobe Analytics, Store iOS, Android, Windows, internal elaboration (DTO).

Notes:

\* iOS and Android users who have downloaded the app.

\*\* The number of visitors represents the count of the individual cookies (browsers) that visited the site during the observation period. The same user who visits the site using different browsers and/or different devices (PC/mobile) is counted several times.

10. 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.

Poste Italiane's digital web and app channels are the access point to on-line services for 36.8 million retail users (33.8 million at 31 December 2021) and position themselves as both direct sales and after-sales channels. 68% of Poste Italiane's interactions and 36% of its transactions are handled every day via remote channels (around 20% via digital channels). The average daily web and app users for 2022 was 5.8 million (4.3 million average daily users in 2021). Digital channel transactions also grew, and in 2022 amounted to 152.6 million for a transaction value of €40.3 billion (124.7 million transactions in 2021 for a transaction value of €32.7 billion).

**>36%**

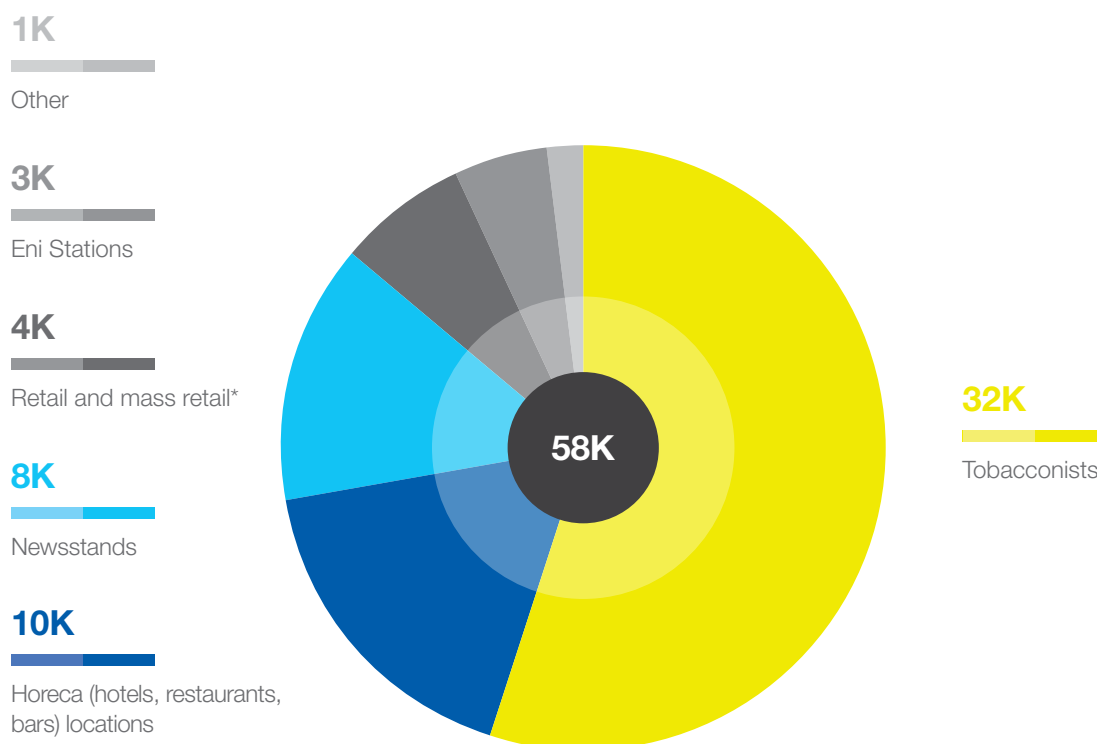
**of daily operations** in 2022 took place on the new channels

For more details on the performance of digital channels in the period, please refer to the section "Digital and third-party networks in the Group's omnichannel strategy". [Q](#)

### 4.4.1.5 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, also introducing innovative services with high added value. Poste Italiane contracted an extensive network of contact points, which was further strengthened during the year with the acquisition of LIS, and counts 58 thousand contact points at 31 December 2022.

#### Third-party networks



\* Organized Distribution & Large Organized Retailers.

The acquisition of LIS in September 2022 increased the operations of the omnichannel platform, increasing average daily customer interactions by about 0.6 million.

In particular, operations increased significantly in the third-party network channel, which was supplemented by the new products handled following the acquisition (telephone top-ups of other operators, pagoPA and other services), reaching about one million average daily transactions (+161% compared to 2021), of which LIS accounts for about 88%.

The omnichannel importance of proximity networks is confirmed by the significant growth of parcel management (acceptance and delivery) on the third-party networks, which with 17.2 million parcels handled in 2022 shows 173% growth over 2021.

During the year 2022, the PuntoPoste<sup>11</sup> network expanded with the entry of more than 1,600 new points. At 31 December 2022, the Punto Poste network had more than 15,000 contact points.

>15,000

Points for accepting and collecting parcels of the Punto Poste Network

## < 4.4.2 Mail, Parcels and Distribution Strategic Business Unit

### Macroeconomic environment

During 2022, the world economy was affected by the repercussions of Russia's invasion of Ukraine and the new lockdown measures taken in China until November, in response to the new wave of Covid-19. The outbreak of the Russian-Ukrainian conflict put pressure on global supply chains and commodity markets, fuelling inflationary dynamics on a global scale.

In the major advanced economies, the slowdown in economic activity in 2022 is attributable to weakening demand and the start of a cycle of tightening of restrictive monetary policies adopted by major central banks to counter rising inflationary pressures.

The easing of pandemic-related restrictions and supply-side bottlenecks, starting in spring, boosted activity until the third quarter, but in recent months uncertainty among economic actors has increased and cyclical indicators point to a worsening of the cyclical phase.

The International Monetary Fund estimates<sup>12</sup> that world output will decelerate to 2.9% in 2023 (from 3.4% in 2022). The slowdown will be more pronounced in the euro area, for which the Fund estimates growth of 0.7% in 2023. The European Commission's estimate in November is just 0.3%.

The dynamics of the global economy, already characterised by slowing, if not contracting, areas, will depend heavily in the coming months on an effective calibration of monetary policy, the evolution of the conflict and the emergence of possible new supply bottlenecks, linked to new pandemic waves in China.

Inflation continued to remain at high levels during the year; in November 2022, inflation in the euro area reached 10% and the ECB believes it will remain above the 2% target for a prolonged period of time. At its December 2022 meeting, the Governing Council raised the three key interest rates<sup>13</sup> by 50 basis points for the fourth consecutive time, permanently abandoning the accommodative monetary policy stance maintained during the pandemic period.

+3.7%

Italian GDP growth in 2022

In July 2022, the ECB announced the Transmission Protection Instrument (TPI), an instrument that will support an effective transmission of monetary policy in all euro area countries, again to fulfil the primary objective of ensuring price stability.

After the deep recession of 2020, the **Italian economy** recorded a vigorous recovery, with seven consecutive quarters of higher-than-expected growth, which in the third quarter of 2022 brought GDP 0.5 percentage points above the level of the previous quarter and 2.6% above the level of the third quarter of 2021, thanks to the increase in consumption of services and durable goods and the still very favourable trend in investments in capital goods<sup>14</sup>. Gross domestic product decreased by 0.1% in Q4 2022 compared to the previous quarter and grew by 1.4% compared to Q4 2021<sup>15</sup>, consolidating growth for 2022 that remains sustained at 3.7% for the whole year.

11. The Punto Poste network consists of Pick-up Points - businesses offering parcel pick-up and delivery services - and Lockers, self-service points with extended opening hours. The network includes around 14,000 tobaccoists licensed to provide mail and parcel services.

12. World Economic Outlook Update - January 2023.

13. The interest rates on the main refinancing operations, the marginal lending facility and the deposit facility were raised to 2.50%, 2.75% and 2.00% respectively, with effect from 21 December 2022.

14. ISTAT - Quarterly economic accounts - Q3 2022.

15. ISTAT - Quarterly economic accounts - Q4 2022, published on 3 March 2023.

The unemployment rate dropped by more than one percentage point during the year and remained stable in the last quarter of 2022 at 7.8%<sup>16</sup>.

In October and November 2022, harmonised inflation peaked at 12.6% from 9.4% in September to 12.3% y/y in December, with an annual average of 8.7%.

In the Update Note to the DEF<sup>17</sup>, approved by the Council of Ministers in December, the government revised upwards the path of the household consumption deflator<sup>18</sup> and that of GDP. Growth has also been revised upwards for 2022, with the trend level of Gross Domestic Product (GDP) increasing to 3.7% from the 3.3% projected by the DEF in September. By contrast, the forecast for 2023 drops substantially, from 2.4% to 0.4%.

Tax and social security receipts in the first eight months of 2022 were higher than expected, despite impressive energy cost mitigation measures. As a result of the change introduced in the accounting treatment of tax credits by ISTAT, the general government net debt for 2022<sup>19</sup> in relation to GDP, at 8.0% of GDP, increased compared to the government's forecast (5.1% of GDP). According to the new projections<sup>20</sup> the high nominal growth of the economy expected this year and the improvement in the primary balance will lead to a descent of the gross debt-to-GDP ratio more pronounced than in the DEF, going from 149.8% in 2021 to 144.7% in 2022 (147% in the DEF).

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. At the macro-trend level, 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 letter mail market, after the substantial drop in 2020 volumes (-19% compared to 2019), 2021 confirmed a trend of substantial stability (+0.2% compared to 2020)<sup>21</sup>. In 2022, the market decreased further (-5.3% compared to 2021)<sup>21</sup>, mainly as a consequence of e-substitution effects.

The parcel sector experienced a period of uncertainty in 2022, but this did not affect the value of the market, which grew strongly in the pandemic years. The effects conditioning the continuation of the growth trend recorded in recent years can be summarised as the generalised increase in costs brought about by the Russian-Ukrainian conflict, the rise in inflation with the consequent decrease in consumer purchasing power, and the lower propensity for private purchases (including on-line). This trend is also visible on a global level, as witnessed by the results of several leading companies.

For the Italian parcel sector, estimates for 2022<sup>22</sup> therefore point to a stable market value compared to 2021.

16. ISTAT Employment and unemployment (provisional data) - December 2022, published on 31 January 2023.

17. Economic and Financial Document.

18. Multiplication factor used to formally eliminate the effect of inflation on values.

19. ISTAT - GDP and general government debt - Year 2022, published on 1 March 2023.

20. ISTAT - GDP and general government debt 2020-2022, published on 1 March 2023.

21. Internal calculations based on Agcom data (quarterly observatories and annual report 2022) and the latest available financial statements of companies operating in the postal sector.

22. Source: Internal calculations on Cerved Databank data.

## Regulatory context and evolution of the regulatory scenario

### Expense of the Universal Postal Service

On **30 December 2019**, Poste Italiane and the Ministry of Economic Development signed the new **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.

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. Poste Italiane appealed the aforementioned measure on 22 September 2021 before the Lazio Regional Administrative Court (TAR).

The Regional Administrative Court, in ruling no. 11416/2022 published on 5 September 2022, partially upheld the appeal on the verification of the responsibility for the years 2011-2012 by acknowledging 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 has been set for 18 May 2023.

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.

### 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" (i.e. until April 2026). The application of the regulation is subject to approval by the European Commission.

In August 2020, the **procedure was initiated for pre-notification of the Service of General Economic Interest (SGEI)** to the Commission for the period 2020-2026.

**The 2022 Budget Law** (Law no. 234 of 30 December 2021) left unchanged the appropriations for the years **2022 and 2023**, amounting to **€52.5 million**, and **provided for the same amount for 2024**.

**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)

AGCom 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.

(AGCom - the Italian  
Communications  
Authority)

Access Obligations

**AGCom** amended and supplemented the current **access obligations** defined by AGCM itself in the context of the acquisition of Nexive, with particular reference to the Post Offices (the number of which was increased from 2,000 to 4,000) and to the economic conditions of certain offers (which were reduced). In October 2022, at the Authority's request, Poste Italiane published revised wholesale offers in accordance with the provisions of AGCOM Resolution 171/22/CONS. For the purpose of approving these latest offers, **AGCom**, in **Resolution 391/22/CONS**, published on 23 November 2022, initiated a public consultation, to which the Company responded by sending its position on 23 December on all of the topics covered by the Authority's evaluations.

With **AGCom Resolution 30/23/CONS**, published on 22 February 2023, the Authority approved Poste Italiane's offers for wholesale access services

Competition in  
the parcel delivery  
market

Following a well-structured consultation process, initiated in August 2021 by Resolution 255/21/CONS, the Authority concluded, with **Resolution 94/22/CONS** of 5 May 2022, the process of identifying the relevant markets for parcel delivery services and assessing the level of competitiveness.

With the resolution, **specific information obligations** are imposed on Amazon, as an "operator with significant market power" in the B2C segment, and certain obligations are imposed on other operators, including Poste Italiane, present in the market for medium to large parcel deliveries.

In particular, operators will have to annually provide information concerning the economic conditions of the services offered to the public and the reference conditions for the different categories of business customers, the contracts in force that regulate commercial relations with companies in the sector, and the standard employment contracts for personnel.

On 15 December 2022, AGCom notified the annual information request, to which Poste Italiane will give feedback by 31 March 2023.

### Replicability of offers (EU2 areas)

With **Resolution 27/22/CONS** of 4 February 2022 “**Revision of the criteria for defining EU2 areas and identification of the relevant ZIP codes**”, AGCom concluded the procedure for the revision of the criteria for defining “EU2 Areas”<sup>23</sup> with the identification of the EU2 ZIP codes for both unrecorded mail and recorded mail. The new perimeter defined by the Authority will be used, in particular, for the purposes of identifying the territorial coverage of the wholesale offers for access to its network referred to in the AGCM proceeding C12333, (measure no. 28497 of 22 December 2020 with which certain behavioural measures were prescribed for Poste Italiane as a result of the approval of the merger between Poste Italiane SpA and Nexive Group Srl), as well as for the purposes of the replicability test of Poste Italiane’s multiple mailing offers, governed by AGCom Resolution 452/18/CONS.

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.

The time limit for the proceedings is set at 180 days from the date of publication of the resolution. Poste Italiane sent its contribution.

### Mailboxes

In accordance with article 2, paragraph 7, of the 2020-2024 Service Contract, on 24 June 2020, Poste Italiane submitted to AGCom a proposal to **adjust the number of mailboxes to the changed size of the market and customer needs**, taking into account the trend in postal volumes and actual use by users.

Following the conclusion of the public consultation and, also following the comments sent by Poste Italiane, **Resolution no. 308/22/CONS** was published on 27 September 2022, which **redefined the criteria for the distribution of mailboxes**, adopting, in particular, that of the distance from the nearest box by percentage of the resident population. In accordance with the provisions of the aforementioned Resolution, on 29 November 2022, Poste Italiane sent the relevant Implementation Plan to the Authority, which, once the implementation period (24 months) has been completed, will, when fully implemented, enable the targets set out in the Resolution to be achieved. Further discussions are under way with the Authority, to which Poste Italiane must send an update on the progressive implementation of the Plan.

### Digital notification of PA documents New platform

Law Decree no. 76 of 16 July 2020 (Simplifications Decree), 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 documents**. 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.

**Poste Italiane, at the request of PagoPA**, is contributing to the **implementation of the platform**, also through the use of its own services, on the basis of an agreement, currently being finalised, that will govern the scope of services, responsibilities and economic remuneration.

23. EU2 areas: extra-urban delivery areas where there are no competitors of Poste Italiane.



<p>Regulation of public procurement of postal services</p>	<p>In May 2022, following an extensive consultation process that began in 2020, the measure of the <b>National Authority for Anti-Corruption (ANAC) and AGCom</b> was published in the Official Journal, containing the “<b>Guidelines for the assignment of public procurement of postal services</b>” (<b>ANAC Resolution no. 185/2022 of 13 April 2022</b>). The document contains operational guidelines for both sub-contractor organisations that have to draw up calls for tenders and for postal operators wishing to participate in public procurement procedures for the awarding of postal services. The document, in force since 19 May 2022, although not binding, will form the <b>basis for the construction of public tenders for postal services</b> and will provide economic operators with the interpretative guidelines for formulating offers.</p>
<p>(AGCM - the Italian Antitrust Authority)</p> <p>Obligations of Nexive Group Srl</p>	<p>As part of the acquisition of Nexive, finalised in January 2021, and the related commitments on the part of Poste Italiane, in relation to the compliance checks by the Authority, technical discussions took place regarding the interpretation of the <b>behavioural measure of maintaining the offering portfolio in the two years following the transaction</b>.</p> <p>In December 2022, Poste Italiane sent the annual report on compliance with the behavioural measures prescribed by the AGCM.</p> <p>As part of the compliance checks by the AGCM, technical discussions took place about the interpretation of the behavioural measure related to the maintenance of the offering portfolio in the two years following the transaction.</p> <p>Following the public consultation launched on 23 November 2022 on wholesale access offers, by means of <b>AGCom Resolution 30/23/CONS</b>, published on 22 February 2023, the Authority approved the offers of Poste Italiane relating to wholesale access services.</p>
<p>Quality standards for the universal postal service</p>	<p><b>Starting from 2021</b>, the <b>new quality standards</b> defined by <b>AGCom Resolution 331/20/CONS of 31 July 2020</b>, shall apply for the universal postal service, relating to the <b>continuity and reliability of the services provided in Post Offices</b>, i.e.: a) regular opening/closing at national and regional level, b) progressive removal of architectural barriers in Post Offices that can be adapted. In addition, average wait times for counter service provision have been defined, the principle of counter priority for vulnerable groups (the disabled, pregnant women, etc.) and the procedures for accepting complaints about the postal service made at the offices have been strengthened. Compliance with quality objectives, from May 2022, is monitored by IZI SpA.</p>
<p>(AGCOM - the Italian Communications Authority)</p> <p>Revision of special licence regulation</p>	<p>In August 2022, AGCom initiated proceedings for the revision of <b>Resolution 77/18/CONS</b> on the issuance of licences to perform the service of notification of judicial documents and traffic violations by post.</p> <p>Poste Italiane sent its comments on the issues raised by the Authority in the submission. With <b>Resolution no. 455/22/CONS</b>, published on 30 December 2022, AGCom announced the <b>public consultation</b> on proposals to amend the Regulation with the aim of increasing the level of competitiveness of the postal notification system.</p> <p>The Company sent the reply document with a description of its position.</p>
<p>European Commission</p> <p>Postal charges in customs clearance of low-value shipments</p>	<p>The European Commission initiated a verification procedure (EU Pilot 2022_10346) vis-à-vis Italy with regard to postal charges for customs representation in the customs clearance of low-value postal shipments imported into the European Union.</p> <p>The Company is cooperating with the Italian authorities in order to provide the European Commission with the requested information.</p>



## Other information

### Tax credits








With reference to the tax credit purchase service by Poste Italiane launched in 2020 and dedicated to BancoPosta current account holders, following in-depth investigations conducted on the tax credits acquired, also with the support of external legal, tax and accounting consultants, a total provision for these risks of €320 million was recognised under the liability item “Provisions for risks and charges”. For further details, please refer to the notes to the consolidated financial statements.

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 2022, 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 >	The parcel offer has been enriched with a new feature that will allow sellers, users of <b>Second Hand platforms</b> <sup>24</sup> , to send parcels from proximity points (post offices, shops and tobacconists of the Punto Poste network), also in paperless mode, i.e. without the need to print the label.	
	The extension of the <b>Home delivery of medicines</b> service continued in large cities and medium-small Municipalities, which are offered in instant mode (within 90 minutes of purchase), scheduled (at the desired time) or next day (day after purchase). The service is active in more than 170 Municipalities.	
	 In May 2022, a majority share of the company <b>Plurima</b> , a leading Italian company in the healthcare logistics sector, was acquired.	
Mail >	<b>&gt;400</b> <b>Smart mailboxes optimising the collection of mail</b>	
	Project <b>"Smart Letter Boxes"</b> <sup>25</sup> . During 2022, 13 new mailboxes with screen were installed in Naples, which augment the 405 mailboxes installed from the start of the programme.	
	As of June 2022, a <b>tariff manoeuvre</b> was initiated, which affected some <b>Mail and Notification services</b> . The price changes concern both some products belonging to Universal Services and additional ones <sup>26</sup> , with a view to consistency of offer. The preparatory activities for a further tariff manoeuvre planned for 2023 were started, and with <b>Resolution 29/23/CONS</b> , published on 14 February 2023, AGCom initiated the procedure for the determination of new maximum tariffs for universal postal services.	
	For more information, please refer to the section 'Regulatory context and evolution of the regulatory scenario' of the Mail, Parcels and Distribution SBU.	

24. The second hand economy is a form of circular economy that enables the re-marketing of goods, mainly online.

25. This project involves replacing 10,500 traditional mailboxes with Smart boxes equipped with sensors to detect the presence of mail, environmental sensors to detect temperature, humidity and pollution and, for some, e-ink (electronic ink) screens to transmit advertising messages for the Group's products and services.

26. More information on the tariff changes introduced can be found at the following web address: <https://www.poste.it/variazione-tariffe-servizi-postali-universali.html>.

## Small Municipalities Project

With reference to the programme launched in November 2018 in favour of the communities of Small Municipalities, aimed at promoting specific initiatives to support the development of the territory, Poste Italiane has achieved all the objectives presented at the time.

**Zero**

**Post Offices closed in 2022**

The following is the summary of the main initiatives and results at 31 December 2022:

- there have been no post office closures
- a central office now provides dedicated support for small municipalities
- 1,559 new **ATMs**  have been installed in 1,536 municipalities
- 1,104 architectural barriers have been removed in 1,041 municipalities
- 9,833 high-definition video surveillance cameras installed in 3,173 municipalities
- The treasury service was activated in the municipalities that requested it
- 11,962 red mailboxes have been installed in 5,296 municipalities; 19 murals have been created to improve the urban decorum of the peripheral post offices
- 488 financial, digital and postal education events provided in 484 municipalities
- 3,270 Schools licensed by the “Il Risparmio che fa scuola” programme in 2,684 municipalities
- 803 **POS**  activated in 488 municipalities
- 303 smart mailboxes installed in 232 municipalities
- 2,645 municipalities served by New Green Fleet

## < 4.4.3 Financial Services Strategic Business Unit

### Market context

#### Financial markets

Overall, 2022 was a particularly difficult year for both equity and bond investors. The capital markets reflected this scenario in their stock prices, with bond and share prices falling simultaneously, an event that has occurred only once in the last 50 years (1994); global stock markets have lost 19.4% since the beginning of the year<sup>27</sup>, while bond markets have fallen by 13.7%<sup>28</sup>. Stock market performance was driven by a decline in market<sup>29</sup> multiples while earnings estimates remained relatively stable in both the EU and the US, helped in part by the energy sector and the ability of some companies to pass on to their customers the increased production costs resulting from higher commodity prices. In 2022, the S&P 500 and Nikkei 225 indexes<sup>30</sup> lost roughly 20% and 9%, respectively, while the EuroStoxx 50 lost around 12%.

The cycle of central bank rate hikes has led to a significant repricing of the European bond segment: the yield on the 10-year multi-year Treasury bond (BTP), which stood at around 1.2% at the start of the year, has progressively increased, reaching 4.8% in October, the highest level of the year. At the same time, the BTP-BUND spread also rose, reaching 250 basis points in October. From mid-October to mid-December, yields on long-term government bonds in the major advanced economies (in particular, the US, Europe, the UK) fell significantly, returning to values close to the yields recorded in the first half of 2022. Contributing to this development was the easing of the central banks' monetary policy tightening process, which changed traders' expectations regarding the pace and duration of the monetary tightening process. Expectations of a more decisive tightening of monetary policies spread following the December meetings of the central banks of the major advanced economies and the 10-year BTP ended 2022 with a yield of 4.7% and the BTP-Bund spread in the 210 basis point area.

In the Italian stock market, the **FTSE MIB**  declined by 13% year-on-year in 2022<sup>31</sup>.

Corporate bonds, against this backdrop of uncertainty and rising yields, rose for much of the year, particularly on the more speculative component. Towards the end of the year, however, credit spreads partially retraced, helped by a generalised reduction in volatility and a return of interest for the asset class by investors, given the levels reached by spreads in the autumn.

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>32</sup>.

	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022
BTP 10Y	1.17	2.04	3.26	4.52	4.72
SWAP 10Y	0.30	1.19	2.17	3.08	3.20
BTP 15Y	1.54	2.18	3.44	4.40	4.75
SWAP 15Y	0.49	1.29	2.35	3.07	3.14
BTP 30Y	1.99	2.49	3.67	4.34	4.79
SWAP 30Y	0.48	1.02	1.98	2.40	2.53

The following graph shows the trend of the 10-year BTP-Bund spread in recent years with the values recorded up to 31 December 2022.

27. MSCI World index

28. FTSE World Government Fixed income Index.

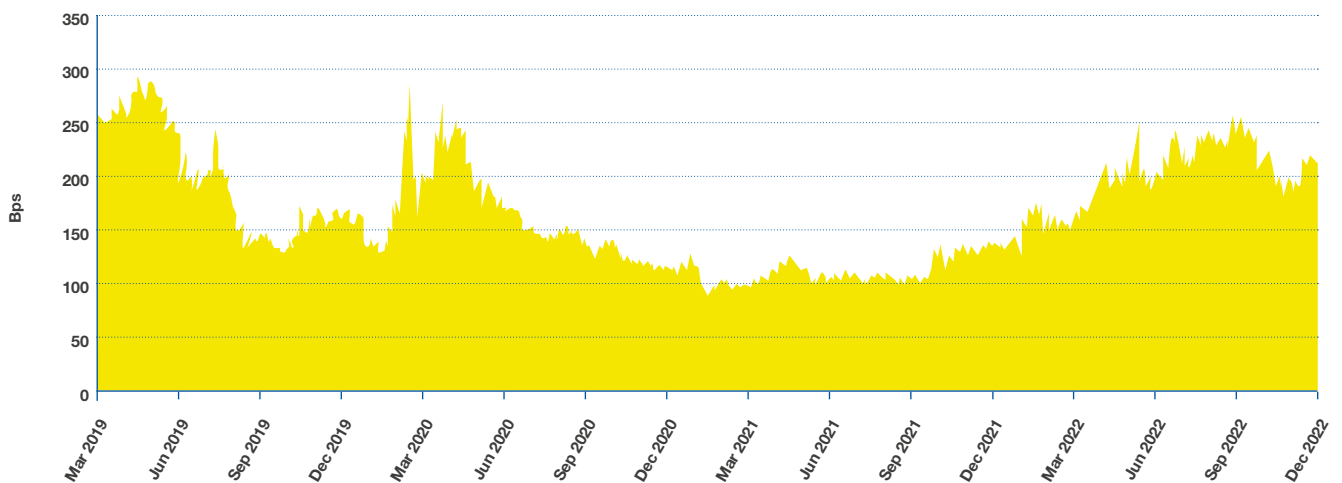
29. Market multiples are ratios between the market prices (quotations) of an equity instrument and a given financial statement size. The most commonly used financial statement quantities are profits, carrying amount of equity, sales. Source: Glossary of the Italian Stock Exchange.

30. Source: Bloomberg.

31. Source: Bloomberg.

32. Source: Bloomberg.

### Spread BTP Vs BUND 10 yrs



## Banking system

Based on the estimates provided by the Italian Banking Association (ABI), at the end of 2022<sup>33</sup> **customer deposits** of total banks in Italy, represented by resident customer deposits (current accounts, certificates of deposit and repurchase agreements) and bonds, decreased by 1.2% year-on-year to about €2,044 billion: compared to December 2021, deposits decreased by about €24 billion, while bond deposits remained essentially unchanged at around €209 billion.

In December 2022, the **average cost of bank funding** (which includes the return on deposits, bonds and repos from households and non-financial companies) was around 0.62% (0.44% in December 2021).

**Bank loans** in 2022 increased by about €6 billion and the aggregate of loans to the private sector in December 2022 stood at €1,479 billion, a positive annual change of 1.8%. The component of loans to households and non-financial companies was slightly more dynamic, increasing by 2.1% year-on-year in December 2022.

During 2022 there was an acceleration in the trend of interest rates on outstanding loans to households (from 2.13% to 3.22%), similarly for rates on new business transactions (from 1.18% to 3.44%) and for new loans to households for house purchases (from 1.4% to 3.09%).

## Asset Management

Assogestioni data show total assets of €2,212 billion at 31 December 2022<sup>34</sup>, down 14.7% from €2,594 billion at the end of 2021 (a result strongly influenced by the negative performance of the financial markets during the reporting period).

In terms of net funding, the asset management industry has a positive balance of approximately €14.9 billion in 2022 (compared to €93 billion in 2021).

**€2,212 billion**  
total equity in Italian managed  
asset in 2022

33. ABI - Economy and Financial-Credit Markets - January 2023.

34. Assogestioni, Quarterly Asset Management Map - Q4 2022, published on 22 February 2023.

## Regulatory context

### EU Council

#### Restriction for the Russian-Ukrainian conflict

As part of the restrictions adopted by the European Union in response to Russia's military aggression in Ukraine, with reference to the investment services sector, Council Regulation (EU) 2022/328 of 25 February 2022 introduced a ban after 12 April 2022 on the sale of euro-denominated securities or units of collective investment undertakings to any Russian citizen or natural person resident in Russia, or to any legal person, entity or body established in Russia. As of July 2022, the control initiatives identified to restrict the operation of the entities within the perimeter of the restrictions are applied gradually.

### Bank of Italy

#### Circular no. 285 of 17 December 2013

Remuneration Guidelines for BancoPosta RFC, annexed to the 2022 Report on the Remuneration Policy submitted to the Shareholders' Meeting of 27 May 2022 incorporate the changes contained within the Bank of Italy's 37th Update of 25 November 2021 of Circular no. 285 of 17 December 2013 on remuneration and incentive policies and practices in banks and banking groups.

On 23 February 2022, the Bank of Italy published the 38th update of Circular no. 285 of 17 December 2013 amending the rules on capital reserves of banks and the introduction of the systemic risk buffer and macro-prudential measures based on client or funding characteristics.

The update has no impact on BancoPosta.

On 12 July 2022, the Bank of Italy published the 39th Update of the same Circular to adapt the provisions on the intervention powers granted to the Authority in defining the capital requirements of supervised intermediaries.

On 2 November 2022, the Bank of Italy published the 40th update of the aforementioned Circular to implement the "Guidelines on information and communications technology (ICT) and security risk management" (EBA/GL/2019/04) issued by the EBA. The main new features relate to an increased focus on ICT risk, and a strengthening of the business continuity capabilities of intermediaries.

BancoPosta had already complied with these EBA Guidelines and, as a result, is largely in compliance.

Finally, on 20 December 2022, the Bank of Italy issued its 41st update. The amendments, concerning the regulation of capital buffers for systemically important institutions and public disclosure for impaired exposures, have no impact on BancoPosta.

### Bank of Italy


#### Guidelines on governance and control mechanisms for retail banking products

On 1 April 2021, the Bank of Italy published the document "Guidelines for intermediaries on governance and control mechanisms for retail banking products (POG)", which requires banks and intermediaries to take appropriate steps to raise the level of regulatory compliance and the quality of customer relations. The Company has incorporated some best practices indicated by the EBA in its Product Governance procedure.

### 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 changes introduced concern, on the one hand, the compulsory exemption from strong authentication (Strong Customer Authentication - [SCA](#) ) of the customer for the specific case where access to the data is through an Account Information Service Provider and, on the other hand, that strong customer authentication must be renewed 180 days after the last time the user had on-line access to payment account information and strong authentication was applied.

BancoPosta will implement these changes.

**CONSOB****Revocation of communications**

On 3 February 2022, CONSOB, with a view to ensuring coordination between the current European regulations and the previous indications provided by it, revoked the following communications:

i) Communication no. 9019104 of 2 March 2009 on "The Intermediary's Duty to behave with fairness and transparency when distributing illiquid financial products"; ii) Communication no. 0097996 of 22 December 2014, concerning "Communication on the distribution of complex financial products to retail customers".

Following the in-depth analyses carried out, the classification model of BancoPosta's range of offerings was found to be compliant and therefore no action is required.

**Bank of Italy****Supervisory expectations on climate and environmental risks**

On 8 April 2022, the Bank of Italy published the "Supervisory expectations on climate and environmental risks", containing non-binding supervisory expectations on integration of climate and environmental risks in corporate strategies, governance, control and risk management systems and market disclosures by supervised intermediaries.

BancoPosta identified the risks and found the impact to be low.

**ESG****Investment Services Disclosure**

In July 2022, with reference to ESG regulations in the area of investment services, Delegated Regulation (EU) 2022/1288 on the disclosure obligations for financial operators on sustainability issues in pre-contractual/contractual documents and periodic product reports and websites.

The Regulation entered into force on 1 January 2023.

Changes are being made to the sustainability pages of the website to highlight that the Company, in providing the consultancy service, takes into account the main effects of the sustainability factors consistent with the methodologies declared by the companies issuing the financial/insurance products.

**European Commission****PSD2 – Documents under Consultation**

On 10 May 2022, the European Commission published three consultation documents<sup>35</sup> on the possible revision of the PSD2 directive and the further possible development of open finance.

BancoPosta, together with PostePay, is monitoring the evolution of the regulatory context to ascertain the possible impacts and the relevant obligations.

**European Commission****Consumer protection with regard to distance contracts for financial services**


On 11 May 2022, the European Commission published the Proposal for a Directive amending Directive 2011/83/EU on distance contracts for financial services, which will strengthen consumer rights and facilitate the cross-border provision of financial services in the single market. In particular, the proposal aims to: (i) make it easier to exercise the right of withdrawal; (ii) regulate the content, modalities and timing of the pre-contractual information; (iii) provide special rules for consumer protection; (iv) increase the powers of the competent authorities by tightening the penalties for violations of the regulations.

BancoPosta is monitoring regulatory developments while awaiting the approval of the measure by the European Parliament and the European Council and its subsequent publication in the Official Journal of the European Union.

35. The three consultation documents are as follows:

- i. "Targeted consultation on the review of the revised payment services directive (PSD2)", aimed at gathering views on the possible revision of PSD2. It includes specific questions on the more technical topics of the Directive, which therefore require more in-depth knowledge and/or experience in the field of payment services;
- ii. "Targeted consultation on open finance framework and data sharing in the financial sector", which speculates on the further possible development of open finance and assesses the use of aggregated supervisory data for research and innovation as well as the sharing of financial firms' data for risk monitoring or compliance purposes;
- iii. "Public consultation on the review of the revised payment services directive (PSD2) and on open finance", which includes general questions on the revision of the PSD2 directive and is addressed to stakeholders who do not necessarily have specific and technical knowledge in the area of payment services.

**European  
regulations**  
Sustainable Finance

CONSOB, by means of Resolution 22430 of 28 July 2022, amended the "Intermediaries Regulation" in light of the updates to the **MiFID II**  and IDD Directives, on the subject of sustainable finance. In September 2022, ESMA published the Final Report "Guidelines on certain aspects of the MiFID II suitability requirements" in order to integrate sustainability factors into the provision of financial advice and related organisational requirements for authorised intermediaries. The forecasts in the Final Report confirm the developments being implemented by the Group; any minor changes or further developments that may be necessary will be subject to evaluation and sharing between the Group and the companies issuing the financial/insurance products.

In August and November 2022, the delegated acts<sup>36</sup> of the European Commission became applicable, supplementing the regulatory framework of the MiFID II Directive<sup>37</sup>, in order to include sustainability aspects, both in the provision of the advisory service and related organisational requirements and in the product governance process.

The Company has carried out some initiatives and planned further ones in order to implement the above-mentioned provisions.

**ESMA**  
Impacts of inflation

In September, ESMA published the Public Statement<sup>38</sup> in which it drew the attention of investment firms to the impact of inflation in the context of the provision of retail investment services. In particular, the Authority requires them to consider inflation and inflation risk:

- in the information they have to provide to customers and potential customers;
- in assessing the suitability of the customer;
- in product governance processes.

Investigations conducted by the Company have shown that specific safeguards are already in place as part of the product governance process.


**EIOPA**  
Thematic Review  
on financing/policy  
bundling

On 4 October 2022, the European Insurance and Occupational Pensions Authority (EIOPA) published, based on the outcome of the Thematic Review of July 2021 on the bundling of credit protection policies and loans, a "Warning Notice" in which it highlights the main critical issues identified.

On the basis of the results of the analyses carried out, for the aspects falling within BancoPosta's remit, no further adjustments need to be made with respect to the existing controls.

**European  
Commission**  
Instant payments

On 26 October 2022, the European Commission published a proposal for a Regulation<sup>39</sup> concerning instant euro payments. The proposal aims to:

- make such payments universally available, with an obligation for payment service providers (**PSPs**)  in the European Union, which already offer euro credit transfers, to also provide the instant version within a defined period;
- equalise the price applied to such payments with that applied to traditional credit transfers.

BancoPosta is monitoring regulatory developments in order to ascertain the possible impacts and the related obligations.

36. Delegated Regulation (EU) 2021/1253 supplementing the Delegated Regulation (EU) 2017/565 supplementing MiFID II Directive; the Delegated Directive (EU) 2021/1269 provides for amendments to the Delegated Directive (EU) 2017/593 with regard to the integration of ESG factors in product governance requirements.

37. The delegated acts supplement the MiFID II regulatory framework by transposing certain existing legislation (Regulation 2019/2088, Guidance on product governance requirements under MiFID II and Guidance on certain aspects of MiFID II suitability requirements).

38. Public Statement to investment firms on the impact of inflation in the context of investment services to retail customers (27 September 2022 ESMA35-43-3328).

39. "Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) no. 260/2012 and (EU) 2021/1230 as regards instant credit transfers in euro".



**Banca d'Italia**

Banking  
Transparency –  
Buy Now Pay Later

On 28 October 2022, the Bank of Italy published a communication on “BNPL - Buy Now Pay Later”<sup>40</sup>. The communication draws attention to the possible risks and protections afforded to customers with regard to banking transparency.

BancoPosta, in conjunction with Postepay, takes these indications into account in its reference project activities and is monitoring possible regulatory developments concerning this form of credit.

**European Parliament**

Regulatory  
developments on  
digital transactions

On 27 December 2022, as part of the strengthening of the resilience of digital operations, the following legislative acts were published in the Official Journal of the European Union<sup>41</sup> mainly related to: ICT governance, cybersecurity and business continuity.

In this regard, BancoPosta has initiated a specific assessment to identify and implement the necessary initiatives to ensure compliance with the new provisions.

**EBA**

Capital Requirements  
Directive

The European Bank Authority (EBA), on 20 October 2022, in line with the Capital Requirements Directive's request regarding the assessment of interest rate risk, published updated Guidelines, replacing the 2018 Guidelines, specifying additional criteria<sup>42</sup> for the assessment and monitoring by institutions of credit spread risk arising from non-trading book business (Credit Spread Risk in the Banking Book - CSRBB).

The guidelines will be translated into the official languages of the European Union and published on the EBA website. The deadline within which the competent authorities will have to communicate, if they comply with the guidelines, will be two months after the publication of the translations.

**Law. Decree no.  
82/2022**

Accessibility  
requirements for  
products and services

On 1 July 2022, Legislative Decree no. 82 of 27 May 2022, implementing Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services to be placed on the market from 28 June 2025, was published in the Official Journal. The provisions contained in the aforementioned decree aim to guarantee the right of access to services and products by persons with disabilities and include, among others, consumer banking services. BancoPosta, in conjunction with PostePay, is pursuing appropriate investigations in order to provide specific support as part of the Company's broader accessibility initiative, which has already been launched.

**BANK OF ITALY –  
CONSOB**

Single Provision on  
Post-Trading

In October 2022, the Bank of Italy and CONSOB published the update of the Single Provision on post-trading in transposition of the Shareholder Rights Directive 2 (SHRD II or Directive EU 2017/828 and Implementing Regulation (EU) 2018/1212) on encouraging long-term shareholder engagement with respect to identification, transmission of information and facilitating the exercise of rights.

BancoPosta is carrying out the necessary investigations for the topics of interest.

40. Form of credit through which consumers purchase goods or services by paying the price later, even in instalments, not subject to specific regulation.


41. The legislative acts of relevance to BancoPosta and entering into force on 16 January 2023 are as follows:

- the **Regulation (EU) of the European Parliament and of the Council 2022/2254 - DORA** (Digital Operational Resilience Act), with mandatory application for EU states from 17 January 2025. The impacts extend from ICT governance to risk management (including risks from third parties), to resilience testing, to incident management and reporting to the authorities;
- **Directive (EU) 2022/2556 of the European Parliament and of the Council as regards digital operational resilience for the financial sector**, to be transposed by 17 January 2025. The Directive provides for the harmonisation of previous directives with the DORA Regulation, including the PSD2 Directive;
- **Directive (EU) 2022/2555 of the European Parliament and of the Council** on measures for a high common level of **cybersecurity across the Union** (NIS 2), to be transposed by 18 October 2024. The impacts mainly concern organisational, process and systems interventions for managing cybersecurity, business continuity and ICT incidents.

42. The Guidelines provide the definition and scope of the CSRBB. They contain sections on the CSRBB with specific provisions on the identification, assessment and monitoring of the CSRBB, as well as criteria for determining whether the internal systems implemented by institutions to assess Interest-Rate Risk in the Banking Book (IRRBB) are not satisfactory, in which case a competent authority may require an institution to use the standardised methodology.

## Other information

### Bank of Italy

On 10 January 2022, the Bank of Italy, following a whistleblowing report, sent a request for an update on potential criticalities in the training activities of newly recruited consultants and alleged operational practices inconsistent with [IT security criteria](#) . The reply report was sent on 10 March 2022.

On 20 May 2022, the Authority sent BancoPosta RFC the Measure concluding the proceedings relating to the imposition of **additional capital requirements** pursuant to Article 53-bis, paragraph 1, letter d) of Legislative Decree no. 385 of 1 September 1993 (TUB - Consolidated Law on Banking).

Specifically, as of the supervisory reporting on 30 June 2022, BancoPosta will have to hold the following minimum capital requirements: (i) CET 1 ratio: 7.80%; (ii) Tier 1 ratio: 9.55%; (iii) Total Capital Ratio: 11.95%. 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 the stress tests carried out by the intermediary as part of the ICAAP (Internal Capital Adequacy Assessment Process), the Bank of Italy has identified the following levels of capital that BancoPosta will be required to maintain: (i) CET 1 ratio: 8.55%; (ii) Tier 1 ratio: 10.30%; (iii) Total Capital Ratio: 12.70%.

Compliance with these requirements did not result in the need for additional capital contributions by BancoPosta.

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 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. Feedback will be provided by BancoPosta by the second quarter of 2023.

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".

On 10 August 2022, the Bank of Italy launched a survey on the use of DLT (Distributed Ledger Technology) and crypto-assets, in order to have an updated and complete picture of the spread of these technologies in the Italian banking and financial system. BancoPosta, in coordination with PostePay (also a recipient of the questionnaire), replied on 13 September 2022.

**CONSOB**

In March 2022, CONSOB launched a second<sup>43</sup> thematic survey concerning the provision of **cryptocurrency services by intermediaries**, with a focus on investments/financial instruments with underlying cryptocurrencies placed on behalf of customers together with any project activities planned on the matter over the next three years. The feedback was provided on 1 April 2022.

In April 2022, the Authority launched a thematic investigation into the ways in which intermediaries comply with their **ex-post disclosure obligations to retail customers on costs and charges incurred**. The feedback was provided on 4 July 2022.

On **6 July 2022**, CONSOB sent a request for an update on specific aspects (customer profiling and concentration risk), previously addressed in the feedback provided (on 16 July 2021 and 11 February 2022 respectively), following the technical report with the results of the **inspections** conducted by the Authority from January to October 2020. The reply was provided on 3 August 2022.



On 26 January 2023, CONSOB sent a further request for an update on the feedback provided in August. The reply was provided on 10 March 2023.

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".

43. The first survey on this subject was launched by CONSOB in March 2021 and was answered on 19 April 2021.







## 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>During the period, following changes in the macroeconomic environment, <b>Cassa Depositi e Prestiti</b> modified its range of <b>Interest-bearing Postal Certificates, increasing yields</b> and resuming the placement of different types of certificates: the <b>3x2 certificate</b>, the <b>3-year Plus certificate</b>, the <b>Rinnova certificate</b> (dedicated to customers who have redeemed expired Interest-bearing Postal Certificates) and the <b>Soluzione Eredità certificate</b> (dedicated to beneficiaries of an inheritance procedure concluded in Poste Italiane) and suspending the issue of the <b>5x5 certificate and the Obiettivo 65 certificate</b>.</p> <p>In July and August, the <b>3 years Premium Certificate</b> was placed for customers, contributing fresh liquidity.</p> <p>In addition, the marketing of the <b>Risparmio Sostenibile Certificate</b> was launched, which offers the possibility of obtaining a premium at maturity linked to the performance of an ESG-linked<sup>44</sup> equity index.</p>	
Current accounts >	<p>The distance sale<sup>45</sup> of the <b>"Conto BancoPosta Affari"</b> and <b>"BPIOL - BancoPostaImpreseOnline"</b> has begun, which will be enhanced with the addition of other ancillary products (loans) to the current account. The introduction of distance selling is also planned for the <b>"Conto BancoPosta Business Link"</b>.</p>	

44. STOXX® Europe 600 ESG-X index which includes some of the companies belonging to the STOXX® Europe 600 basket, one of the main European equity benchmarks representing the 600 largest capitalised European companies. In particular - for the purpose of forming the STOXX® Europe 600 ESG-X Index - companies that do not comply with the Sustainable Development Goals of the UN 2030 Agenda and are involved in the handling of controversial weapons, tobacco production or companies whose revenue derives from the exploration or mining of thermal coal or that generate energy through the use of thermal coal are excluded from the STOXX® Europe 600 basket of companies.

45. Distance selling involves the management, promotion and placement of banking and financial products and services, including the Business and BPIOL account, to POE and Business customers by means of remote communication techniques, electronic (mail/certified e-mail), PEC to PEC document exchange and digitally signed contracts involving customer, seller and back office. The Off-Premises Offer is aimed at the same targets but involves sales through the presence of the salesperson at the customer's premises and the use of automated tools for signing contracts.

SEGMENT	OPERATING REVIEW	PILLAR
Asset management >	<p>January 2022 saw the launch of distribution of the <b>Fund "BancoPosta Focus Ambiente Marzo 2028"</b>, a balanced bond product targeting the potential growth of economic sectors related to environmental protection.</p> <p>The distribution of the fund <b>"Focus Nuovi Consumi 2028"</b> also kicked off, which provides equity exposure linked to the emerging theme of new consumption (such as e-commerce).</p> <p>As of May 2022, for the three Funds <b>"Azionario Flessibile"</b>, <b>"Orizzonte Reddito"</b> and <b>"Azionario Internazionale"</b>, the investment policy was integrated to also take into account environmental, social and governance sustainability factors.</p> <p>The Fund <b>"BancoPosta Obbligazionario Italia 6 anni"</b> was launched, which aims to achieve - over a time horizon of approximately 6 years (maturity 31 December 2028) - a portfolio return in line with that expressed on average by corporate and government bond financial instruments of similar duration, through an investment in euro-denominated securities mainly of Italian issuers.</p> <p>The Fund <b>"BancoPosta Investo Protetto 2028"</b> has been launched. This is a flexible fund with a duration of around 6 years that combines two components, one bond and one equity, and aims to protect the capital invested while taking advantage of growth opportunities offered by the financial markets.</p>	
	<p>The placement of <b>"Poste Gestione Patrimoniale"</b>, a portfolio management arrangement in collaboration with <b>Moneyfarm</b>, has been launched. It features 4 diversified ETF investment lines, calibrated according to customers' risk propensity and investment objectives, and characterised by an investment policy geared towards ESG factors.</p>	
Asset under Administration >	<p>In June 2022, Poste Italiane participated in the placement of the <b>17th issue of the Buono del Tesoro Poliennale (BTP) Italia</b>, (BTP, Multi-year Treasury Bond Italy), a security linked to Italian inflation trends with the new features of the double loyalty bonus (paid on two occasions, during and at the end of the bond life) and with a duration of <b>8 years</b>; in November 2022, the Company participated in the placement of the <b>18th issue of the BTP Italia</b>, also indexed to Italian inflation and with duration of 6 years.</p>	
	<p>  <b>DAL 20 AL 23 GIUGNO 2022</b>  Rendimento indicizzato all'inflazione nazionale  <b>8 anni</b>  <b>DOPPIO</b>  premio fedeltà  Dai potere al tuo risparmio </p> <p>  <b>Dal 14 al 16 novembre 2022</b>  per i risparmiatori individuali (salvo chiamata all'asta)  Rendimento indicizzato all'inflazione nazionale  Durata 6 anni - Premio fedeltà  Ministero dell'Economia e delle Finanze  Ministero del Tesoro e delle Finanze </p>	

SEGMENT	OPERATING REVIEW	PILLAR
Distribution of third-party products >	Together with the Partners for whom the <b>financing products</b> are distributed, the initiatives continued in 2022 as envisaged by the regulations and those adopted on a voluntary basis during 2020 in relation to the health emergency, in support of businesses in difficulty, as well as in relation to access to credit, to protect households and small and medium-sized businesses. In addition, in support of women who are victims of gender-based violence, an initiative <sup>46</sup> has been launched, in cooperation with the financing banks, allowing the suspension of mortgage instalment payments.	
	During the year, the " <b>Prestito BancoPosta Consolidamento</b> " was launched, which allows customers, by extinguishing outstanding loans with one or more institutions, to merge them into a single monthly commitment (a single instalment).	
	The " <b>Prestito Green</b> " offer has been renewed, which is useful for financing home renovations (e.g. photovoltaic system) or the purchase of a hybrid or electric car.	
	With reference to the " <b>Quinto BancoPosta</b> <sup>47</sup> " product, new features have been integrated known as " <b>Anticipo</b> <sup>48</sup> " and " <b>Consolido</b> " which allow customers respectively to request an advance on the amount financed and to pay off the outstanding instalments of other loans while keeping a single instalment.	
	April 2022 saw the launch, with regard to loans for business customers, in cooperation with Credimi SpA, of the " <b>Prestito BancoPosta Business Link Online</b> ", as well as a new range of fully digital loans dedicated to sole proprietorships and companies.	



46. Poste Italiane has long been active in the economic and social inclusion of women who are victims of violence, and this initiative is aimed at women on certified protection schemes who are in economic difficulty. In agreement with the partner banks, in order to reach potentially interested people who are not easily accessible, the Company advertised this possibility through internal and external channels (in addition to the local area offices, associations dealing with gender-based violence were also involved).

47. This is the loan for civil servants and pensioners, which can be used to pay off other loans with a repayment of up to one fifth of salary or pension.


48. The "Advance" functionality allows you to request an advance of part of the financed amount. This amount can be disbursed after the positive approval of the case and before the approval of the Transferred Third Party Administration (one's employer or social security institution), thus eliminating the waiting time for this document, which is only necessary for the disbursement of the balance to the customer.

## < 4.4.4 Insurance Services Strategic Business Unit

### Market context

#### Life business

The **new individual life insurance policies** in the Italian market, based on the latest available data<sup>49</sup>, amounted to approximately €76.8 billion at the end of December 2022, a negative change of 12.8% compared to 2021. If new Life premiums reported by EU companies is also taken into account, the figure reached €88.1 billion, down 16.4% compared to 2021.

Analysing the data by line of business, premiums from **Branch I**, which confirmed its leading role in the life business with a 66% share of the total at the end of December 2022 (up from 59% in 2021) amounted to €50.3 billion at the end of December 2022, -3.3% compared to the previous year. Compared to the figure at the end of December 2021, premium income from **Branch III** products (in the form of exclusive **unit linked products** ) fell by 30.5% with inflows of €23.6 billion. Although residual, inflows from capitalisation products amounted to €1.1 billion and increased by 8.6% during the period compared to the end of December 2021, mainly attributable to the performance of collective policies (+26%). The volumes of new premiums relating to long-term health policies (**Class IV**) continued to be limited (approximately €85 million), and up (+8.9%) compared to 2021.

New contributions relating to the management of **pension funds**  recorded inflows of €1.6 billion, an increase (+80%) compared to 2021.

Single premiums continued to be the preferred form of payment for policyholders, representing 94.4% of total premiums written and 58.7% of policies by number.

With regard to the **distribution channel**, 63.3% of new business was brokered through banks and post offices until the end of December 2022, with premium revenue of €48.6 billion, a decrease (-9.3%) compared to 2021. On the other hand, with regard to the entire agency channel, the volume of new business distributed reached €15.5 billion, marking a decline in volumes of 6.8% compared to 2021 and with an incidence on total intermediated business of 20.2%.

The performance of new business obtained through qualified financial consultants was €11.2 billion, down considerably (-28.8%) compared with the amount placed in the previous year and with an incidence compared to the total of intermediated premiums equal to 14.6%.

Finally, the broker and distance sales channel recorded a decline of 31.9% in the period compared to 2021, with a volume of premiums placed of €1.4 billion (or 1.9% of the total brokered).

49. ANIA Report - Year XVIII - no. 12 - published on 6 February 2023.

## New Life individual business by class\*

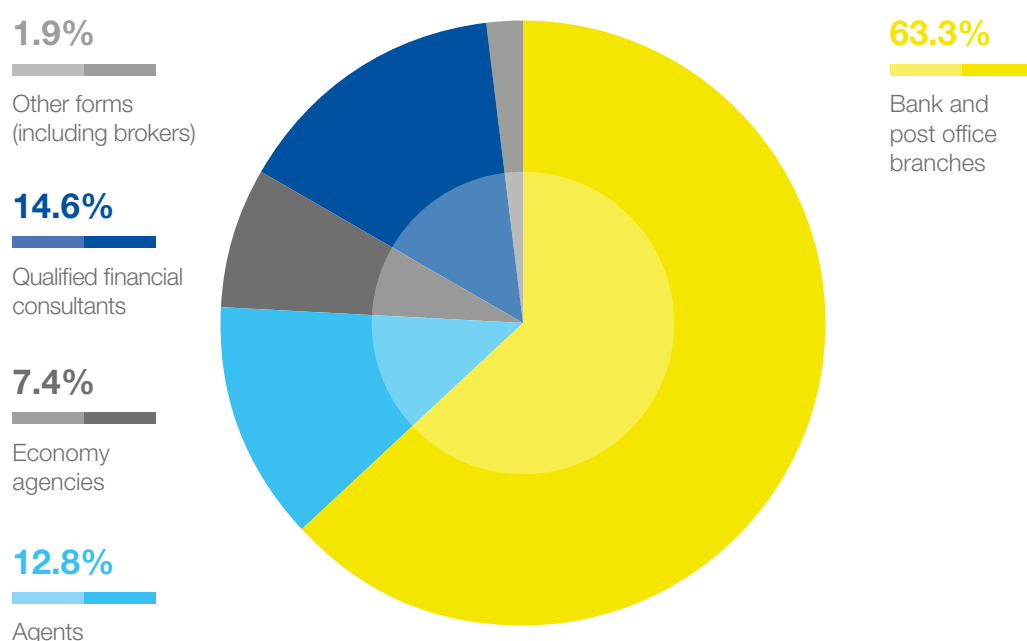
(figures updated to December 2022 in €m)

Premiums by class/product	Premiums YTD	% change 2022 vs 2021
Life – class I	50,331	-3.3%
Unit Linked – class III	23,649	-30.5%
Capitalisations – class V	1,137	8.6%
Class VI pension funds	1,583	80.0%
Illness class IV	85	8.9%
<b>Italian insurers – non-EU</b>	<b>76,785</b>	<b>-12.8%</b>
<b>EU insurer**</b>	<b>11,285</b>	<b>-34.7%</b>
<b>Total</b>	<b>88,070</b>	<b>-16.4%</b>

\* Source: ANIA.

\*\* 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



## P&C business

As regards the **P&C insurance market**, based on the available official data<sup>50</sup> at the end of the third quarter of 2022, total direct Italian premiums, also including policies sold by Italian and overseas undertakings, amounted to €29 billion, up 6.3% compared with the same period of 2021, when the sector recorded growth of 2.8%. The aforementioned increase is attributable, in particular, to the recovery of the Non-Motor class (+11.6%), while premiums in the Motor class remained broadly stable (-0.5%). With reference to the latter, there was a 2% decrease in premiums for **motor third party liability** insurance, while premiums for the **land vehicle hull** insurance line grew by 5.1%.

50. ANIA Report - Year VIII - no. 31 - published on 29 November 2022.



With regard to the **Non-Motor class**, all the main insurance classes contributed to the aforementioned 11.6% growth during the period: i) **Health insurance** with a volume of €2,585 million and growth of 14.5%; ii) **Personal injuries** class with premiums of €2,692 million and an increase of 5.4%; iii) **General TPL class** with premiums of €3,424 million and an increase of 12.1%; iv) **Other damage** to property class with an increase of 10.6% and total volumes of €2,812 million; v) finally, **Fire and natural elements class** with a total production of €2,016 million and an increase of 7.1%.

As regards the **distribution channels**, the agency one is confirmed as the leader with a market share of 73% in line with the figure recorded in the same period of 2021. Brokers represent the second P&C premium distribution channel with a market share of 8.7% (8.4% at the end of September 2021), while bank and post office branches recorded a market share of 9.2% (8.3% in the first nine months of 2021).

As regards direct sales as a whole (including distance, telephone and internet sales), at the end of September 2022, there was an incidence of 8.7% (down compared to 9.5% in the corresponding period of 2021). The remaining 0.4% (equivalent to the figure at the end of September 2021) relates to premiums brokered by qualified financial consultants.

### Direct P&C premiums by class\*

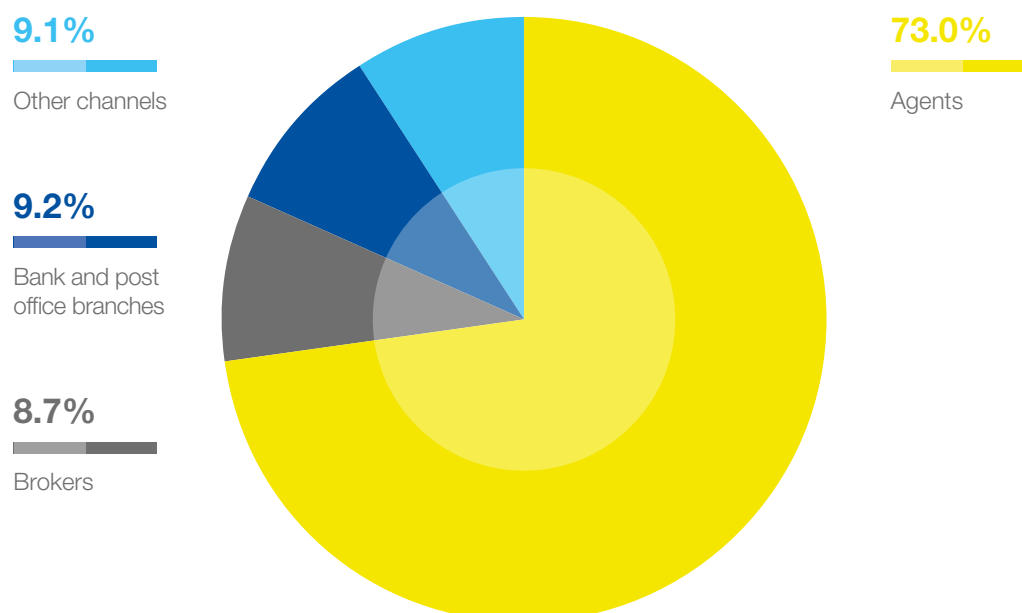
(data updated to September 2022 in €m)

Premiums by class**	Premiums YTD	% change Q3 2022 vs Q3 2021
Total motor segment	11,918	-0.5%
Other P&C classes	17,119	11.6%
<b>Total P&amp;C classes</b>	<b>29,037</b>	<b>6.3%</b>

\* Source: ANIA.

\*\* Premiums refer to Italian and non-EU undertakings and EU undertakings.

### Distribution of direct P&C premiums by distribution channel\*\*\*



Source: ANIA.

\*\*\* Italian insurers and non-EU insurer representatives operating as an establishment.

## Regulatory context

### IVASS - (the insurance regulator)

Letter to the market  
of 9 March 2022

For financial stability monitoring purposes, IVASS required Companies to provide by 15 March 2022, information on the look-through<sup>51</sup> of collective investment undertakings or investments in the form of funds, including when they are equity investments. Poste Vita SpA provided the above information on 15 March, as requested. Moreover, in the same communication, IVASS draws attention to possible cyber attacks, inviting the Companies to promptly notify the Authority, as required by Article 16 paragraph 4 of IVASS Regulation no. 38/2018, of any event that represents a serious cybersecurity incident and also requires them to intensify their monitoring and defence activities in relation to possible malware activities, adopting all the risk mitigation measures that may be necessary.

The companies Poste Vita SpA and Poste Assicura SpA continue to monitor possible cyber attacks.

### IVASS - (the insurance regulator)

Provision no. 121 of  
7 June 2022

IVASS has hereby amended ISVAP Regulation no. 7 of 13 July 2007<sup>53</sup> and its annexes in order, above all, to incorporate the changes introduced by IFRS 17 on the presentation and disclosure of accounting items relating to insurance contracts. The above changes came into force on 1 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 Appendix 6 of Regulation no. 7/2007 has been replaced by the new Appendix 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 must be submitted to the Institute together with the documentation relating to the consolidated half-yearly report.

### IVASS - (the insurance regulator)

Provision no. 52 of  
30 August 2022

The Regulation implements Law Decree no. 73 of 21 June 2022, converted with amendments into Law no. 122 of 4 August 2022, which, in view of the exceptional situation of turbulence in the financial markets, allows companies that do not adopt international accounting standards to derogate from the Italian Civil Code rules on the **valuation criteria for "non-durable" securities**, and therefore gives companies the option of valuing non-durable securities on the basis of the value resulting from the last annual financial statements.

Poste Vita opted to apply the waiver<sup>54</sup> permitted by the Regulation for the purpose of preparing the statutory financial statements at 31 December 2022.

51. Understood as detailing the composition of the fund in terms of asset class.

52. Malware (contraction of the English "malicious software") refers to any type of malicious or disruptive software created to secretly access a device without the user's knowledge.

53. Regulation concerning the layouts for the financial statements of insurance and reinsurance undertakings required to adopt the international accounting standards referred to in Title VIII (Financial Statements and Accounting Records), Chapter I (General Provisions on Financial Statements), Chapter II (Separate Financial Statements), Chapter III (Consolidated Financial Statements) and Chapter V (Statutory Audits) of Legislative Decree no. 209 of 7 September 2005 (Private Insurance Code).

54. The waiver of the measurement criteria provided for by the aforementioned regulation allowed Poste Vita to sterilise an amount of capital losses equal to €5,184.2 million (equal to €3,586.4 million net of the related tax effects) and to set up an unavailable reserve net of existing commitments to policyholders referred to the financial year and up to five subsequent years and net of tax effects for €262.9 million.

**BANK OF ITALY/  
CONSOB/IVASS**

Disclosure on the  
transition to IFRS 17  
and IFRS 9

The BANK OF ITALY, CONSOB and IVASS published a press release concerning the disclosures to be made in the 2022 financial statements on the transition to IFRS 17 and IFRS 9. In particular, companies that prepare their financial statements - separate or consolidated - in accordance with IAS/IFRS started to apply IFRS 17 "Insurance Contracts" as of 1 January 2023 and, as of the same date, many insurance companies have also started to adopt IFRS 9 "Financial Instruments".

International Accounting Standard IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" requires the company to provide, in the case of standards issued but not entered into force, "known or reasonably estimable information relevant to assessing the possible impact that the application of the new Standard or Interpretation will have on the financial statements of the entity in the year of initial application".

The information is both qualitative and quantitative.

For the information provided in this regard, please refer to the section "New accounting standards and interpretations and those soon to be effective" in the section "Poste Italiane's Financial Statements at 31 December 2022".

**IVASS - (the  
insurance regulator)**

Regulation no. 54 of  
29 November 2022

The **Regulation** governs the **procedural profiles** with which IVASS must comply in the production of acts of a regulatory nature and of general content falling within its competence, pursuant to Article 23 of Law no. 262 of 28 December 2005" (the "**Savings Law**"), which introduces a general and uniform regime for regulatory proceedings falling within the competence of IVASS and of the other Supervisory Authorities of the financial sector, with the aim of **guaranteeing uniform protection** and **safeguards for savers** also by introducing instruments that favour the transparency of regulatory options and the participation of stakeholders in the regulatory production process.

**IVASS - (the  
insurance regulator)**

Letter to the market  
of 6 December 2022:  
**Dormant Policies**

**New request for the tax codes of policyholders to cross-reference with the Tax Registry in order to ascertain the possible death of policyholders** - New request for the tax codes of policyholders to cross-reference with the Tax Registry in order to ascertain the possible death of policyholders - IVASS has announced that, pending the definition of the procedures for direct access by insurance companies to the information from the Tax Registry or the ANPR (National Resident Population Registry) provided for in the legislation on **dormant policies**, the Authority also offers this year to companies, in the interest of policy beneficiaries, the cross-referencing service between tax codes of policyholders and the Tax Registry, in cooperation with the Italian Revenue Agency, **in order to verify the existence of life and accidents policies**<sup>55</sup>.

It therefore requests the companies involved to provide, by 20 December 2022<sup>56</sup> the lists of the tax codes of the policyholders of the above-mentioned contracts in force on 30 November 2022 held in their portfolios and issued during the year.

The Companies Poste Vita SpA and Poste Assicura SpA sent the data requested within the stipulated deadlines.

55. Limited to contracts providing benefits in the event of the policyholder's death resulting from an accident.

56. The deadline, originally set for 16 December, was extended to 20 December 2022 by a letter sent by IVASS to the Companies on 9 December 2022.

### IVASS - (the insurance regulator)

Temporary suspension of capital losses for non-durable securities

Consultation Document no. 1/2023 contains the intended changes:

- to **IVASS Regulation no. 52/2022**, following the entry into force of Decree Aid Quater<sup>57</sup> by virtue of which only insurance companies were allowed to deduct from the amount of the unavailable reserve the portion, attributable to policyholders, of the non-impairment of securities, referring to the year of the financial statements and up to the five subsequent years (**Shadow accounting**). The amendment has the effect of tying up a smaller part of the company's equity allowing for a higher distribution of profits;
- to **ISVAP Regulation no. 38/2011**, in particular, Article 8, paragraph 2, to clarify that, in determining the minimum amount of assets to be compared to the mathematical provisions of policies pertaining to a separately managed account, companies must refer to Local Gaap criteria even if they prepare their financial statements in accordance with international accounting standards. Poste Vita already draws up its financial statements according to Local Gaap accounting standards, therefore it is not impacted by the aforementioned legislation.

Following the conclusion of the consultation procedure, IVASS issued the Measure no. 127 of 14/02/2023., which made amendments to IVASS Regulation no. 52/2022 and ISVAP Regulation no. 38/2011 for the implementation of the **provisions on the temporary suspension of capital losses for non-durable securities**, following the amendments to Law Decree Aiuti Quater, through which the legislator, for insurance companies only, provided for the possibility of deducting from the amount of the unavailable reserve the portion, attributable to the policyholders, of the non-impairment of securities, referring to the year of the financial statements and up to the five subsequent years (shadow accounting). This amendment has the effect of tying up a smaller part of the company's equity allowing for a higher distribution of profits.

This intervention also made amendments to ISVAP Regulation no. 38/2011 to clarify that, in determining the minimum amount of assets to be compared to the mathematical provisions of policies pertaining to a separately managed account, companies must refer to Local Gaap criteria even if they prepare their financial statements in accordance with international accounting standards.

## Other information

### IVASS - (the insurance regulator)

With regard to the inspection aimed at verifying compliance with **anti-money laundering** regulations, jointly at Poste Vita and Poste Italiane - BancoPosta, which was completed on 18 June 2021 and the results of which were notified to Poste Vita SpA at the Board of Directors' meeting of 30 September 2021, it is reported that at 31 December 2022, all the actions identified had been completed within the planned time-frame.

With regard to the IVASS inspection - concerning profiles of governance, management and control of investments and financial risks concluded on 7 May 2021 - it should be noted that the related action plan, approved by the Company's Board of Directors on 22 October 2021, was fully completed in accordance with the time-frame envisaged in the plan.


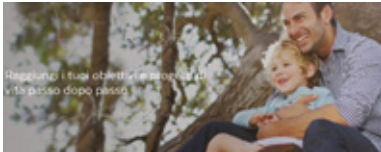




On 7 March 2023, the company Poste Vita was notified by the Supervisory Authority of the start of an inspection to verify the management process of dormant policies.

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".

57. Law Decree no. 176 of 18 November 2022, converted, with amendments, into Law no. 6 of 13 January 2023, which amended Article 45, paragraph 3-*decies* of Law Decree no. 73 of 21 June 2022, converted, with amendments, into Law no. 122 of 4 August 2022.

## 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>The <b>Multi-class</b>  policy “<b>Poste Progetto Dinamico Bonus</b>” was launched (restyling of the policy Poste Progetto Dinamico) dedicated to customers who bring in new liquidity and which provides for the possibility of repayment in the form of a bonus, starting from the 18th month from the effective date of the contract, of the cost charged on the initial single premium.</p> 	
	<p>The multi-class “<b>Poste Progetto Capitale</b>” recurring-premium policy with a term of 10 years has been launched, combining the stability of the <b>Separately Managed Account</b>  Posta ValorePiù (class I) and the potential of the two available Internal Insurance Funds (one of which ESG).</p> <p>There is also the possibility of repayment of the cost charged on the initial premium in the form of two bonuses: (i) one from the fifth year; (ii) the other at the end of the ten-year product life.</p> <p>The multi-branch policy “<b>Poste Progetto Valore 360</b>” has been launched, with the option for subscribers to extend the protection component with the <i>Temporanea Caso Morte</i> (TCM) “<b>Poste Protezione Affetti 360</b>”. The Multiramo product includes three investment lines, all with a 30% Separately Managed Account component and a 70% component tied to one of three Internal Insurance Funds that promote ESG and diversified characteristics according to the customer's risk/return profile.</p>	
	<p><b>The new collective policy “Poste Welfare Infortuni”</b>, dedicated to covering the <b>risks of occupational and non-occupational accidents</b> of the contracting companies' employees, was launched in this business segment.</p>	
P&C >	<p>As part of the restyling of the asset line of the modular policy “Poste Vivere Protetti<sup>58</sup>”, the new “<b>Protezione digitale</b>” cover has been launched, which extends the protection of the household to damages that may be suffered/created by activities that take place on-line.</p>	

58. The modular policy “Poste Vivere Protetti” complements the protection coverage available to retail customers, to protect their health, home and pets. Modules and related coverages can always be added or removed as customers' needs change, and the coverages, which are indicated in the policy, always form a single contract.

## < 4.4.5 Payments And Mobile Strategic Business Unit

### Market context

The latest available data<sup>59</sup> on the Italian payment card market show significant growth of the total domestic transactions, which in September 2022 were close to €265 billion, an increase of 17% compared to September 2021 due to the recovery in consumption. The number of transactions grew by 18% over the same period last year to 5.6 billion, a sign of an increasingly 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 24% compared to September 2021 and accounted for more than half of the total transactions (about 60%), with transactions exceeding €155 billion (+21% compared to September 2021). Also **prepaid cards**  are advancing at a fast pace (+18% of transactions and +19% in terms of value compared to September 2021), for a total amount of more than €46 billion, thanks to the steady development of e-commerce and increased penetration at physical points. The first nine months of 2022 were also positive for **credit cards** , ending the period on an upward trend with transactions up 3.9% and value up 8.3% compared to September 2021, with a total amount of almost €64 billion and an average ticket at levels recorded at the end of 2021.

**~€265 billion**  
**value of card transactions**  
in the first 9 months of 2022 in  
Italy: +17% year-on-year

At 30 September 2022, the number of **active cards** on the market exceeded **93 million**, up 1.5% compared to the stock of active cards at 31 December 2021: the greatest growth was recorded on debit cards, which grew by 2% compared to 31 December 2021, totalling almost 48 million active cards. Also on the rise is the stock of prepaid cards, surpassing 30 million (+1% compared to the figure at the end of December 2021) and growth also resumed in credit cards (+0.4% compared to 31 December 2021) with over 15 million active cards.

According to the latest available figures<sup>60</sup>, **Mobile telephony market** penetration, in terms of total mobile lines, stands at approximately 181% of the population, with MVNOs (Mobile Virtual Network Operators) accounting for 14.8<sup>61</sup>. Total lines at 30 September 2022 amounted to 107.1 million (+1.3% compared to the same period in 2021) including 28.6 million **Machine to Machine (M2M)**  SIMs (+2.8% compared to the same period of 2021).

During the year, the **energy market** was heavily impacted by the international geopolitical context: firstly, the Covid-19 pandemic and, in recent months, the Russian-Ukrainian conflict are influencing the markets and prices of raw materials, primarily gas, with significant repercussions on the electricity<sup>62</sup> market. The price of wholesale gas, already from the last quarter of 2021, has risen sharply as a result of the recovery related to the improvement of the pandemic scenario and the increase in international tensions, which escalated in February 2022 in the above-mentioned conflict. The price of gas surpassed the level recorded in the first half of 2021 by more than 500%<sup>63</sup>; the third quarter of 2022 was also characterised by a scenario of significant tensions on energy commodity prices, which were even higher than in the second quarter of the year: the very high purchase costs and elevated price volatility are also related to uncertainties about the reliability of gas supplies from Russia.

During the summer, European gas stocks grew rapidly while alternative sources to gas (hydro, nuclear and coal) had to significantly reduce their production due to high temperatures and water shortages; the European institutions announced measures<sup>64</sup> to deal with high energy prices and the risk of gas shortages as the winter season approached (plan to reduce electricity and gas consumption, intervention in the regulation and operation of energy markets, evaluation of "price cap" mechanisms for energy prices).

In the fourth quarter of 2022, the price of gas fell to around €80 per megawatt-hour, thanks to the achievement of the storage targets of the major European countries, although it was seven times higher than the level observed at the beginning of 2021.

In order to cope with rising commodity prices, the Government issued a series of emergency measures with the aim of mitigating the energy expenditure of households and businesses, in particular by making changes to general system charges and social bonuses for economically disadvantaged households and customers in serious health conditions. For more details on the regulatory interventions implemented, see below.

59. Source: Internal processing and estimates on Bank of Italy data (supervisory reporting flows).

60. Source: Agcom Communications Observatory no. 4/2022, Operators' Report.

61. Source: Internal PostePay SpA estimate on Human to Human SIMs.

62. 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.

63. Source: Energy Exchange quotations - Title Transfer Facility (TTF).

64. Source: <https://italy.representation.ec.europa.eu> and <https://www.eunews.it/2022/09/14/energia-von-der-leyen-gas/>.

## Regulatory context

Below are the main regulatory initiatives that will be updated in the course of 2022.

### 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, it is envisaged that the rates applicable in Italy will be as follows:

- from 1 July 2021 €0.07 cents per minute (excluding VAT) for fixed termination;
- from 1 January 2022 €0.55 cents per minute (excluding VAT) for mobile termination (from 1 January 2023 reduced to €0.4 cents per minute excluding VAT).

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

### TLC International Roaming

On 24 February 2021, the European Commission proposed to extend the existing International Roaming Regulation for an additional 10 years (until 30 June 2032), while reducing the maximum wholesale rates charged between operators to ensure the sustainability of the provision of retail roaming services at domestic prices, while also introducing new measures to increase transparency and ensure an effective roaming experience at domestic rates ("roam-like-at-home") in terms of quality of service and access to emergency roaming services. The reduction of the wholesale caps has a relevant impact for a mobile virtual network operator (MVNO) such as PostePay, which purchases roaming services from a mobile network operator (MNO), insofar as it allows the provision of services (roam-like-at-home) to their respective customers while ensuring the recovery of costs incurred at wholesale level. The current EU Regulation will cease to have effect from 30 June 2022.

The new Regulation came into force on 1 July 2022, and BEREC (Body of European Regulators for Electronic Communications) subsequently published guidelines to define certain aspects of the implementation of the new rules. The text of the new regulation was approved by the Parliament on 24 March 2022 and by the Council on 6 April 2022 (Regulation 2022/612 was published in the Official Journal of the European Union on 13 April 2022). The text confirms the basic principles of the existing Regulation and provides for progressive reductions in wholesale price caps for data, voice and SMS roaming services consistent with the Company's estimates; it also provides for additional transparency, customer protection and service quality assurance measures.

PostePay has ensured the compliance of its services with the Regulation in accordance with the established time-frame.



## TLC

### Grants for Electronic Communication Operators

Under the EU Directive 2015/2366 (PSD2) and Legislative Decree no. 218/2017, it is set forth that providers of electronic communications networks or services, operating under the exemption<sup>65</sup> regime from the full application of PSD2, may offer end-customers electronic communication services that enable payment transactions by charging the costs of accessing the services either on the bill (postpaid electronic communication services) or on the prepaid telephone account (prepaid/rechargeable electronic communication services).

Operators will also have to notify the competent authorities that they are operating under an exemption regime so that they can assess whether or not the requirements are met (Article 37, Directive 2015/2366).

On 5 April 2022, the Bank of Italy issued the "Measure implementing Article 2, paragraph 4-bis, of Legislative Decree no. 11 of 27 January 2010, concerning payment services", repealing the obligation for providers of electronic communication networks or services to report annually to the Bank of Italy the "number of users of the services and the total value of payment transactions". This amendment is effective as of 17 April 2022.

The obligations of first notification, at the registration stage, and of updating the information, as well as the possibility for the Bank of Italy to request - should it deem it necessary - a new notification containing updated information remain unaffected.

Therefore, as of 17 April 2022, PostePay is no longer required to report this information annually.

## ENERGY

### 2022/2023 Budget Law

In order to **contain price increases in the electricity and natural gas sectors**, Law Decree no. 234 of 30 December 2021, the 2022 Budget Law, made provision for the following for the first quarter of 2022:

- the zeroing of general charges for domestic electric and other customers;
- the reduction of general charges for the natural gas sector;
- an increase in the amounts of social bonuses for electricity and gas.

The aforementioned decree also provided for the reduction of VAT to 5% for the supply of gas for domestic use and the obligation for electricity and gas sales companies to offer domestic customers an interest-free instalment plan in the event of non-payment of bills issued in the period between 1 January and 30 June 2022.

These concessions were substantially extended to the third and fourth quarters of 2022 and the first quarter of 2023<sup>66</sup> (Law Decree no. 17 of 1 March 2022, Law Decree no. 21 of 21 March 2022, Law Decree no. 80 of 30 June 2022, "Aiuti Bis" Law Decree no. 115 of 9 August 2022 and Law Decree no. 197 of 29 December 2022. **2023 Budget Law**). The "**Aiuti Bis**" Law Decree also intervenes 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 aforementioned decree, in view of the end of regulated gas prices, initially scheduled for 1 January 2023 (Law Decree no. 176 of 18 November 2022, so called "Aiuti Quater", extended the deadline to 10 January 2024, aligning it with the deadline for the "Maggior Tutela elettrica") also redefined the perimeter of "vulnerable"<sup>67</sup> customers providing that from 1 January 2023, suppliers must make available an offer for the supply of natural gas at contractual and economic conditions that will be defined by ARERA with one or more ad hoc measures. In particular, the economic conditions will have to reflect the actual cost of supply on the wholesale market and the efficient costs of marketing.

65. Exempt payment transactions are permitted for the purchase of digital content and voice technology services (regardless of the device used); the performance of charitable activities or the purchase of tickets (made from or via an electronic device), provided that, per individual customer (postpaid or rechargeable): the value of each individual payment transaction is no more than €50; the total value of the payment transactions is no more than €300 per month.

66. The tariff concessions envisaged to curb the effects of customer bill increases have been extended, although the zeroing of general electricity sector charges has been limited to customers with available power up to 16.5 kW. In addition, the band of beneficiaries eligible for social bonuses has been widened because the ISEE level required to benefit from them, for 2023, rises to €15,000 (from the previous €12,000), and the threshold to €20,000 for large families.

67. The new perimeter of "vulnerable" customers also includes those in economically disadvantaged conditions, persons 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.



**ENERGY****ARERA Initiatives**

The above-mentioned government interventions were implemented, to the extent of their competence, by the Regulatory Authority for Energy Networks and Environment (ARERA), with Resolutions 635/2021/R/com of 30 December 2021, 141/2022/R/com of 30 March 2022 and 241/2022/R/com of 31 May 2022.

With Resolution 636/2021/R/com of 30 December 2021, ARERA implemented the provisions concerning the aforementioned obligation to pay bills in instalments for domestic end users of electricity and natural gas.

During the course of 2022 ARERA issued further significant measures for the sector incorporating electricity and natural gas sales to end customers, among which the following are highlighted:

- resolutions 146/2022/R/eel and 147/2022/R/gas updated, for 2022, the value of the marketing and sales components of electricity and natural gas, respectively, for customers served in the protected service<sup>68</sup>. The valuation of these components has an impact not only for sellers operating in the protected market and that bill these costs to the extent determined by ARERA, but also for those operating in the free market, where the regulated prices serve in any case as a term of reference in the process of defining the prices of offers;
- resolution 135/2022/R/com standardised the way “offer codes”<sup>69</sup> are defined so as to contain summary information on certain characteristics of the offer, easily identifiable and usable for the collection of information also at an aggregate level on the characteristics of the offers subscribed to by customers;
- resolution 374/2022/R/gas, which came into force on 1 October 2022, modified the methods for determining the price of gas for customers belonging to the protected market, providing that the price of gas is indexed to the Virtual Trading Point<sup>70</sup>, i.e. the reference price of gas on the Italian wholesale market. As a result of this change, reference is no longer made to quotations recorded at the Title Transfer Facility (TTF)<sup>71</sup> hub and forward quotations, but rather to the monthly average of actual prices on the Italian wholesale market, and the frequency of price updates is increased (from quarterly to monthly);
- resolution no. 637/2022/R/com, contains further changes to the mandatory information content of customer bills, with development obligations on the part of operators starting in 2023. In particular, a number of changes are made to the way readings are presented in the bill, to the information on how details and the Guide to Reading Your Bill are made available, to the unbundling of cost items relating to electricity system charges, and finally, a special space is provided for communications from ARERA.

## Other information

**BANK OF ITALY**

During the last quarter of 2022, the Bank of Italy conducted two inspections of PostePay SpA - EMI RFC.

In February 2023, the Bank of Italy initiated an inspection at PostePay SpA - EMI RFC, pursuant to Article 146, Legislative Decree no. 385 of 1 September 1993.

For further details, please refer to the chapter “Proceedings pending and principal relations with the Authorities” in the section “Poste Italiane’s Financial Statements”.

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”.

68. Customers supplied in the protected market at economic and contractual conditions regulated by ARERA and who have therefore not yet subscribed to an offer in the free market.


69. The unique code with which each operator identifies the commercial offer subscribed to by the customer.







70. The virtual trading point is the main meeting point between supply and demand in the Italian gas market.

71. The Title Transfer Facility is one of the main wholesale markets for natural gas in Europe and therefore a reference for gas pricing in the end market.

## Operating review

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


SEGMENT	OPERATING REVIEW	PILLAR
Energy >	<p>On 15 June 2022, the Group entered the energy market with a <b>100% green</b> offer for electricity and a <b>100% CO<sub>2</sub>-compensated offer for gas</b>, dedicated to Group employees and pensioners.</p> <p>During the second half of 2022, preparatory activities continued for the launch of the initiative on the mass market, which took place in January 2023 in the post office network and in February on digital channels.</p>	 
Electronic Money/Collections and Payments >	<p>In September 2022, 100% of <b>LIS Holding</b> (and its subsidiary LIS Pay) was acquired, which will enable the Poste Italiane Group to consolidate its <b>leadership in the payments market and in the digital services ecosystem</b>, in line with the integrated omnichannel strategy of the Strategic Plan.</p> <p>During the fourth quarter of 2022, the process of embedding LIS within the Group was finalised and the <b>process of expanding the services offered on the LIS point-of-sale network</b> in line with the Poste Italiane Group's omnichannel strategy was initiated.</p>	 

SEGMENT	OPERATING PERIOD	PILLAR
Electronic money	<p>In March 2022, the new <b>PostePay debit card</b> for the <b>Premium</b><sup>72</sup> customer target group was launched. The new card, with a special design and packaging, will be associated with exclusive features that are available from December 2022 (e.g. cash withdrawals beyond standard limits) and others that will come on stream from 2023, such as transfers beyond standard limits from digital channels.</p> 	
	<p>In order to expand the range of products offered to <b>Premium customers</b>, two new <b>credit cards</b> were introduced in December 2022: <b>Premium</b><sup>73</sup> and <b>Premium Blu</b><sup>74</sup>. The new cards feature a special card design and value-added services compared to the current offer.</p>	
	<p>In line with the <b>ESG strategic objectives</b>, the migration (renewals, replacements and first issues) of the Postepay card suite to cards made from environmentally sustainable material, which started in 2021 with the Postepay Green, the Postepay Debit Card and the Postepay Evolution, continued during 2022.</p>	
	<p>As part of the <b>Postepay Code</b><sup>75</sup>  service the <b>Postepay Cashback</b> initiative continued in 2022<sup>76</sup>. As of July 2022, the user experience of the Code payment mode was evolved with the launch of "<b>QR Code Web</b>", the solution that allows the cardholder to frame the automatically generated QR code on the payment page, without additional clicks.</p>	
	<p>With regard to the Small Economic Operator (POEs) Segment, the Codice, Pos Fisico<sup>77</sup> and Mobile Pos<sup>78</sup> services were made available during the year. As of November 2022, the sale of the <b>Postepay Evolution Business</b> card from the FEU started. The latter enables the joint sale of acquiring services with other products (e.g. current account, Postepay Evolution Business card) through an optimised sales process.</p>	

72. Customers with assets over 400k, with capital diversification, estate management and succession planning needs.

73. The Premium card differs from the standard card not only in design, but also in the presence of richer insurance coverage.





74. The Premium Blu card differs from the standard card not only in design, but also in the presence of additional insurance coverage compared to the Premium product and 3 free admissions per year at all airport key lounges.

75. An innovative acceptance service that allows participating merchants to collect payments ordered by the customer directly from their Postepay app, by framing the **QR code**  (a two-dimensional bar code that stores information that can be read by a mobile phone, using a special application) displayed by the merchant.

76. Service that grants €1 cashback for Postepay Code transactions of at least €10. In order to further stimulate the growth of Postepay Code transactions, a cashback of €3 was provided in February and March and from July to December 2022.

77. Service enabling the merchant to accept payments with debit, credit and prepaid cards through the leased POS terminal installed at affiliated points of sale.

78. Service enabling the merchant to accept payments with debit, credit and prepaid cards, on the move through the use of a smartphone or tablet, on which the "PosteBusiness" payment app has been installed, connected via Bluetooth with the "Mobile POS" device for capturing card data.

SEGMENT	OPERATING REVIEW	PILLAR
Telecommunications >	<p>During 2022, commercial actions continued aimed at increasing penetration in the <b>ultrabroadband</b> market with the offer of <b>PosteCasa Ultraveloce</b>, the “data-only” solution, subscribable online, with a “full-digital” and post office process, which enables surfing from home at fibre speeds of up to <b>1Gbps</b> with no limits. The offer also includes a second connection on the mobile network to surf immediately without a Giga limit and take WiFi everywhere, and includes a WiFi modem and a USB stick on loan for free. The offer strategy was diversified on the basis of the acquisition channel (online and post offices) and a dedicated offer for Group employees.</p> 	
	<p>The fourth quarter of 2022 saw the launch of the <b>PosteCasa Ultraveloce Start</b> product, which can be subscribed to at post offices and provides only the fibre data connection, leaving the customer the flexibility to choose whether to also request the second connection on the mobile network with a 4G USB stick.</p> <p>Both offers have been enriched with the voice service<sup>79</sup>, which can be added at the customer's request.</p> <hr/> <p>In August 2022, in line with the Group's ESG <b>strategic objectives and specifically PostePay's “green” objectives</b>, the new <b>ECO SIMs</b><sup>80</sup> were launched.</p>  	

79. The Voce service is an optional fixed voice telephony service provided over the mobile radio network that includes unlimited calls to national fixed and mobile numbers every month.

80. The SIM ECO presents innovative features since all the elements that make up the kit, both the SIM Card and the Packaging (Envelope and Card Carrier), are made with materials and methods geared towards environmental sustainability. Specifically, it is half the size, made of recycled plastic and the card carrier and envelope carry Forest Stewardship Council (FSC) Certification.



**LIS Holding SpA** (LIS) is a company that offers a wide range of mainly **collection and payment** services (payment of pay slips, MAV, PagoPA and collection of prepaid card reloads, telephone top-ups, as well as solutions for merchants and businesses, etc.), using a **proprietary paytech platform** and distinctive skills.

At 31 December 2022 it is active in the Italian proximity payments market, through a network of about 50 thousand affiliated points of sale, and also provides integrated management of all back-office activities at the point of sale and of payment and commercial services provided to customers.

Thanks to the acquisition of LIS and in line with the Group's **integrated omnichannel strategy**, PostePay will consolidate its leadership in the payments market and in the ecosystem of digital services, leveraging LIS's technological know-how to expand its product offering and strengthen its solutions dedicated to Small and Medium Enterprises.

In the latter part of the year, PostePay and LIS started the process of defining the plan to expand the services offered on the third-party network as well, in order to enhance the hybrid **customer experience** at the different contact points (digital and physical).

## 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

NFS

To be sustainable for Poste Italiane means defining a clear strategy on ESG issues and structurally incorporating them within the objectives set in the "Strategic Plan"<sup>81</sup>. Within the plan, €3.1 billion of investment is planned in strategic assets, in order to achieve financial objectives. Complementing these is the "Polis Project", which, within the framework of the PNRR (National Recovery and Resilience Plan), aims both to renovate and modernise post offices and to enhance the Group's real estate 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, including the integration of Nexive, acquired at the end of 2020, consolidation of leadership in the B2C market and growth in the C2X and B2B segments through the introduction of specific offers and initiatives aimed at improving the customer experience. With this in mind, the acquisition of Plurima strengthens the contract logistics division. Through the implementation of these strategic directions, the segment aims to achieve an operating profit in 2024.

#### FINANCIAL OBJECTIVES

- Revenue: €3.9 billion (2019: €3.5 billion), with an increase in revenue from the Parcels segment, and easing of the decline in the Mail segment.
- Revenue of the Parcels segment: €2.0 billion (2019: €0.85 billion).
- EBIT: expected operating profit by 2024.

#### OPERATING OBJECTIVES

- Double the volume of automatically sorted parcels.
- B2C parcels market share: 38% by 2024.
- C2X market share: 57% by 2024 (2019: 41%).

81. The financial and operating objectives shown in the tables refer to 2024.



### PAYMENTS AND MOBILE

The Payments and Mobile area aims to establish itself as a complete and omnichannel platform for its customers, flanking the traditional business lines of payments and telecommunications with an offer dedicated to Energy from 2022, a market which the Company will enter by taking advantage of its liberalisation. The acquisition of LIS, from this perspective, further contributes to the Group's omnichannel strategy. The expansion of products, together with the ability to exploit physical and digital channels and third-party networks, makes it possible to fully exploit cross-selling opportunities for customers, thereby increasing value for Poste Italiane as a whole.

#### FINANCIAL OBJECTIVES

- Revenue: €1.9 billion (2019: € 0.7 billion).
- EBIT: €0.4 billion (2019: €0.2 billion), with CAGR of 1%.

#### OPERATING OBJECTIVES

- Expected Postepay Evolution portfolio of 11.6 million cards issued.
- Expected card transactions with a CAGR up 14%, to reach €2.7 billion.



### FINANCIAL SERVICES

Financial Services aims to further evolve its service model 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. The business related to the purchase of building bonus tax credits represents an opportunity to diversify the investment portfolio.

#### FINANCIAL OBJECTIVES

- Revenue: €6.1 billion (2019: €5.8 billion).
- EBIT: €0.7 billion (2019: €0.9 billion).
- *Common Equity Tier 1 Capital*: 17%.

#### OPERATING OBJECTIVES

- Total financial assets: a rise to €615 billion from €569 billion in 2020, with increased penetration of life products



### INSURANCE SERVICES

In Insurance Services, Poste Italiane aims to establish itself as an insurance operator capable of serving all customers' investment and protection needs. Poste Vita aims to confirm its position as leader in the Life insurance sector, continuing to offer customers safe products that are both more profitable and more capital efficient. Lastly, the P&C insurance strategy envisages an increase in profitability thanks to the modular offer, supplemented by car insurance, provided to customers without assuming risk thanks to distribution agreements signed with leading Italian insurance companies.

#### FINANCIAL OBJECTIVES

- Revenue: €2.7 billion (2019: €1.7 billion).
- EBIT: €1.3 billion (2019: €0.8 billion).
- Net profit: 5% CAGR in the period 2019-2024.
- **Solvency Ratio** : >200%.

#### OPERATING OBJECTIVES

- Gross premium revenue: €26.5 billion (2020: €16.7 billion).
- Double the average premium of the modular offer.
- 8,000 Post Offices enabled to sell car policies by 2024.

## < 5.2 Poste Italiane's Sustainability Strategy

NFS

MAIN RELATED TYPES OF CAPITAL



Poste Italiane's Sustainability Strategy, consisting of the ESG Strategic Plan and a set of Sustainability Policies, is aimed at achieving national and international social and environmental development goals. This Strategy is consistent with Poste Italiane's activities and business criteria, within the broader strategic framework defined by the Group.

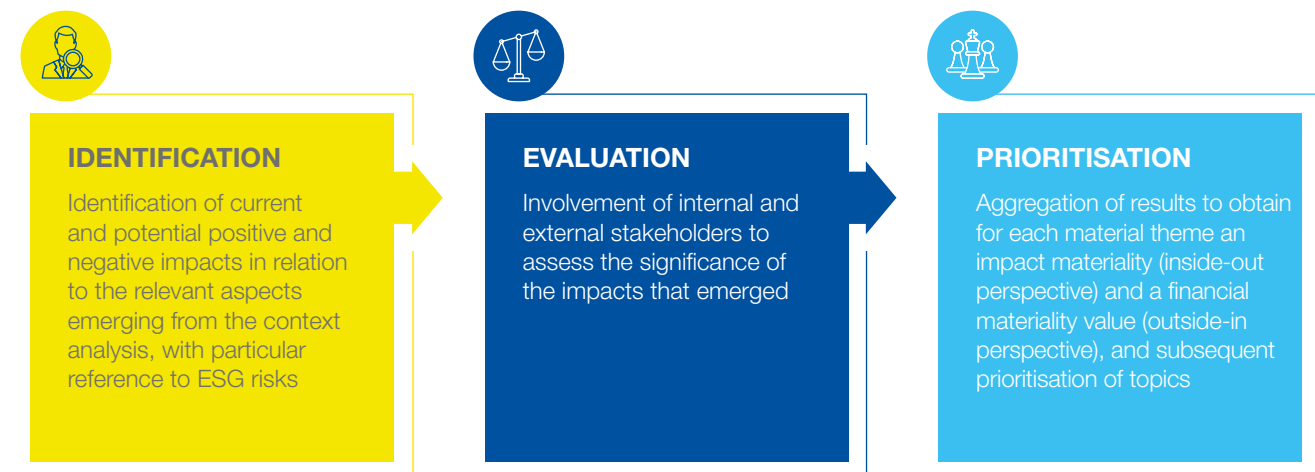
The ESG Strategic Plan encompasses all the specific objectives and targets, both qualitative and quantitative, that the Group has set for the purpose of continuously improving its sustainability performance. In addition, the policies adopted incorporate all the principles, qualitative objectives and 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 is not established.

### 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, Poste Italiane perfected what it started in 2021 by revising the materiality analysis methodology, aligning it with the forecasts contained in the 2021 update of the GRI standards for the inside-out perspective, and took into account the provisions of the EFRAG, albeit still in draft, for the outside-in perspective, by carrying out a dual materiality exercise in advance of the entry into force scheduled for FY 2024.

The definition process of material topics, last approved by the Board of Directors, consisted of the following 3 stages:






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. In particular, the 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 significance 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>Integrity and transparency</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 development</b>	Developing employees' skills Employee Engagement
	<b>Staff welfare and well-being</b>	Work-life balance Customer satisfaction
<b>People development</b> 	<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>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>Environmental impacts of real estate facilities</b>	Production of building-related emissions Consumption of natural resources and production of waste
<b>Green transition</b> 	<b>Environmental impacts of logistics</b>	Production of logistics-related emissions Consumption of natural resources and production of waste

PILLARS	MATERIAL TOPICS	IMPACTS
<b>Customer experience</b> 	<b>Quality and customer experience</b>	Customer satisfaction <hr/> Modernisation of processes and services offered
	<b>CyberSecurity, IT Security and Privacy</b>	Data leakage and theft <hr/> Breach of privacy
<b>Innovation</b> 	<b>Innovation and digitisation of products, services and processes</b>	Digital transformation of the country <hr/> Development of innovative logistics systems
	<b>Integration of ESG factors into investment policies</b>	Sustainable growth of the country through its investing activities <hr/> Responsible investment practices
<b>Sustainable finance</b> 	<b>Integration of ESG factors into insurance policies</b>	Sustainable growth of the country through its insurance products <hr/> Responsible insurance practices

According to the inside-out perspective, the Company has considered the significant current or potential impacts on people and the environment directly related to its activities, products and services, including upstream and downstream activities in its value chain. On the other hand, the outside-in perspective took into account 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

In order to contribute to the creation of shared value for the Company and all its stakeholders, Poste Italiane integrates the variable visions and needs of those directly and indirectly involved in the Group's activities within its Sustainability Strategy. Consideration of stakeholders' requests allows the Group to strengthen its growth in terms of reputation and, at the same time, maintain a relationship of trust and transparency in the social and economic context in which it operates.

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, labour unions) and the Environment.

The seven macrocategories of stakeholders are shown in the following table, which indicates the main ways of engagement and communication related to each of them.

### Poste Italiane's stakeholder engagement methods

CATEGORY OF STAKEHOLDER	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 2022

The Multistakeholder Forum, which takes place every year, is one of the most effective tools to engage and dialogue with stakeholders and represents a fundamental moment of reflection and discussion on priority Sustainability issues for the Group.

### FOCUS GROUP

December 2022

6th Multistakeholder Forum

**~1,100**

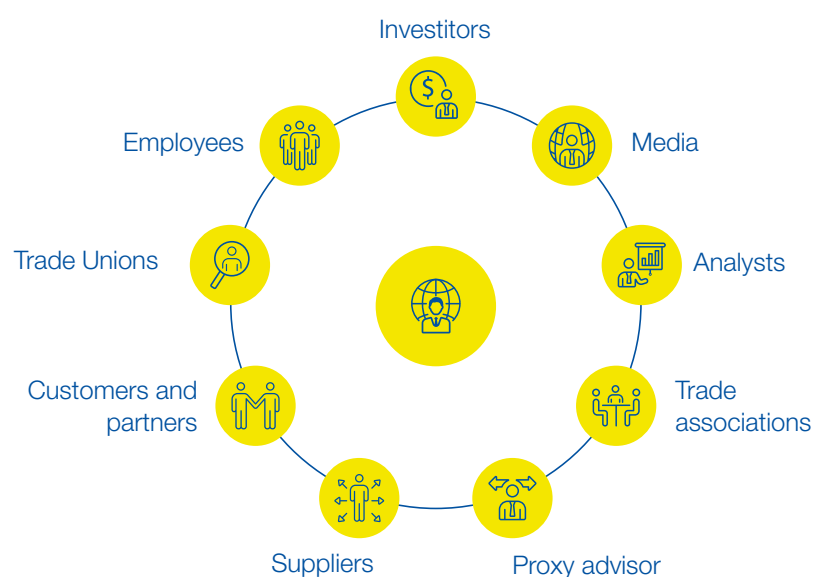
Stakeholder present at the Forum, including around 850 employees

**5**

Thematic Focus Group

**36**

Sustainability impact discussed related to the 18 material topics



The sixth edition of the Multistakeholder Forum, live streamed in order to ensure the widest possible participation, was attended by around 1,100 stakeholders, more than double the number of 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 business projects defined in the Strategic Plan.

During the event, participants took part in five focus groups related to the eight Pillars of Sustainability. During the event, participants took part in five focus groups related to the eight Pillars of Sustainability. In particular, the first Focus Group, mainly addressed to Suppliers and Business Partners, focused on the Pillars "Integrity and transparency" and "Green transition"; the second Focus Group, mainly addressed to Customers, focused on the "Customer experience" and "Innovation" pillars; the third Focus Group, conducted in English and mainly addressed to Suppliers and Business Partners, Shareholders and Investors, focused exclusively on the "Sustainable finance" pillar in order to analyse in depth the issue of integrating ESG factors within the Group's insurance and investment policies; the fourth Focus Group, aimed at Employees, was dedicated to "People development" and "Diversity and inclusion" pillars; the fifth Focus Group, aimed primarily at Institutional Bodies and Communities and Territory, finally focused on the "Creating value for the country" pillar.

Participants in the Forum expressed their judgments on material issues for the Company through a digital tool accessible from smartphones and PCs that enabled the instant and dynamic display of the results.

The results of the engagement process of the Group's key stakeholders revealed a greater significance of the impacts underlying the following topics: innovation and digitisation, environmental impacts of logistics and cybersecurity with regard to the inside-out perspective; innovation and digitisation, staff training and development and integrity and transparency with regard to the outside-in perspective.

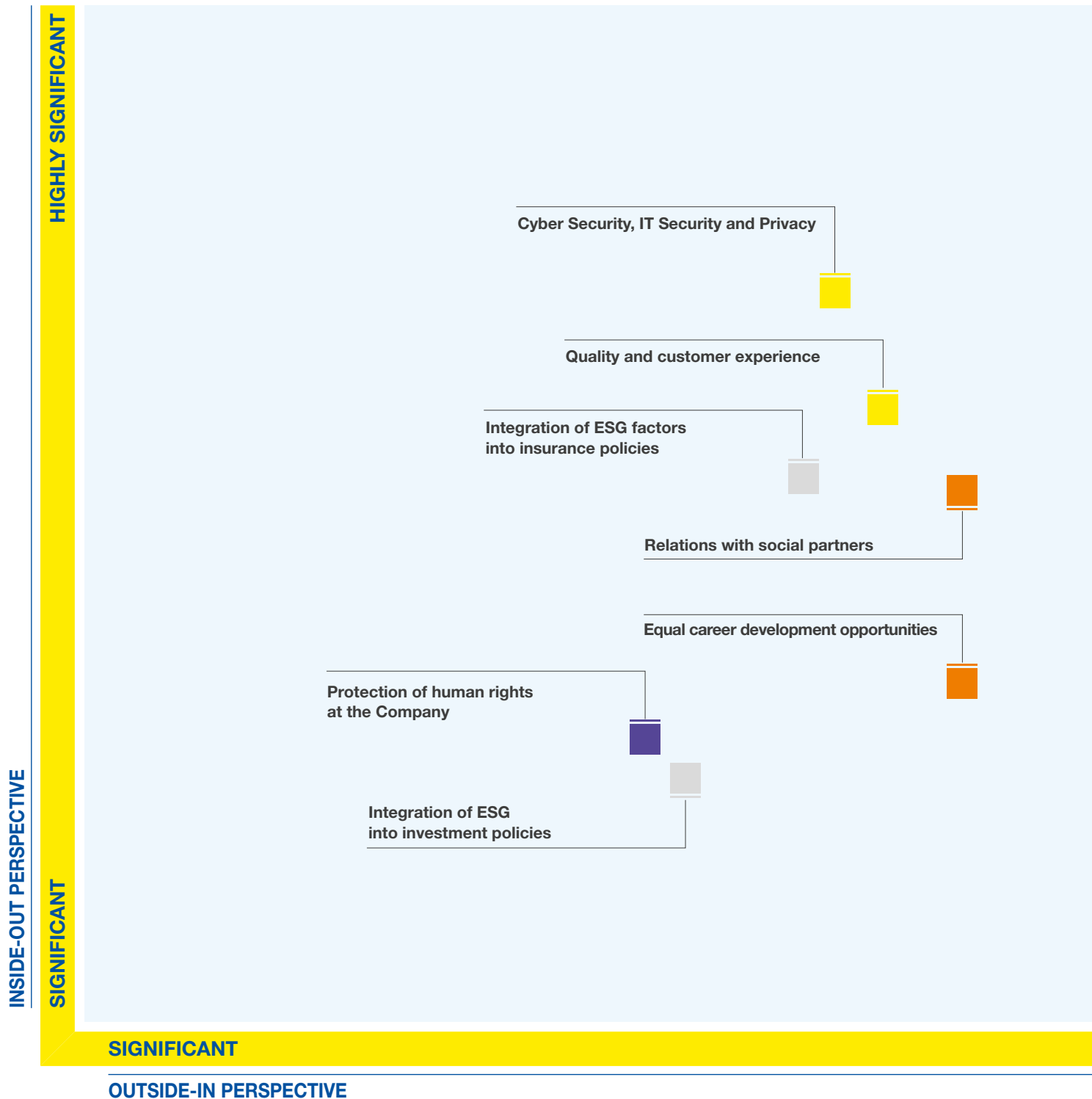


## Materiality matrix

The materiality matrix, shown below, graphically represents the result of the process of identifying priority issues starting from the assessment of the significance of the impacts related to them, according to a dual perspective: inside-out and outside-in. Each of the 18 material themes is in fact associated with an impact materiality value (inside-out perspective) and a financial materiality value (outside-in perspective), as a product of the magnitude and probability of the individual impacts pertaining to the same material theme. The order of priority of the topics was defined on the basis of the values obtained and through the definition of a materiality threshold.

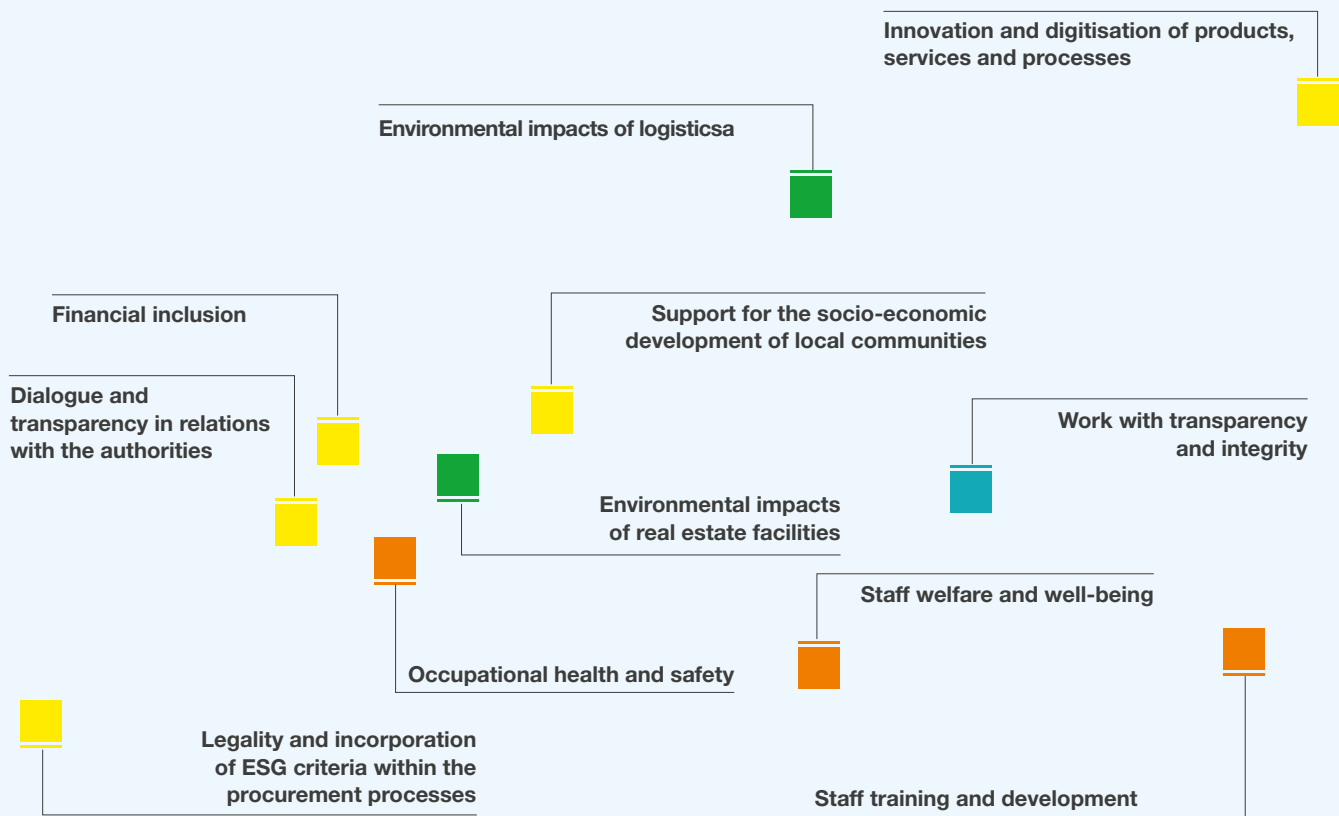
The matrix is an effective tool to support the Group's Sustainability Strategy and is the result of the alignment process to the new GRI provisions for the inside-out perspective, which is also influenced by the provisions, still in draft, issued by EFRAG, for the outside-in perspective.

## Poste Italiane Group's materiality matrix



## Scopes Legislative Decree no. 254/16

Personnel	Environmental
Company	Corruption
Human rights	Transversal



HIGHLY SIGNIFICANT

## Description of material topics

In line with the requirements of the new GRI Universal Standard 3, the following list represents the prioritized material themes with a description of each theme.

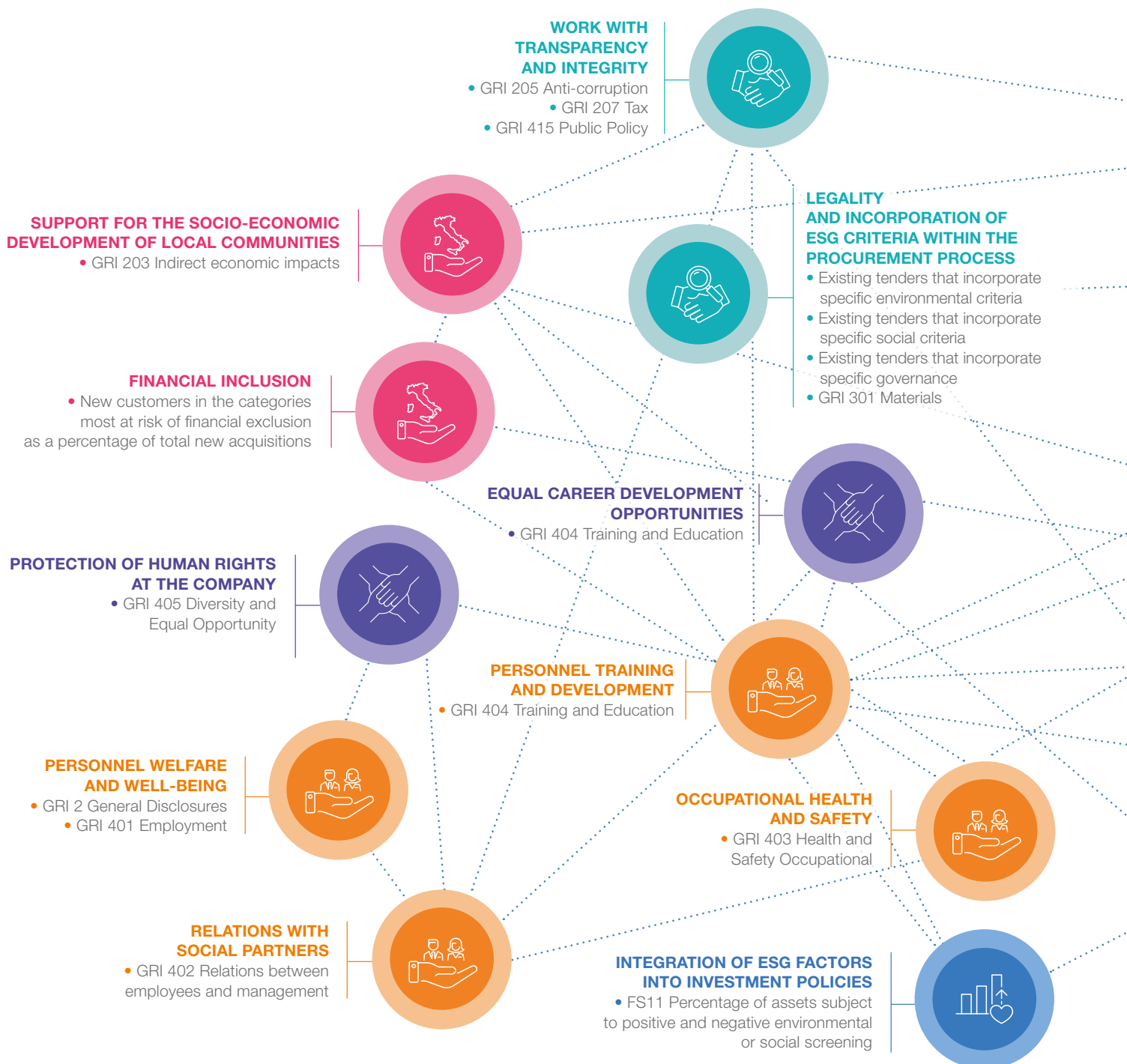
MATERIAL TOPICS	WHAT THIS MEANS FOR POSTE ITALIANE
Innovation and digitisation of products, services and processes	Contribute to the modernisation of Italy and digital and technological evolution through the development of new products and services and the adoption of digital technologies to be incorporated into products, services and business processes, in order to be ready to respond to changes in scenario, new customer needs and opportunities offered by social and environmental changes.
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.
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.
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.
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.
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.).
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.
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.

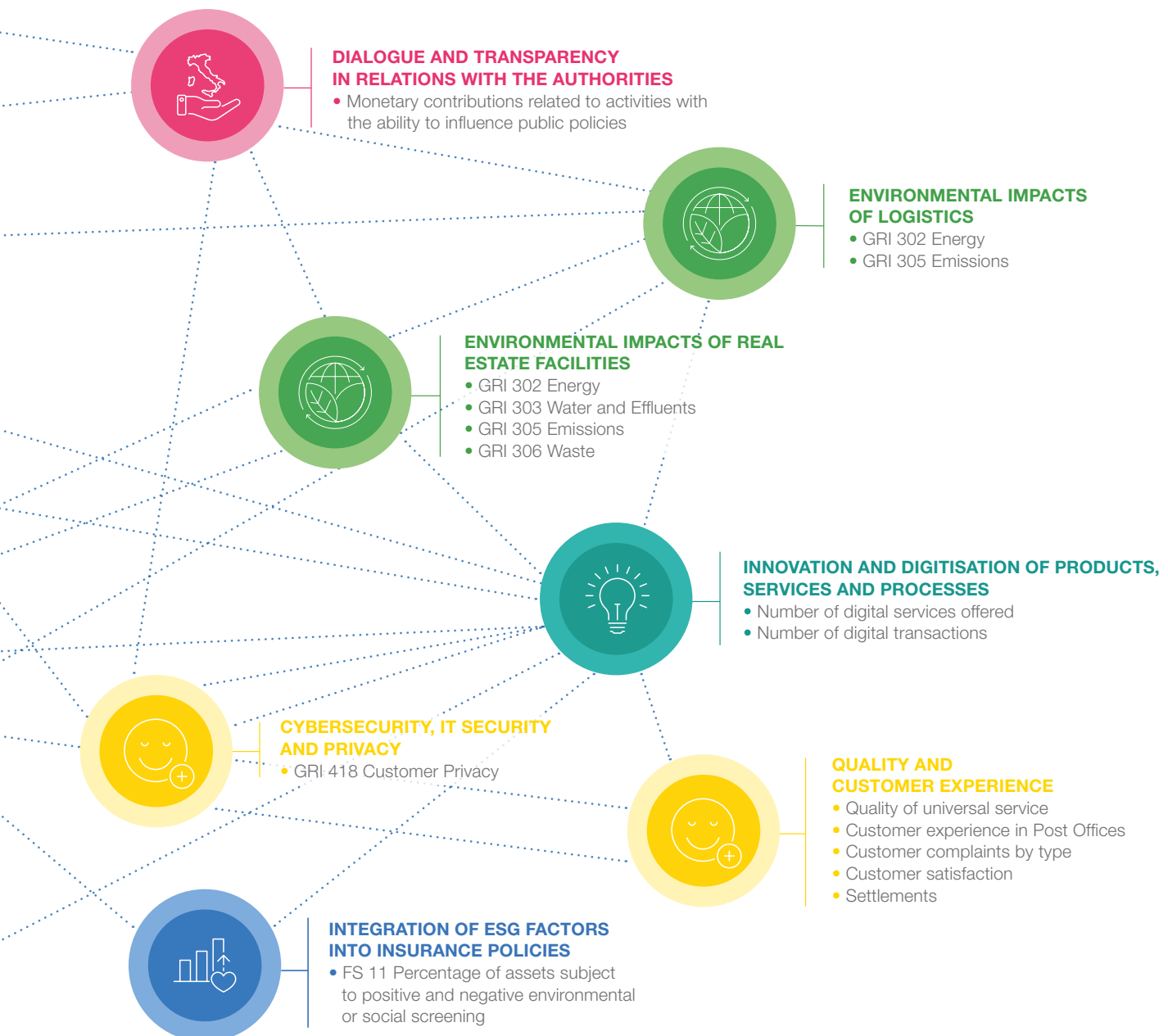


MATERIAL TOPICS	WHAT THIS MEANS FOR POSTE ITALIANE
Cyber Security, IT Security and Privacy	Guarantee the privacy of customers' data, protect intellectual property and provide an effective management system for IT security and cyber security in order to ensure business continuity, protect the information assets of the Company, customers and other stakeholders, and the security of transactions.
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 the correct management of complaints.
Relations with social partners	Consider dialogue with personnel and labour 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.
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.
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.
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.
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.
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 significant impact on the Group's economic, social and environmental performance. In this regard, the decision-making process, which includes specific actions aimed at the pursuit of sustainable success, considers the connections and interdependencies between the multitude of factors that influence the Company's ability to create lasting 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.
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.

POSTE ITALIANE GROUP POLICIES	POLICY OBJECTIVES
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	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.
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.

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

Poste Italiane's ESG Strategic Plan consists of 8 pillars in the ESG areas relevant for the Group. The materiality analysis, held during the Multistakeholder Forum in December 2022, 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). Please refer to chapter 7 "Creation of value", for further information on the objectives, management methods and performances achieved within the Pillars of the Group's ESG Strategic Plan.

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 move the country towards carbon neutrality by 2030. In particular, through initiatives such as the so-called Green Challenge, which includes entering the energy market with an offer 100% from renewable sources and offsetting CO2 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.

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**The pillars of Poste Italiane's ESG Strategic Plan that support the "2024 Sustain & Innovate Plus" Plan**

# **2024 SUSTAIN & INNOVATE PLUS**



MAIN RELATED TYPES  
OF CAPITAL

## 1 INTEGRITY AND TRANSPARENCY



## 5 GREEN TRANSITION



## 2 PEOPLE DEVELOPMENT



## 6 CUSTOMER EXPERIENCE



## 3 DIVERSITY AND INCLUSION



## 7 INNOVATION



## 4 CREATING VALUE FOR THE COUNTRY



## 8 SUSTAINABLE FINANCE



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 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 empowerment of women. UN Women was established to accelerate progress in meeting their needs around the world. In particular it 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, by contributing 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

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

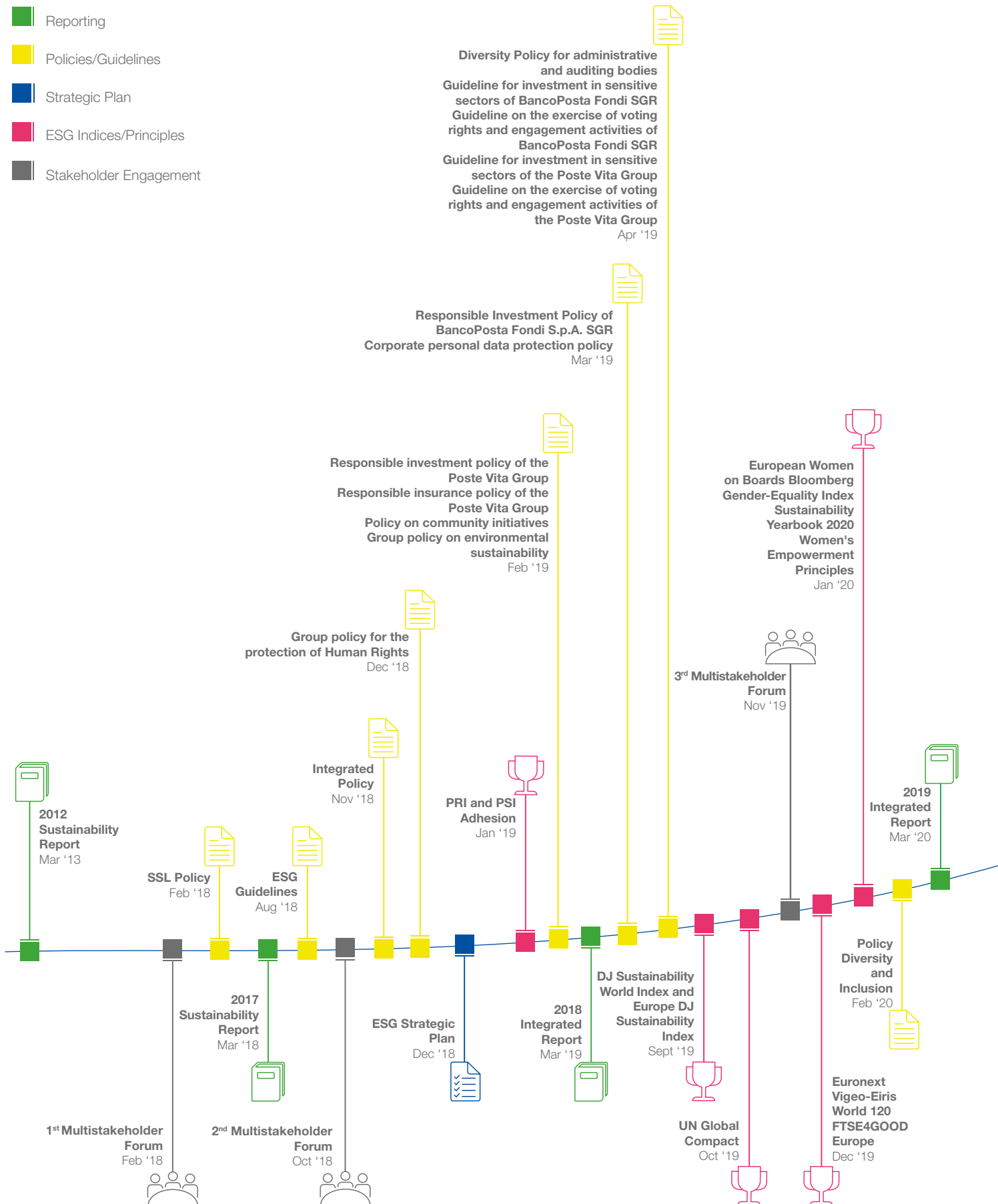
Over the past few years, the Group has embarked on an ambitious path to consolidate its Sustainability Strategy, given the importance it attaches to it; this Sustainability Strategy, in fact, is aimed at creating shared value for Poste Italiane's stakeholders and on its own reputational growth.

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, the efforts undertaken have allowed the achievement of important evolutionary changes and, at the same time, have enabled Poste Italiane to achieve numerous prestigious national and international goals.

### MAIN RELATED TYPES OF CAPITAL



-  Reporting
-  Policies/Guidelines
-  Strategic Plan
-  ESG Indices/Principles
-  Stakeholder Engagement

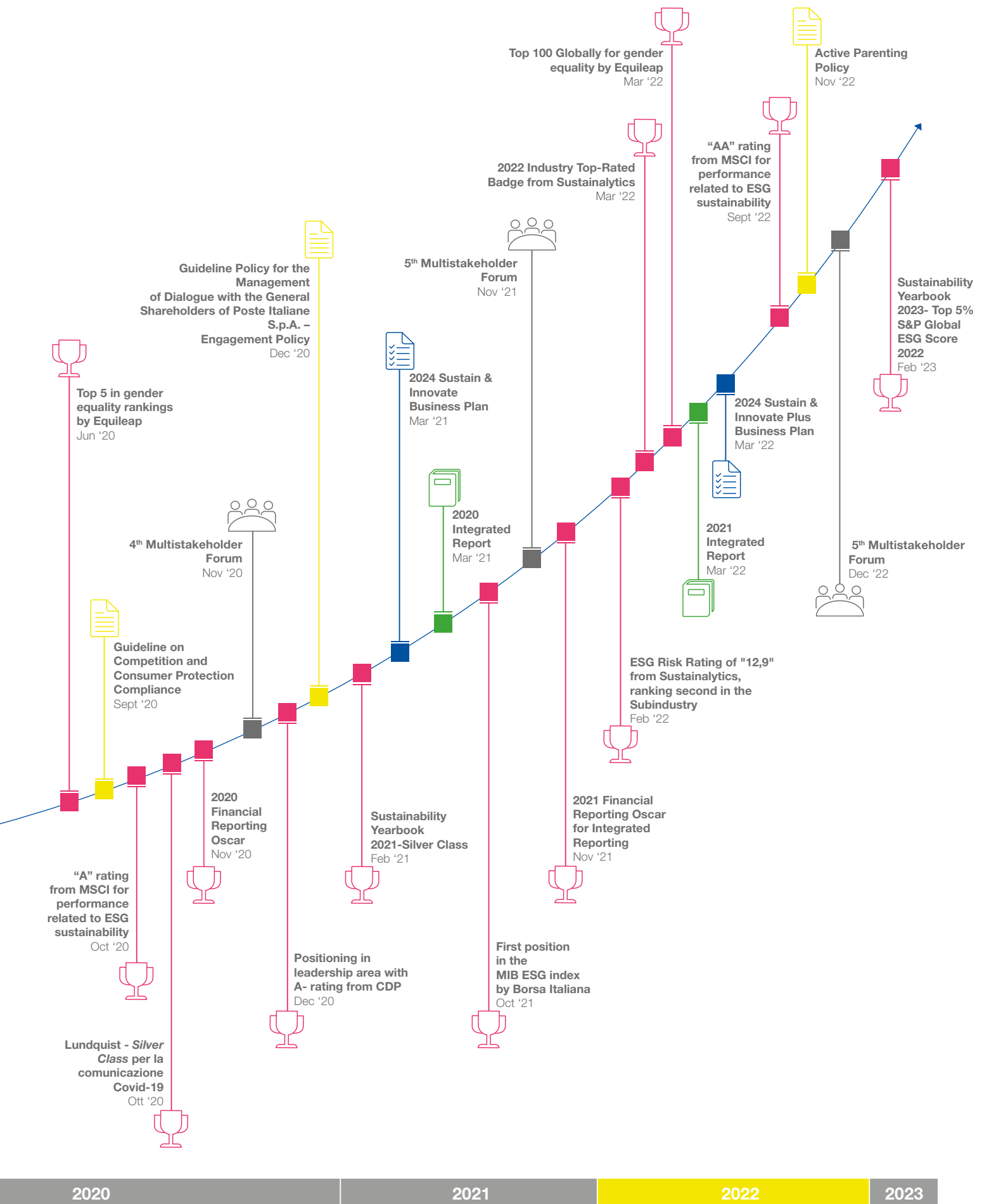


2013

...

2018

2019



## 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 capital; 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. To this end, the Group has decided to follow up on its commitment by confirming its traditional vocation of being close to the territory and the community, even more so at a difficult time similar to the current national and international context.

Thanks to the considerable efforts made by Poste Italiane and the effectiveness of the strategic choices made, aimed at consolidating the Group's image and reputation, the Company has won numerous awards and recognitions in recent years.

### ESG Awards and Recognitions

#### Top Employer Italia 2023



Poste Italiane is Top Employer Italia 2023, for the fourth consecutive year. The prestigious award was given to Poste Italiane by the Top Employers Institute, the global certification body for excellence in HR practices.

#### Poste Italiane is among the 25 strongest brands in the world according to Brand Finance



Poste Italiane is among the top 25 global companies by brand strength according to a ranking compiled by Brand Finance. The Company achieved a score of 89/100 and a AAA rating, improving by 13 positions compared to 2021. Only 84 global brands are rated AAA.

At 1 January 2022, the Company's brand was worth \$7.8 billion, an increase of 26% over the previous year.

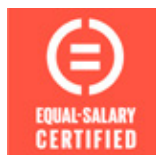
In the Brand Finance Insurance 100 2022, Poste Italiane climbs to 18th place, up from 21st last year for its ability to generate financial value. The increase in brand value, more than double the average of the 100 insurance companies in the ranking, allowed the Company to rank second among Italian insurance companies.

#### Brand Finance Global 500



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 at the 283rd rank in 2023.

#### Largest company by number of employees to receive "EQUAL-SALARY" certification



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 receive 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.

#### Postepay Green Product of the year



In 2022, Postepay Green received the "Elected Product of the Year 2022" award in the "Young Financial Services" category. Poste Italiane's eco-friendly card, dedicated to 10-17-year-old young people, is the payment tool with which PostePay SpA has started converting its products to eco-friendly materials; these are made from materials such as marine plastics from the oceans, materials of biological origin (PLA) or with biodegradable plastics, thanks to the addition of additives. This award is an important recognition of Poste Italiane's capacity for both innovation and support for the New Generation: the card, in fact, empowers parents and children to use innovative and smart features and represents a first tool for educating young people about conscious and responsible money management, with an eye also to environmental issues.

### Leader in media communication 2022



In 2022, Poste Italiane was confirmed for the third consecutive year among the companies awarded and certified for the impact of its corporate communication with the BIC, the certification created by Fortune Italia and Eikon Strategic Consulting.

The Group topped the TOP TEN of EIKON Consulting, which evaluates and compares the performance of media relations activities and the visibility of top Italian companies in the major national media.

### Confirmed 3rd position in Poste Italiane's Webranking Europe 500



In the twenty-sixth European edition of the "Webranking Europe 500" research, conducted by Lundquist in collaboration with the Swedish company Comprand, on the quality and transparency of companies' digital communication activities, Poste Italiane was placed third, confirming its position at European level compared to the previous year. The Group also won the "5 Stars" award in Lundquist's "Trust" research for transparency in communication, and first place in the careers and insurance section.

### Poste Italiane at the top for young people



Poste Italiane has been recognised as one of the most attractive companies for students in the Italian labour market by the "Most Attractive Employer 2022 - Students" rankings. The Group, in studies by Universum Global, a leading Swedish employer branding company, is in tenth position in the "Business/Commerce" segment, in ninth position in the "Law" segment, in eighth position in the ranking "Humanities/Liberal Arts/Education" and 23rd in "Engineering/IT/Natural Sciences".

### Poste Italiane Group ranked eighth in Audiweb ranking



In Audiweb's ranking of Italian website and mobile app audience, as of December 2022, Poste Italiane ranked eighth overall among all publishers with more than 26.3 million unique monthly users.

### Poste Italiane first prize at the Financial Innovation Italian Award - "INSIEME 24SI" project



In the 2022 edition of the Financial Innovation Italian Award, Poste Italiane came first for the HR and Organisation Award with the "INSIEME 24SI" Project, and second in the same category with the "NoidiPoste App" Project. In addition, the Group received two more awards during the awards ceremony: third place with the PostePremium project in the Wealth Management category and third place in the "Special Innovative Financial Institution Award" for the year 2022.

### Intranet Italia Champions



Poste Italiane has been awarded in the framework of "Intranet Italia Champions", the annual event promoted and organised by Intranet Management and Ariadne Digital, dedicated to the most innovative initiatives and functionalities introduced through corporate intranets. The Company was awarded in 2022 in the category "Community and Social" for the NoidiPoste App.

### Poste Italiane wins Touchpoint Strategy Award 2022 for the "Fianco a Fianco" campaign



Poste Italiane was awarded for its "Fianco a Fianco" campaign in the 2022 edition of the Touchpoint Strategy Awards, dedicated to brand positioning and the creation of the most effective communication strategies.

In addition, at the "Touchpoint New York Festivals Award", the campaign won the Bronze award.

**Poste Italiane awarded Winner Silver at Effie Awards**



Poste Italiane is Winner Silver of the Effie Awards twice in two years, for the effectiveness of marketing campaigns and communication performance. In particular, the "Zuppa Inglese" advertising campaign was awarded Winner Silver for the year 2022.

**NC Awards rewards Poste Italiane's advertising campaigns**



At the NC Awards 2022, Poste Italiane was honoured for its "Fianco a Fianco" campaign, with first place in the "Banking and Insurance" category and third place in the "Public Interest Services" category. In addition, with the Poste Delivery campaign, the Group took second place in the "Online ADV" category.

**Poste Italiane awarded at Media Key Awards**



Poste Italiane has won two awards in the last two years at the Media Key Awards. In particular, the philately campaign "Big Stories, Small Space 2021" was awarded in the "Press&Outdoor" category in 2022.

**TOP 50 Fortune  
CHANGE THE WORLD2022**



Poste Italiane is among the 50 companies that, thanks to their business impact and sustainability, are changing the world according to Fortune Change the World 2022.

**Awarded the "INSIEME 24 SI" people engagement initiative**



Poste Italiane was awarded the Assochange prize in 2022 for its "INSIEME 24 SI" people engagement initiative, which involved Group employees as authors of innovative ideas for the Company's strategy.

**Poste Italiane Group's 160th anniversary celebration event honoured by FEIEA**












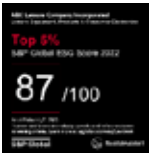
Poste Italiane was awarded the Grand Prix Award 2022 for the event celebrating 160 years of the Company's history. The prize was awarded by FEIEA, the European Association for Internal Communication.

In 2022, 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 possibly improving the Group's internal performance.

Sustainability indices, in fact, are used with 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 with the aim of developing the Group's sustainable investment plans.



## Sustainability indices in which Poste Italiane is present

	<p>In 2022, Poste Italiane confirmed its presence in the Dow Jones Sustainability World Index (DJSI) and in the more selective Dow Jones for the fourth consecutive year Sustainability Europe Index.</p>
	<p>Poste Italiane has been included for the fourth 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 particularly stood out for its performance in Social and Governance.</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 third consecutive year. In particular, Poste Italiane has distinguished itself for its transparent reporting and for defining policies and business strategies inclusive of climate-related objectives.</p>
	<p>In 2022, Poste Italiane was confirmed in first place both in the overall "Universe" ranking and in the "Transport&amp;Logistics" section, 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>As of October 2021, and confirmed also in 2022, 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>In November 2022, the Group entered the new 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>In March 2022, the Company was awarded an ESG Risk Rating of 12.7 (Low risk) by Sustainalytics, ranking second at the Universe level in the sub-industry Air Freight and Logistics.</p>
	<p>In 2023, Poste Italiane was recognised by Sustainalytics as a top ESG performer on a panel of more than 15,000 companies assessed worldwide, obtaining the 2023 Industry Top-Rated Badge.</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 2022, the Group entered the Top 100 global gender equality rankings compiled by Equileap. In particular, Poste Italiane is among the 19 groups worldwide that have overcome the gender pay gap, as well as among the 5 Italian companies that have made it into the global ranking and first in the financial sector.</p>
	<p>Poste Italiane has confirmed its presence in the 2023 edition of S&amp;P Global's Sustainability Yearbook, which assesses the ESG performance of major companies globally. The Group is in the top 9% of the 7,800 companies evaluated for entry into the Sustainability Yearbook, falling into the "Top 5% S&amp;P Global ESG Score 2022" bracket.</p>



The Poste Italiane Group confirmed its rating of 1, considered to be the highest possible, in the Environment and Social areas, assigned by Institutional Shareholder Services Inc. (ISS). Moreover, in 2022, Poste Italiane improved its assessment of the Governance aspect, achieving a maximum rating of 1 for this area as well.



In 2022, Poste Italiane improved its corporate sustainability performance and leadership in the sector by earning an "AA" rating from MSCI, one of the leading agencies, for the great progress made with regard to the social aspect.



Poste Italiane in 2022 debuted in the STOXX Global ESG Leaders Index, the index that includes some 400 leading global companies in terms of corporate sustainability, which is structured from the basket of companies belonging to the STOXX Global 1800.

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## 6. Risks and opportunities

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- Poste Italiane's Corporate Governance
- 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

MAIN RELATED TYPES  
OF CAPITAL



### 6.1 Poste Italiane's Corporate Governance

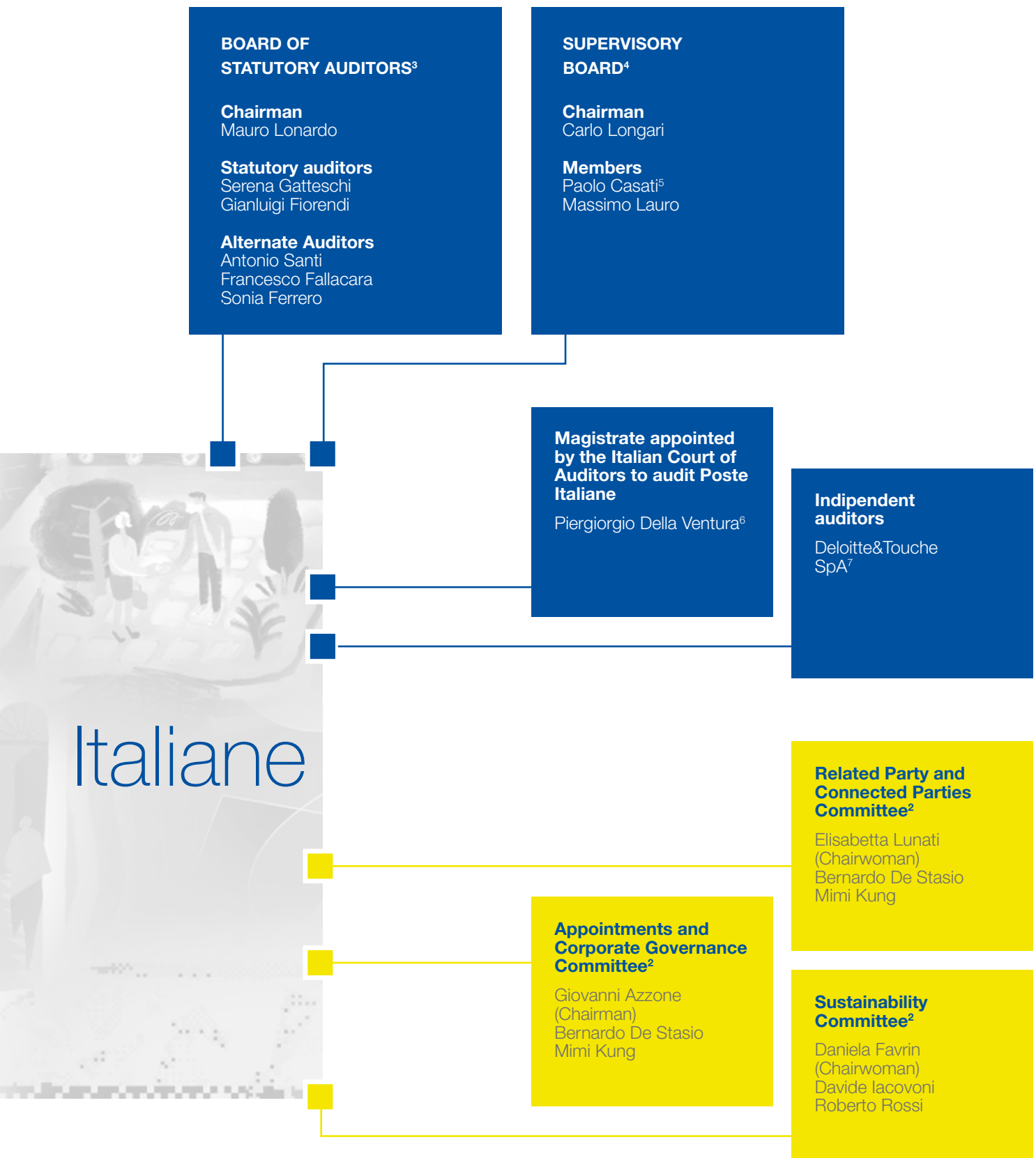
#### Management and supervisory bodies



1. The Board of Directors was elected by the Annual General Meeting held on 15 May 2020 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 2022. Following the Board of Directors' resolution of 10 June 2020, the **Co-General Manager** and Head of Corporate Affairs participates in Board meetings without voting rights.

2. Committee members were appointed by the Board of Directors' meeting of 15 May 2020.

At its meeting of 26/01/2022, in order to align the composition of its internal Committees with the Bank of Italy's Supervisory Provisions (Bank of Italy Circular No. 285 of 17/12/2013 - 35th update) on corporate governance, the Board of Directors named: Giovanni Azzone as Chair and Bernardo De Stasio as member of the Appointments and Corporate Governance Committee. Consequently, as at that date, the composition of the Appointments and Corporate Governance Committee is as follows: Giovanni Azzone (Chair), Bernardo De Stasio (member), Mimi Kung (member).



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. Until 27 May 2022, the Board of Statutory Auditors was composed as follows: Mauro Lonardo, Chair; Luigi Borrè, Standing Auditor; Maria Rosa Adiatori, Standing Auditor; Alberto De Nigro, Alternate Auditor; Maria Francesca Talamonti, Alternate Auditor; Antonio Santi, Alternate Auditor.
4. The Supervisory Board was re-appointed by the Board of Directors' meeting of 28 September 2022 for a three-year term and will remain in office until 28 September 2025. All components 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.
7. Company appointed to audit the accounts for the financial years 2020 - 2028 by resolution of the Ordinary General Meeting of 28 May 2019. Deloitte&Touche has been appointed for the entire Group.

The Corporate Governance structure reflects the provisions of Legislative Decree no. 58 of 24 February 1998 (TUF – Consolidated Law on Finance), where applicable, the Supervisory Provisions issued by the Bank of Italy applicable to Poste Italiane concerning business conducted through the BancoPosta Ring-Fenced Capital, the regulations applicable to electronic payment institutions for activities performed by Poste Italiane in execution of the agreements signed with PostePay – ring-fenced EMI, as well as the recommendations of the Corporate Governance Code (that came into effect on 1 January 2021, replacing the previous Corporate Governance Code issued by Borsa Italiana and applicable up until 31 December 2020).

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 14 times in 2022. Of the nine members of the Board, six meet the independence requirements of the TUF, the By-laws and the new Corporate Governance Code.

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.

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 15 May 2020.

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 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 39 times, 11 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 aforementioned appointment was made pursuant to Legislative Decree 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.

**New Corporate Governance Code effective from 1st January 2021**

**5 Board committees with propositional and advisory functions**

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 2022”.

## 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.

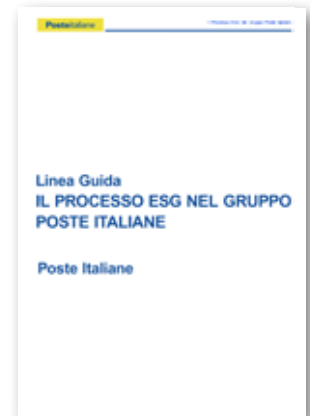
The Group has adopted a sustainability strategy that brings together ESG governance, a set of sustainability policies and guidelines, part of the Company's body of regulations (which identify general principles, objectives for the future and management methods for the non-financial areas that are priorities 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.



- it defines sustainability and corporate social responsibility guidelines and objectives, identifying the set of indicators for monitoring ESG performance
- it constitutes, at Group level, the single point of reference for the governance and management of all risks, making use, to this end, of the contribution of the specialist units reporting directly to it and of the other risk controls present in Poste Italiane and in the Group companies

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 transversal, uniform and coherent integration of the principles underlying the concept of sustainability to 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.





## < 6.2 Poste Italiane's integrated internal control and risk management system

NFS

MAIN RELATED TYPES OF CAPITAL



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, represented 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 plays an important role in the internal control and risk management system, as it is responsible for third-level control activities.

The action of the Internal Auditing function for the year 2022 continued in line with the approach adopted in previous 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 2022, the Board of Directors, having heard the prior opinions of the Risk and Control Committee and the Board of Statutory Auditors, acknowledged the SCIGR 2021 Evaluation Report by approving it and, at the same meeting, approved the Audit Plan for the year 2022. 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 2022, Poste Italiane's Board of Directors also approved the 2022 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 2022 Audit Plan was set up according to a logic of assurance to the Governance and Control Bodies, as well as support to management on internal control issues, ensuring adequate and progressive coverage over time of the processes referable to the subsidiaries of the Poste Italiane Group. The approach used ensures compatibility and consistency with international internal control standards and best practices.

The strategic orientations were:

- ensure the achievement of the Strategic Plan with respect to Industrial and Sustainability objectives;
- promote change and process improvement in terms of the effectiveness and efficiency of control systems, taking into account those considered critical/most significant by management, with an integrated approach to safety issues;
- support Governance throughout the company and Group organisation by guaranteeing, in an integrated manner, an independent assessment activity on processes characterised by relevant regulatory constraints (Legislative Decree no. 231/01, Law no. 262/05) and/or specific supervisory requirements (Bank of Italy, CONSOB, IVASS, COVIP, AGCom, etc.), as well as meeting the control needs of the Group's supervised entities with particular regard to the respective reference regulations (e.g. Banco Posta, etc.).

The **2022 Audit Plan**, structured to increase the dynamism and efficiency of the matrix structure by enhancing professional performance, ensured overall high three-year coverage levels for about 90% of the processes in the Audit Universe, of which about 24% are continuous auditing, many of which are subject to regulatory or supervisory constraints, and Average coverage for about 40% of the processes.

The 2022 Plan covered Insurance, Financial and Transactional product/service delivery areas (with audits of about 1,600 facilities), as well as Postal and Logistics processes (about 110 facilities). The activities envisaged also covered the main resource management processes such as IT (with audits of 14 processes/applications), real estate and purchasing (3 facilities), human resources (over 42 facilities), administrative-accounting processes (15 facilities) and various compliance areas (21 facilities). Finally, to oversee the internal control and risk management system of the entire Poste Italiane Group, 10 Group companies were audited in 2022.

The programme of activities envisaged in the 2022 Audit Plan document, taking advantage of the experience of the previous two-year period, ensured the saturation of resources also through the performance of remote audit activities; in fact, the Internal Auditing function, capitalising on the impacts generated by the health emergency for Covid-19, further increased its efforts in terms of innovation and evolution of the supporting IT tools, as well as defining and developing alternative operating methods for the performance of audit activities; this made it possible to mitigate the impact of absences generated by Covid-19, which, during 2022, increased by approximately 800% compared to the same period of the previous year.

The Internal Auditing function, in order to strengthen the effectiveness of the Group's control system, further integrated the verification activities to be performed on Group companies without their own Internal Auditing function, in continuity with the lines adopted in previous years.

In line with the previous two years, for the most significant Group companies that do not have their own Internal Auditing function, these activities are regulated by specific agreements with SDA Express Courier, PosteAirCargo Srl and Postel SpA.

## 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), which forms part of the Corporate Affairs function, 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. In addition, during 2022, the platform was further expanded through evolutionary implementations and the development of new functionalities with reference to existing modules. 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. customer satisfaction).

## OPERATIONAL

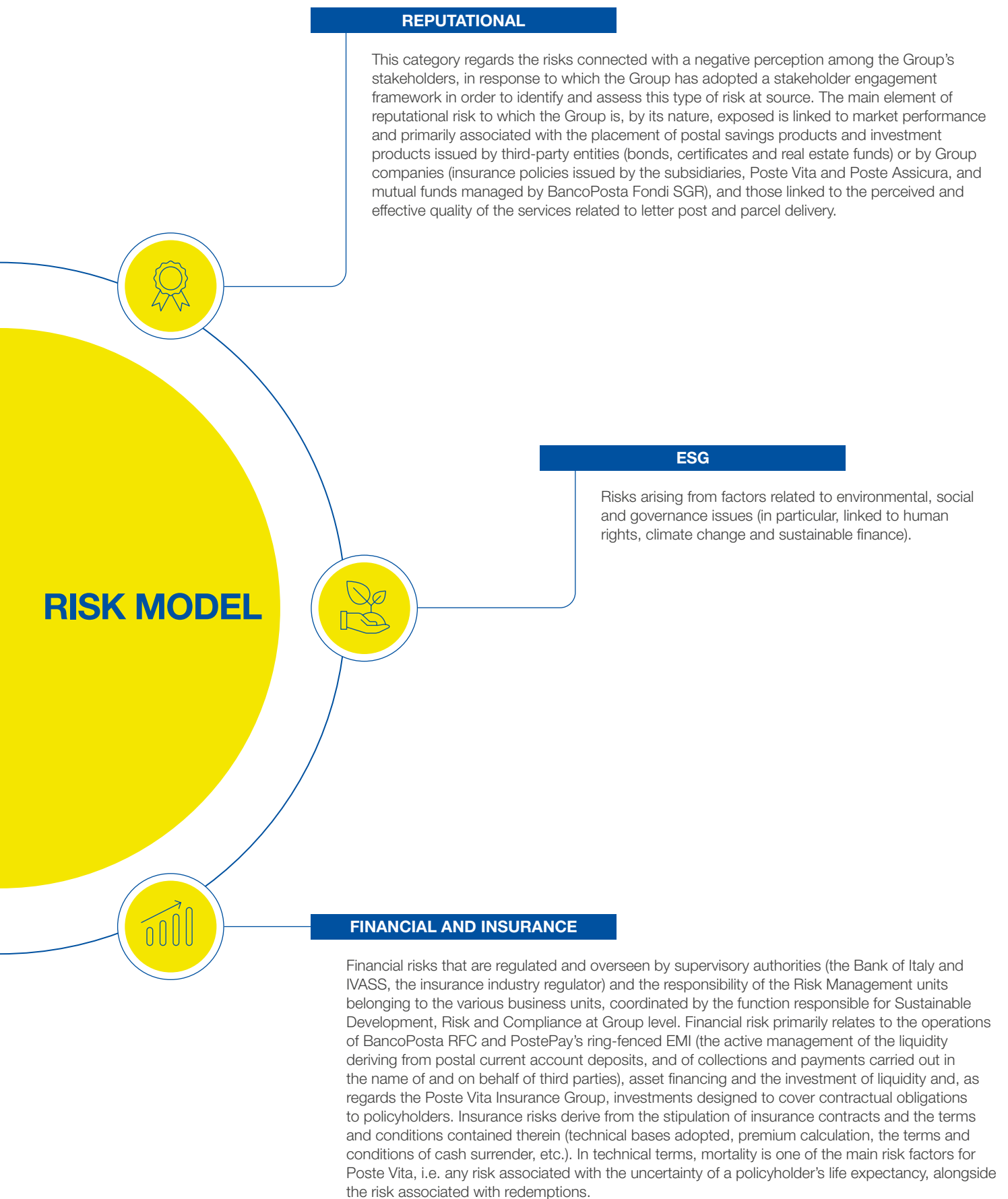
Operational risks refer to the risk of losses resulting from inadequate or failed internal processes, people and systems at Group level, or from external events. Management of operational risk takes place at both the level of specialist units within the Group (BancoPosta Risk Management and Outsourcing 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

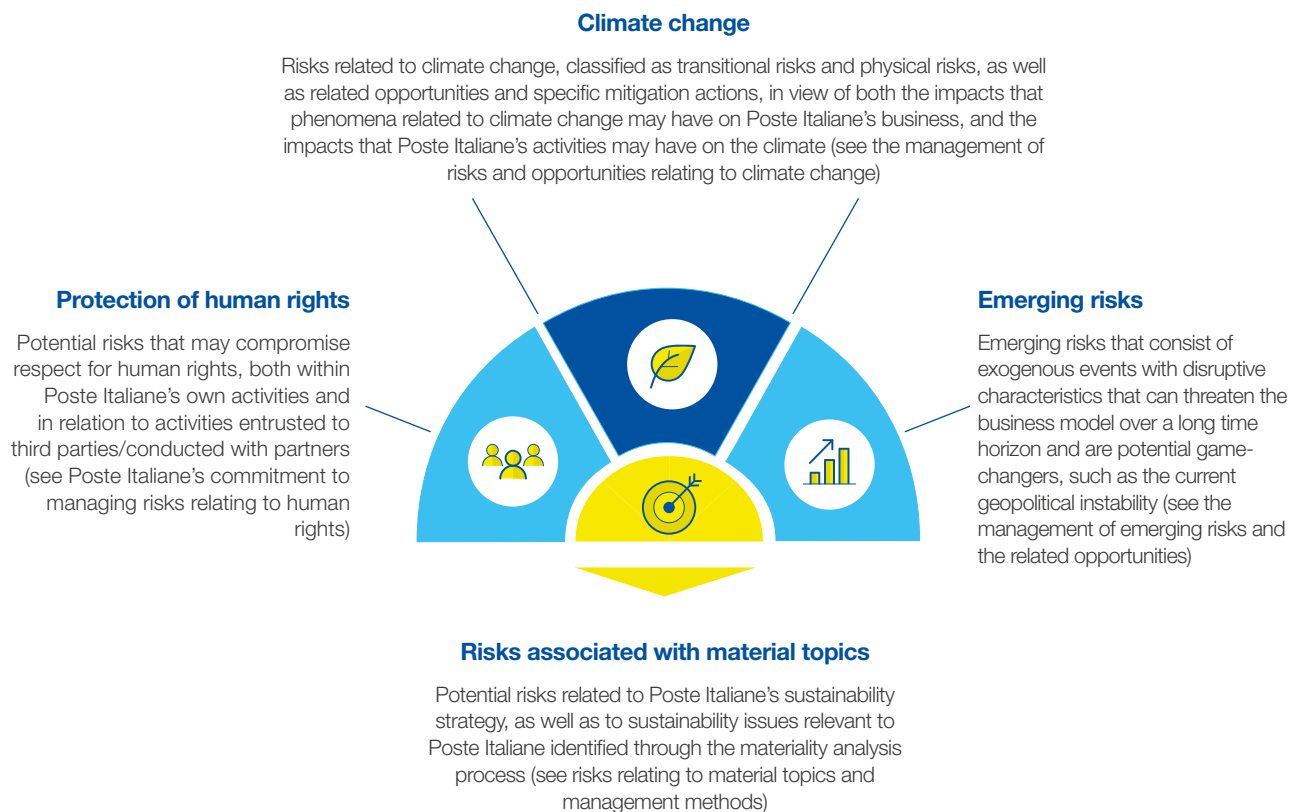
This refers to risks of breaches of existing laws and regulations, such as the risks connected with Legislative Decree no. 231/01, Law 262/05, Data Protection and Market Abuse regulations or the introduction of new legislation or regulations (or new interpretations legislation and regulations) of either 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).



**GROUP'S**

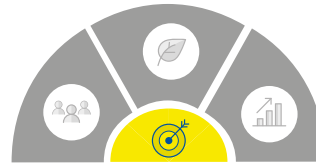


With specific reference to the assessment of Poste Italiane's main risks, in addition to the customary activity of analysing the internal context, particular attention was paid to the external context, also in consideration of the country's general objectives for a sustainable economic recovery, as well 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.

## < 6.3 Risks associated with material topics and management methods












### MAIN RELATED TYPES OF CAPITAL















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 criteria within the procurement processes	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>

PILLAR	MATERIAL TOPIC	RISK EVENTS	STAKEHOLDERS	POTENTIAL IMPACT ON POSTE ITALIANE	POTENTIAL IMPACT STAKEHOLDERS	MAIN MANAGEMENT METHODS	POTENTIAL IMPACT ON CAPITAL
 <b>People development</b>	Staff 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 Development System</li> </ul>	 <b>Human</b>   <b>Intellectual</b>
	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>	 <b>Human</b>
	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>	 <b>Social-relational</b>
	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>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>	 <b>Human</b>
 <b>Diversity and inclusion</b>	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>	 <b>Human</b>
	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>	 <b>Social-relational</b>

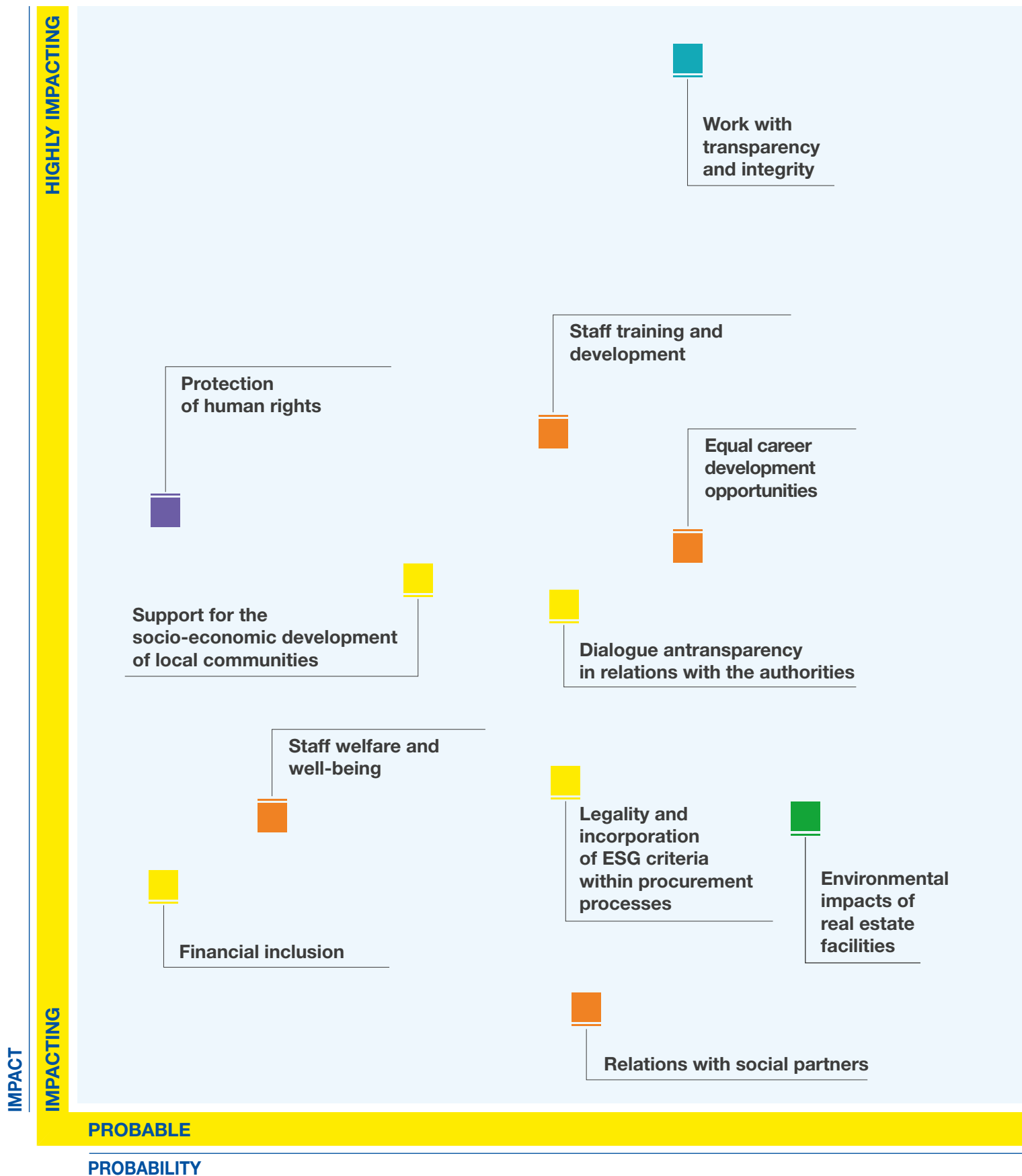


PILLAR	MATERIAL TOPIC	RISK EVENTS	STAKEHOLDERS	POTENTIAL IMPACT ON POSTE ITALIANE	POTENTIAL IMPACT STAKEHOLDERS	MAIN MANAGEMENT METHODS	POTENTIAL IMPACT ON CAPITAL
 <b>Creating value for the country</b>	Support for the socio-economic development of local communities	Tensions with local communities	Local 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 local community engagement initiatives</li> </ul>	 <b>Social-relational</b>
	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 and agreed local community engagement initiatives</li> </ul>	
	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 local community engagement initiatives</li> <li>Digital and postal financial education programme</li> </ul>	 <b>Social-relational</b>   <b>Financial</b>
 <b>Green transition</b>	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>	 <b>Natural</b>   <b>Physical-structural</b>
	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 diversity and inclusion</li> <li>Adoption of energy efficiency solutions for real estate assets and use of renewables (smart building, LED, photovoltaic panels lighting etc.)</li> <li>Environmental Management System for Group companies</li> </ul>	 <b>Physical-structural</b>
 <b>Customer experience</b>	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>Other products and services</li> <li>Development of customer assistance model</li> <li>Complaints management</li> <li>Implementation of the Quality Management System</li> </ul>	 <b>Social-relational</b>   <b>Intellectual</b>
	CyberSecurity, IT Security and Privacy	Increase in malfunctions relating to technology infrastructure	Poste Italiane people; the 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, cybersecurity and business continuity</li> <li>Investments in IT infrastructure modernisation</li> </ul>	 <b>Financial</b>

PILLAR	MATERIAL TOPIC	RISK EVENTS	STAKEHOLDERS	POTENTIAL IMPACT ON POSTE ITALIANE	POTENTIAL IMPACT STAKEHOLDERS	MAIN MANAGEMENT METHODS	POTENTIAL IMPACT ON CAPITAL
 <b>Innovation</b>	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>	 <b>Intellectual</b>
							 <b>Physical-structural</b>
							 <b>Financial</b>
 <b>Sustainable finance</b>	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>	 <b>Financial</b>
	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 processes</li> </ul>	 <b>Human</b>
							 <b>Social-relational</b>
							 <b>Intellectual</b>
							 <b>Natural</b>

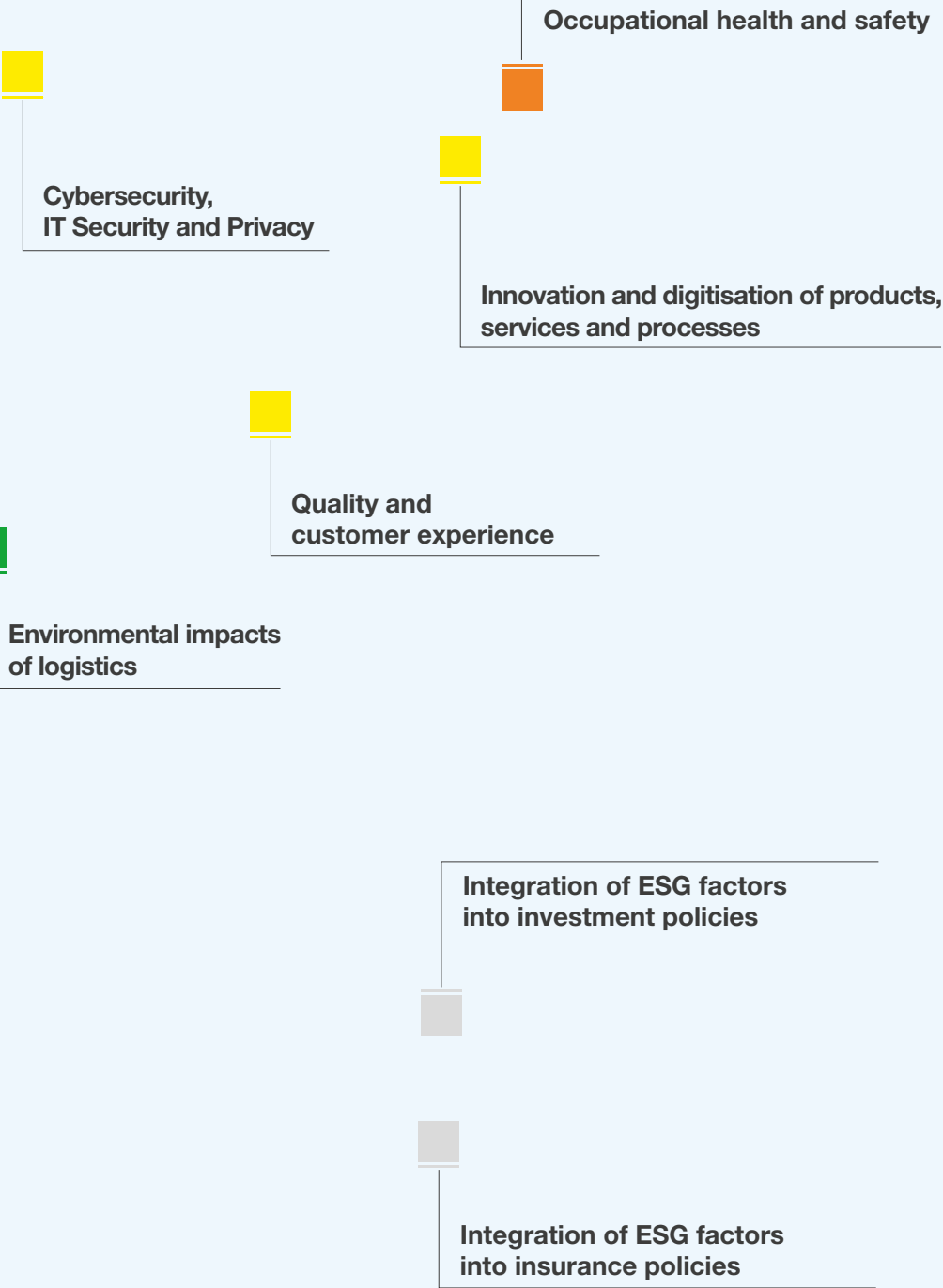
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## Poste Italiane Group's risk matrix



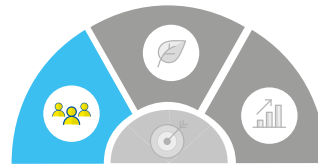
Scopes Legislative Decree no. 254/16

- Personnel
- 
- Environmental

 Company Human rights

HIGHLY PROBABLE

## < 6.4 Poste Italiane's commitment to managing human rights risks



### MAIN RELATED TYPES OF CAPITAL



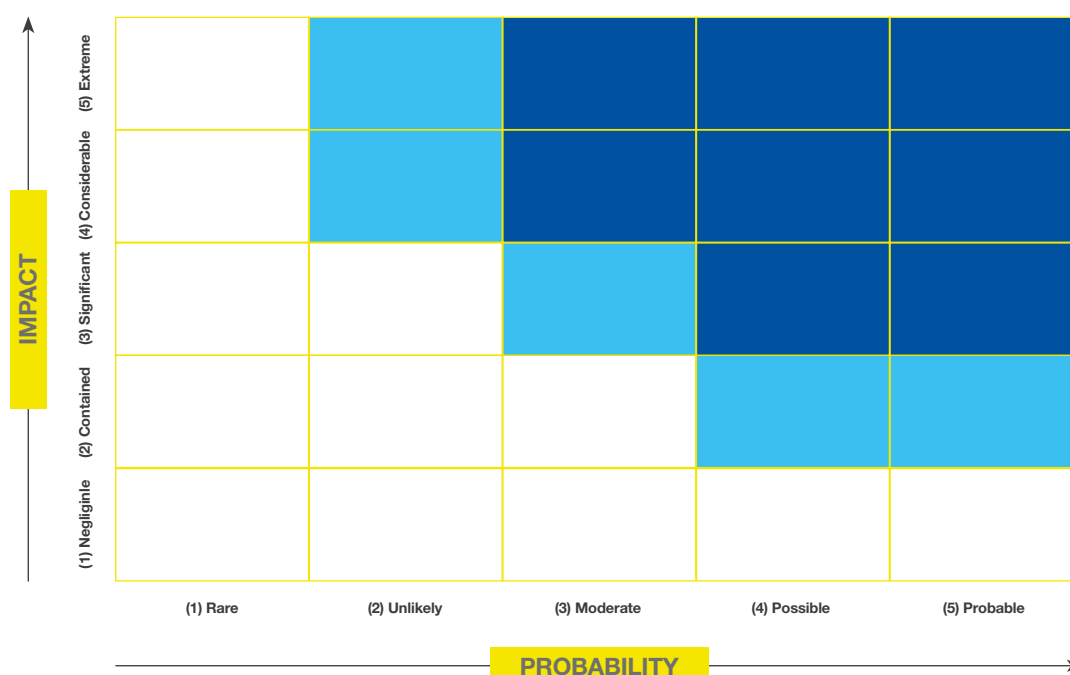
In order to monitor and manage risks and opportunities relating to human rights in all their forms, the “Group policy for the protection of Human Rights” is a useful tool to define a clear approach to the management of Poste Italiane’s activities and those entrusted to third parties or conducted with partners, confirming the Group’s commitment to socially responsible investment and management.

Poste Italiane has adopted a specific “Diversity & Inclusion Policy” with the aim of fostering a corporate culture based on respect for and appreciation of diversity, in line with as already stated in the Code of Ethics and in the Group policy for the protection of Human Rights. The Policy also aims to define the modalities for creation of value within working environments, valuing diversity in all its forms and assessing the risks associated with the occurrence of discrimination within the Company.

Furthermore, the Group’s risk management model envisages, through the application of risk assessment procedures, 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.

Below are the various drivers that have been identified as most relevant to Poste Italiane's business. These drivers 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.

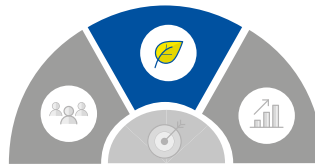


RISK DRIVERS	MAIN RISK MANAGEMENT ACTIONS AND TOOLS	PILLAR	MATERIAL TOPICS	CAPITALS IMPACTED
1. Dignity and respect	<ul style="list-style-type: none"> <li>Group Code of Ethics</li> <li>231 Model</li> <li>Whistleblowing guidelines</li> <li>Whistleblowing portal</li> <li>Achievement of ISO 37002 'Whistleblowing'</li> </ul>	 <b>Diversity and inclusion</b>	Protection of human rights at the Company	 <b>Human</b>  <b>Intellectual</b>
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> </ul>	 <b>People development</b>	Relations with social partners	 <b>Social-relational</b>  <b>Intellectual</b>
3. Freedom of association and collective bargaining	<ul style="list-style-type: none"> <li>Whistleblowing guidelines</li> <li>Whistleblowing portal</li> <li>Achievement of ISO 37002 'Whistleblowing'</li> </ul>			
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> </ul>	 <b>Diversity and inclusion</b>	Protection of human rights at the Company  Equal career development opportunities	 <b>Social-relational</b>  <b>Intellectual</b>  <b>Financial</b>
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> <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>	 <b>Diversity and inclusion</b>	Protection of human rights at the Company  Equal career development opportunities	 <b>Human</b>  <b>Intellectual</b>  <b>Social-relational</b>  <b>Financial</b>
		 <b>Integrity and transparency</b>	Legality and incorporation of ESG criteria within the procurement processes	



RISK DRIVERS	MAIN RISK MANAGEMENT ACTIONS AND TOOLS	PILLAR	MATERIAL TOPICS	CAPITALS IMPACTED
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	Staff 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</li> <li>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> <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>	 People development	Occupational health and safety  Legality and incorporation of ESG criteria within the procurement processes	 Human  Intellectual
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	CyberSecurity, 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 criteria within the procurement processes	 Human  Intellectual

## < 6.5 Managing climate change related risks and opportunities



### MAIN RELATED TYPES OF CAPITAL



Poste Italiane is aware of the relevance of the Company in terms of capillarity within the territory in which it operates. Therefore, the Group aims to reduce its environmental impact and contribute to the low-carbon transition of the country's economy.

Considering the relevance of identifying the potential economic impacts of climate change risks, the Group takes a responsible approach in conducting its activities.

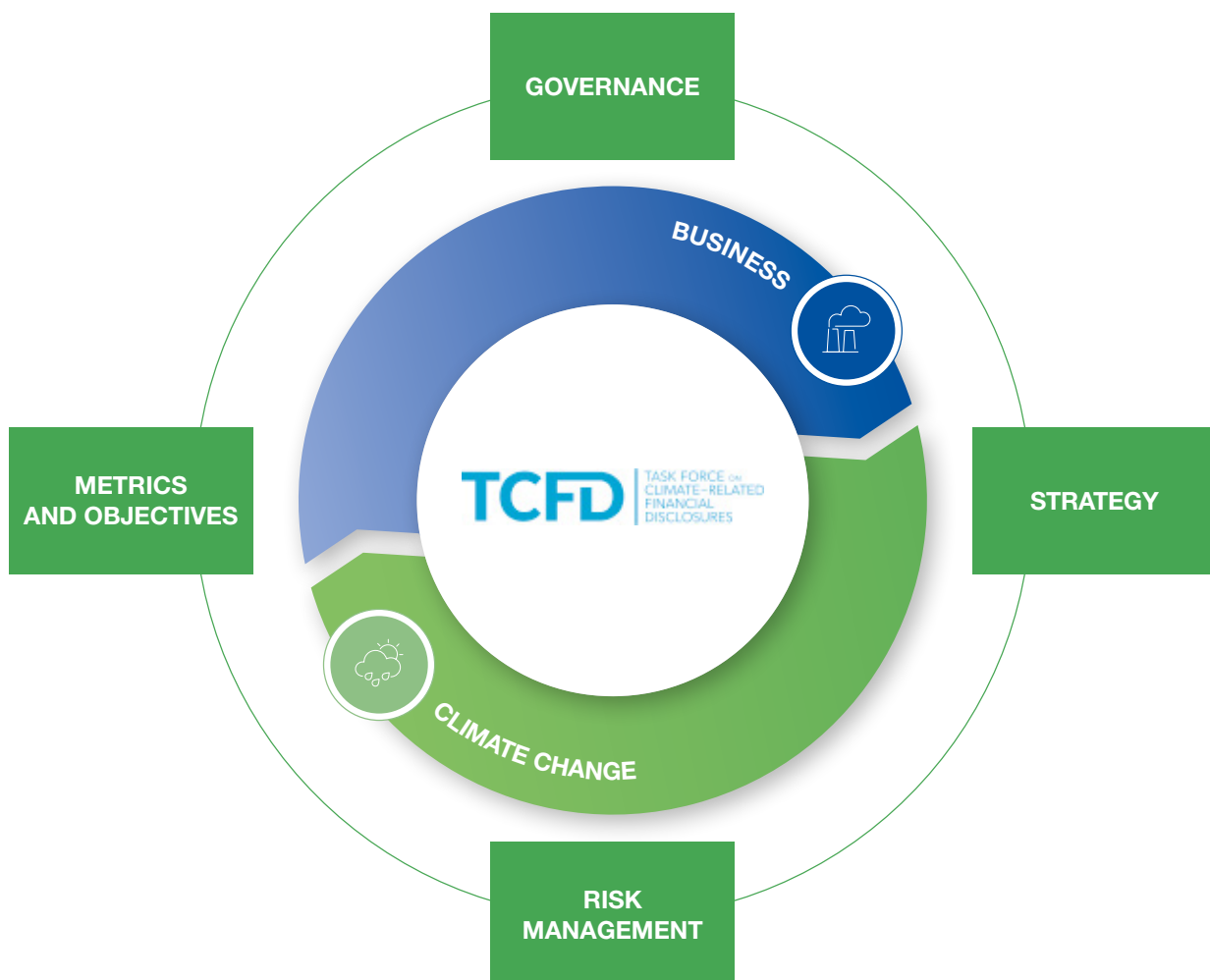
This commitment is in line with the new edition of the "Global Risks Report" published by the World Economic Forum in January 2023. The paper tracks perceptions of global risks among industry experts and world leaders at various levels, examining them in five categories: economic, environmental, geopolitical, social and technological. The report reveals that the top three 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.



### Top five global risk

- 1 *Failure to mitigate climate change*
- 2 *Failure of climate change adaptation*
- 3 *Natural disaster and extreme weather event*
- 4 *Biodiversity loss and ecosystem collapse*
- 5 *Large scale involuntary migration*

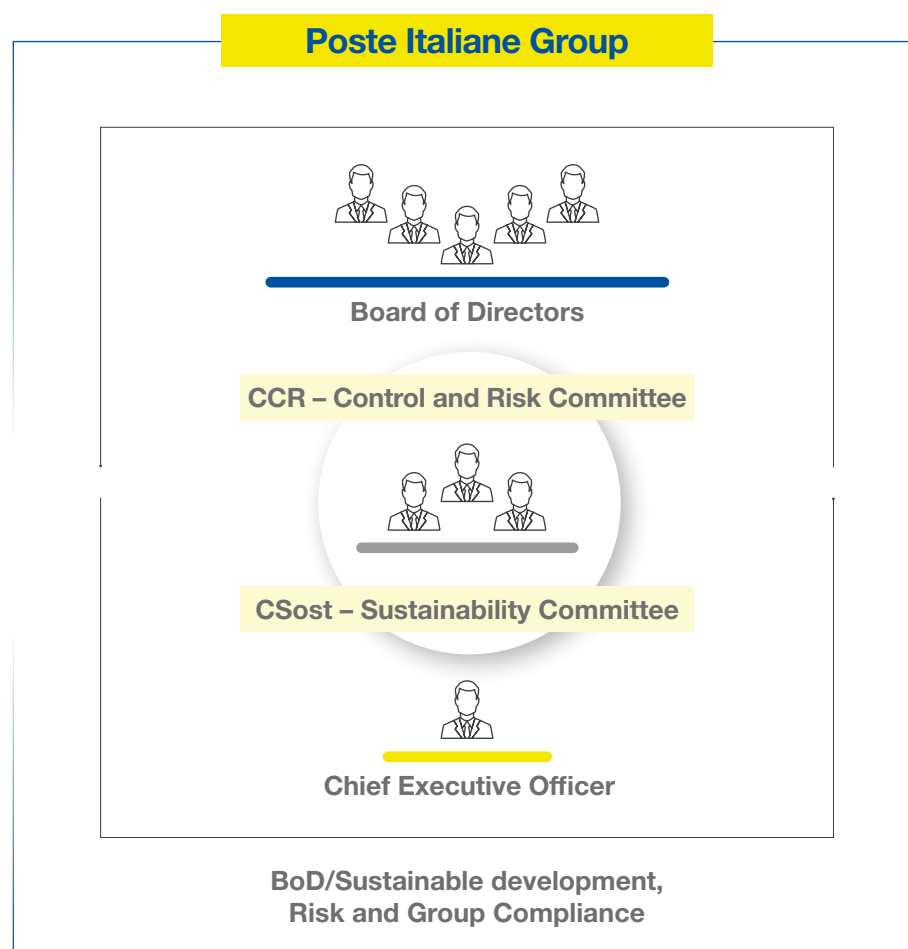
10 years



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 based on the areas 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 proper management of environmental issues, and provides for specific roles and responsibilities.

- The Board of Directors of Poste Italiane SpA 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) is tasked with assisting the Board of Directors with investigative, propositional and advisory functions, in pursuing sustainable success. The Committee provides input during all assessments and decisions relating to environmental, social, and governance issues

La 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. In addition, the CSost 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 managerial level, the main specific functions related to environmental topics are entrusted to the Chief Executive Officer and to the Group Sustainable Development, Risk and Compliance function. 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, established within the Corporate Affairs function:

- defines, in collaboration with the departments involved, the guidelines and objectives of Sustainability and corporate social responsibility for the Company, through the identification of a set of indicators for monitoring Sustainability performance, and the use of specific metrics used to monitor climate-related risks and opportunities, in line with best practices and related international guidelines;
- constitutes, thanks to the contribution of the specialist units reporting directly to it ("direct controls"), as well as other risk controls ("indirect controls") present in Poste Italiane and the Group companies, the single point of reference for the governance and management of all risks.

Finally, with the aim of correctly identifying and managing climate-related risks and opportunities also for investment and insurance processes, additional controls were put in place. With regard to investment processes, 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 considers several risk drivers, attributable to the two macro-areas transition risks and physical risks, to classify them in relation to climate change. After identifying and associating the risks with each driver, the Company went on to link the material and capital issues impacted, defining opportunities and potential negative impacts related to them, and identifying specific mitigation actions to be implemented. During the risk assessment process, Poste Italiane took into account both its own direct activities, as well as upstream and downstream operations, and finally included customers as the main beneficiaries of the Company's products. The Group has defined 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 supports the transition to a low-carbon economy through its commitment to reducing emissions in the business operations included in the Business Plan, consistent with achieving Carbon Neutrality by 2030, and in support of the Paris Agreement in limiting global warming to 1.5°C.

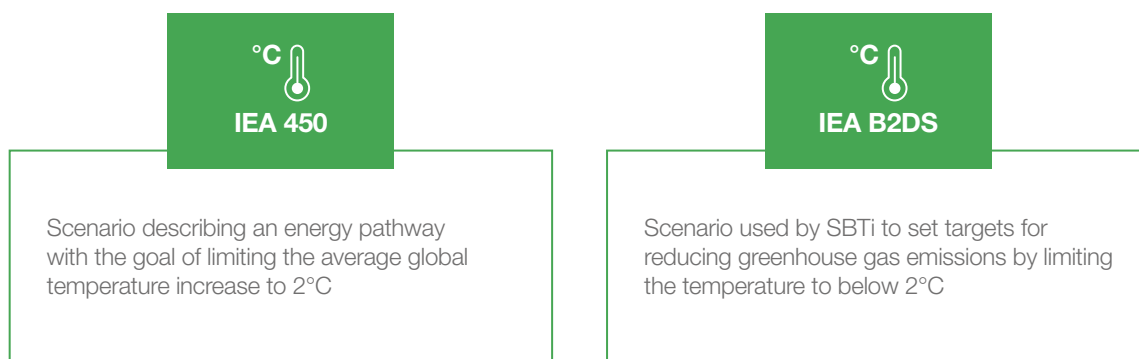
With regard to transition risks, considering the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) organisations and the main literature on the subject as a reference, the Group carried out a review of different scenarios to get a picture of potential future developments. In particular, Poste Italiane employed, after an evaluation of possible alternatives, two scenarios, IEA 450 and IEA B2DS, considered to be the most consistent with the timeframe envisaged for the assets and activities, and consequently the most suitable for the Group's business and objectives with respect to the alignment towards maintaining the global temperature at 1.5°C.

The IEA 450 scenario describes an energy pathway consistent with the goal of limiting the average global temperature increase to 2°C by limiting the concentration of greenhouse gases in the atmosphere to around 450 parts per million of CO<sub>2</sub> equivalent. By the year 2030, the scenario envisages the energy sector to be strongly characterised by renewable energies, with a marked improvement in vehicle and process efficiency, and a widespread replacement of coal by natural gas in power generation. With this in mind, starting in 2019, the Group has implemented a Renewal Plan that envisages the complete replacement of the entire vehicle fleet with new-generation, low-emission electric, hybrid and endothermic models, which will guarantee a reduction in energy consumption. In order to measure the value generated by fleet replacement, Poste Italiane adopted a specific investment valuation methodology that combines the traditional financial and non-financial perspectives, the so-called "True Value Bridge". This methodology is a useful tool to develop an integrated strategic planning to create shared value between the Company and the territory, identifying the net impacts generated by the green fleet compared to those that a traditional fleet would generate<sup>82</sup>.

82. For more information, please refer to the document "Sustainability and its Impacts": <https://www.posteitaliane.it/files/1476526944361/Report-impatti.pdf>

The IEA B2DS scenario was taken into account, not least because of the relevance attributed to it by SBTi (Science Based Target Initiative) for setting greenhouse gas emission reduction targets. The focus is on the hypotheses for the development of climate policies and technologies to reduce greenhouse gas emissions.

Poste Italiane has officially committed to setting science-based targets for its greenhouse gas emissions.







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> <b>Integrity and transparency</b></p> <p>Working with integrity and transparency.</p> <p><b>Capitals impacted:</b></p> <p> <b>Human</b></p> <p> <b>Intellectual</b></p> <p> <b>Financial</b></p>	<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><b>Time frame:</b> Long-term</p> <p><b>Pillars impacted:</b></p> <p> <b>Sustainable finance</b></p> <p>Integration of ESG factors into investment policies; Integration of ESG factors into insurance policies.</p> <p><b>Capitals impacted:</b></p> <p> <b>Human</b></p> <p> <b>Intellectual</b></p> <p> <b>Financial</b></p> <p> <b>Social-relational</b></p> <p> <b>Natural</b></p>	<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</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><b>Time frame:</b> Long-term</p> <p><b>Pillars impacted:</b></p> <p> <b>Green transition</b> Environmental impacts of logistics</p> <p> <b>Creating value for the country</b> Support for the socio-economic development of local communities</p> <p> <b>Innovation</b> Innovation and digitalisation of products, services and processes</p> <p> <b>Customer experience</b> Quality and customer experience. CyberSecurity, IT Security and Privacy.</p> <p><b>Capitals impacted:</b></p> <p> <b>Intellectual</b></p> <p> <b>Financial</b></p> <p> <b>Physical-structural</b></p> <p> <b>Social-relational</b></p> <p> <b>Natural</b></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 37% in 2022, more than doubling this percentage by 2021, with the aim of replacing the entire company fleet with low-emission vehicles by 2024, resulting in a CO<sub>2</sub> reduction equal to that of around 80,000 trees.</p> <p>This commitment is also strengthened in relation to the initiatives undertaken by the Group to support small Municipalities. In this regard, the Company aims to offer zero-emission services in 800 small Municipalities and 35 historical centres 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 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.</p>



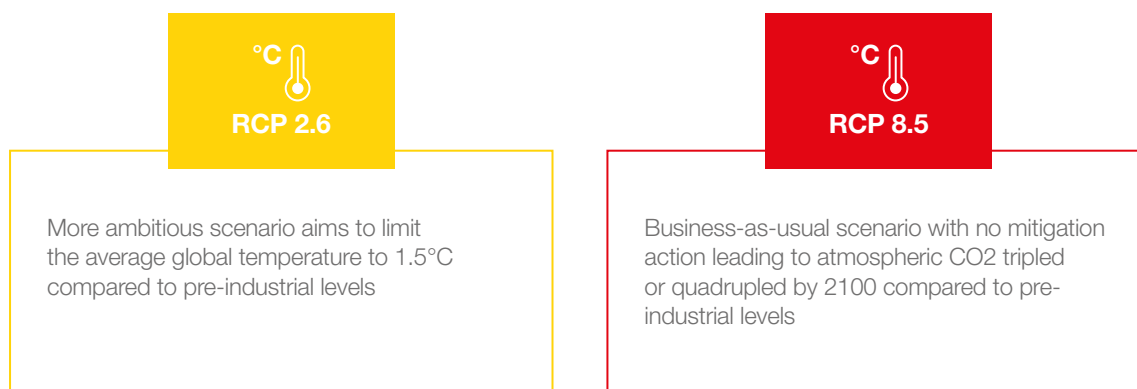


## 4. REPUTATION

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><b>Time frame:</b> Long-term</p> <p><b>Pillars impacted:</b></p> <p> <b>Integrity and transparency</b></p> <p>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></p> <p>Support for the socio-economic development of local communities</p> <p>Dialogue and transparency in relations with the authorities.</p> <p> <b>Green transition</b></p> <p>Environmental impacts of real estate facilities.</p> <p><b>Capitals impacted:</b></p> <p> <b>Human</b></p> <p> <b>Intellectual</b></p> <p> <b>Financial</b></p> <p> <b>Physical-structural</b></p> <p> <b>Social-relational</b></p> <p> <b>Natural</b></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>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.</p> <p>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 impacts that Poste Italiane's activities may have on the climate, the Company is constantly advancing the use of energy sources that do not use fossil fuels (e.g. solar energy from photovoltaic panels on buildings) and in the reduction of energy consumption (e.g. replacement of neon lamps and use of LEDs), also in order to cope with potential sudden changes in prices of energy among others, Poste Italiane, in line with adherence 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 targets by 2030, well in advance of the timeframe defined by the European Union.</p>

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 carried out 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 view of 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 prefigures a peak in emissions at an early stage, with 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  $\sim 3\text{W/m}^2$ , which will be followed by a major 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.



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 €11.9bn of existing operations in 2022, 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 subsequently 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 Group's financial performance, and thus its results and cash flows, are negatively impacted by the occurrence of such acute physical damage and the interruption of power distribution, resulting in a deterioration of reputation and loss of customer confidence. Examples are the floods in Genoa in 2016, 2019 and 2020, following which the Group collaborated with national and local institutions, as well as the more recent floods in Sicily in 2018, 2020 and 2021. These events led to damage to Poste Italiane's Post

Offices, resulting in the suspension of services. Phenomenon of a similar nature occurred in Ischia in October 2022, where the Poste Italiane office was a point of reference for the population, a place where they could meet again with neighbours they had not heard from and gather initial information on what had happened on the rest of the island.

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 regard 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.

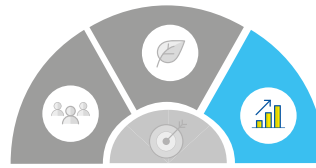


## 5. EXTREME WEATHER CONDITIONS

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><b>Time frame:</b> Medium-term</p> <p><b>Pillars impacted:</b></p> <p> <b>Integrity and transparency</b> Working with integrity and transparency</p> <p> <b>Creating value for the country</b> Dialogue and transparency with the authorities</p> <p> <b>People development</b> Occupational health and safety</p> <p><b>Capitals impacted:</b></p> <p> <b>Human</b></p> <p> <b>Intellectual</b></p> <p> <b>Financial</b></p> <p> <b>Social-relational</b></p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Limitations on 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 transition-al) into their governance and control systems, business model and strategy, organisational system and operational processes, risk management system and market reporting.

## < 6.6 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, related 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.



## AGEING POPULATION:

Increased longevity combined with low birth rate resulting in a negative change in the generational distribution of customers for Poste Italiane





MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<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.</p> <p>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>Ageing could also very significantly affect economic growth and have a negative impact on productivity. This aspect is also accentuated by the change in the balance between the active population and the retired population as well as by the irregular and low income capacity of younger people with consequent unfavourable effects on the social security system.</p> <p>However, the rise in life expectancy and the increase in average age could support the emergence of new markets and new businesses.</p> <p><b>Trend: Increasing</b></p> <p><b>Risks impacted:</b></p> <ul style="list-style-type: none"> <li>• Operational</li> <li>• Financial and insurance</li> </ul> <p><b>SBU's impacted:</b></p> <ul style="list-style-type: none"> <li>• Insurance Services</li> <li>• Mail, Parcels &amp; Distribution</li> <li>• Payments and Mobile</li> <li>• Financial Services</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p> <b>Diversity and inclusion</b></p> <p>Protection of human rights; Equal career development opportunities.</p> <p><i>Continued</i></p>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>• Inadequacy of product offers (e.g., mobile phone price plans) 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> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Increased business opportunities due to changes in consumer needs, based on meeting the needs of the more mature population</li> <li>• Increased demand for life and P&amp;C insurance products</li> </ul>	<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 launched the "Silver Economy" Programme designed for senior citizens, with the aim of managing all the Group's actions dedicated to this important segment of the population in a single synergistic framework. It is a package of financial and savings services, insurance, telephony, shipping and delivery, ideal solutions tailored to specific customers, making Poste Italiane a single point of contact able to meet different needs. The programme aims to help improve knowledge of financial and digital tools, through a training course led by Poste Italiane's financial and digital experts.</p> <p>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.</p> <p><i>Continued</i></p>

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p><i>Continued</i></p> <p> <b>Innovation</b> Innovation and digitisation of products, services and processes</p> <p> <b>Creating value for the country</b> Support for the socio-economic development of local communities</p> <p> <b>Customer experience</b> Quality and customer experience</p> <p> <b>People development</b> Staff training and development</p> <p><b>Capitals impacted:</b></p> <p> <b>Financial</b></p> <p> <b>Human</b></p> <p> <b>Physical-structural</b></p> <p> <b>Social-relational</b></p> <p> <b>Intellectual</b></p>		<p><i>Continued</i></p> <p>The survey analysed, among other aspects, the frequency and quality of relations between employees of different generations and gathered feedback and suggestions for improving collaboration between them. In addition, Poste Italiane implemented orientation and intergenerational dialogue initiatives through collaborations between seniors and students in order to overcome vertical barriers and foster the exchange of experiences to support inclusion and employability. In fact, Poste Italiane continued its collaboration with “Valore D” for the realisation of orientation programmes aimed at encouraging girls and boys of school age to follow their aspirations, free from gender conditioning, through dialogue with internal role models, in order to actively affect common stereotypes that accompany the younger generations.</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 them to make full and conscious use of the tools made available to them.</p>



## 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><b>Trend: Increasing</b></p> <p><b>Risks impacted:</b></p> <ul style="list-style-type: none"> <li>• Compliance</li> <li>• Operational</li> <li>• Reputational</li> <li>• ESG</li> </ul> <p><b>SBU's impacted:</b></p> <ul style="list-style-type: none"> <li>• Mail, Parcels &amp; 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>Integrity and transparency</b></p> <p>Working with integrity and transparency</p> <p><b>Capitals impacted:</b></p> <p> <b>Financial</b></p> <p> <b>Human</b></p> <p> <b>Intellectual</b></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> </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</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, thus 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 Group'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>





## PANDEMIC RISK:

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><b>Trend: Stable</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> <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 &amp; Distribution</li> <li>• Payments and Mobile</li> <li>• Financial Services</li> <li>• Insurance</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p> <b>Innovation</b></p> <p>Innovation and digitisation of products, services and processes</p> <p> <b>Creating value for the country</b></p> <p>Dialogue and transparency in relations with the authorities</p> <p>Support for the socio-economic development of local communities</p> <p> <b>Customer experience</b></p> <p>Quality and customer experience</p> <p> <b>People development</b></p> <p>Occupational health and safety</p> <p>Staff training and development.</p> <p><b>Capitals impacted:</b></p> <p> <b>Financial</b></p> <p> <b>Human</b></p> <p> <b>Physical-structural</b></p> <p> <b>Social-relational</b></p> <p> <b>Intellectual</b></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.</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 current 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>While managing the health emergency, Poste Italiane focuses on pursuing sustainable development by continuing to invest in projects aimed at strengthening ESG initiatives, as highlighted in the Sustainability Strategy.</p>



## 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 twofold direction: positive, for the innovations that allow to pursue more efficient and sustainable solutions; negative, for the consequences that robotics and data centers can have on the environment, in terms of polluting emissions and energy consumption.</p> <p>Moreover, 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>Trend: Increasing</b></p> <p><b>Risks impacted:</b></p> <ul style="list-style-type: none"> <li>• Operational</li> <li>• Strategic</li> <li>• Compliance</li> <li>• Reputational</li> </ul> <p><b>SBU's impacted:</b></p> <ul style="list-style-type: none"> <li>• Payments and Mobile</li> <li>• Financial Services</li> <li>• Insurance Services</li> <li>• Mail, Parcels &amp; Distribution</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p> <b>Innovation</b></p> <p>Innovation and digitisation of products, services and processes</p> <p> <b>Creating value for the country</b></p> <p>Support for the socio-economic development of local communities</p> <p><i>Continued</i></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 digital divide</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> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Development of technology products in line with different consumers needs</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> </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> <p>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. In 2022, more than 400 Smart Letter Boxes were installed throughout Italy, including 300 in small municipalities.</p> <p><i>Continued</i></p>

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p><i>Continued</i></p> <p> <b>Customer experience</b></p> <p>Quality and customer experience CyberSecurity, IT Security and Privacy.</p> <p><b>Capitals impacted:</b></p> <p> <b>Financial</b></p> <p> <b>Physical-structural</b></p> <p> <b>Social-relational</b></p> <p> <b>Intellectual</b></p>		<p><i>Continued</i></p> <p>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.</p> <p>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.</p> <p>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.</p>



## 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
<p>The technological evolution of the business and the wider use of innovative digital solutions, requires increasing attention to the aspects of cybersecurity. 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.</p> <p>The increasing demand for personal identification and authentication, including through the use of biometric identifiers, may increase the risk of fraud and identity theft.</p> <p><b>Trend: Increasing</b></p> <p><b>Risk impacted:</b></p> <ul style="list-style-type: none"> <li>Operational</li> <li>Strategic</li> <li>Compliance</li> <li>Reputational</li> </ul> <p><b>SBU's impacted:</b></p> <ul style="list-style-type: none"> <li>Payments and Mobile</li> <li>Financial Services</li> <li>Insurance Services</li> <li>Mail, Parcels &amp; Distribution</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p> <b>Customer experience</b></p> <p>CyberSecurity, IT Security and Privacy</p> <p><b>Capitals impacted:</b></p> <ul style="list-style-type: none"> <li> <b>Financial</b></li> <li> <b>Physical-structural</b></li> <li> <b>Social-relational</b></li> <li> <b>Intellectual</b></li> </ul>	<p><b>Negative impacts:</b></p> <ul style="list-style-type: none"> <li>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)</li> <li>Service disruptions caused by attacks on information systems and/or communication networks</li> <li>Deletion or deterioration of data</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Higher IT infrastructure security levels than competitors</li> <li>Increased customer confidence in the robustness of Poste Italiane's IT structure to protect sensitive data</li> <li>Increased efficiency and productivity due to the adoption of tools to guard against cyber attacks</li> </ul>	<p>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.</p> <p>The function responsible for IT security assesses the cyber risk on a monthly basis, based on technical security checks conducted on three applications:</p> <ul style="list-style-type: none"> <li><b>Vulnerability Assessment:</b> process identifying, measuring and prioritising the vulnerabilities of a system, carried out twice a year on each application using appropriate tools;</li> <li><b>Code Review (Static and Dynamic):</b> 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");</li> <li><b>Penetration Test:</b> 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.</li> </ul> <p>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.</p> <p>Poste Italiane has also undertaken a series of additional initiatives:</p> <ul style="list-style-type: none"> <li>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;</li> <li>extended the scope of Cyber Risk analysis to include BancoPosta, PostePay, PosteVita, Poste Assicura, Poste Welfare Servizi and other compliance/security areas;</li> <li>set up the Information Security Committee - DTO, a periodic working table between the Information Security and Digital, Technology &amp; Operations functions with the aim of jointly planning and directing security activities and identifying areas for improvement.</li> </ul> <p>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.</p> <p><i>Continued</i></p>

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
		<p><i>Continued</i></p> <p>In the area of cybersecurity, Poste Italiane has obtained the following certifications:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> <p>In order to guarantee Group-wide supervision of cyberSecurity 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.</p> <p>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.</p>









## 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. 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.</p> <p><b>Trend: Increasing</b></p> <p><b>Risks impacted:</b></p> <ul style="list-style-type: none"> <li>• Reputational</li> <li>• Operational</li> <li>• Strategic</li> <li>• Compliance</li> </ul> <p><b>SBU's impacted:</b></p> <ul style="list-style-type: none"> <li>• Mail, Parcels &amp; 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>Creating value for the country</b></p> <p>Dialogue and transparency with the authorities; Support for the socio-economic development of local communities.</p> <p> <b>Green transition</b></p> <p>Environmental impacts of logistics Environmental impacts of real estate facilities.</p> <p> <b>Sustainable finance</b></p> <p>Integration of ESG factors into investment policies Integration of ESG factors into insurance policies.</p> <p><i>Continued</i></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> </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 downstream and upstream operations, including customers in the final analysis, given that they are the main beneficiaries of Group products.</p> <p>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.</p> <p>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.).</p> <p>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 .</p> <p><i>Continued</i></p>









MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p><i>Continued</i></p> <p><b>Capitali impattati:</b></p> <ul style="list-style-type: none"> <li> Financial</li> <li> Human</li> <li> Natural</li> <li> Physical-structural</li> <li> Social-relational</li> <li> Intellectual</li> </ul>		<p><i>Continued</i></p> <p>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.</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. The results obtained both for BancoPosta Fondi SGR and Poste Vita, are higher than the ESG performance of reference benchmarks.</p> <p>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> <p>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 "<i>managing climate change related risks and opportunities</i>".</p> <p>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).</p> <p>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.</p>



## 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><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>SBU's impacted:</b></p> <ul style="list-style-type: none"> <li>Pagamenti e Mobile</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p> <b>Innovation</b></p> <p>Innovation and digitisation of products, services and processes</p> <p> <b>Customer experience</b></p> <p>Quality and customer experience</p> <p><b>Capitals impacted:</b></p> <p> <b>Financial</b></p> <p> <b>Physical-structural</b></p> <p> <b>Social-relational</b></p> <p> <b>Intellectual</b></p>	<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> </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>





## 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>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><b>Risks impacted:</b></p> <ul style="list-style-type: none"> <li>Operational</li> <li>Reputational</li> <li>Compliance</li> </ul> <p><b>SBU's impacted:</b></p> <ul style="list-style-type: none"> <li>Mail, Parcels &amp; Distribution</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p> <b>Integrity and transparency</b></p> <p>Legality and incorporation of ESG criteria within the procurement processes</p> <p> <b>Creating value for the country</b></p> <p>Support for the socio-economic development of local communities</p> <p> <b>Green transition</b></p> <p>Environmental impacts of logistics</p> <p><b>Capitals impacted:</b></p> <p> <b>Financial</b></p> <p> <b>Human</b></p> <p> <b>Natural</b></p> <p> <b>Physical-structural</b></p> <p> <b>Social-relational</b></p>	<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 2022 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. The results of this policy are evident, as the Company has gone from 11% green vehicles in 2016 to 37% in 2022, more than doubling this percentage by 2021, with the aim of replacing the entire company fleet with low-emission vehicles by 2024, resulting in a CO<sub>2</sub> reduction equal to that of around 80,000 trees.</p> <p>In 2022, Poste Italiane completed the fleet of about 2,000 electric cars and purchased 40 dual-socket columns for recharging electric vans, with further installation planned for 2023. The green fleet reached 37% of the total Poste Italiane fleet in 2022.</p> <p>Over the next few years, as part of the objectives defined in the strategic plan, Poste Italiane aims to replace the entire vehicle fleet with 27,800 new-generation green vehicles with reduced environmental impact equipped with electric, hybrid, and endothermic propulsion, achieving a 40% reduction in polluting emissions.</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>



## EVOLUTION OF CONSUMER BEHAVIOUR AS A FUNCTION OF THE MACRO-ECONOMIC SCENARIO AND CHANGES IN PURCHASING PREFERENCES:

Changes in consumer purchasing habits as a function of the macro-economic scenario as well as customer needs and expectations, requiring the ability to grasp these changes in a short timeframe and respond through operational and production adaptations, even profound ones.

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p>Purchasing logic and habits are continually changing and so too are consumers' needs and requirements: extending the range of product and service offerings to the market and making these immediately accessible thanks to technological innovation, requires companies to make a greater effort in securing customer loyalty and responding to their changing needs in terms of preferences and product experiences.</p> <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, we are witnessing a radical change whereby the moment of purchase is no longer limited solely to the evaluation, choice and eventual acquisition of a product or service on the basis of its characteristics and price, but is increasingly seen as a true experience, in which the consumer is personally involved. Furthermore, consumers are increasingly paying attention to social and environmental issues in their purchasing decisions and are willing to pay a premium for the sustainability of the products and services they buy.</p> <p>In a constantly evolving scenario, permeated by mobile devices, social networking platforms, e-commerce and multichannel, it is necessary for companies to establish relationships of trust and complicity with their customers, in order to intercept any change in needs and behaviour of the latter.</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><i>Continued</i></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>• Adoption of new technologies to speed up and simplify access to Poste Italiane's products/services</li> <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>Poste Italiane pays particular attention to the quality of the products and services offered with a view to constantly improving the satisfaction of its customers, and is committed to respecting the time and manner in which activities are carried out (service level and performance). In this sense, it guarantees the confidentiality of the data it holds, the protection of intellectual property and effective management system for IT security and cybersecurity.</p> <p>The Company conducts dual-level monitoring, considering both the quality provided and the quality perceived. Specifically, there is a system of KPIs, based on individual business units, which constantly monitors the objectives and service performance provided, and provides management with improvements and trends in periodic reports. In order to initiate the "connection" between customer evaluations, operational performance and competitor results, Poste Italiane pursued the development of connected experiences with greater intensity. Through the evolution of the target setting methodology, Poste Italiane identifies the relevant components with respect to each macro area of the Group to be considered in the Customer experience measurements in order to cover all significant interactions with customers. 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.</p> <p>To simplify processes, streamline administrative workflows and improve submission times of administrative documents to Public Administration, Poste Italiane has developed a new service, "Poste in Pratica", aimed at Public Administration and citizens for submitting, checking, digitalising and sending administrative documents.</p> <p>In addition, to improve the Customer experience and quality of the service provided, Poste Italiane uses listening methods to identify the most important actions to be implemented. Specifically, Poste Italiane analyses verbatim accounts – spontaneous feedback from customers regarding critical areas collected during the customer journey with the products and services offered, which are then translated into a Net Promoter Score, a measurement of satisfaction that asks customers whether they would recommend the Company's products or services to somebody else.</p> <p><i>Continued</i></p>



MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
<p><i>Continued</i></p> <p><b>SBUs impacted:</b></p> <ul style="list-style-type: none"> <li>• Insurance Services</li> <li>• Mail, Parcels &amp; Distribution</li> <li>• Payments and Mobile</li> <li>• Financial Services</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p> <b>Innovation</b></p> <p>Innovation and digitisation of products, services and processes</p> <p> <b>Customer experience</b></p> <p>Quality and customer experience CyberSecurity, IT Security and Privacy.</p> <p> <b>Sustainable finance</b></p> <p>Integration of ESG factors into investment policies; Integration of ESG factors into insurance policies.</p> <p><b>Capitals impacted:</b></p> <p> <b>Financial</b></p> <p> <b>Human</b></p> <p> <b>Natural</b></p> <p> <b>Physical-structural</b></p> <p> <b>Social-relational</b></p> <p> <b>Intellectual</b></p>		<p><i>Continued</i></p> <p>The continuous listening process is guaranteed by the Customer Feedback Management service, which allows customers to be sent surveys relating to perceived quality, quickly making the answers obtained available to the competent structures and highlighting the most recurring issues highlighted by customers. In addition, the activities of the Quality and CX (Customer experience) Task Force continued, dedicated to analysing and listening to customer opinions in real time, with the aim of triggering rapid and selective action in respect of the evidence emerging from the continuous dialogue with customers and the front line. With specific reference to the commercial business channels, continuous front line listening was activated so that Large Accounts and SME/POE Accounts have an always active survey through which they can report areas of improvement related to sales activity and post-sales customer management.</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 certifications and those identified by the “inter-functional communities”.</p> <p>Through the digital channel management area, which was activated in 2020 to enable continuous improvement of experience KPIs from both customer listening and external source analysis, more than 700 interventions have been carried out to date. These interventions positively affected the CES and rating app KPIs measured on the channels</p> <p><i>Continued</i></p>

MAIN TRENDS	POTENTIAL SIGNIFICANT IMPACTS FOR POSTE ITALIANE	MAIN RISK MANAGEMENT METHODS
		<p><i>Continued</i></p> <p>Poste Italiane also attaches fundamental importance to discussions with Consumer Associations, adopting an approach oriented towards constructive and transparent confrontation between the parties. To this end, the “Cantiere Consumatori” (a permanent working and consultation group consisting of a single representative of each association and representatives of the Group) was set up. In the course of the experience with the Cantiere, many successful initiatives were created, such as the newsletter “Dialogando con i consumatori” (Dialogue with Consumers), which provides information on the main news in the world of Poste Italiane and acts as a driving force for new insights and recommendations.</p> <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 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>

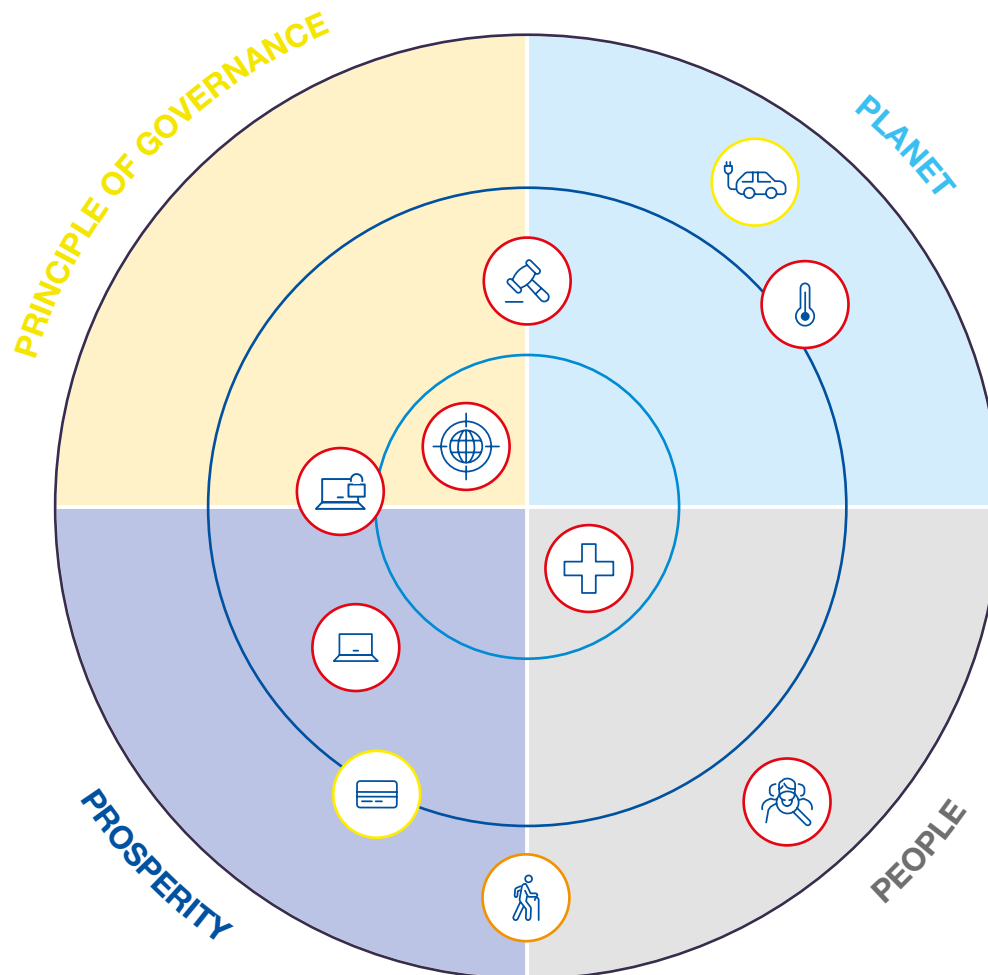


## GEOPOLITICAL INSTABILITY:

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 conflict in Ukraine) 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><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> <li>• Payments and Mobile</li> <li>• Financial Services</li> </ul> <p><b>Pillars and material topics impacted:</b></p> <p> <b>Integrity and transparency</b></p> <p>Working with integrity and transparency</p> <p><b>Capitals impacted:</b></p> <p> <b>Social-relational</b></p>	<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>

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).



#### Time horizon legend

Now (0-3 years)

Near Future (3-10 years)

Distant Future (10-20 years)

#### Impact legend

High

Medium-High

Medium-Low



### Evolution of consumer behavior

Pillars >

of Capital >



### Regulatory amendments

Pillars >

of Capital >



### Pandemic risk

Pillars >

of Capital >



### Technological innovation

Pillars >

of Capital >



### Cyber risk

Pillars >

of Capital >



### Climate change

Pillars >

of Capital >



### Population ageing

Pillars >

of Capital >



### Evolution of the payment system

Pillars >

of Capital >



### Mobility revolution

Pillars >

of Capital >



### Geopolitical instability

Pillars >

of Capital >



## 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



## 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



## People



A company's responsibility toward its employees in creating inclusive, safe workplaces

- Dignity and equality
- health and well-being
- Skills development

## 7. Creation of Value

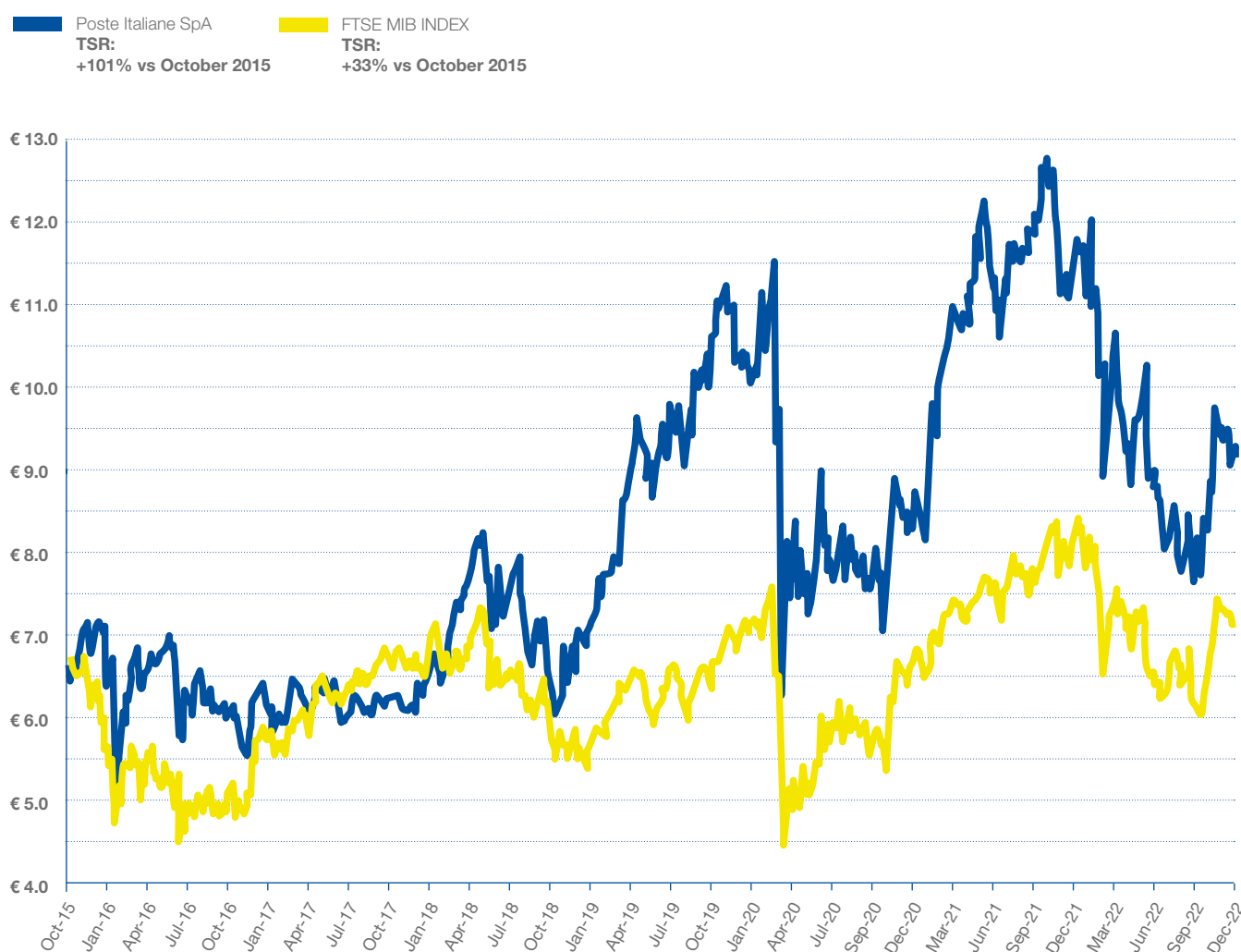
- Performance of Poste Italiane Shares
- Impacts resulting from the Russian-Ukrainian Conflict
- Group Operating Results
  - Mail, Parcels and Distribution Strategic Business Unit
  - Financial Services Strategic Business Unit
  - Insurance Services Strategic Business Unit
  - Payments And Mobile Strategic 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's share over the course of 2022 fell by 22.03%, from €11.705 at the start of the year to €9.126 at the end of December. Over the same period, the FTSEMIB decreased 14.51%.

From the date of listing on the stock exchange (27 October 2015) to the end of 2022, Poste Italiane's share price increased by 35.2% (while the FTSEMIB index increased by 4.8%), guaranteeing an overall return for shareholders (TSR) of +101% while the main Italian stock exchange index recorded an increase of 33%.



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 period compared to previous periods.

**DPS +10%**  
**DPS Growth 2022**

Share KPIs	FY 2022	FY 2021	FY 2020	FY 2019
Closing price at the end of the period (€)	9.126	11.540	8.320	10.120
Minimum price of the period (€)	7.658	8.076	6.144	6.970
	29/09/2022	29/01/2021	(12/03/2020)	(02/01/2019)
Maximum price of the period (€)	11.940	12.675	11.510	11.205
	03/02/2022	26/10/2021	(19/02/2020)	(12/11/2019)
Average price of the period (€)	9.373	10.996	8.364	9.292
Stock exchange <b>capitalisation</b>  at the end of the period (€m)	11,920	15,072	10,867	13,218
TSR of the period (%)	(15.42)	44.83	(13.03)	53.94
TSR FTSE MIB of the period (%)	(9.36)	26.81	(3.34)	33.80
Earnings per share (€)	1.163	1.214	0.927	1.032
Dividend per share (€)	0.650	0.590	0.486	0.463
Payout ratio (%)*	56	56	52	45
Dividend Yield (%)**	6.9	5.1	5.8	4.6

Source: Bloomberg.

\* Calculated as the ratio of the total dividend and the Group's net profit. The 2021 payout ratio is calculated net of the income from the revaluation in SIA of €0.2 billion.

\*\* Calculated as the ratio of DPS to the share price at the end of the period.

**€273 million**  
**the 2022 interim dividend**

On 9 November 2022, Poste Italiane's Board of Directors, in light of the financial position and results of operations of Poste Italiane SpA at 30 June 2022, the performance for the following months, the business outlook and the related expected economic prospects at 31 December 2022, and in line with the Group's dividend policy, resolved to bring forward, as an interim dividend, part of the ordinary dividend for 2022. 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 €0.210 per share, gross of any legal withholding taxes, was paid with effect from 23 November 2022, with "ex-dividend date" of coupon no. 11 coinciding with 21 November 2022 and record date (i.e. the date on which the dividend was entitled to be paid) coinciding with 22 November 2022.

Based on the number of shares outstanding at 9 November 2022, which amounted to 1,298,574,009, the total amount of the interim dividend was €273 million.

## < 7.2 Impacts resulting from the Russian-Ukrainian Conflict

Following the recommendations issued by ESMA in the course of the year<sup>83</sup>, an update to 31 December 2022 of the main effects on the Group of the crisis in Ukraine is provided below; for a complete review, please also refer to the information provided in the section "Outlook" and in Chapter 3 "Materia events during the year" of the section "Poste Italiane's financial statements".

The macro-economic context during 2022 was characterised by a combination of factors leading to a widespread slowdown in economic growth. In particular, we highlight: the resumption of Covid-19 infections, the invasion of Ukraine by Russia, a growing inflationary dynamic, which has generated an increase in the prices of raw materials (especially energy), and interventions to normalise monetary policy by the world's main central banks, which have revised upwards their reference interest rates in order to stem the overheating of the economy. These factors interrupted the path of consolidation of the post-pandemic recovery that began in early 2022, with the global economy continuing to suffer from further increases in the inflation rate, negative developments in global financial markets and uncertainty related to the macro-economic scenario in the fourth quarter of 2022.

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.

Nonetheless, the high uncertainty of the reference context and the inflationary dynamics exacerbated by the conflict led to the following findings in 2022:

- an increase in the cost of fuel and raw materials in general, and an increase in costs on all services related to international routes, including those outside the areas affected by the conflict; in this regard, actions have been implemented by the Government to mitigate the effects of these increases, such as, for example, the reduction of excise duties and VAT imposed by the State on fuel prices (extended until 31 December 2022), the social bonus electricity and gas and additional benefits for energy-intensive companies<sup>84</sup>;
- consistent with the downsizing of the market in this sector, there was a slowdown in the growth of parcel volumes, particularly in B2C as a result of inflationary effects and thus a reduced purchasing capacity also in e-commerce. The parcel sector, especially in the first part of 2022, was also affected by the repeated lockdowns imposed in China (until November) to curb the spread of Covid-19;
- in the financial sector, in the first half of 2022, postal savings were adversely affected by the socio-economic context characterised by a significant rise in interest rates, rising inflation, a decrease in households' propensity to save and a reduction in the country's growth prospects. With regard to the Postal Savings product offering, in light of the market context, yields on Postal Interest-bearing Certificates were adjusted three times over the course of 2022, and interventions were made in the range of products offered, including the launch of several offers dedicated to holders of new liquidity. In addition, following an analysis of BancoPosta's cost base, aimed at quantifying the impact of inflationary dynamics, a unilateral change was made to the contractual terms and conditions, related to the justified reason "inflation". With reference to the financial portfolio, it benefited from the changed market scenario with rising interest rates;
- in the insurance sector, there is no significant evidence as indirect exposures, within the framework of multi-asset funds, to countries involved in the conflict represent an insignificant amount compared to the insurance group's investments (0.03% of the total);
- the increase in gas and electricity prices and the considerable volatility of prices, also linked to the risk of reductions and interruptions in Russian gas supplies to Europe, did not have any significant repercussions for the Group's new energy business, whose offer was launched in June 2022 for a restricted target (employees, family members and pensioners) and from January 2023 for all customers. In its raw material procurement policies, the Group also selected suppliers with low or no exposure to gas from Russian territory.

83. 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.

84. Law Decree no. 21 of 21 March 2022 (the so-called Energy Decree) and Law Decree no. 176 of 18 November 2022 (the so-called aiuti-quater Decree). For further details, please refer to Chapter 4 "BusinessModel" under "Omnicom Strategy and Business Sectors" - Payments and Mobile SBU.

Against this backdrop, the Group's performance during the period was solid and better than expected, with an operating result of €2.3 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 more than €800 million in 2022, to pay shareholders €526 million as the balance of the 2021 dividend and €273 million as the interim dividend for 2022, and to accelerate the Group's growth through investments in strategic companies for business development, in execution of the shareholders' resolution of 27 May 2022, to finance buyback transactions totalling €25 million from its own funds (for the latter, see section 3 - Material events during the year - of the "Poste Italiane's financial statements" section).

## < 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 Group's performance in 2022 is solid and up on 2021 with a record EBIT value (€2,291 million, +24.1% 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.

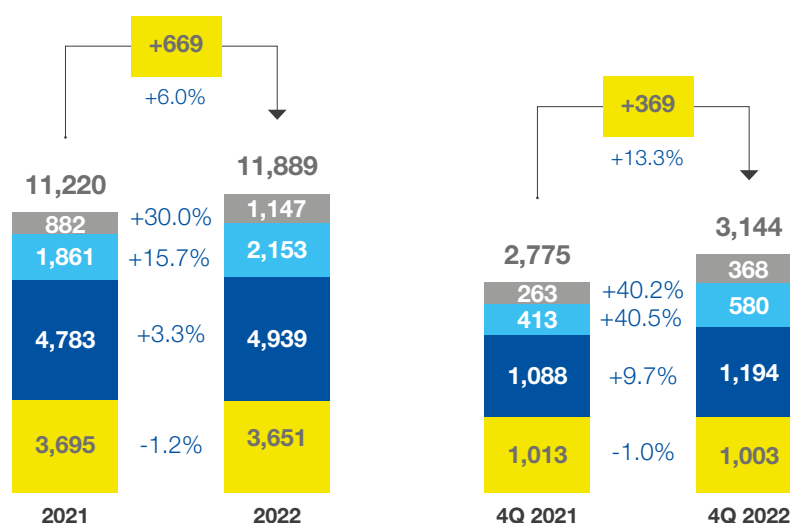
Revenue  
**€11.9 billion**  
EBIT  
**€2.3 billion**  
Net profit  
**€1.5 billion**

(€m)	2022	2021	CHANGES		4Q 2022	4Q 2021	CHANGES	
Revenue	11,889	11,220	+669	+6.0%	3,144	2,775	+369	+13.3%
Total costs	9,598	9,375	+223	+2.4%	2,907	2,545	+362	+14.2%
EBIT	2,291	1,846	+446	+24.1%	237	230	+7	+2.9%
EBIT margin %	19.3%	16.5%			7.5%	8.3%		
NET PROFIT	1,511	1,580	(69)	-4.3%	86	405	(319)	-78.8%
Earnings per share	1.16	1.21	(0.05)	-4.2%	0.07	0.31	(0.25)	-78.7%
CAPEX	810	754	+57	+7.5%	159	299	(140)	-46.9%
% of revenue	6.8%	6.7%			5.0%	10.8%		

### REVENUE

(€m)

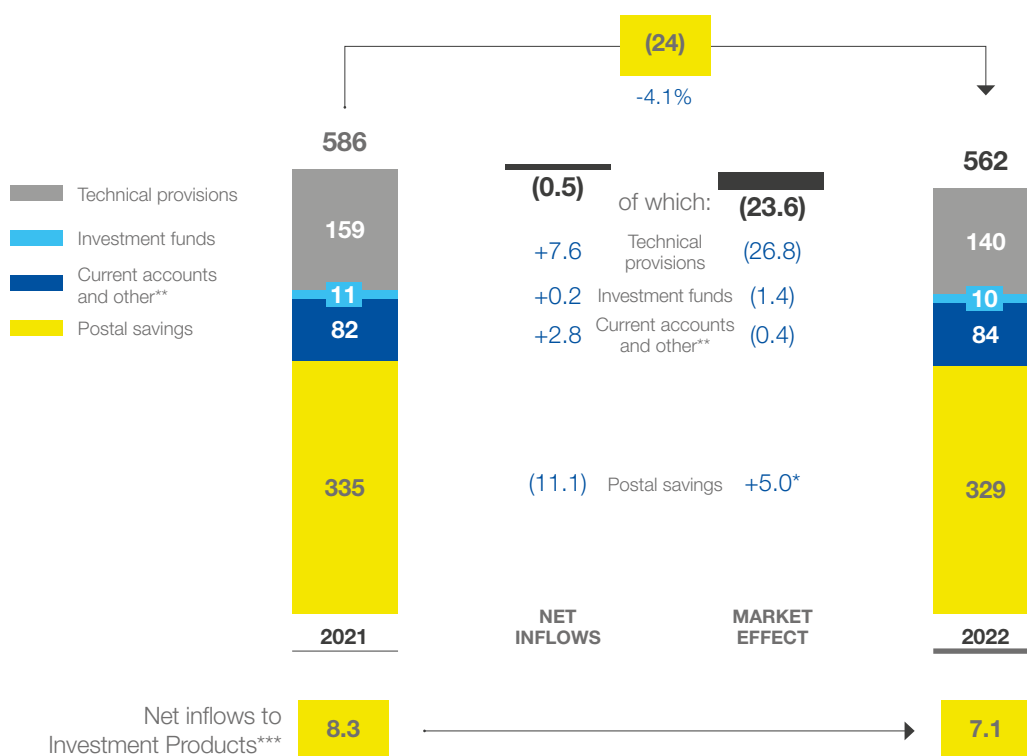
- Payments and Mobile
- Insurance Services
- Financial Services
- Mail, Parcels and Distribution



Group revenue amounted to €11.9 billion, an increase of €669 million compared to 2021 (+6%) with the positive contribution of the Strategic Business Units Insurance Services (+€292 million or +15.7%), Payments and Mobile (+€265 million or +30%) and Financial Services (+€156 million or +3.3%). The Mail, Parcels and Distribution Strategic Business Unit recorded revenue down by €44 million (-1.2%) compared to 2021. The contribution of the incremental revenue for the year 2022 realised by the newly acquired companies during the year (Plurima, LIS, Agile and Sourcesense) totalled €147 million.

The fourth quarter of 2022 shows revenue up by €369 million (+13.3%) compared to 2021 attributable to the positive performance of the Strategic Business Units Insurance Services (+€167 million; +40.5%), Financial Services (+€106 million; +9.7%) and Payments and Mobile (+€105 million; +40.2%) only partially mitigated by the negative performance of the Mail, Parcels and Distribution Strategic Business Unit (-€10 million or - 1%). The revenue performance in the fourth quarter was reflected in an operating profit for the period of €237 million, an increase of €7 million (+2.9%) compared to the same quarter of the previous year.

## TOTAL FINANCIAL ASSETS (€bn)



\* Includes capitalisation of interest.

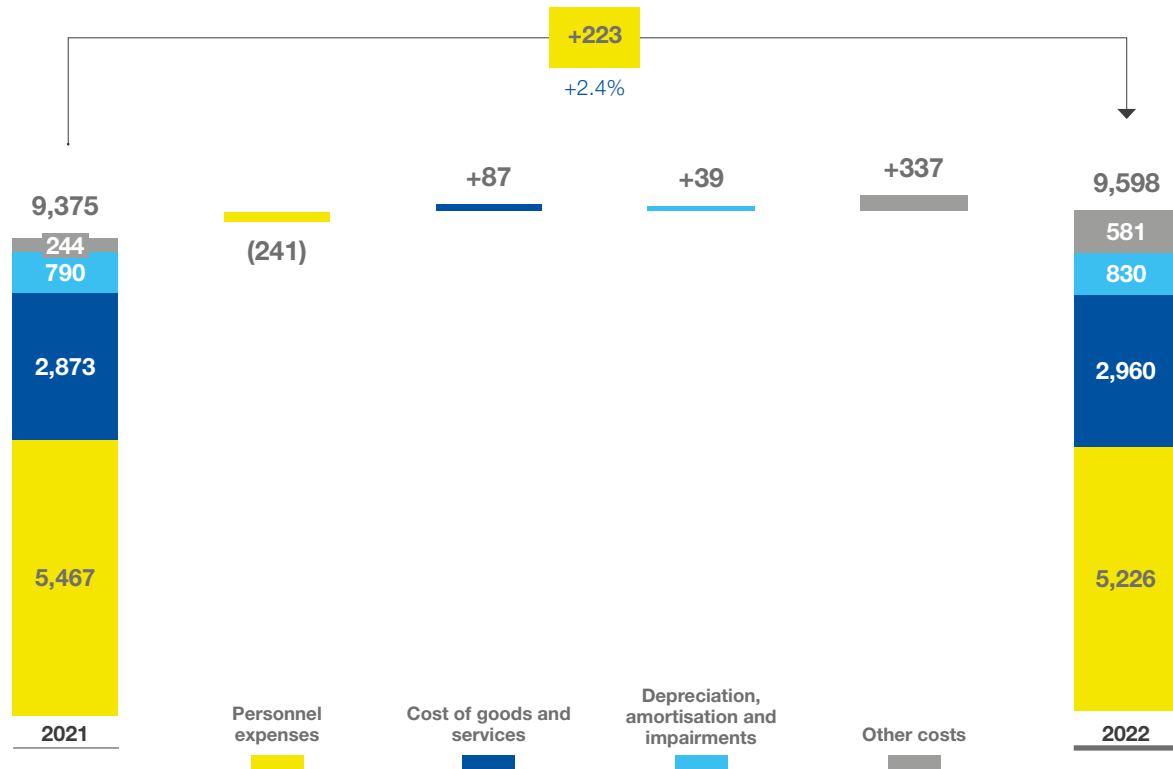
\*\* Includes current accounts and assets under administration. Current accounts do not include REPO and Poste Italiane's liquidity.

\*\*\* Includes net inflows on: Investment Funds, Moneyfarm, Postal Savings Bonds, Insurance and Asset Management.

During 2022, **total financial assets**, which totalled €562 billion, decreased by 4.1% (-€24 billion) compared to the €586 billion at 31 December 2021, mainly due to the negative performance of the financial markets, which affected the fair market value of Poste Vita technical provisions (-€26.8 billion) and lower net inflows from postal savings (-€11.1 billion), only partially mitigated by positive net inflows in life insurance (+€7.6 billion) and current accounts (+€2.8 billion). Net postal savings inflows (-€11.1 billion) were affected by -€1.5 billion of lower pension accruals compared to 2021 (eleven accruals compared to twelve in 2021) due to the end of the health emergency provisions.

**€562 billion**  
**Total financial assets**

## TOTAL COSTS (€m)



Total costs amounted to €9,598 million, up from €9,375 million in 2021 (+€223 million), mainly due to the increase in other costs (+€337 million), costs for goods and services (+€87 million) and depreciation and amortisation (+€39 million).

Personnel expenses amounted to €5,226 million, a decrease of €241 million compared to 2021. See the following section for more details.

Costs for goods and services increased by €87 million from €2,873 in 2021 to €2,960 in 2022; the change is mainly related to the expansion of the company perimeter (by €85 million) that took place during the year and to the international inflationary scenario (by €62 million) induced by the Russian-Ukrainian conflict.

Depreciation and amortisation amounted to €830 million and recorded a positive change of €39 million compared to 2021 due to higher depreciation and lower impairment losses on property, plant and equipment and rights of use, mainly due to the expansion of the company perimeter, as well as higher amortisation on intangible assets related to investments in software applications.

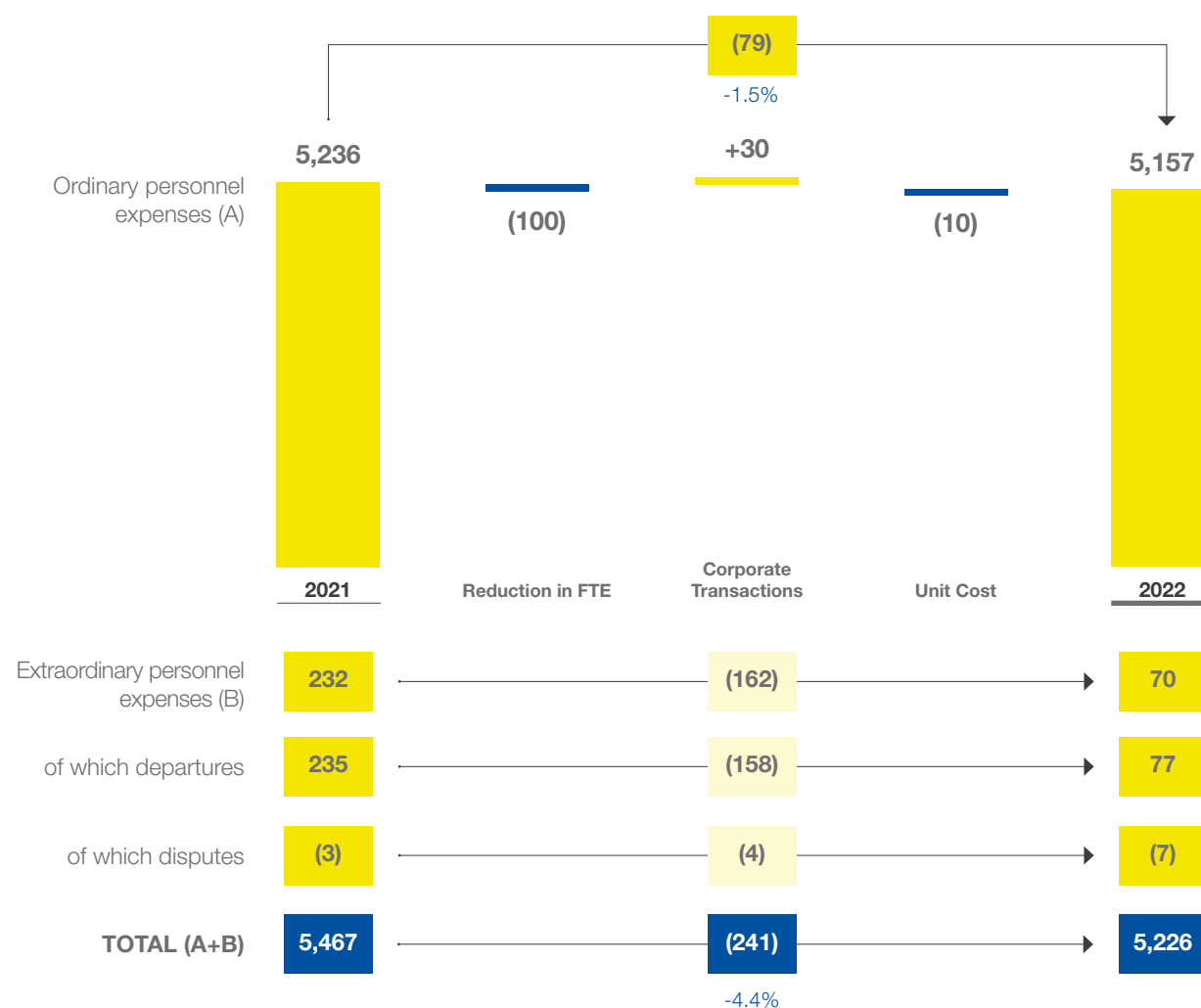
Other costs amounted to €581 million and increased by €337 million compared to 2021; the change was mainly attributable to provisions for risks on tax credits (€320 million), which were partly offset by lower net allocations of the remaining items of other provisions for risks and charges.

Further information is provided in the Notes to Poste Italiane's Financial Statements for the year ended 31 December 2022.

## PERSONNEL EXPENSES

(€m)

The total personnel expenses decreased by €241 million (-4.4%) compared to 2021. This change is mainly attributable to the reduction in the extraordinary component, which went from €232 million in 2021 to €70 million in 2022 (-€162 million). Ordinary personnel expenses decreased by €79 million from €5,236 million in 2021 to €5,157 million in 2022.



The change in the ordinary component compared to the previous year is mainly due to the reduction of the average number of employees during the year (about 1,600 FTE less).

The reduction in the extraordinary component was mainly due to the lower provision of the 2022 early retirement plan to support outgoing personnel in 2023 and 2024 in light of the residual availability of the early retirement provision due to the lower per capita cost of incentives recorded during the year and related to the benefits provided by the regulations ("quota 102").

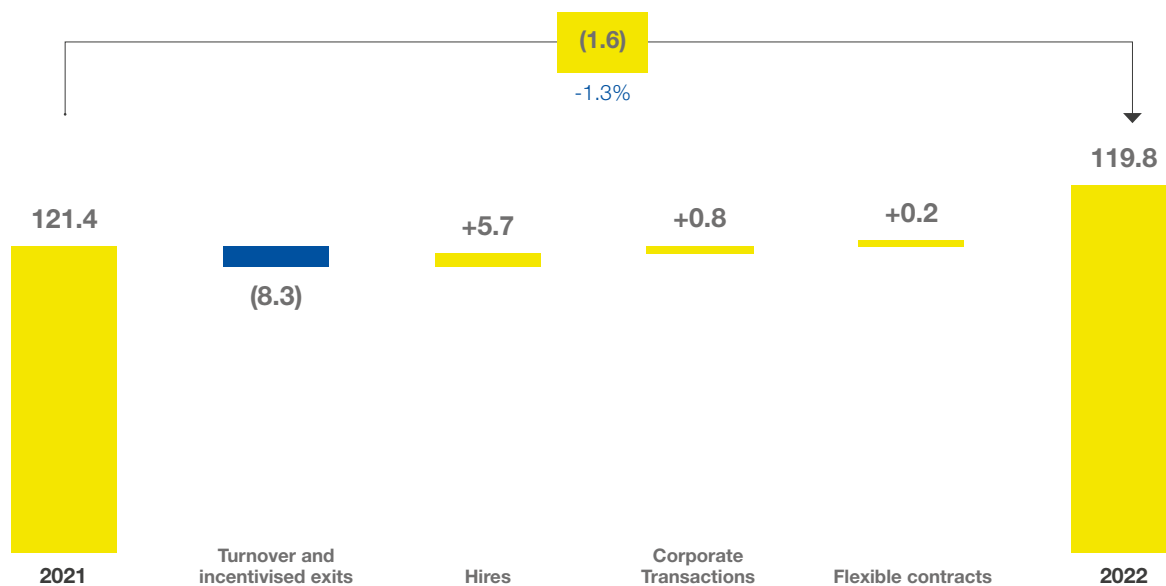


**NUMBER OF RESOURCES**

(average Full Time Equivalent in thousands)

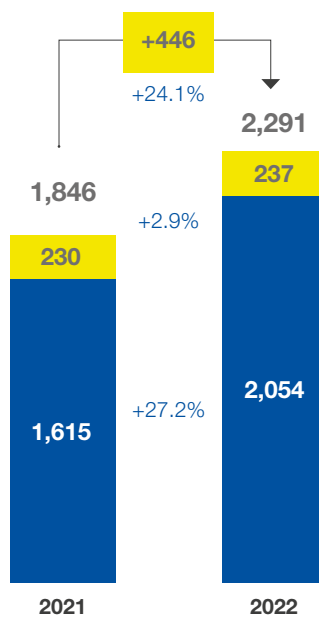
The reorganisation and rationalisation of internal processes continued during the year; resources that left the Group in 2022, including early retirements subject to incentives, are 8.3 thousand (FTE) against new hires of 5.7 thousand (FTE) with permanent contracts and about 0.2 thousand (FTE) with fixed-term contracts. The enlargement of the Group's perimeter with the entry of Plurima, LIS, Agile and Sourcesense (+0.8 thousand average FTE) also contributed to the change in personnel for the period.

**120,000**  
persons employed in 2022

**GROUP EBIT**

(€m)

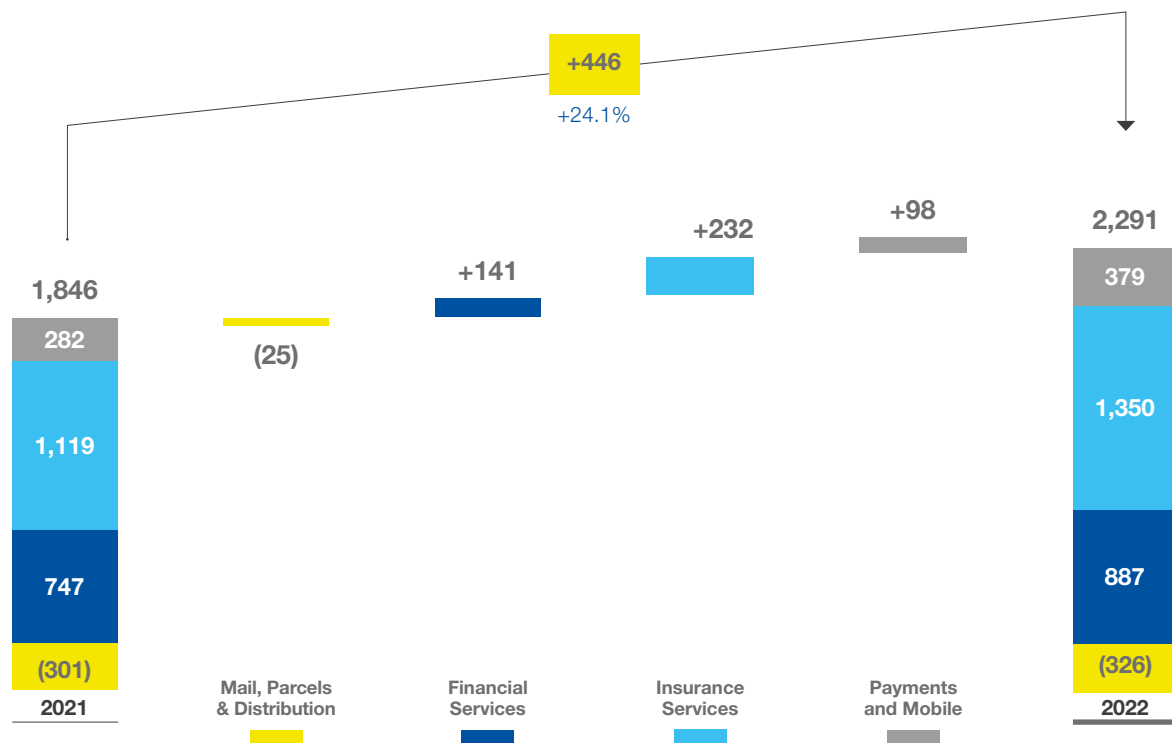
4Q  
9M



Consolidated **operating profit (EBIT)** reached a record level for the Group at €2,291 million and increased by €446 million (+24.1%) compared to the previous year (€1,846 million), achieving the upwardly revised 2022 guidance communicated to the financial community in November.

The trend in the fourth quarter of 2022 is mainly influenced by the components recorded in operating costs as commented above.

## EBIT BY STRATEGIC BUSINESS UNIT (€m)



In 2022, the Group's operating profit amounted to €2,291 million, showing an increase of €446 million compared to the previous year. The growth in operating performance affected all Strategic Business Units with the exception of the **Mail, Parcels and Distribution Strategic Business Unit**, which recorded an operating loss of €326 million in 2022, a decrease of €25 million compared to the previous year.

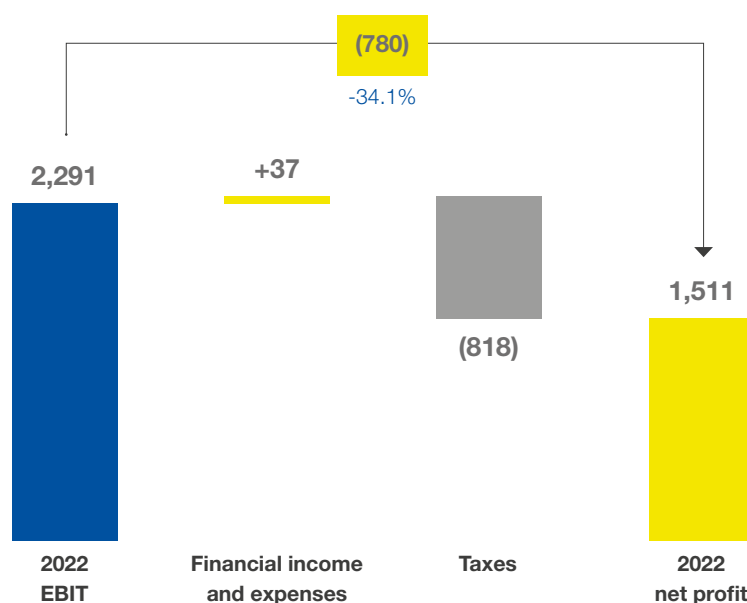
The operating profit of the **Insurance Services Strategic Business Unit** was positive by €1,350 million, an improvement (+€232 million) compared to the value achieved in 2021 (€1,119 million).

Performance is also growing for the **Financial Services Strategic Business Unit** and for **Payments and Mobile**, which recorded operating profit of €887 million in 2022 (+€141 million compared to 2021) and €379 million (+€98 million compared to 2021).

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)



**Profit for the period** amounted to €1,511 million, a decrease of 4.3% compared to 2021 (€1,580 million), and took into account financial operations, which fell from €322 million in 2021 to €37 million in 2022; the 2021 balance benefited from the gross non-recurring capital gain of €225 million, recorded under financial income and recognised following the SIA-Nets-Nexi merger, commented on in the corporate actions section of the 2021 Annual Report. Taxes for the period increased by €229 million from €588 million in 2021 to €818 million.

Profit for the fourth quarter of 2022 amounted to €86 million, down by €319 million (-78.8%) compared to the fourth quarter of the previous year.

## < 7.3.1 Mail, Parcels and Distribution Strategic Business Unit

The 2022 performance of the Strategic Business Unit shows a decline in revenue in both the traditional mail business and the parcel business, despite the positive contribution of revenue from the acquisition of Plurima (€45 million in 2022). The operating result was adversely affected by higher provisions for risks, as discussed in more detail below, partially mitigated by lower personnel expenses.

MAIL, PARCELS AND DISTRIBUTION (€m)	2022	2021	CHANGES	
<b>External revenue</b>	<b>3,651</b>	<b>3,695</b>	<b>(44)</b>	<b>-1.2%</b>
Revenue from other sectors	4,862	4,696	+165	+3.5%
<b>Total revenue</b>	<b>8,512</b>	<b>8,391</b>	<b>+122</b>	<b>+1.5%</b>
Costs	8,799	8,613	+186	+2.2%
Costs vs other sectors	39	78	(40)	-50.5%
<b>Total costs</b>	<b>8,838</b>	<b>8,692</b>	<b>+146</b>	<b>+1.7%</b>
<b>EBIT</b>	<b>(326)</b>	<b>(301)</b>	<b>(25)</b>	<b>-8.2%</b>
<b>EBIT margin %</b>	<b>-3.8%</b>	<b>-3.6%</b>		
<b>NET RESULT</b>	<b>(361)</b>	<b>(226)</b>	<b>(134)</b>	<b>-59.4%</b>

Operating KPI	2022	2021	CHANGES	
<b>Mail and parcels</b>				
Revenue/FTE (€k)	72	70	+2	+3.0%
Parcels that can be delivered as standard mail (volumes in m)	71	80	(10)	-12.2%
New Punto Poste Network (number of lockers and alternative collection points)	15,117	13,504	+1,613	+11.9%
Parcels delivered via alternative channels*(%)	6.0	2.6	+3	+131.4%
<b>Distribution</b>				
Number of customers (m)	35.1	35.1	+0	+0.1%
Number of Post Offices	12,755	12,761	(6)	n/s
Rooms dedicated to consultancy	7,853	6,979	+874	+12.5%
Postamat ATM network	8,118	8,107	+11	+0.1%
<b>ESG</b>				
Green fleet (electric vehicles)	3,653	1,737	+1,916	+110.3%
Charging stations installed	4,012	1,737	+2,275	+131.0%
Smart mailboxes	418	405	+13	+3.2%
No. of buildings involved in the Smart Building project**	1,617	652	+965	+148.0%
Photovoltaic panels (no. of buildings)	163	35	+128	n/s

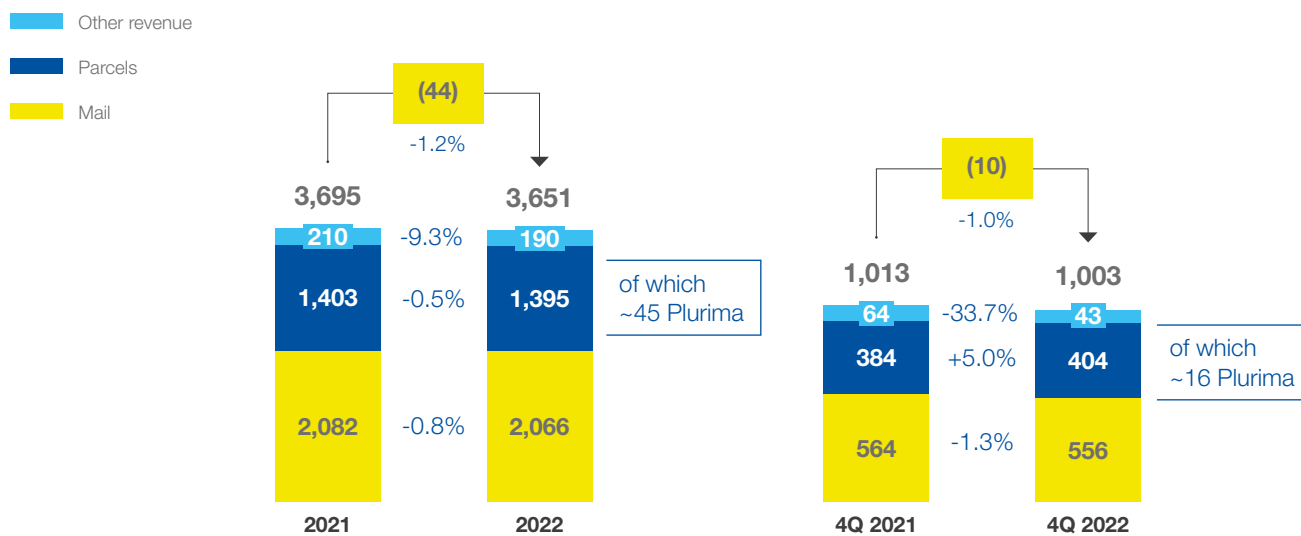
n/s: not significant

\* Third-party networks. Calculated as parcel volumes delivered on the Punto Poste network (Lockers, tobacconists and other collect points) of total B2C parcel volumes.

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


**EXTERNAL REVENUE**

(€m)



External revenue of the Strategic Business Unit went from €3,695 million in 2021 to €3,651 million in 2022 (-€44 million, equal to -1.2%), also confirming in the fourth quarter of 2022 the negative trend recorded in previous quarters.

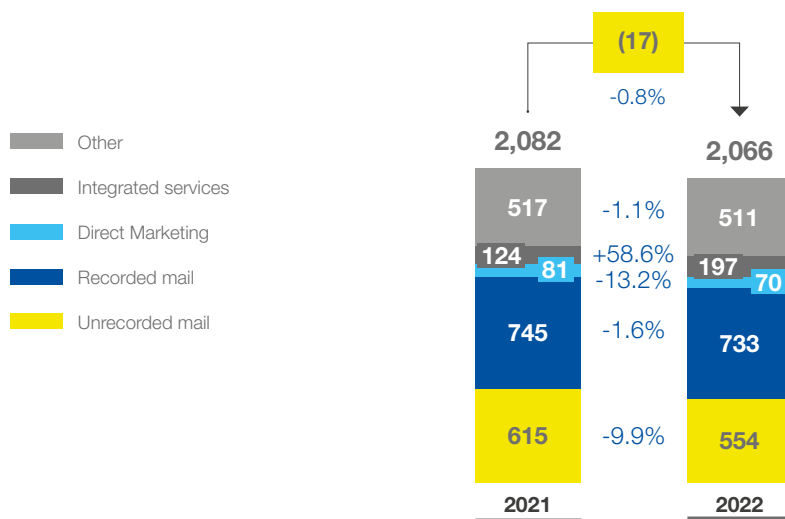
Revenue from mail fell for the year (-€17 million, -0.8%), concentrated in the third quarter (-€14 million, -2.9%); similarly, revenue from parcels also fell (-€8 million, -0.5%), due to both the normalisation of market trends and the effects on the economy resulting from the Russian-Ukrainian conflict. The decrease is partly mitigated by the positive contribution from the hospital logistics business conducted by the company Plurima acquired by the Group during the period (+€45 million).

In addition, there was a decrease in other revenue<sup>85</sup> of approximately €19 million (-9.3% compared to 2021), mainly due to the lower contribution of revenue from Consorzio PosteMotori, whose activities are currently being concluded. This change was partially mitigated by the positive contribution related to the fee, applied from the end of 2021, for the activities of issuing digital identities to citizens (**SPID**  – Public Digital Identity System) for those who request the service through in-person or remote identification.

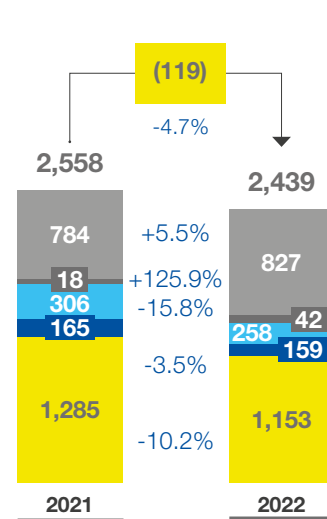
85. "Other revenue" includes revenue of the subsidiaries Consorzio PosteMotori (management of Ministry of Infrastructures and Transport paperwork, which ended on 31 March 2022), PatentiViaPoste (licence delivery service), Europa Gestioni Immobiliari (management of Poste Italiane's real estate assets), Poste Air Cargo (commercial air transport), Poste Welfare Servizi (management of Supplementary 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).

## MAIL

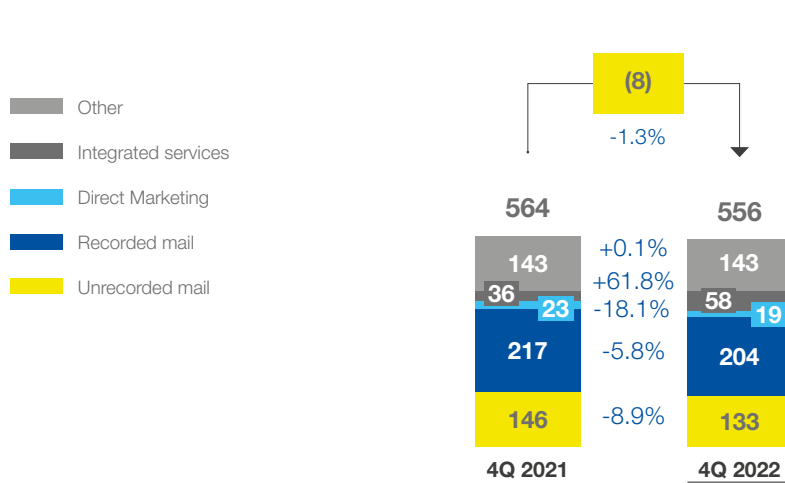
REVENUE (€m)



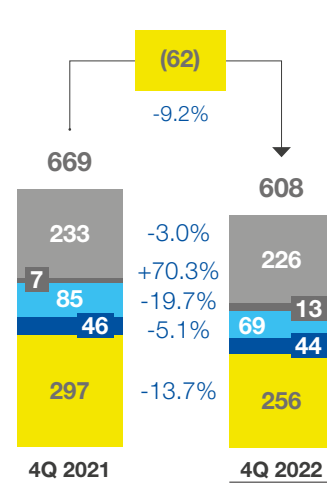
VOLUMES (m)



REVENUE (€m)



VOLUMES (m)



**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 Group's performance in mail services in 2022 shows a drop in volumes of -4.7% (-119 million items), accompanied by a reduction in revenue of -0.8% (-€17 million) compared to 2021. Despite the different product mix throughout the year, the growth in volumes of some higher-value products in the Integrated Services and Recorded Mail (Judicial Documents) family does not fully offset the decline in lower-value products.

Unrecorded Mail showed a reduction in both volumes and revenue of 10.2% (-131 million items) and 9.9% (-€61 million) respectively compared to 2021, attributable to a physiological drop in volumes due to the e-substitution.

Recorded Mail recorded a 3.5% drop in volumes (-6 million items) accompanied by a 1.6% drop in revenue (-€12 million) mainly attributable to both a drop in volumes sent by retail customers and a decrease in volumes from foreign countries.

Direct Marketing continued to show a decrease in volumes of 15.8% (-48 million items), resulting in a negative change in revenue of approximately €11 million (-13.2%), which is also attributable to the e-substitution phenomenon.

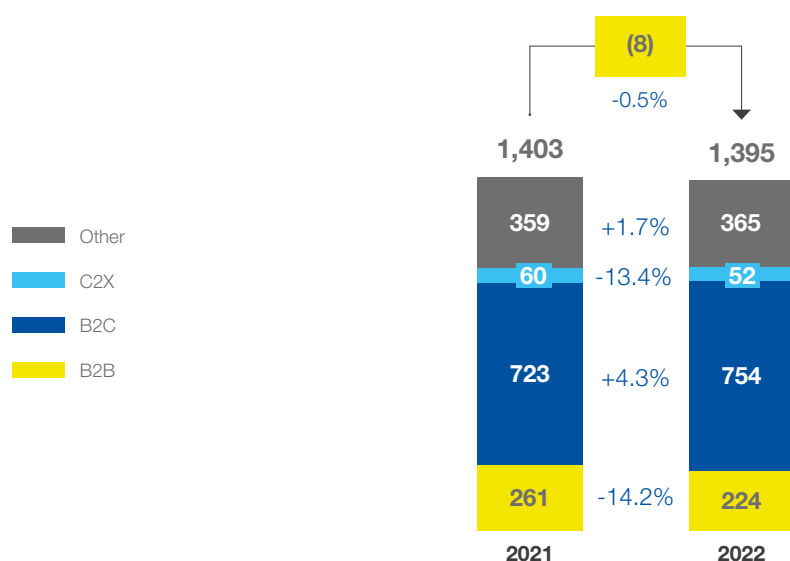
On the other hand, Integrated Services showed an increase in volumes and revenue compared to 2021 of 23 million items (+125.9%) and €73 million (+58.6%) respectively, due to the positive contribution generated by the resumption of service activities for products such as administrative and judicial documents and the resumption of the dispatch of tax collection notices which, in 2021, had been affected by the continuing effects of the blocking of service dispatch due to the pandemic.

The item "Other", which also includes services marketed by Postel, shows an increase in volumes in 2022 compared to 2021 (+43 million items, i.e. +5.5%), accompanied, however, by a decrease in revenue of €6 million (-1.1%). This development is mainly attributable to the growth in volumes marketed by Postel, which handles lower average rate products. "Other" also includes the Universal Service compensation (€262 million), unchanged with respect to 2021, and compensation for subsidised publishing products included in the Universal Service, which increased by €1 million (+2%) compared to the previous year, as a result of AGCom Resolution 454/22/CONS, which defined a gradual increase in universal tariffs for publishing services as of 1 September 2022. For further details, please refer to the "Regulatory context and evolution of the regulatory scenario" of the Mail, Parcels and Distribution Strategic Business Unit.

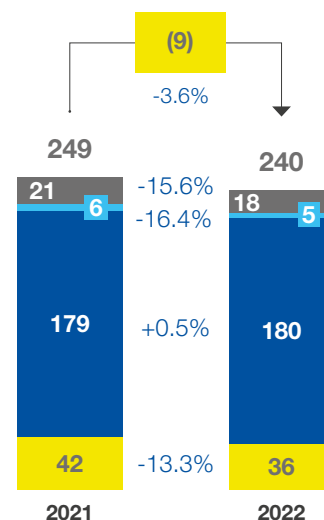
The decrease in the business segment of traditional mail compared to both financial year 2021 and Q4 2021 is mainly attributable to the secular trend of decreasing volumes of unrecorded mail related to e-substitution.

## PARCELS

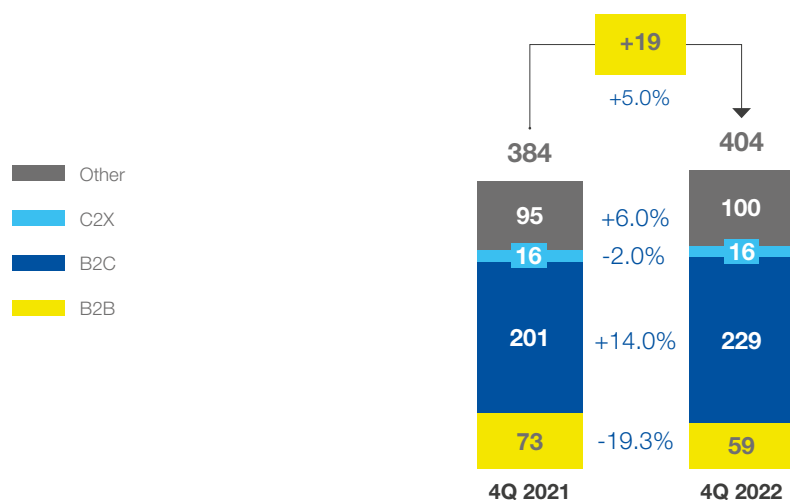
REVENUE (€m)



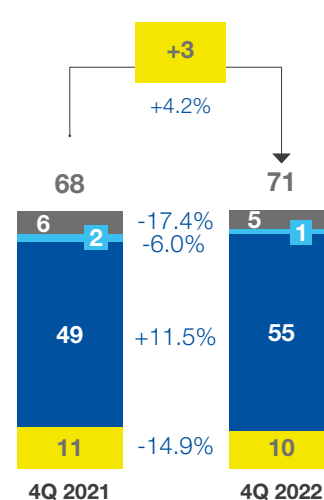
VOLUMES (m)



REVENUE (€m)



VOLUMES (m)



**B2B:** acronym for Business to Business. Company to company shipping services. Offer that focuses on quality and reliability, with delivery options with defined delivery times, mainly multi parcel shipments.

**B2C:** acronym for Business to Consumer. A modular offer created for e-commerce with a choice of additional services.

**C2X:** identifies Consumer-to-Consumer/Business parcels i.e. parcels sent by consumers both to other consumers and to businesses.

**OTHER:** includes revenue and international shipments and from partnerships with logistics operators. The item also includes revenue from dedicated services (highly customised services designed to meet the specific needs of Banks, Insurance Companies, Public Administrations or customers with the same technical-operating characteristics), from integrated logistics services (warehouse management) also including the consideration for the contract awarded by the Ministry of the Interior for the distribution of personal protective equipment. Finally, it includes revenue from long-haul road transport, a service operated by the subsidiary sennder Italia, and revenue from hospital logistics, a service performed by the company Plurima.



In 2022, the parcels sector recorded an overall decline both in terms of volumes and revenue, respectively by 3.6% (-9 million items) and 0.5% (-€8 million) compared to the previous year. However, during the course of the year, the decrease recorded in the initial part, generated by an uncertain market, gradually eased with a continuously improving trend; in particular, in the last quarter of the year, revenue and volumes grew respectively by 5.0% (+€19 million) and 4.2% (+3 million items) compared to the same quarter of 2021. The drop in revenue in 2022 is partially offset by the entry into the hospital logistics business through the acquisition of Plurima (+€45 million).

The year's decline was mainly concentrated in the B2B segment, which generated revenue of €224 million, down 14.2% (-€37 million), against 36 million shipments (-€6 million, -13.3%) compared to 2021.

This business segment, which is significantly linked to GDP growth, was strongly affected by international geopolitical tensions, which put industrial production in crisis during the year, due to price increases especially in the energy sector.

The B2C segment showed positive performance mainly concentrated in the second half of the year. In particular, in this segment, the third quarter of 2022 bucked the trend of the first half of the year, with the fourth quarter confirming sharper growth (+6 million items, +11.5%). In this regard, we highlight the substantial increase in shipments directly related to e-commerce during the Christmas peak and a recovery of inbound flows from China, which had slowed down due to the entry into force of the low value consignment regulations in July 2021<sup>86</sup>.

The C2X segment showed revenue and volumes down by €8 million (-13.4%) and one million items (-16.4%) respectively compared to 2021, mainly as a result of a marked market contraction.

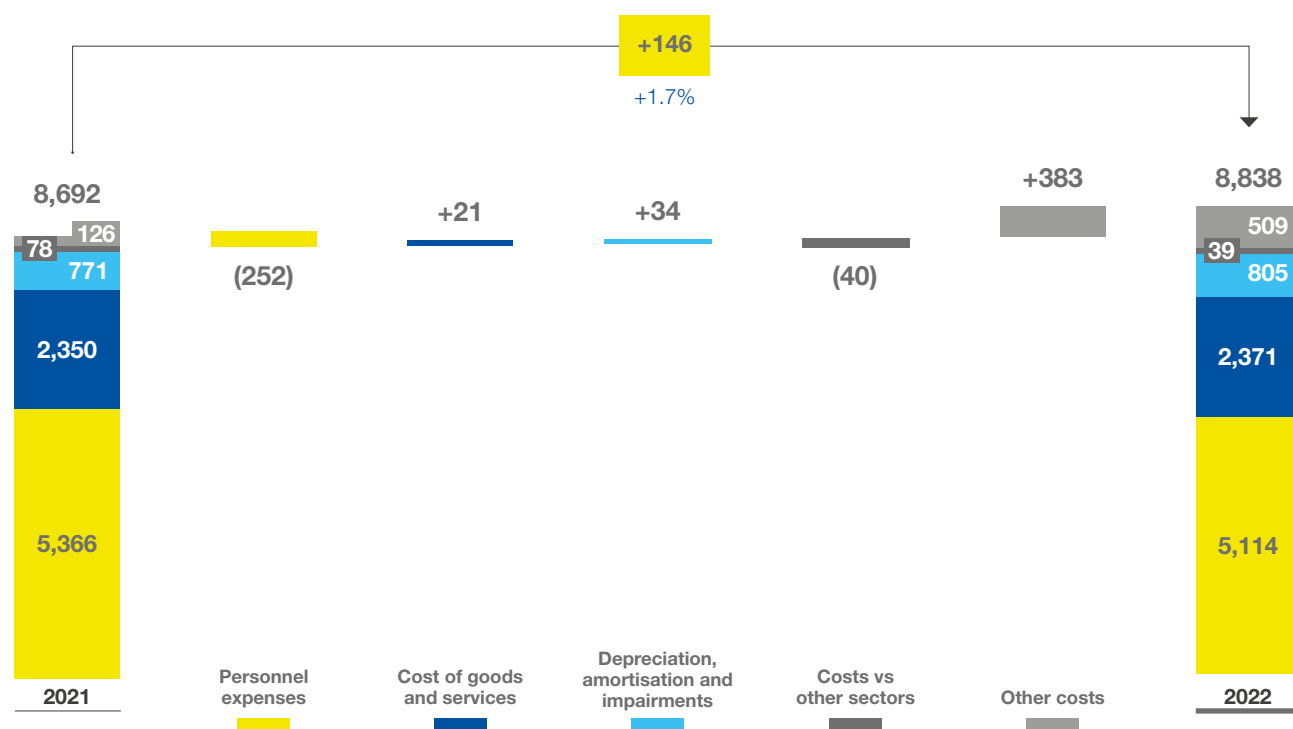
The item Other, shows an increase in revenue of €6 million (+1.7%), accompanied, however, by a reduction in volumes of 3 million items (-15.6%) compared to 2021. This positive performance is attributable to the positive contribution of the company Plurima, in spite of the foreseeable negative effect related to the reduction in business volume on integrated logistics<sup>87</sup> services serving the public administration.

There was a further delay in the international business both in revenue (-€9 million, or -10.2%) and in volumes (-1 million items, -24.6%) where a progressive slowdown in demand was observed throughout the year.

86. The European Low Value Consignment Directive introduced the obligation for final customers to pay VAT also on the purchase of low-value goods.

87. Poste Italiane was awarded the integrated logistics contract in May 2020 for the delivery of personal protective equipment to public administrations.

## TOTAL COSTS (€m)



Costs including depreciation, amortisation and impairments for 2022 amount to €8,838 million, an increase of €146 million (+1.7%) compared to 2021. This trend is mainly attributable to the increase in Other costs partially mitigated by the reduction in personnel expenses.

Personnel expenses amounted to €5,114 million, down €252 million (-4.7%) compared to 2021, attributable to both lower provisions for future early retirement incentives (-€157 million) and a reduction in the average workforce (approximately 1,800 FTEs less than in the same period of 2021), despite the expansion of the company perimeter, which involved the entry of people from Plurima, Agile and Sourcesense into the SBU.

Costs for goods and services show an increase of €21 million (+0.9%), reaching €2,371 million in 2022. This change is concentrated in the last quarter of the year (+€37 million, +5.8%) and is attributable both to the increase in variable costs related to the growth in parcel volumes in the period, and to the international inflationary scenario, which characterised 2022 and is still ongoing.

Depreciation, amortisation and impairments increased by €34 million (+4.5% compared to 2021), mainly due to higher depreciation and lower reversals on Property, plant and equipment and to amortization of intangible assets related to investments in software applications that became available for use during the year.

In 2022, other costs mainly included provisions for risks on tax credits (€320 million), which was partly offset by lower net allocations of the remaining items of other provisions for risks and charges due to both updated estimated liabilities and the disappearance of liabilities identified in the past. For further details, please refer to the notes in the "Poste Italiane's Financial Statements" section.

In light of the above, the Mail, Parcels and Distribution Strategic Business Unit posted an operating loss for the year 2022 of €326 million, a decrease compared to the operating loss for the same period of the previous year, which amounted to €301 million (-€25 million).

## 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 2022 shows good performance overall, with almost all products exceeding their targets for the year. In comparison with the previous year, the trend was heavily impacted by the fourth wave of Covid-19 contagions, which affected the first quarter of 2022 and led to a sharp increase in the absenteeism rate across all operational structures of the logistics chain, including the segments contracted out to third parties.

Posta 1 Priority				
Delivered within: Target 1 day 80.0%  2022 result → 79.9%  2021 result → 81.7%	Delivered within: Target 2 days 80.0%  2022 result → 89.8%  2021 result → 89.9%	Delivered within: Target 3 days 80.0%  2022 result → 97.8%  2021 result → 97.1%	Delivered within: Target 4 days 98.0%  2022 result → 98.8%  2021 result → 98.7%	
Posta 4 Ordinary	Bulk mail	Registered mail	Insured mail	Standard delivery mail
Delivered within: Target 4 days 90.0%  2022 result → n.a.  2021 result → 83.5%	Delivered within: Target 4 days 90.0%  2022 result → 95.8%  2021 result → 97.0%	Delivered within: Target 4 days 90.0%  2022 result → 88.1%  2021 result → 91.4%	Delivered within: Target 4 days 90.0%  2022 result → 99.2%  2021 result → 99.2%	Delivered within: Target 4 days 90.0%  2022 result → 93.4%  2021 result → 93.5%
Delivered within: Target 6 days 98.0%  2022 result → n.a.  2021 result → 94.2%	Delivered within: Target 6 days 98.0%  2022 result → 98.6%  2021 result → 99.2%	Delivered within: Target 6 days 98.0%  2022 result → 93.5%  2021 result → 96.5%	Delivered within: Target 6 days 98.0%  2022 result → 99.8%  2021 result → 99.8%	

## < 7.3.2 Financial Services Strategic Business Unit

The SBU's operating profit for the period increased compared to 2021, mainly due to the net interest income accrued on the use of retail and government account deposits. The Total Capital Ratio at 31 December 2022 stood at 23.1%, confirming BancoPosta's solidity.

FINANCIAL SERVICES (€m)	2022	2021	CHANGES	
<b>External revenue</b>	<b>4,939</b>	<b>4,783</b>	<b>+156</b>	<b>+3.3%</b>
Revenue from other sectors	820	759	+61	+8.1%
<b>Total revenue</b>	<b>5,759</b>	<b>5,542</b>	<b>+217</b>	<b>+3.9%</b>
Costs	114	161	(47)	-29.1%
Costs vs other sectors	4,757	4,634	+123	+2.7%
<b>Total costs</b>	<b>4,872</b>	<b>4,796</b>	<b>+76</b>	<b>+1.6%</b>
<b>EBIT</b>	<b>887</b>	<b>747</b>	<b>+141</b>	<b>+18.9%</b>
<b>EBIT margin %</b>	<b>15.4%</b>	<b>13.5%</b>		
<b>NET PROFIT</b>	<b>622</b>	<b>556</b>	<b>+66</b>	<b>+11.9%</b>

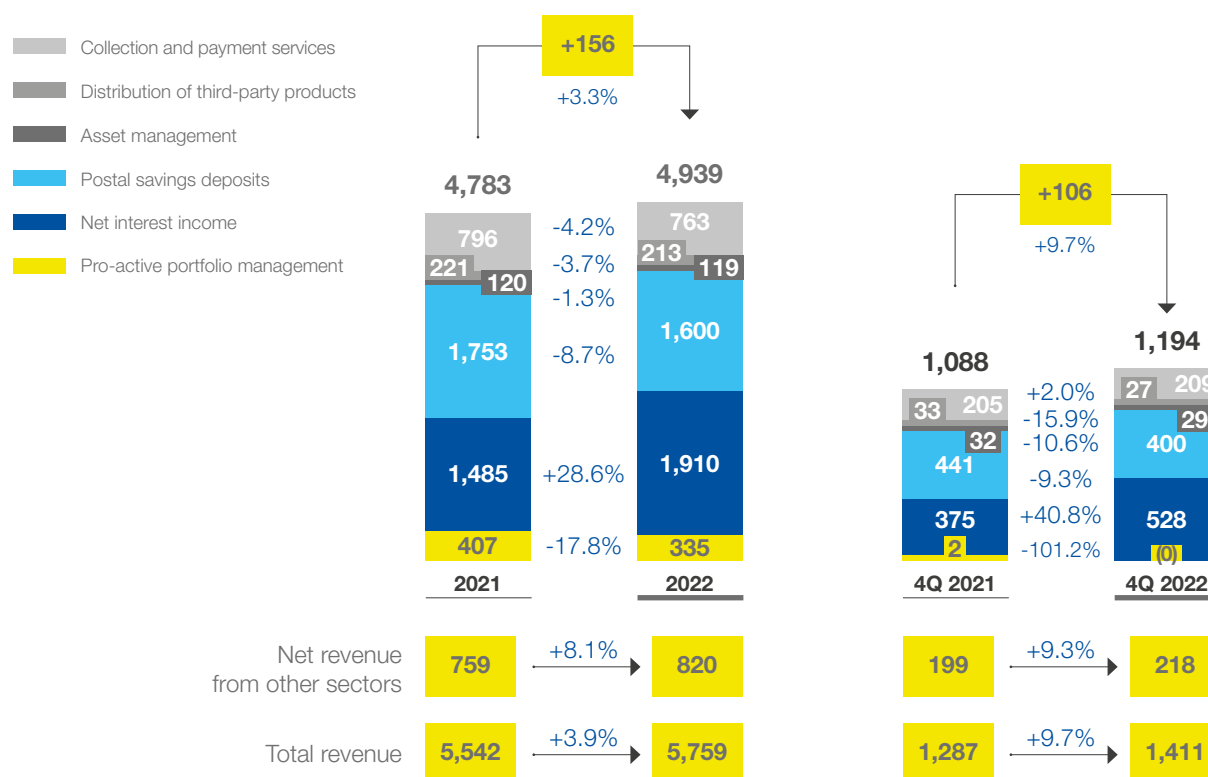
Operating KPI	2022	2021	CHANGES	
Total financial assets (€bn)	562.0	586.1	(24.1)	-4.1%
Net inflows (€m)	(488)	15,137	(15,625)	-103.2%
Latent capital gains/losses (€m)	(7,208)	2,096	(9,304)	n/s
Current accounts (average deposits for the period in €bn)	86.5	79.1	+7.5	+9.4%
Inflows total return*	2.24%	1.88%		
Postal savings (average deposits in €bn)	315.5	318.1	(2.6)	-0.8%
Loans (disbursed in €m)	3,296	3,321	(24.6)	-0.7%

n/s: not significant

\* 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 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 2022 amounted to €4,939 million and recorded an increase of €156 million compared to the €4,783 million achieved in the previous year (+3.3%).

In detail, the period under review shows: (i) Net interest income up compared to 2021 (+€425 million; +28.6%), essentially due to the higher yield from the use of current account balances relating to the Public Administration (+€218 million) and the use in tax credits (+€215 million); (ii) Net capital gains realised as part of the pro-active portfolio management of €335 million, down €72 million compared to €407 million in 2021.

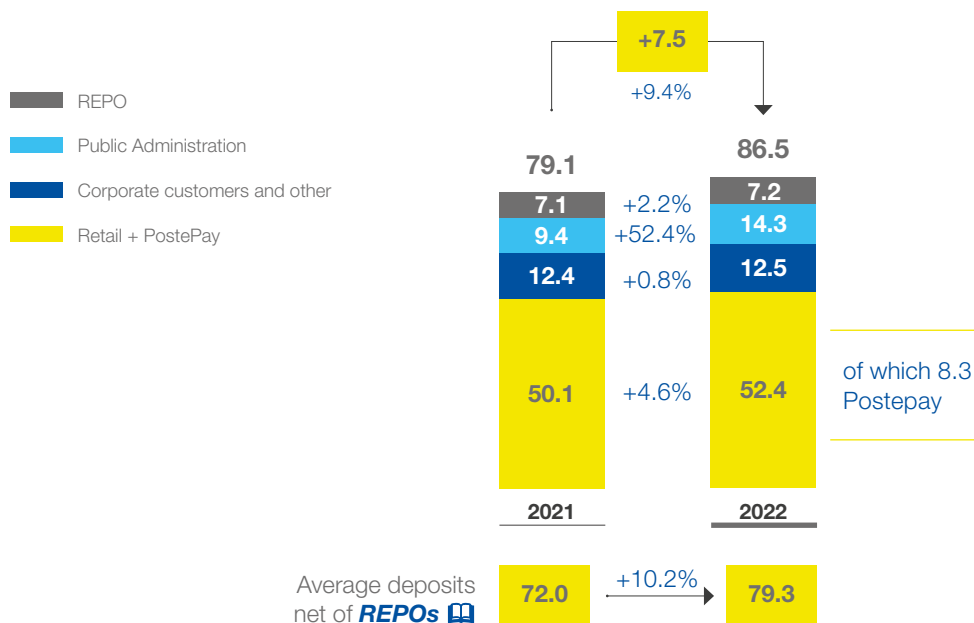
Revenue from the postal savings deposits and management service amounted to €1,600 million, down 8.7% (-€153 million) on the previous year, reflecting the changed macro-economic context that accelerated early redemptions of Postal Interest-bearing Certificates, dampening net deposits from postal savings, despite the adjustment of the offer and yields in the second half of the year; the remuneration provided for in the agreement with CDP was set at the minimum level (floor) in 2022. Revenue from collection and payment services amounted to €763 million, down 4.2% (-€33 million) compared to 2021, mainly due to lower volumes on slips and as a result of the transfer of the Debit Card business unit of the Payments and Mobile SBU to PostePay in October 2021; this negative change was only partially offset by higher current account maintenance costs (+€58 million) incurred by holders following the repricing in July 2022. Revenue from the distribution of third-party products amounted to €213 million, down by €8 million compared to the €221 million of 2021, mainly attributable to lower revenue from personal loans.

Revenue from other sectors amounted to €820 million (+8.1% compared to 2021). The positive change is mainly attributable to the increase in **management fees** of insurance policies and the growth in revenue from the placement of products of the Payments and Mobile SBU.

The fourth quarter of 2022 showed external revenue up by €106 million (+9.7%) compared to the same period of 2021, mainly due to higher net interest income (+€153 million), partly offset by lower revenue from the postal savings deposits and management service (-€41 million, -9.3%).

## AVERAGE CURRENT ACCOUNT DEPOSIT

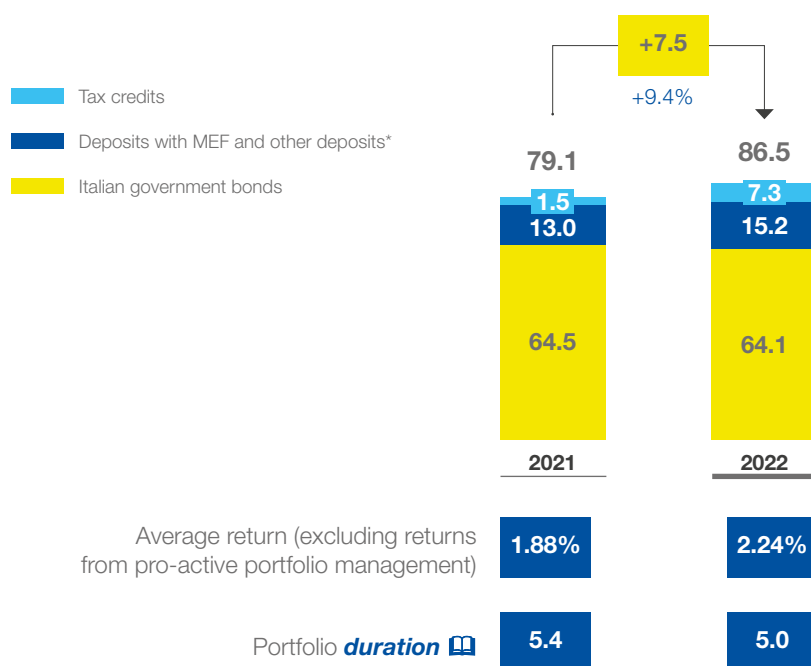
(€bn)



In 2022, the average balance of current accounts increased compared to the previous year, going from €79.1 billion to €86.5 billion. This increase of €7.5 billion is attributable to growth in all business segments and specifically to the positive contribution of the Public Administration (+€4.9 billion, +52.4%) and Retail and PostePay customers (+€2.3 billion, +4.6%).

## INVESTMENT PORTFOLIO COMPOSITION

(average balance in €bn)

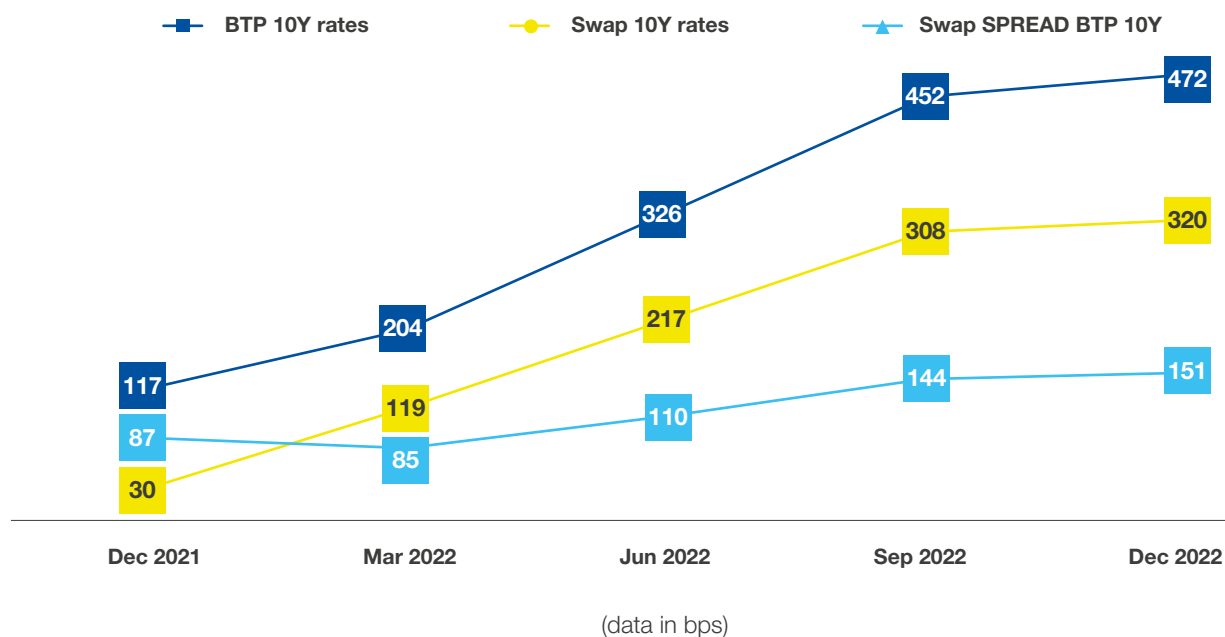


\* Includes liquidity on the **Buffer**, deposits with other financial institutions, additional short-term lending (< 12 months) and excludes liquidity of Poste Italiane.

The **average balance 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 (over €64 billion), in which funding from private customers on postal current accounts is invested, and deposits with the MEF (over €14 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 €7.3 billion at 31 December 2022.

In the course of 2022, the upward movements in interest rates and the widening of the credit spread of the BTP were opportunities for the Group to purchase securities.



At the same time, the generalised rise in interest rates led to an increase in the market value of the interest rate swaps entered into to hedge the fair value of the securities portfolio, which transform the yield of the latter from fixed to variable. In February and May 2022, early extinguishment transactions were carried out on part of this derivatives portfolio (amounting to a notional value of approximately €7 billion). The transaction as a whole, did not have any significant immediate impact on the statement of profit or loss, but made it possible to consolidate a fixed return in line with the Group's medium-term return objectives, while at the same time improving the profitability profile of a portion of the securities portfolio for subsequent years.

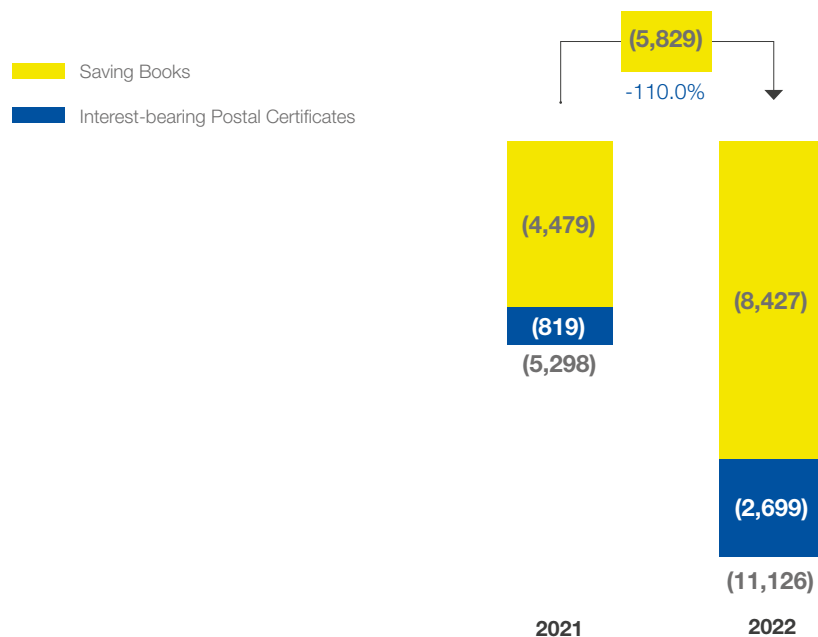
In addition, in the first part of the year, the following were entered into: (i) management hedging transactions of the yield on the deposit with the MEF of funding from the Public Administration, with the aim of making it less susceptible to changes in the yields of government bonds; (ii) forward sale contracts with value date 2023 in order to start the capital gains realisation programme within the framework of the pro-active management of the portfolio for the year 2023.

In the third quarter of 2022, considering the rise in rates and the narrowing spread, transactions were carried out to sell securities hedged with asset swaps and related derivatives, and transactions to purchase domestic government bonds with a 10-year maturity.

During the second half of 2022, against a backdrop of widening Italian credit spreads and rising Eurozone government bond yields, forward purchases of securities were made in order to start the programme of early renewal of investments maturing in 2023.

## POSTAL SAVINGS NET INFLOWS

(€m)



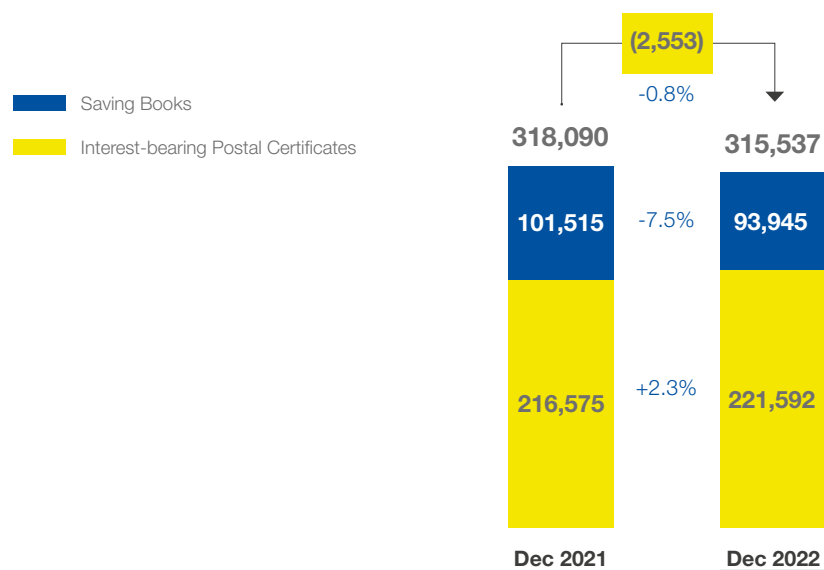
At 31 December 2022, Postal Savings Net Inflows amounted to approximately -€11.1 billion, approximately €5.8 billion less than in 2021. This negative change affected both products in the segment. A contraction of around €3.9 billion was recorded on savings books compared to the 2021 figure, due in part to the lower propensity to save linked to the particular national and international economic context, inflationary pressures and the recovery of consumer spending. In addition, net inflows for the year were affected by outflows from institutional customers related to the general economic scenario (-€1.7 billion). Finally, the comparison with the previous year is not homogeneous: in fact, twelve pension accruals were credited in 2021 as a result of the health emergency-related provisions, compared to eleven in 2022 (the March 2022 pension accrual, credited at the end of February, was the last accrual paid in advance), resulting in lower net inflows of €1.5 billion.

With regard to Postal Interest-bearing Certificates, the change compared to the 2021 figure is negative by about €1.9 billion; this change was due to early redemptions of €33.6 billion (+109% compared to 2021) and redemptions of certificates that matured during the year (albeit 23% lower than in 2021), which occurred mainly in the first half of 2022 and was partly mitigated by new annual subscriptions of €43 billion, up 42% compared to the 2021 figure, which regained momentum following the adjustment of yields on the products included in the offering that began on 6 July 2022.



**POSTAL SAVINGS AVERAGE DEPOSIT\***

(€m)

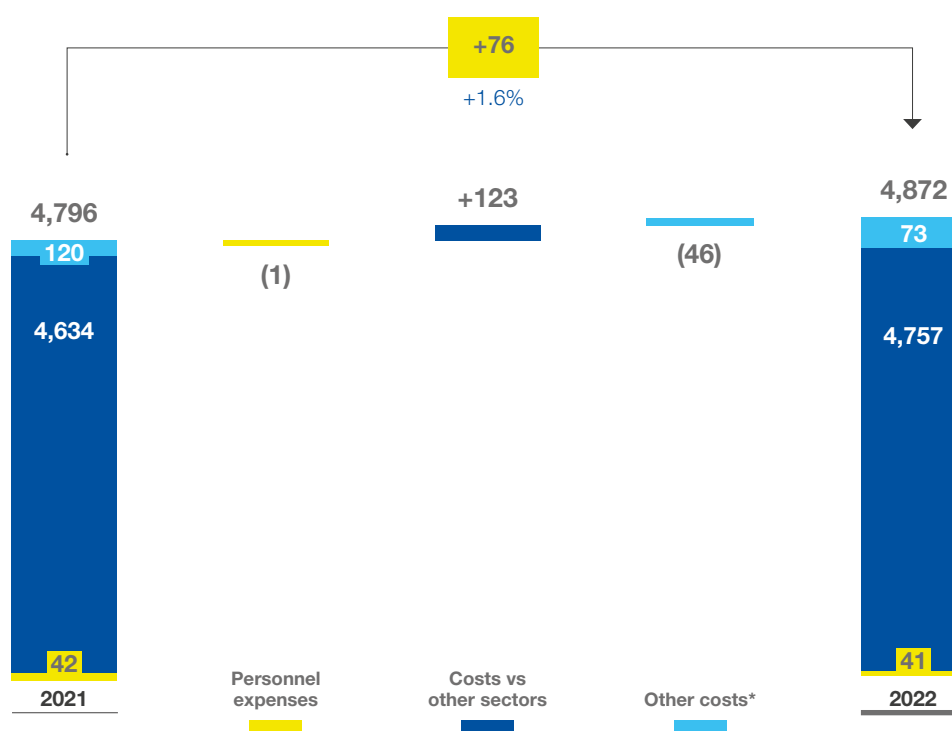


\* Interest is calculated at the beginning of the year in respect of interest accrued in the previous year. Average value of deposits excluding both the capitalisation of interest for the period and interest accrued, but not yet due, on Interest-bearing Postal Certificates that have not expired at the reporting date.

The Postal Savings Average Deposit recorded a decrease of around €2.6 billion compared to the 2021 figure; the value of savings books is related to the lower preference for liquidity and the shift towards investment products, while the growth in the Average Deposit of Postal Interest-bearing Certificates (BFP) is mainly attributable to the capitalisation of interest.

**TOTAL COSTS**

(€m)



\* The item includes costs for goods and services, adjustments/reversals, depreciation/amortisation and other costs and expenses.

Total costs of the Strategic Business Unit amounted to €4,872 million and increased by €76 million (+1.6%) compared to the €4,796 million realised in 2021, mainly due to higher costs to other segments (+€123 million) mainly related to higher costs to sales networks against higher volumes of activities. This change is partially mitigated by higher releases of provisions for risks mainly due to the prescription of certain balances relating to BancoPosta's fund transfer business and the adjustment of the estimate of certain risks related to the distribution of postal savings products and litigation with third parties.

The operating profit (EBIT) of the sector in 2022 amounted to €887 million, up 18.9% compared to 2021 (+€141 million).

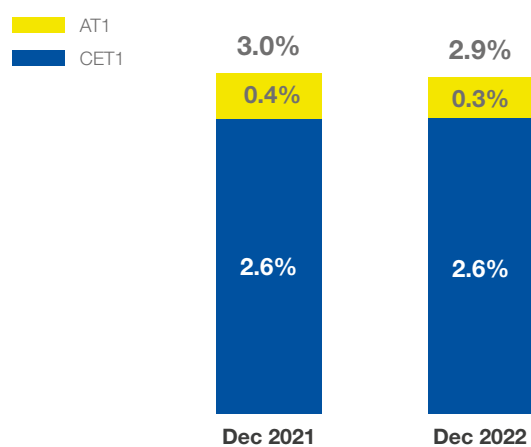
Financial management for the year was negative by €22 million (positive by €10 million in 2021) and takes into account the impairment adjustment of €21 million on the value of the Anima investment. For further details, please refer to the notes to the statement of financial position in the Group's consolidated financial statements.

After taking into account taxes for the period (€243 million), the net profit of the Financial Services Strategic Business Unit in 2022 amounted to €622 million, an increase of €66 million compared to €556 million in 2021 (+12%).

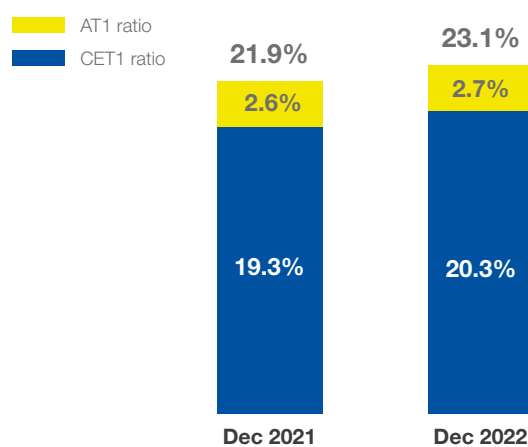
## FINANCIAL KPI

€m	2021	2022
CET1 CAPITAL	2,633	2,618
TOTAL CAPITAL	2,983	2,968
TOTAL ASSETS	109,072	104,438
RWA – Risk Weighted Assets	13,612	12,867

### LEVERAGE RATIO



### TOTAL CAPITAL RATIO



At 31 December 2022, the Leverage Ratio stood at 2.9%, slightly down from 31 December 2021 as a result of the elimination of the benefit of the sterilisation of BancoPosta's Cash and Deposit with the Bank of Italy (Reg. (EU) 2020/873) in the calculation of the adjustments charged to the assets reported in the denominator of the ratio formula. This correction was applied until the first quarter of 2022 due to the health emergency<sup>88</sup>. The CET 1 Ratio at 31 December 2022 stood at 20.3%, while the Total Capital Ratio including Additional Tier 1 was 23.1%, confirming BancoPosta's capital solidity.

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 for the year ended 31 December 2022.

<sup>88</sup>. Bank of Italy Communication of 1 March 2022: "Termination of temporary measures introduced as a result of the pandemic on: i) Liquidity Coverage Ratio (LCR), Capital Conservation Buffer (CCB) and Pillar 2 Guidance (P2G); ii) exclusion of certain exposures to central banks from the calculation of the leverage requirement".

## < 7.3.3 Insurance Services Strategic Business Unit

The SBU's 2022 operating performance is solid and up on the 2021 results due to revenue growth in both segments: Life and P&C. The Solvency Ratio of 253% at 31 December 2022 confirms the solvency of the insurance Group.

INSURANCE SERVICES (€m)	2022	2021	CHANGES	
<b>External revenue</b>	<b>2,153</b>	<b>1,861</b>	<b>+292</b>	<b>+15.7%</b>
Revenue from other sectors	3	3	(0)	-9.8%
<b>Total revenue</b>	<b>2,156</b>	<b>1,864</b>	<b>+292</b>	<b>+15.7%</b>
Costs	137	140	(3)	-2.1%
Costs vs other sectors	668	605	+63	+10.4%
<b>Total costs</b>	<b>805</b>	<b>745</b>	<b>+60</b>	<b>+8.1%</b>
<b>EBIT</b>	<b>1,350</b>	<b>1,119</b>	<b>+232</b>	<b>+20.7%</b>
<b>EBIT margin %</b>	<b>62.6%</b>	<b>60.0%</b>		
<b>NET PROFIT</b>	<b>979</b>	<b>824</b>	<b>+155</b>	<b>+18.8%</b>

Operating KPI	31 December 2022	31 December 2021	CHANGES	
Net technical provisions Poste Vita Group (€bn)	139.9	159.0	(19.1)	-12.0%
Solvency Ratio	253%	261%		
Life business	2022	2021	CHANGES	
Gross premium revenue - Life (€m)*	17,179	17,574	(395)	-2.2%
<i>of which: Classes I-IV-V</i>	13,957	13,749	209	+1.5%
<i>of which: Class III**</i>	3,222	3,826	(604)	-15.8%
Life net inflows (€m)	7,611	8,082	(471)	-5.8%
Latent gains (€bn)	(14.0)	13.2	(27.2)	n/s
Lapse rate	3.5%	3.0%		
ESG products as % of investment products***	60%	50%		
P&C business	2021	2020	CHANGES	
Gross premium revenue - P&C (€m)****	392	319	+73	+23.0%
Average daily premiums - Modular offer (€k)*****	269	205	+63	+30.9%
Brokered premiums on motor (€k)	12,018	5,843	+6,176	+105.7%
Combined ratio (net reinsurance)*****	87.7%	91.1%		
Loss ratio	59.3%	59.5%		

n/s: not significant

\* Includes premiums written, gross of reinsurance and intercompany portions of the Poste Italiane Group.

\*\* Gross premiums written in class III are inclusive of the target of the new multi-class products with definition of "linked" portion.

\*\*\* For products placed, the presence of an ESG component is emphasised. Campaign products with an annual gross inflows of less than €100 million are excluded.

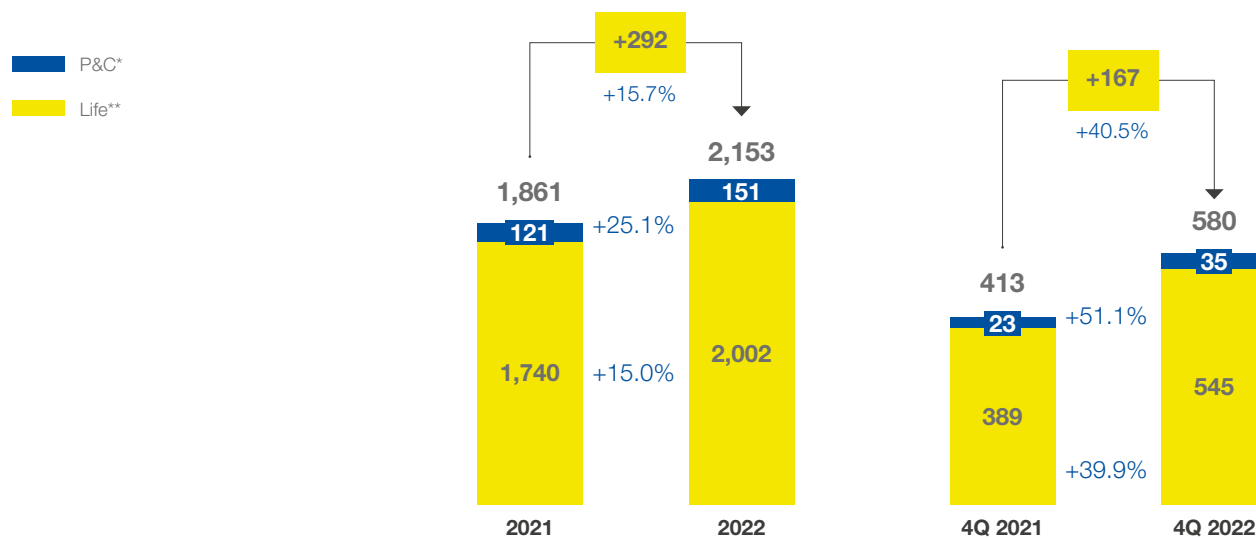
\*\*\*\* Includes gross premium revenue before the premium reserve, outward reinsurance premiums and intra-group portions of the Poste Italiane Group.

\*\*\*\*\* Calculated on annualised net premiums, including Property and Personal policies.

\*\*\*\*\* Corresponds to the ratio between the total amount of costs incurred (commissions for the year + charges relating to claims + balance of business ceded + operating costs + other technical expenses and income) and gross premiums earned.

## EXTERNAL REVENUE

(€m)



\* Includes Poste Insurance Broker and other revenues.


\*\* Includes Welfare (Individual Pension Plan).

**Life revenue:** placement commissions on the sale of Class I, III and V policies; management commissions on Class I and III policies; protection margins on the sale of protection products (Credit Protection Insurance policies (CPI), Temporanea Caso Morte (TMC) and Long Term Care (LTC)) policies and changes in other technical provisions on life policies.

**P&C revenue:** revenue from retail (Modular and Payments) and group (Welfare) protection policies, as well as for the sale of motor policies and other revenue.

External revenue went from €1,861 million in 2021 to €2,153 million in 2022 (+15.7%) and are essentially attributable to the Life business, which contributed €2,002 million, while the contribution of the P&C business totalled to €151 million.

Specifically, Life net revenue increased by 15% (+€262 million) compared to the same period of 2021, mainly due to: i) the positive contribution of the financial margin (which rose from €1,455 million in 2021 to €1,670 million in the same period of 2022, an increase of €215 million); the latter benefited from the growth in average assets under management (higher average total provisions of €9 billion, of which €6.5 billion in Class I and €2.5 billion in Class III compared to 2021) and higher profitability thanks to the increasing returns of the Separately Managed Accounts<sup>89</sup>; ii) the contribution from the positive change in Other technical provisions (+€50.5 million), in particular attributable to the positive contribution of the expense reserve.

The returns achieved by the Separately Managed Accounts during the year (2.68% for PostaPensione management and 2.59% for PostaValorePiù management) were positively impacted, for an amount of €1,088 million, by the increase in the inflation rate with reference to the so-called **"Inflation Linked"**  securities held in Poste Vita's portfolio (with a nominal value of around €8.9 billion at 31 December 2022). This income, realised by the Company, was largely recognised to policyholders through the revaluation of the commitments towards them represented in the value of the technical provisions.

P&C net revenue amounted to €151 million, up €30 million compared to the same period in 2021, +25.1%). In particular, gross premiums written increased by €67 million (+21.5%) compared to 2021, while charges for claims increased by €37 million (+22%) related to the new guarantees in the modular offer and the growth of the Welfare business. The Combined Ratio, net of reinsurance, was 87.7%, down compared to the corresponding period of 2021 (91.1%).

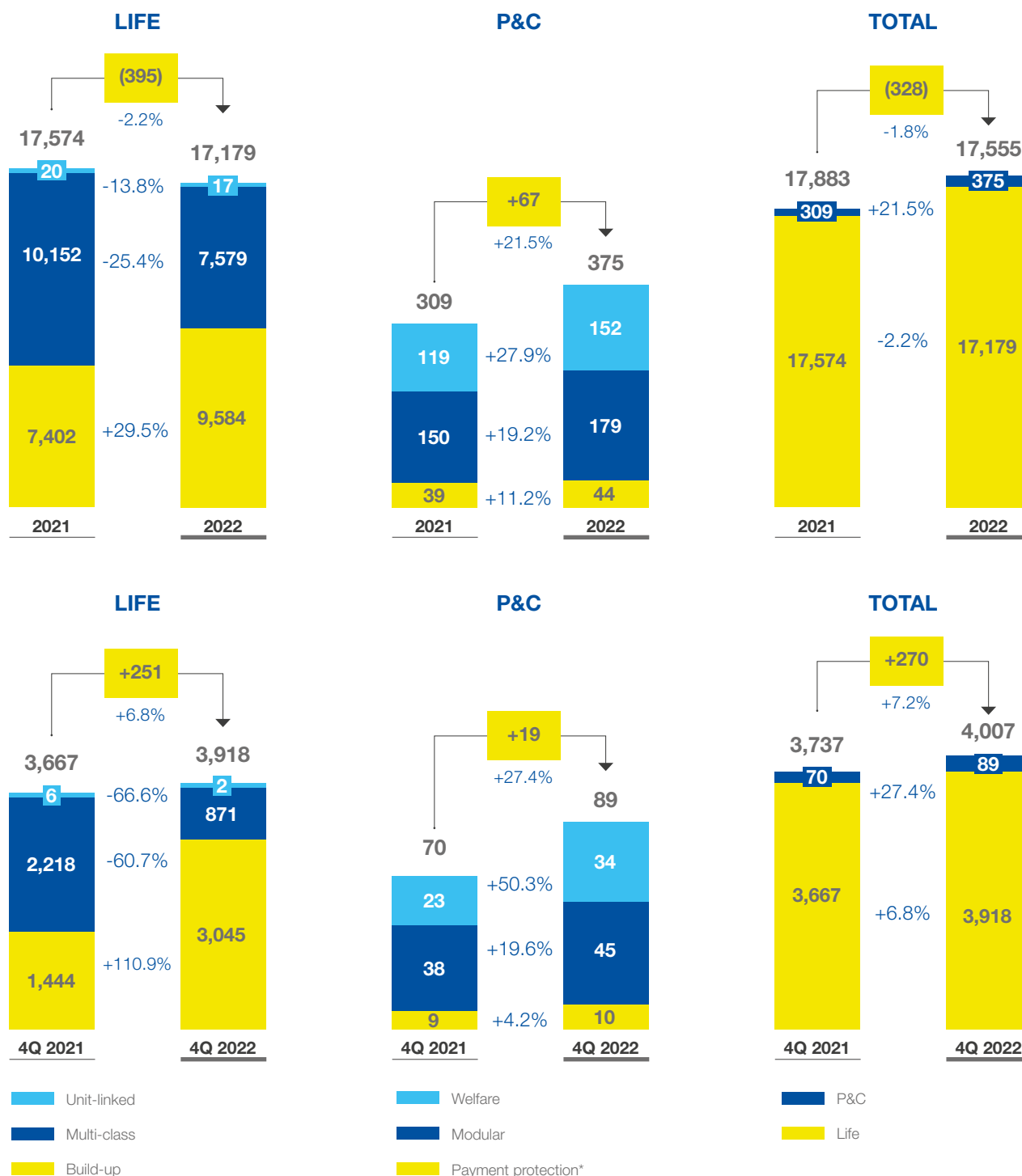
The fourth quarter showed an increase in Life net revenue of €155 million (+39.9%) compared to the same period of the previous year, attributable to the performance of the financial margin (+€77 million compared to the fourth quarter of 2021), due to higher revenue related to inflation-linked securities and the positive contribution from the change in other technical provisions and other

89. The Yield of the main Separately Managed Account is that of PostaValorePiù (31 December 2022 equal to 2.59% compared to 2.35% at 31 December 2021).

technical income/expenses (+€59 million), mainly attributable to the positive contribution from the expense reserve.

In the P&C segment, there was an increase in revenue (+€12 million) compared to the fourth quarter of 2021, mainly due to the growth in **earned premiums** 📖 (+€15 million) only partially mitigated by the increase in claims expenses (+€6 million).

## 📖 GROSS PREMIUM REVENUE (€m)

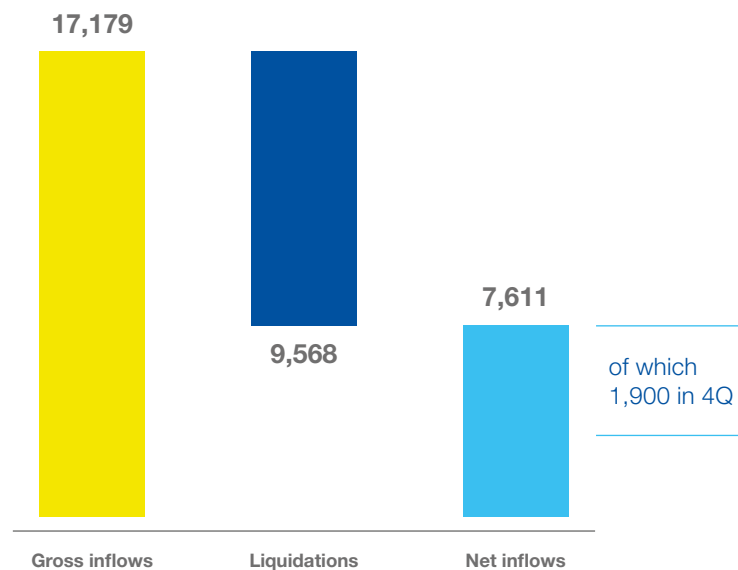



\* Includes Cpi loans, mortgages and assignment of one-fifth of salary.

Life business gross inflows amounted to €17.2 billion, down 2.2% (-€0.4 billion) compared to the 2021 financial year due to the decrease in inflows from Multi-class products, which fell by €2.6 billion during the year, but still accounted for a significant proportion of total gross inflows (44%). This was partially offset by the increase in inflows from traditional build-up products, which grew by €2.2 billion during the period.

Gross premiums written in the P&C business amounted to €375 million, an increase of €67 million (+21.5%) compared to 2021 (€309 million) driven by all segments: (i) the “Modular Protection”<sup>90</sup> line +19.2%; (ii) payment protection policies +11.2%; and (iii) the “Welfare” segment, whose premiums rose from €119 million recognised at the end of 2021 to €152 million in 2022, mainly supported by new distribution agreements signed with corporate customers (Employee Benefits).

#### **LIFE NET INFLOWS AT 31 DECEMBER 2022** (€m)



Life net inflows amounted to €7.6 billion (€8.1 billion at the end of 2021), down mainly as a result of the trend in gross inflows, and remained positive on the Separately Managed Accounts and Internal Funds portfolios<sup>91</sup>. The ***lapse rate***  of 3.5% was up from the same period last year (3.0%), but still much lower than the average market figure of 6.71% at 31 December 2022<sup>92</sup>.

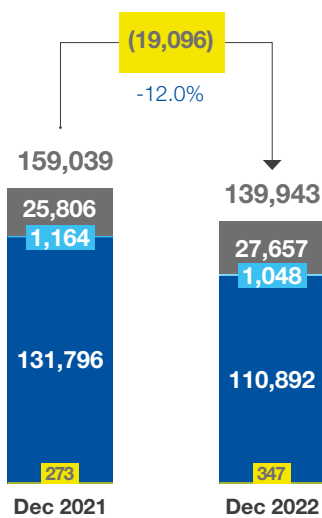
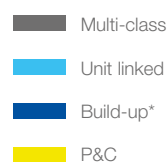
90. The modular protection integrates the protection coverage available to retail customers, to protect their health, home and pets. Modules and related coverages can always be added or removed as customers' needs change.

91. The Internal Fund represents a type of investment management within a company in which the premiums invested flow into the company's assets (shares). The premiums, net of costs, are converted into units, invested in shares or bonds.

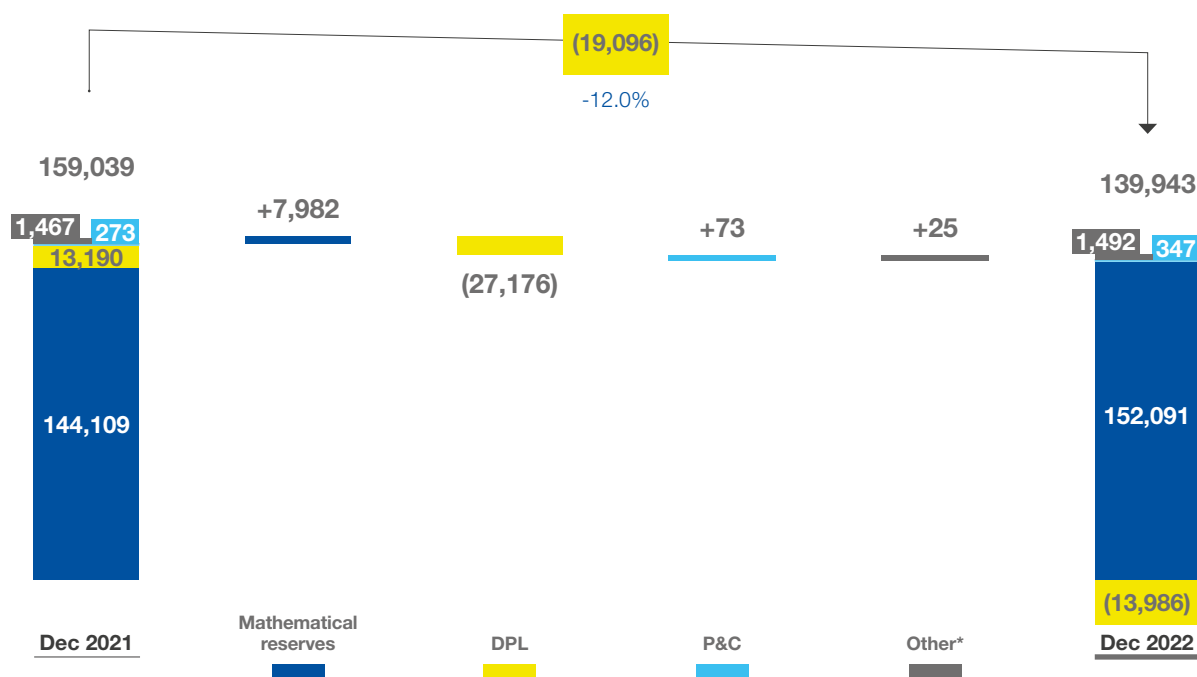
92. Source: Ania Trends - Life Flows and Provisions - Publication no. 4, 24 February 2023.

## NET TECHNICAL PROVISIONS

(€m)



\* Includes Protection and Welfare.

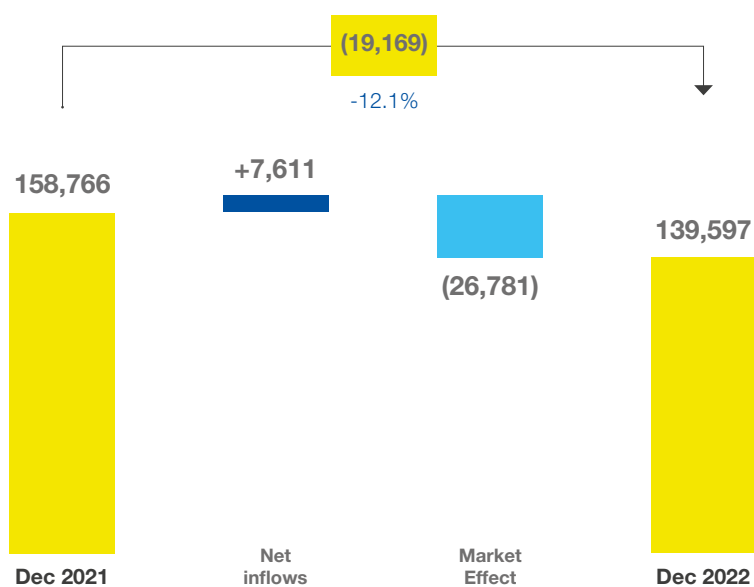


\* Includes reserves for sums to be paid, expense reserves and reinsurance.

Life business net technical provisions amounted to €139.6 billion and decreased by €19.2 billion compared to 31 December 2021, mainly due to the decrease in **Deferred Policyholder Liabilities** [📄](#) (-€27.2 billion) as a result of financial trends during the period affected by developments in interest rates and the spread BTP-BUND. This change was only partially offset by the increase in mathematical provisions (+€8 billion) due to positive net inflows. P&C technical provisions, net of **reinsurance** [📄](#), amounted to €347 million at the end of the period, up from €273 million at 31 December 2021.

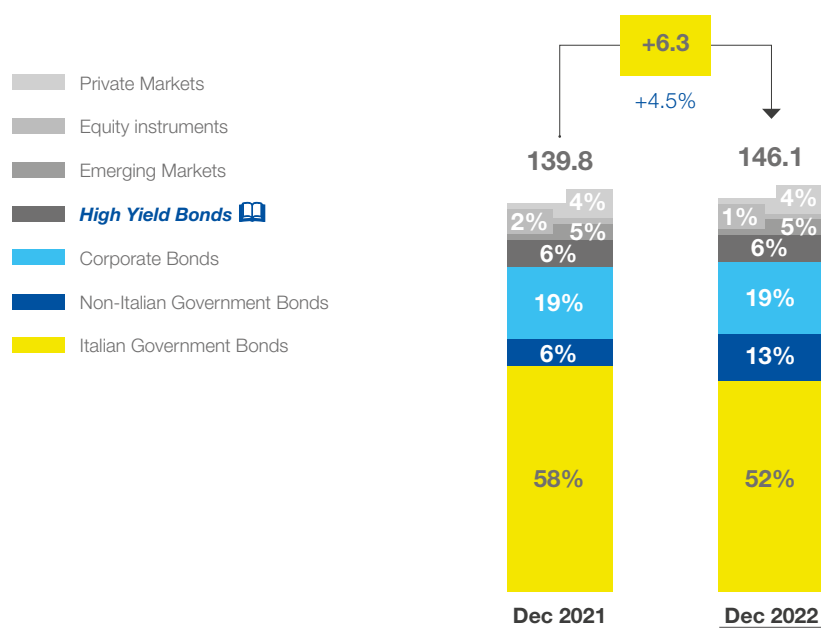
## CHANGES IN NET TECHNICAL PROVISIONS FOR LIFE BUSINESS

(€m)



## BREAKDOWN OF THE INVESTMENT PORTFOLIO

(€m)



In 2022, in line with the latest **asset allocation** approved by the Company, the portfolio diversification process continued, with the aim of reducing the concentration of Italian risk, in favour of **asset classes** that have a lower correlation to the risk associated with Italian government bonds<sup>93</sup>, such as non-Italian government bonds<sup>94</sup>.

Within investment funds, diversification has been evident with a reduction in the concentration of risk associated with government

93. Included within the Italy Govies asset class is the Company's financial liquidity (cash awaiting transfer to the different asset class managers). At 31 December 2022, financial liquidity as a percentage of the entire portfolio was approximately 1.07%. The value of the investment portfolio at 31 December 2022 differs from the value of the life technical provisions depicted in the graph above. The difference is due to the different valuation of the individual items ("cost" principle in the presentation of the investment portfolio, IFRS ("market value") principle in the presentation of provisions), as well as to a different scope of reference; in particular, the value of the investment portfolio does not include the value of class D investments (Class III) and also considers the balance of free assets.

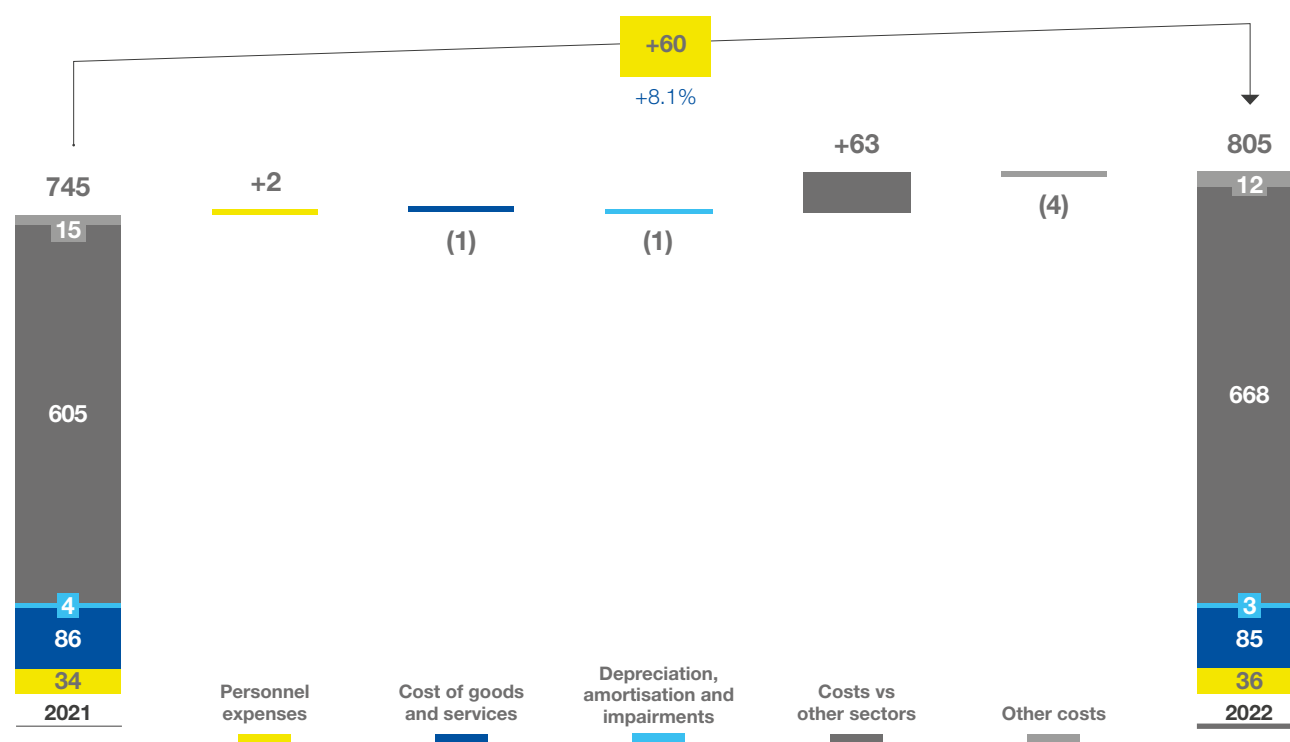
94. Government securities issued by states other than Italy, as these are shown as a separate item.



securities.

## TOTAL COSTS

(€m)

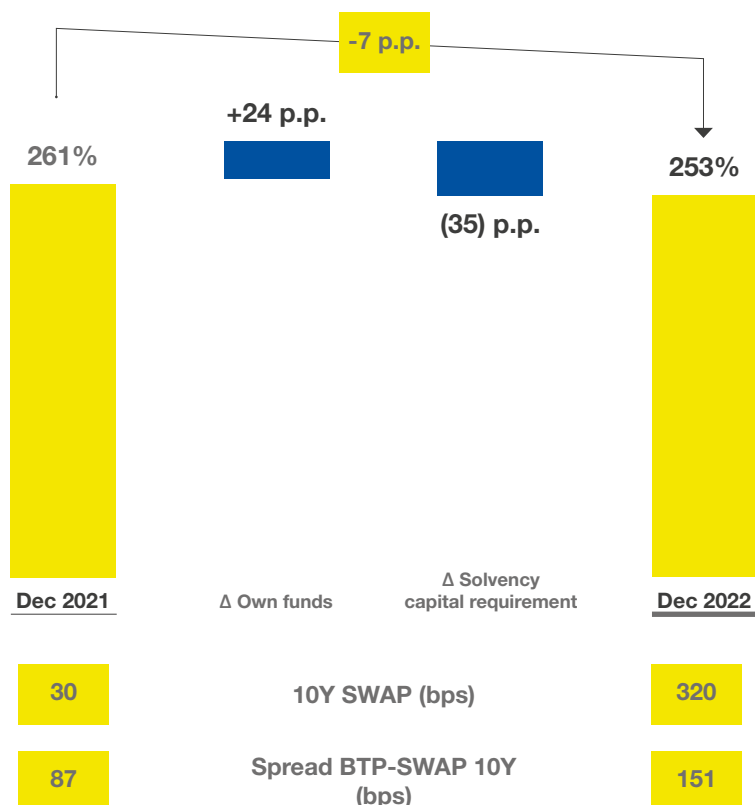


Total costs at 31 December 2022 amounted to €805 million, an increase of €60 million compared to 31 December 2021, mainly due to higher costs to other segments as a result of: i) higher commissions paid to the Financial Services Strategic Business Unit (+€55 million); in detail higher maintenance commissions paid during the year (+€49 million) as a result of the growth in average assets under management, only partially offset by lower commissions paid for distribution and collection activities as a result of the decrease in gross inflows relating to the Life segment (-€4 million); higher commissions paid on the P&C segment (+€7 million); higher management commissions paid to BancoPosta Fondi SpA SGR (+€3 million); ii) higher costs in respect of the Mail, Parcels and Distribution Strategic Business Unit (+€8 million), mainly related to call centre activities (+€2 million), back office, IT service fees and Poste Welfare Services for the management of settlements (a total of +€6 million).

In light of the results illustrated, the economic performance of the Insurance Services Strategic Business Unit shows EBIT of €1,350 million in 2022, up by 20.7% (+€232 million) compared to 2021 (€1,119 million).

Taking into account financial management (positive by €41 million), which includes €22 million incurred for the mass lapse hedging treaty, and taxes for the period (€413 million), the Insurance Services Strategic Business Unit achieved a net profit of €979 million at 31 December 2022, up 18.8% (+€155 million) compared to 2021.

## SOLVENCY RATIO PERFORMANCE



The Poste Vita Group's **Solvency Ratio** stood at 253%<sup>95</sup> at 31 December 2022, down on the 261% reported at December 2021 (-7 p.p.), and remains well above the regulatory requirements and management's expectations (200%).

The change in the period is due to an increase in available own funds (+24 p.p.) as a result of the dynamics of the interest rate trend (+290 bps 10-year swap rate) and the BTP-Swap spread (+64 bps 10-year spread), which on the one hand cause an increase in Own Funds, due to the decrease in technical provisions partially offset by the reduction in the market value of investments, and on the other hand, an increase in the capital requirement.

The increase in the Capital Requirement (-35 p.p.) is mainly due to higher underwriting risks and specifically the **"lapse risk"** . The latter is calculated, as per the standard formula<sup>96</sup>, by assuming a 40% lapse scenario for policies. In an economic context of rising interest rates, such as that experienced during the year, the value of policies became more profitable. It follows that with the increase in interest rates, the "mass lapse" scenario envisaged by the aforementioned formula becomes more valuable (i.e. increases the valuation of the related risk), even though the level of actual lapses has remained substantially stable. The increase in lapse risk was not offset by the reduction in other risks, mainly represented by the lower market risk due to the conditions of the economic scenario of the period.

On 29 July 2022, the Parent Company increased Poste Vita's capital endowment by subscribing to a capital instrument, subordinated for €500 million, under terms and conditions that allow it to be counted as core capital ("Restricted Tier 1" or "RT1"). This capital strengthening is aimed at optimising the company's capital structure and supporting the future growth and development of the Poste Vita Group's business.

The Company also signed a treaty to hedge the mass early lapse risk, referring to Class I and Multi-class products, which allows for an increase in the 2022 Solvency Ratio (+30 p.p.). Against the current backdrop of economic uncertainty, the current outlook for the Italian insurance market suggests that early policy termination behaviour by customers may show increasing trends in the future, although this phenomenon is not evident in the Company's portfolio to date.

95. The **Transitional Measures** , which set the Solvency Ratio at 31 December 2021 at 285%, cannot be adopted at 31 December 2022 because the value of the technical provisions calculated under Solvency II is lower than the value of the statutory technical provisions. The indicator takes into account the dividends expected in favour of the Parent Company for the year 2022. The value of the Solvency Ratio is currently undergoing the annual review process and will be communicated to IVASS by 19 May 2023.

96. Calculation formula provided by IVASS for the calculation of the capital requirement of insurance companies that do not adopt the internal calculation model.

## < 7.3.4 Payments and Mobile Strategic Business Unit

The SBU's performance in 2022 was up on 2021, with positive contributions from all segments (electronic money, collections and payments, and telecommunications). The Energy segment, which started in June 2022 on a narrow target customer base, also performed well in the 2022 financial year.

PAYMENTS AND MOBILE (€m)	2022	2021	CHANGES	
<b>External revenue</b>	<b>1,147</b>	<b>882</b>	<b>+265</b>	<b>+30.0%</b>
Revenue from other sectors	264	319	(56)	-17.5%
<b>Total revenue</b>	<b>1,410</b>	<b>1,201</b>	<b>+209</b>	<b>+17.4%</b>
Costs	549	461	+88	+19.0%
Costs vs other sectors	482	459	+23	+5.1%
<b>Total costs</b>	<b>1,031</b>	<b>920</b>	<b>+111</b>	<b>+12.1%</b>
<b>EBIT</b>	<b>379</b>	<b>282</b>	<b>+98</b>	<b>+34.8%</b>
<b>EBIT margin %</b>	<b>26.9%</b>	<b>23.4%</b>		
<b>NET PROFIT</b>	<b>270</b>	<b>425</b>	<b>(155)</b>	<b>-36.6%</b>

Operating KPI	2022	2021	CHANGES	
<b>E-money and payments</b>				
Total value of card transactions ("on us" and "off us") (€m)*	71,390	61,086	+10,304	+16.9%
Total value of card transactions ("off us") (€m)**	57,377	49,448	+7,929	+16.0%
Number of cards (m)***	28.9	28.6	+0.3	+1.1%
of which Postepay cards (m)	21.4	21.1	+0.2	+1.1%
of which Postepay Evolution cards (m)****	9.5	8.4	+1.0	+12.1%
of which Postepay Green (k)	72.7	30.1	+42.6	n/s
of which Postepay Connect (k)	539.7	418.1	+121.6	+29.1%
Number of card transactions (m)	2,340	2,013	+327	+16.2%
of which number of e-commerce transactions (m)*****	599	520	+79	+15.1%
Payment slips accepted through alternative channels <sup>(*)</sup> (%)	37%	40%		
Postepay top-ups through alternative channels <sup>(*)</sup> (%)	81%	80%		
<b>TLC</b>				
SIM PosteMobile landlines and mobile telephones (stock in thousands) <sup>(*)</sup>	4,815	4,725	+90	+1.9%
of which mobile Sim (stock in thousands) <sup>(*)</sup>	4,459	4,427	+32	+0.7%
of which Sim Casa (stock in thousands) <sup>(*)</sup>	356	298	+58	+19.3%
of which Sim Fibrà (stock in thousands) <sup>(*)</sup>	99.1	28.4	+71	n/s
MNP (Mobile Number Portability) - acquisitions (in thousands)	590.8	591.1		
<b>Energy</b>				
Contracts signed (in thousands)	47	-	n/s	n/s

n/s: not significant

<sup>(\*)</sup> Includes transactions carried out on Third Party Networks and Digital Channels (Poste Italiane Retail Properties, Business and Other Digital Channels).

\* Transaction relating to payments made with Postamat and Postepay on internal and external payment circuits ("on us" and "off us").

\*\* Transactions relating to payments made with Postamat and Postepay on external payment circuits ("off us").

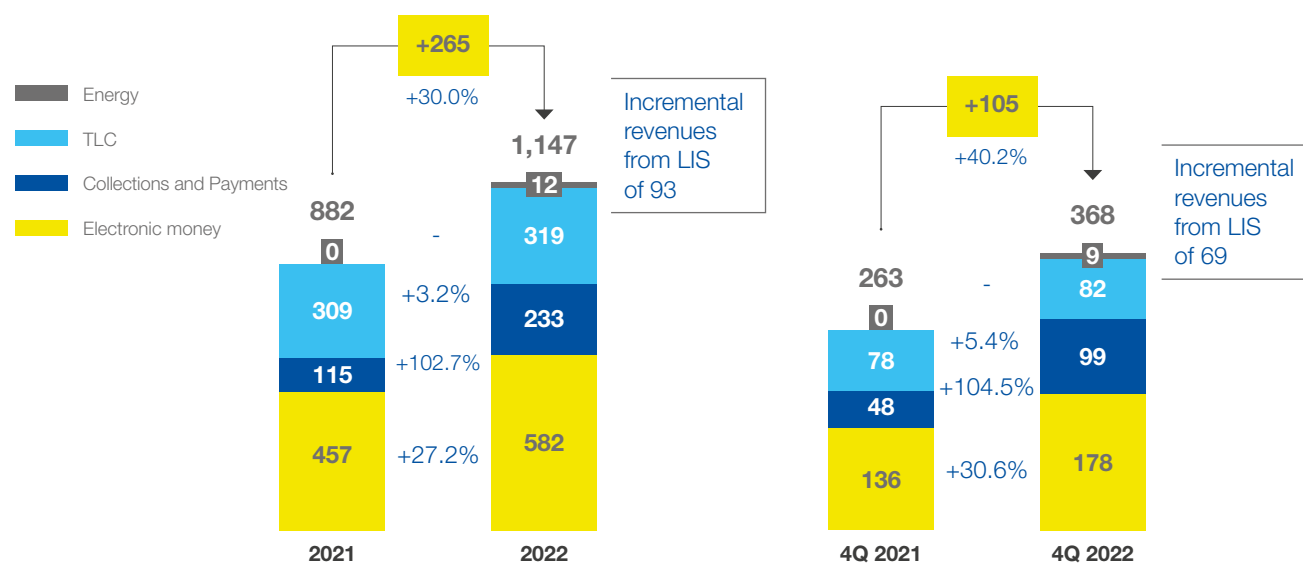
\*\*\* Includes Postepay cards and debit cards.

\*\*\*\* Including business and Postepay Connect customers.

\*\*\*\*\* Includes e-commerce + Web transactions (on Poste Italiane digital properties).

## 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) related 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 the sale of mobile phones and routers from PO corners) and fixed line (PosteMobile Casa and PosteCasa Ultraveloce offers).

**Energy:** revenue from electricity and gas sales following the start of the employee and family promo in mid-June 2022 and revenue from optimising the energy management portfolio.

External revenue in 2022 amounted to €1,147 million, marking an increase of €265 million compared to December 2021 (+30%) thanks to the positive contribution of all sectors. In particular, the Collections and Payments business strengthened its performance following the acquisition in September 2022 of LIS Holding SpA, which brings incremental revenue of €93 million to the SBU's revenue in 2022 (distributed between the Electronic Money and Collections and Payments segments), while the Energy business benefited from the launch of electricity and gas sales services in June 2022 to a restricted target of employees, family members and pensioners of the Group.

In detail, revenue in the Electronic Money segment grew by €124 million, from €457 million in 2021 to €582 million in 2022, due to higher revenue from payment card operations, also attributable to the contribution from Poste Italiane to PostePay of the debit card business unit on 1 October 2021 and the aforementioned acquisition of LIS Holding SpA in September 2022, as well as higher revenue from acquiring services.

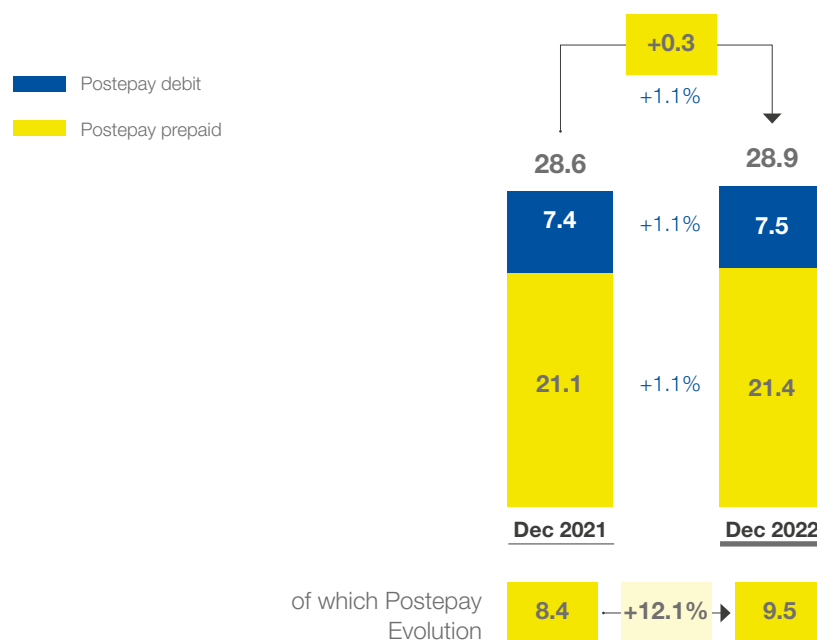
Revenue from Collections and Payments services grew by €118 million (+102.7%), rising from €115 million in 2021 to €233 million in 2022, driven by PagoPA payment advices and instant transfers<sup>97</sup> from Postepay Evolution.

The Telecommunications segment recorded growth of €10 million, compared to the €309 million revenue achieved in 2021 (+3.2%). The increase is attributable to higher revenue from the fibre optic connectivity service.

In June 2022, the new energy offer was launched for employees, pensioners and family members of the Poste Italiane Group, which, at 31 December 2022, recorded €12 million in revenue, of which, €7 million from the sale of energy services and €5 million from energy wholesale management activities. The energy offer launched in June recorded around 47 thousand subscriptions in 2022 (of which 29 thousand for commodity power and 18 thousand for gas) against a customer base of 38 thousand active contracts (of which 23 thousand for power and 15 thousand for gas).

The performance in the fourth quarter of 2022 confirms the sustained growth in the Collections and Payments and Electronic Money segments. In particular, the high transaction volumes of payment cards related to the increase in transactions on both physical and digital channels and the acquisition of LIS Holding, drove the revenue of the Electronic Money segment to €178 million in the fourth quarter (+30.6% compared to fourth quarter 2021). In the fourth quarter of 2022, Collection and Payment Services recorded revenue of €99 million (+104.5% compared to the same period of 2021), mainly due to the positive contribution of the PagoPA payments service to the Public Administration. Positive performance also for the Telecommunications segment, which posted revenue of €82 million in the final quarter of the year (+€4 million, +5.4% compared to fourth quarter 2021) supported by growth in the customer base of the fibre service, and for the Energy segment, which posted revenue of €9 million.

## CARD STOCK (m)



At 31 December 2022, the total stock of prepaid and Postepay Debit cards amounted to 28.9 million, with total transactions<sup>98</sup> equal to €71.4 billion, up by approximately €10.3 billion (+16.9%) compared to 31 December 2021.

97. 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)

98. The figures refer to on-us and off-us transactions.

Outstanding prepaid Postepay cards amounted to 21.4 million (+1.1% compared to December 2021) and of these, Postepay Evolution cards, equal to approximately 9.5 million at 31 December 2022, showed an increase of 12.1% compared to the value at 31 December 2021. The sale of Postepay Connect<sup>99</sup> continued in 2022, with approximately 253 thousand activations at 31 December 2022 and a stock of 540 thousand cards (+29% compared to December 2021).

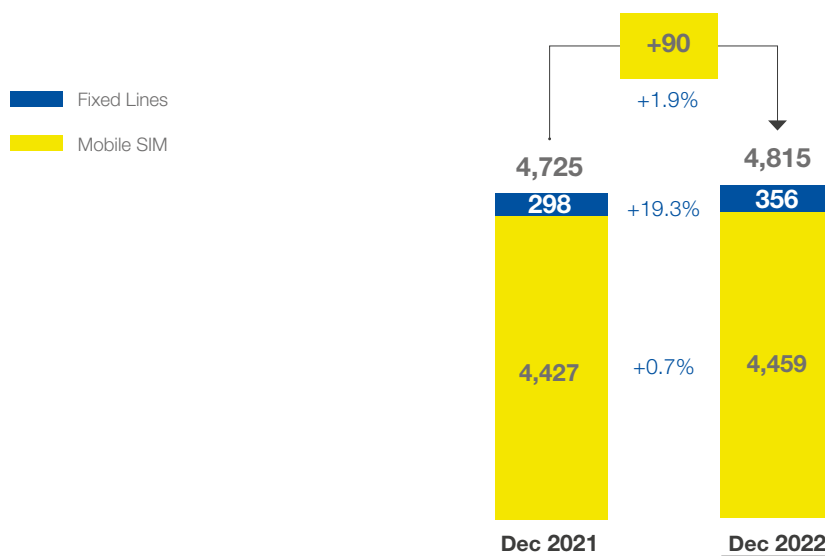
In 2022, there was an increase in payment card transactions of 16.2% (+327 million transactions) compared to 2021, due in part to the contribution of e-commerce transactions<sup>100</sup> (+79 million transactions). The total transacted business of €71.4 billion in December 2022 grew by more than €10 billion (+16.9%) compared to December 2021.

In the area of acquiring, against a number of POS installed at 31 December 2022 of about 280 thousand, a transacted volume of €27.1 billion was developed (+18.3% of transacted volume compared to 2021, an increase of €4.2 billion).

At 31 December 2022, the percentage of slips accepted on third-party networks and digital channels was slightly down compared to December 2021, while the prevalence of alternative channels to the post office for PostePay top-ups was confirmed.

## STOCK SIM

(figures in thousands)



In Telecommunications, the customer base related to mobile services, at 31 December 2022, is represented by approximately 4.5 million lines, substantially in line compared to 31 December 2021.

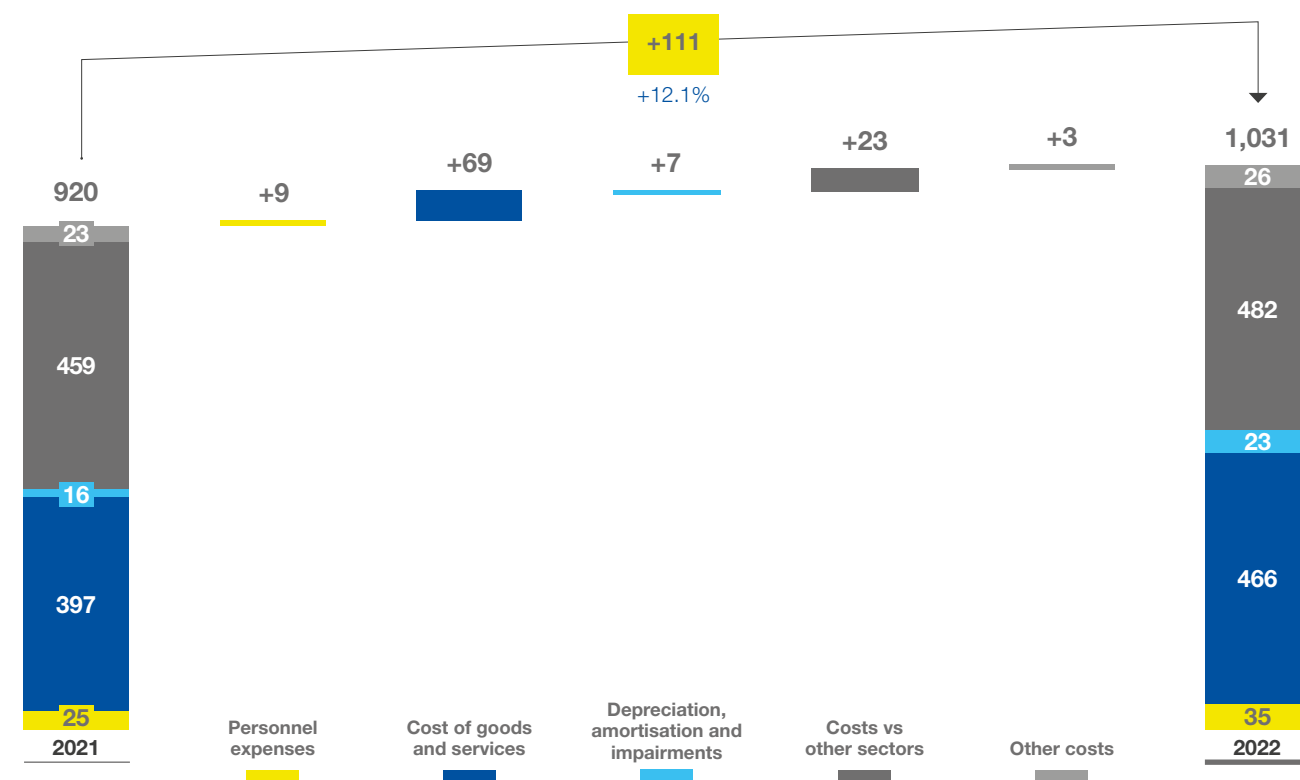
With reference to Fixed Telephony services, the “PosteMobile Casa” offer and the “PosteCasa Ultraveloce” fibre optic data connectivity offer recorded a 19% increase in lines, rising from 298 thousand lines at 31 December 2021 to 356 thousand lines in December 2022. In detail, the lines of the ‘PosteMobile Casa’ offer decreased by 4.8% compared to December 2021, rising from 270 thousand lines in 2021 to 257 thousand in December 2022, while the lines of the “PosteCasa Ultrafast” offer reached 99 thousand units in December 2022, an increase of 70 thousand lines compared to December 2021.

99. Offer integrating the Postepay Evolution prepaid card and the Postemobile SIM.

100. Includes e-commerce transactions + web (on Poste Italiane's digital properties).

**TOTAL COSTS**

(€m)



The total costs of the Strategic Business Unit amounted to €1,031 million, an increase of 12.1% (+€111 million) compared to the €920 million incurred in 2021.

The increase in the cost of goods and services is mainly attributable to higher variable costs related to the operation of cards in the Electronic Money business, as well as to the expansion of the scope of operations generated by the acquisition of LIS. There was also an increase in costs in the Energy segment following the launch of the commercial offer during the year. These increases are partly mitigated by lower costs from telephone traffic in telecommunications, following the change of network operator (**Mobile Host Operator – MHO**) in 2021.

The increase in costs to other segments (+€23 million) compared to 2021 is mainly determined by higher outsourcing costs to the Parent Company, with particular reference to the distribution activities of payment services, as well as higher outsourcing costs recorded in connection with the Energy segment's information systems.

Personnel expenses increased by €9 million compared to December 2021, due to the expansion of the workforce following the acquisition of LIS and the new Energy business.

In light of the results described, the economic performance of the Payments and Mobile Strategic Business Unit in 2022 shows an operating profit (EBIT) of €379 million, up by 34.8% compared to the previous year (€282 million).

Financial management showed a negative change of €228 million compared to the previous year, which was mainly attributable to the non-recurring income of €225 million from the merger of Nexi, Nets and SIA in 2021.

For further information, please refer to the section "Principal corporate actions" in the 2021 Annual Report.

Profit for the year amounted to €270 million, down 36.6% from the 2021 figure of €425 million. Net of the aforementioned corporate actions in 2021, the change in net profit would be a positive +€64 million compared to 2021 (+30.8%).

## < 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 "without differences" customer experience on all contact points.

### Digital Properties

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 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.

#### Digital Market

With reference to the Digital market<sup>101</sup>, almost 51 million people in Italy are on-line and almost 44 million are present and active on social channels. 97.5% of Italians continue to use a smartphone and 67.2% a desktop or laptop computer (the latter down 11% compared to 2021), while the growth of smartwatches (used by 33.2% of the population, up 18% compared to 2021) and smart homes (used by 20.5% of Italians, up 18% compared to 2021) continues. As far as e-commerce is concerned, the number of people in Italy who made at least one on-line purchase increased by 4.7% in 2022 compared to 2021 in the world of consumer goods.

101. Source: <https://wearesocial.com/it/blog/2023/02/digital-2023-i-dati-italiani/>.



Main KPIs: Digital and Third-Party Networks	2022	2021	CHANGES	
<b>Digital + third-party networks KPIs</b>				
Digital+contact center+third-party networks interactions/total daily interactions	68%	64%		
Digital transactions+third party networks/total transactions	36%	33%		
<b>Digital KPIs</b>				
Customers registered on Poste Italiane's digital channels (websites and apps) (m)	36.8	33.8	+3.1	+9.1%
Daily users (website and apps) (m)*	5.8	4.3	+1.5	+34.9%
Number of digital transactions (m)	152.6	124.7	+27.9	+22.4%
App downloads (m)	84.5	70.3	+14.3	+20.3%
Poste Italiane Digital e-Wallets (m)	10.7	9.1	+1.6	+17.4%
Active digital identities (SPID) (m)	23.8	21.2	+2.7	+12.7%
Digitally enabled customers (%)**	70.6%	67.5%		
Customers who use Poste services digitally (%)***	21.3%	18.7%		
PO queue reservations from app (m)	21.8	27.8	(6.0)	-21.5%
<b>Third-party networks KPIs</b>				
Payslip volumes (m)	50.8	68.3	(17.5)	-25.7%
Postepay top-ups (m)	51.8	53.5	(1.7)	-3.3%
Postemobile top-ups (m)	11.1	10.9	+0.2	+1.8%
Parcels delivered (m)	10.8	4.7	+6.2	+132.6%

\* Average daily values during reference period.

\*\* Customers who have access credentials to digital channels.

\*\*\* Customers who have made a payment on digital channels using Poste's payment instruments.

**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 payslips, postepay top-up, bank transfer) on the Poste Italiane Group's digital properties, in post offices and at third-party networks.

In 2022, the incidence of daily interactions on new channels (digital and third-party networks) increased from 64% in 2021 to 68%.

The share of digital and third-party network transactions in total transactions also increased from 33% in 2021 to 36% in 2022.

Interaction traffic on digital channels continued to grow from 6.7 million average daily interactions in 2021 to 9.3 million average daily interactions in 2022. During the year, the number of apps grew from 3.04 million to 4.52 million daily visitors. The average number of transactions carried out on digital channels is approximately 12.5 million per month (+22% compared to 2021) with a transacted value of approximately €3.27 billion per month (+23% compared to 2021).

Poste Italiane is confirmed as the first SPID Digital Identity Manager, with a market share of around 77% and a customer base of around 25.7 million Identities Digital public databases issued, of which 23.8 million active, compared to approximately 3.4 million new activations in the year.

In order to guarantee the highest quality of service and to 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 has made available the new SPID digital identity solution for underage citizens and is working on the launch of SPID digital identity solutions for access to on-line services dedicated to professionals and businesses, with specific paid offers.

>9 mln

average daily interactions on digital channels of the Group


~26 mln

digital identities issued with ~77% market share

## STRENGTHENING OF DIGITAL CHANNELS

During 2022, 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

- New payment methods have been developed in the BancoPosta app, such as payment with a **Postepay code**, sending money via **P2P**<sup>102</sup>, and the **Google Pay** service, with which it is possible to **make payments** directly from smartphones with the Android operating system in enabled physical and on-line shops.
- It will be possible to view the receipts of credit transfers, postage payments and payment of slips from the **app and from the website** poste.it directly on the notice board or by sharing the contents via e-mail, as well as to display on the notice board receipts of payments made at post offices for credit transfers, postage payments and top-ups.
- The **digital assistant (BOT)**  service was evolved in order to monitor the status of shipments.
- As part of the **evolution of the fibre offer**, new services were made available in the app (e.g. the possibility of defining the method of payment and receipt of invoices), as well as the possibility of managing the new **PosteCasa Ultraveloce Start** offer in the self-service area (app and web) with the possible integration of the **voice option**.

### Strengthening the catalogue of offers on digital channels

- The possibility of subscribing to the **Fibra** offer has also been enabled in the BancoPosta app and the Postepay app, and sales from the contact centre have been activated.
- The launch of the remote financial offer was completed at all post offices, with the possibility of sending the **advisory proposal** to the customer's private area **and the possibility of finalising it via digital funnel**.
- In September 2022, the **Postepay app** integrated the functionality of **sales of electricity and gas products** for employees of the Poste Italiane group. The sale is fully omnichannel: customers can start the purchase process and conclude it later also via another channel; there is also full and autonomous supply management from the web channel and the Postepay app.
- During the third quarter of 2022, the cross-selling initiative (integrated sales) of the **Fibre service** with the **Poste Vivere Protetti policy**<sup>103</sup> was launched in the post office network and in the digital channel.

### Optimising PosteBusiness infrastructure

During the year, the new version of the **PosteBusiness** app was made available, including new functionalities for customers (configuration of the Business Window, management of collections via mobile POS and the use of the Postepay Evolution Business card).

102. Peer to peer is a technology that allows the interchange of money: two different devices (computers, tablets or mobile phones) are able to communicate with each other for the transfer of a sum of money, without the details of the current accounts or credit cards of both being displayed.

103. The initiative is aimed at offering customers who request the PosteCasa Ultraveloce service a discount for subscribing to the PosteVivere Protetti range of modules for damage coverage and home assistance. To promote the insurance solution, a dedicated banner is provided at the end of the on-line purchase funnel of the Fibre service, through which the customer will be able to directly access the calculation of the policy quote and proceed to its subscription directly from the digital channel.

## < 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	2022-2021 KPIs	FOCUS
<b>1</b> Support the operational continuity of the business, ensuring industrial investments consistent with the objectives of the Strategic Plan.  Maintain capital requirement levels in line with the forecasts of the various authorities or consistent with management's aspiration.  Maximise cash flow from Group operations.	<b>Investments</b> of €810 million in 2022 (€754 million in 2021)	Q
	BancoPosta: <b>CET1 Ratio</b> of 20.3% in 2022 (19.3% in 2021) <b>Total Capital Ratio</b> of 23.1% in 2022 (21.9% in 2021) <b>Leverage Ratio</b> of 2.9% in 2022 (3.0% in 2021)	Q
	Poste Vita Group <b>Solvency Ratio</b> of 253% in 2022 (261% in 2021)	Q
	PostePay EMI: <b>Free Capital Ratio</b> : 33% in 2022 (15.1% in 2021) <b>Total Capital Ratio</b> : 8.95% in 2022 (6.48% in 2021)	
	<b>FFO of the Mail, Parcels and Distribution SBU</b> in 2022 amounting to €259 million (€60 million in 2021)	Q
<b>2</b> Maximise the Group's medium-/long-term value creation, directing strategic choices according to return on capital, towards continuous value growth over time.	<b>Group ROE</b> 2022 of 13% in 2022 (14% in 2021) <b>EPS</b> 2022 of €1.163 (€1.214 in 2021)	
<b>3</b> 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.	<b>DPS</b> 2022 of €0.650 (+10% y/y) of which a portion (€0.210) was settled as an advance in November 2022 (€273 million) <b>Distributable reserves</b> of the Parent Company at 31/12/22 amounted to €1.4 billion, (€1.0 billion at 31/12/2021)	Q
<b>4</b> Seize opportunities related to strategic M&A transactions, flexibly managing the capital and liquidity while keeping the Group's financial structure balanced.	<b>ORGANIC NET DEBT/(FUNDS) of the Mail, Parcels and Distribution<sup>104</sup> SBU</b> at 31/12/22 -€14 million (-€160 million at 31/12/21) becoming -€1,401 million post extraordinary transactions <b>EBITDA</b> 2022 of €3,121 million (€2,636 million in 2021)	Q

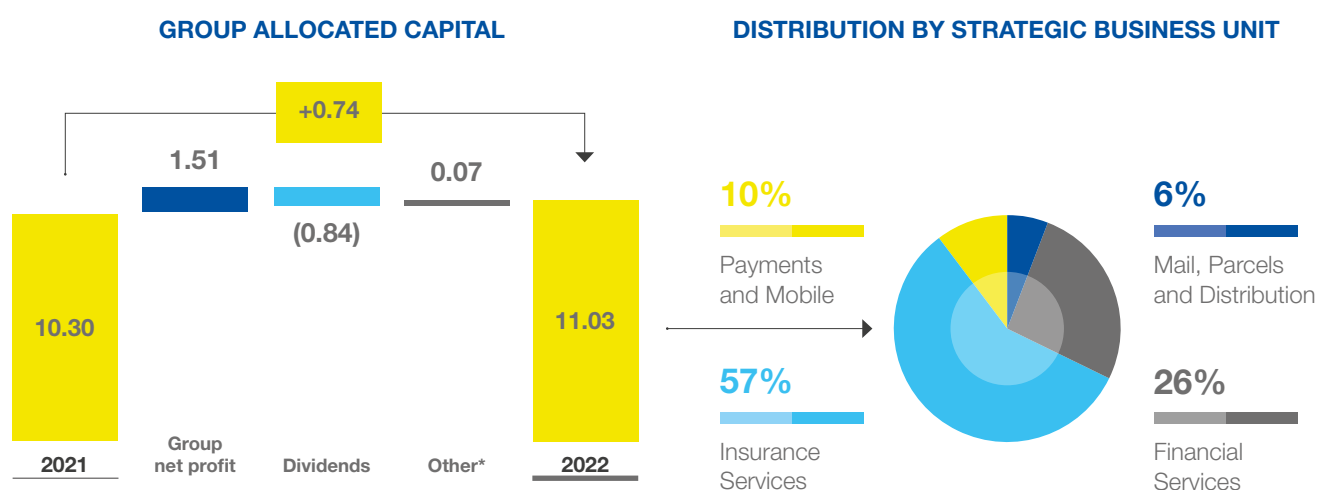
104. Net debt/(funds) of the Mail, Parcels and Distribution SBU net of fair value and cash flow hedge reserves and lease liabilities (IFRS 16) and extraordinary transactions during the year.

With reference to the objectives listed above, during the year the Group has:

- incurred industrial investments in the amount of €810 million, details of which are given below;
- further increased Poste Vita's capital endowment, through the Parent Company's subscription of a capital instrument, subordinated for €500 million, under terms and conditions that allow it to be included in core capital ("Restricted Tier 1");
- distributed dividends to shareholders in excess of €800 million;
- supported M&A transactions by committing around €900 million of liquidity for:
  - acquisitions of the following companies:
    - LIS (€700 million)
    - Plurima (€105 million)
    - Agile Group and Sourcesense (€18 million and €30 million)
    - Scalapay (€25 million)
    - ECRA (€3 million)
- Moneyfarm capital increase (€9 million).

Below is the evolution of the Group's allocated capital compared to 2021 and its distribution among the SBUs.

(€bn)



\* Other includes the purchase of treasury shares, the coupon on the hybrid bond, the granting of put options for the purchase of minority interests and the change in the IFRS 2 reserve.

**Allocated capital** at 31 December 2022 amounted to €11.03 billion, an increase of €0.74 billion compared to 31 December 2021, mainly due to the 2022 profit for the year of €1.51 billion, partially offset by dividends for the year of €0.84 billion (partly distributed through an interim dividend of €273 million in November). The Group's allocated capital is mainly attributed to the Insurance Services (57%) and Financial Services (26%) SBUs.

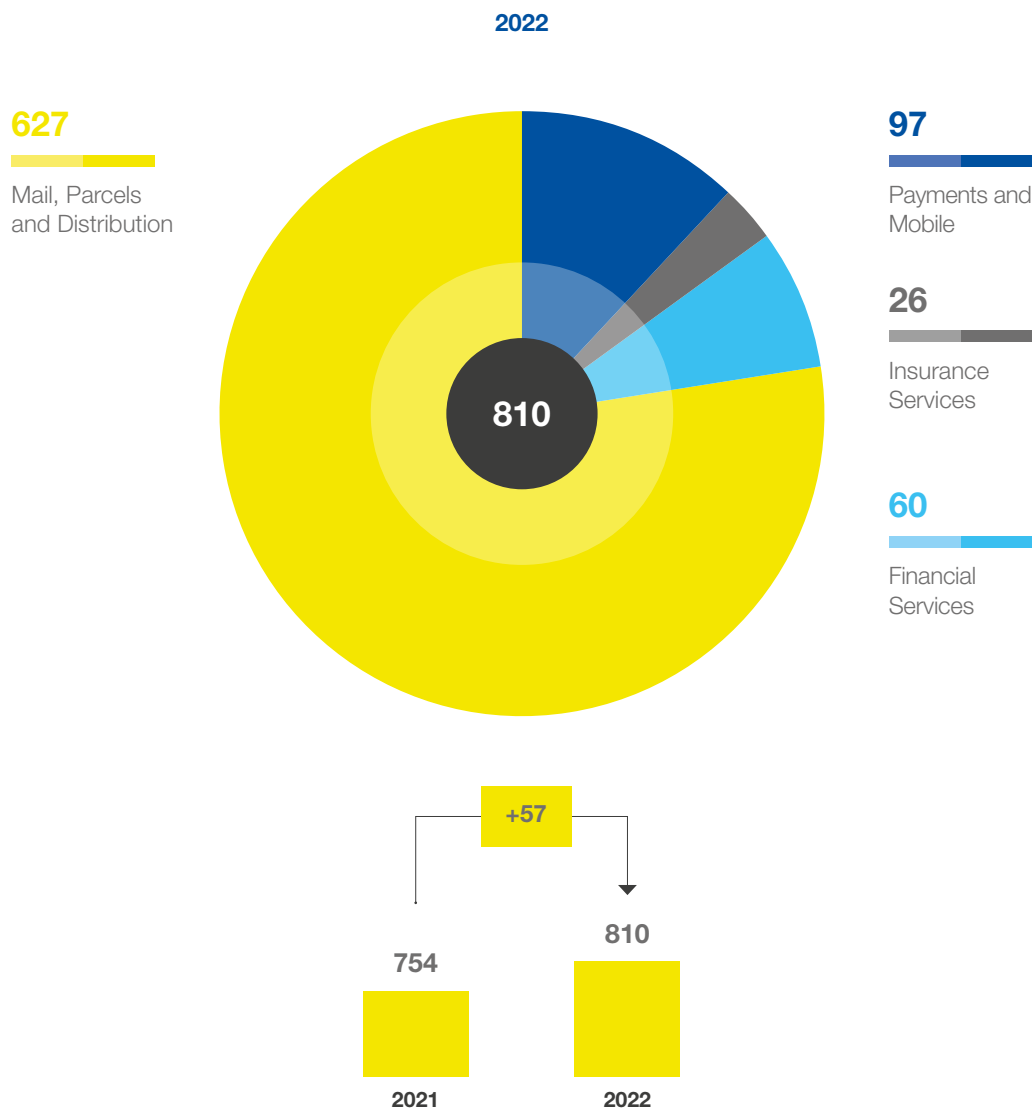
## < 7.6 Group financial position and cash flow

(€m)	31 December 2022	31 December 2021	CHANGES	
NON-CURRENT ASSETS	5,852	4,565	+1,287	+28%
NET WORKING CAPITAL	1,396	2,285	(889)	-39%
<b>GROSS INVESTED CAPITAL</b>	<b>7,248</b>	<b>6,850</b>	<b>+398</b>	<b>+6%</b>
SUNDRY PROVISIONS AND OTHER ASSETS/LIABILITIES	(716)	(1,898)	+1,182	+62%
<b>NET INVESTED CAPITAL</b>	<b>6,531</b>	<b>4,952</b>	<b>+1,579</b>	<b>+32%</b>
<b>EQUITY</b>	<b>8,937</b>	<b>12,110</b>	<b>(3,173)</b>	<b>-26%</b>
<b>NET FINANCIAL POSITION (SURPLUS)/SHORTFALL</b>	<b>(2,406)</b>	<b>(7,158)</b>	<b>+4,752</b>	<b>+66%</b>
<i>of which: Net debt/(funds) of the Mail, Parcels and Distribution SBU</i>	<i>2,839</i>	<i>1,284</i>	<i>+1,555</i>	<i>+121%</i>

The Poste Italiane Group's **non-current assets** at 31 December 2022 amount to €5,852 million, an increase of €1,287 million compared with the end of 2021. Investments of €810 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 €358 million. In addition, there was an increase resulting from the first-time consolidation of the LIS Group for €685 million, Plurima for €239 million, Sourcesense for €27 million and Agile for €15 million (of which €630 million related to the recognition of goodwill from acquisitions). These changes were partially offset by depreciation and amortisation of €830 million. The balance of the item also includes investments valued using the equity method for a total of €263 million, mainly referring to the investment held in Anima Holding, Financit and Replica SIM. With reference to the investment in Anima Holding, it should be noted that an impairment of €21 million was made during the year, following the execution of the impairment test carried out on the value of the investment.

Group **investments** of 2022 amount to €810 million and show an increase of 7.5% compared to 31 December 2021 (+€57 million). Investments classified as ESG, i.e. complying with the reference principles of the Group's 8 Sustainability Pillars, represent about 70% of the total value. The main projects include energy efficiency measures for the property stock, the evolution of technological infrastructure on a cloud environment, the improvement of the customer experience of products and services offered to customers in a multi-channel and digital perspective, the adoption of management systems, equipment and infrastructure in the field of health and safety.

(€m)



In line with the 2021-2024 investment programme in support of the Strategic Plan objectives, approximately 77% of the Poste Italiane Group's investments (€627 million) were allocated to automation and modernisation of the **Mail, Parcels and Distribution Strategic Business Unit**. In particular, the renewal of the fleet dedicated to delivery continued during the year, with the introduction of about 15,000 new vehicles, of which about 1,900 electric, about 7,000 hybrid and the remainder with low emissions. In addition, some 2,300 electric vehicle charging infrastructures were installed. At 31 December 2022, approximately 4,000 electricity columns are installed.

During the current financial year, new zero-emission delivery lines were also implemented on 13 city centres in addition to the 15 city centres already implemented in 2021, for a total of 28 city centres. As far as municipalities are concerned, there are 110 with zero-emission deliveries.

~23,000

**low-emission vehicles**  
available in the fleet, of which  
approximately **3,600 electric**

>410,000

**LED lamps installed**  
at 31 December 2022

In the area of reducing environmental impacts, work continued on replacing traditional lamps with LED technology (more than 32,000 in 2022) automation and remote control of facility management (more than 960 buildings involved in the Smart Building project in 2022) in order to reduce electricity consumption and CO<sub>2</sub> emissions. Over 120 photovoltaic systems were also installed during the year.

~1,600

**buildings involved in the Smart Building project at 31 December 2022**


In 2022, work continued on the routine management of security in the workplace, in particular with the distribution of security equipment at territorial branches and IT security through activities to prevent threats and counter cyber attacks; Poste Italiane's video surveillance service was further extended to sites that were not yet served and existing systems were improved, gradually replacing obsolete digital video recorders (DVRs) and burglar alarm control units; in particular, more than 200 new cameras were installed during the year, replacing 500, and more than 500 burglar alarm control units were replaced.

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, Data Center consolidation activities continued during the year, which saw the closure of the Rozzano (MI) site.

In the **Financial Services Strategic Business Unit**, total investments amounted to €60 million and mainly related to the expansion of the Postal Savings, Life and Funds product range with a multi-channel perspective and the improvement of the customer experience.

With regard to the **Insurance Services Strategic Business Unit**, design activities continued in 2022 to support industrial development and the continuous functional/infrastructural improvement of the most important business support systems, as well as the interventions to adapt the systems to comply with regulatory obligations. Total investments in the year amounted to €26 million.

Investments for the period of the **Strategic Business Unit Payments and Mobile** amounted to €97 million and concerned developments to support the fixed and mobile network offer with the aim of increasing its competitiveness on the market, as well as IT investments for the Bollettino and PagoPA areas and those aimed at supporting the launch of the electricity and gas offer on the domestic market.

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 2022 amounted to €1,396 million and decreased by €889 million compared to the end of 2021. The following contributed to this change:

- lower trade receivables of €329 million and higher trade payables of €205 million;
- decrease in other receivables and assets net of other liabilities of approximately €355 million (mainly due to the change in tax items related to the operations of the Insurance Services and Financial Services Strategic Business Units).

The reduction of working capital by €889 million ensured a lower financial requirement and an internal source of financing, allowing liquidity to be freed up.

With regard to trade receivables, the focus in 2022 was on monitoring late payment situations and improving overdue credit recovery activities. Specifically, the prevailing activities focused on systematically sending reminders, reducing the time for blocking the service for customers in arrears, and speeding up the dispatch of irrecoverable files to the legal department.

During the year, the Group continued its efforts to set up direct channels with customers in arrears in order to understand their reasons and take action to make the collection process more effective. These activities ensured significant improvements in the reduction of collection times for both past and current receivables.

With specific reference to receivables from the Public Administration, there was a significant reduction in receivables from Cassa Depositi e Prestiti due to the new invoicing and collection schedules set forth in the current Convention.

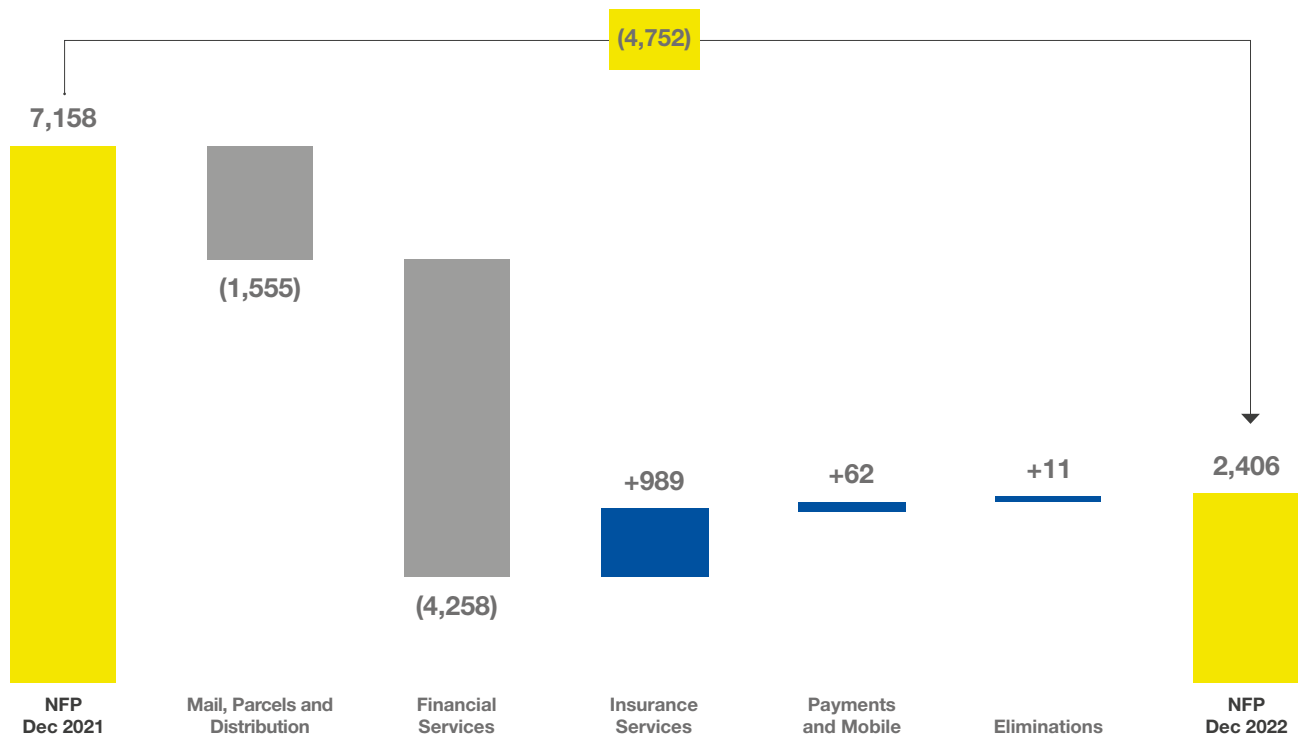
On the other hand, the increase in trade payables is mainly attributable to changes in the group's perimeter due to the corporate transactions of the year, the inflation increase and the increase in investments.

The balance of **Sundry provisions and Other assets/liabilities** at 31 December 2022 amounted to €716 million and decreased by €1,182 million compared to 31 December 2021 mainly due to higher net deferred tax assets of €1,053 million (largely due to the negative changes in the fair value of financial instruments classified in the FVOCI category) and the reduction in employee severance indemnities for €217 million, partially offset by the increase in provisions for risks and charges for €88 million (mainly

due to the provision for tax credits Law No. 77/2020, net of the decrease in the provision for leaving incentives).

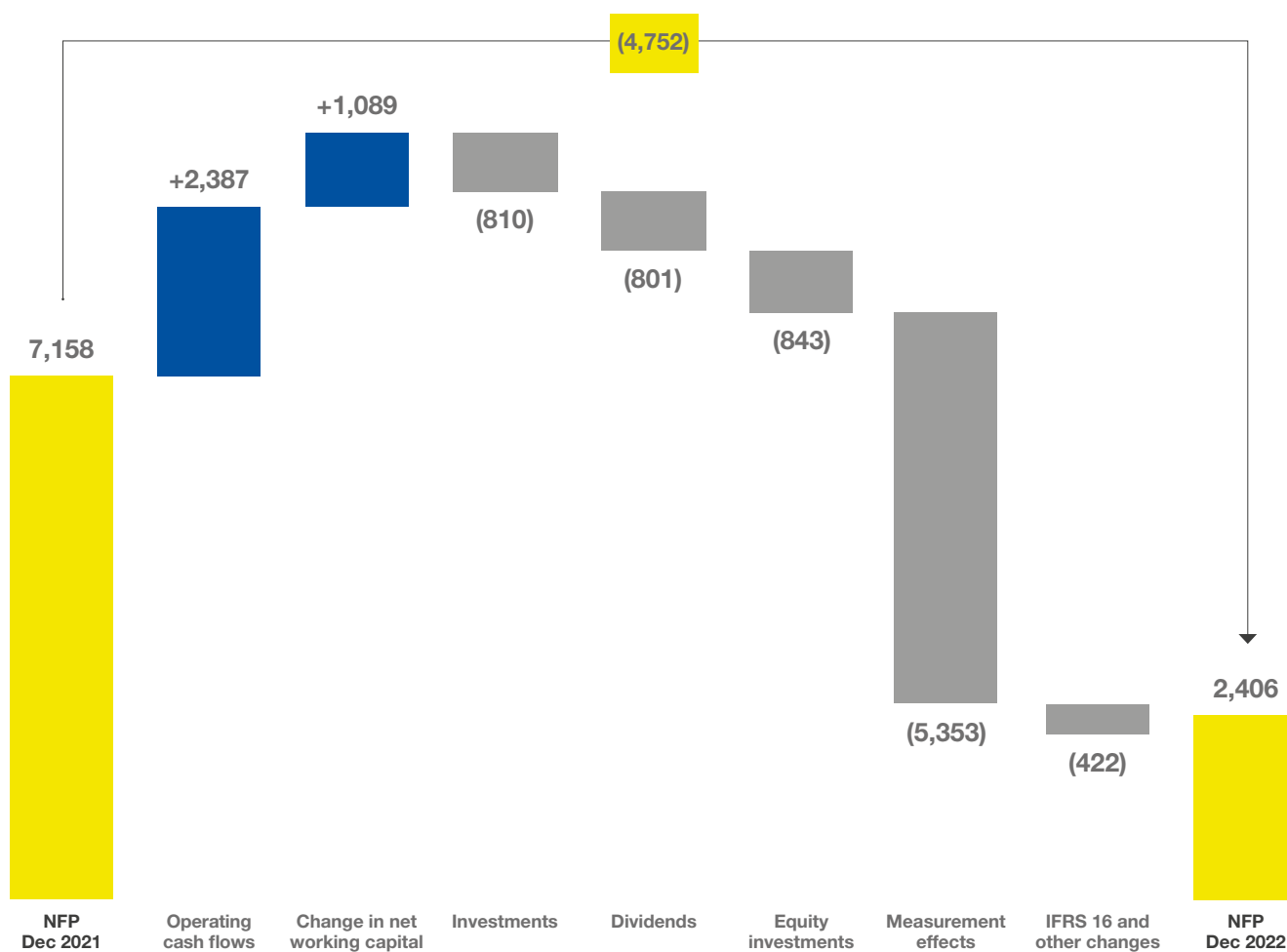
**Equity** at 31 December 2022 amounts to €8,937 million, a decrease of €3,173 million compared to 31 December 2021. This change was mainly attributable to the positive effect of the profit for the period of €1,511 million, which was more than offset by the distribution of dividends in the amount of €801 million<sup>105</sup> and the decrease in the fair value reserve resulting mainly from the negative change in the fair value of financial instruments classified in the FVTOCI category in the amount of €3,865 million.

#### GROUP NET DEBT/(FUNDS) (€m)



105. The value includes approximately €3 million in dividends distributed to minority shareholders by subsidiaries.





Total net debt/(funds) at 31 December 2022 showed funds of €2,406 million, down €4,752 million from 31 December 2021 (surplus of €7,158 million). The following mainly contributed to this change:

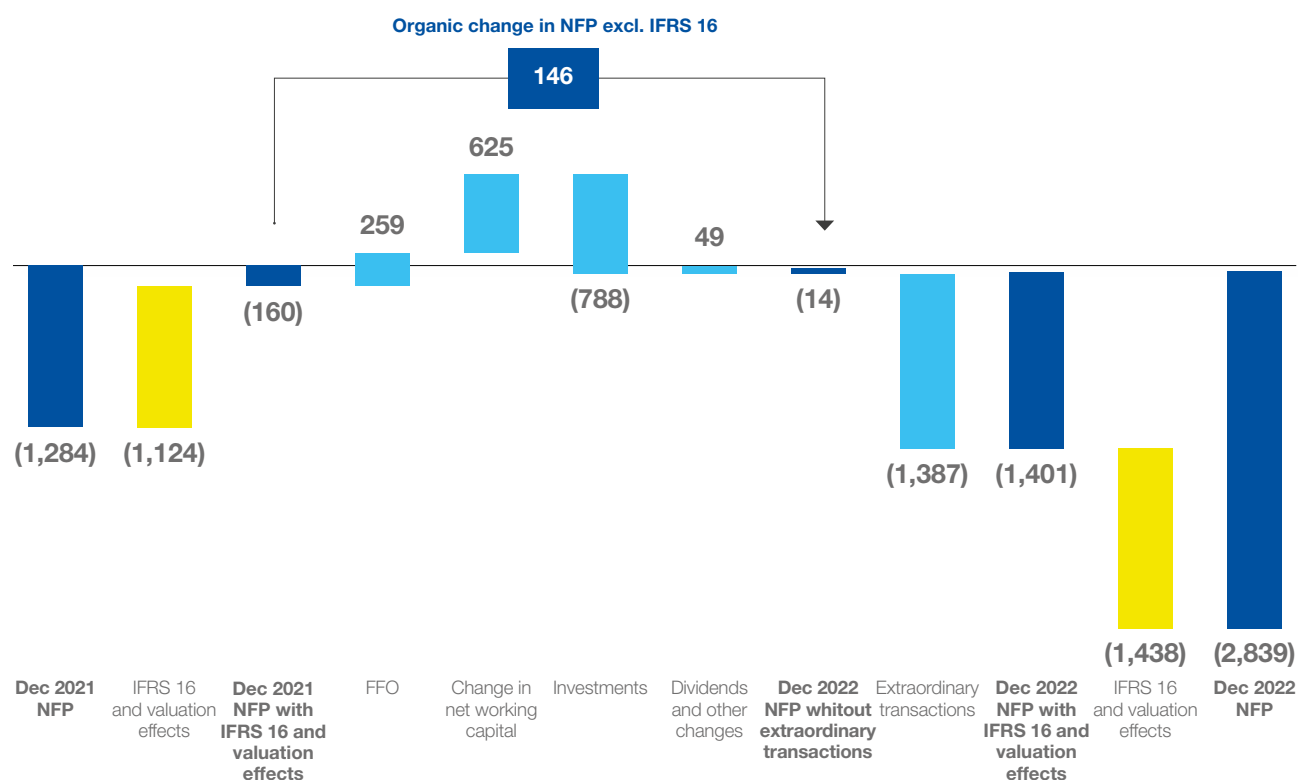
- a positive operating result of €2,387 million (of which €1,511 million related to profit for the year, €830 million to depreciation and amortisation, and €47 million to other residual items);
- the positive effect of the change in working capital and taxes amounting to approximately €1,089 million of which:
  - decrease in gross trade receivables of about €360 million (excluding the contribution from corporate transactions);
  - €91 million of higher trade payables (excluding the contribution from corporate transactions);
  - a decrease in Other Receivables and Assets net of Other Liabilities of about €330 million mainly attributable to the net decrease in tax-related items mainly related to the operations of the Insurance Services and Financial Services Strategic Business Units;
  - change in taxes for about €307 million;
- investments in assets for €810 million;
- the negative effect from the distribution of dividends in the amount of €801 million (of which €273 million related to the interim ordinary dividend planned for the financial year 2022);
- investments in shareholdings amounting to €843 million, of which €526 million related to the acquisition of the LIS group (of which €700 million related to the disbursement), €248 million related to the Plurima group (of which €105 million related to the disbursement), €39 million related to the Sourcesense group (of which €30 million related to the disbursement), €27 million related to the Agile group (of which €18 million related to the disbursement) and €3 million related to the investment in Eurizon Capital Real Asset;
- the negative valuation effects for the period amounting to €5,353 million, mainly attributable to negative fluctuations in the value of investments classified in the FVTOCI category, held mainly by the Financial Services Strategic Business Units, and residually by the other SBUs;

- other decreases totalling €422 million, mainly attributable to the increase of €381 million in financial liabilities for leases falling under IFRS 16.

With regard to financial instruments held by the Financial Services Strategic Business Unit, the overall fair value fluctuation during the year was negative by approximately €15.5 billion and was recognised in a specific equity reserve for negative €4.4 billion for the portion not hedged by fair value hedges, and through profit or loss for negative €11.1 billion for the portion hedged, offset by the positive fair value change of fair value hedging derivatives.

At 31 December 2022, the total balance of derivatives in fair value hedge was positive for €5.4 billion (negative for €4.4 billion at 31 December 2021). In addition, as part of these hedging transactions, following the positive change in derivative instruments, the Parent Company recorded an overall net change in Guarantee Deposits of about €9 billion (as at 31 December 2022, the balance of Guarantee Deposits was a debit balance of €4.8 billion, while at 31 December 2021, the balance was a credit balance of €4.2 billion).

#### 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** as at 31 December 2022 showed a deficit of €2,839 million (€1,401 million net of leasing liabilities and valuation effects), a worsening of €1,555 million compared to 31 December 2021, when it showed a deficit of €1,284 million (€160 million net of leasing liabilities and valuation effects).

Excluding the effects of extraordinary transactions during the period, and net of leasing liabilities and valuation effects, the Net debt/(funds) was a deficit of €14 million, an improvement of €146 million compared to the values at 31 December 2021 (deficit of €160 million). In detail, this change reflects:

- a positive operational management (FFO) of €259 million;
- a positive effect related to the change in net working capital of €625 million;
- new investments in fixed assets for €788 million;
- a positive cash flow from dividends of €49 million due to the net effect of dividends received from companies (€861 million) and paid to shareholders (€801 million, of which €273 million related to the interim ordinary dividend planned for 2022).

In addition, extraordinary transactions totalling €1,387 million contributed to the final balance of the Net debt/(funds), including:

- €700 million relating to the capital increase subscribed in PostePay in preparation for its acquisition of LIS Group;
- €500 million against the subscription of a subordinated, non-convertible, perpetual capital instrument issued by Poste Vita;
- €147 million related to the overall effect of the acquisition of the Plurima Group (net of the company's financial lease liabilities);
- €70 million for Poste Italiane's acquisition of the shareholding in Poste Welfare Servizi, previously held by Poste Vita;
- €26 million related to the overall effect of the acquisition of the Agile group (net of the company's leasing liabilities);
- €37 million related to the overall effect of the acquisition of the Sourcesense group (net of the company's leasing liabilities);
- €93 million positive effect from the merger of the subsidiary PSIA, previously allocated to the Payments and Mobile segment.

The Payables shown in the net debt/(funds) of the Mail, Parcel and Distribution Strategic Business Unit primarily relates to those summarised in the following table.

€m	31 December 2022	31 December 2021
EIB loan due March 2026	173	173
EIB loan due October 2026	400	400
EIB loan due May 2028	150	150
EIB loan due May 2028	100	-
Use of uncommitted credit lines for short-term financing	-	550
<i>Private placement maturing October 2023</i>	50	50
Senior unsecured bonds issued on 10 December 2020	1,000	1,000
Maturing December 2024	500	500
Maturing December 2028	500	500
<b>Total</b>	<b>1,873</b>	<b>2,323</b>

The change for the year of -€450 million is mainly attributable to the lower utilisation of uncommitted credit lines for short-term financing (-€550 million).

### Analysis of the ESMA net debt/(funds) of the Mail, Parcels and Distribution Strategic Business Unit

€m	At 31 December 2022	At 31 December 2021
A. Cash and cash equivalents	(575)	(2,122)
B. Cash equivalents	-	-
C. Other current financial assets	(1)	(8)
<b>D. Liquidity (A + B + C)</b>	<b>(577)</b>	<b>(2,130)</b>
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	379	785
F. Current portion of the non-current financial payable	1	-
<b>G. Current financial debt (E + F)</b>	<b>381</b>	<b>785</b>
<b>H. Net current financial debt (G + D)</b>	<b>(196)</b>	<b>(1,345)</b>
I. Non-current financial debt (excluding current portion and debt instruments)	2,001	1,705
J. Debt instruments	997	1,047
K. Trade payables and other non-current payables	18	22
<b>L. Non-current financial debt (I + J + K)</b>	<b>3,017</b>	<b>2,774</b>
<b>M. Total financial debt (H + L)</b>	<b>2,821</b>	<b>1,429</b>

### ESMA financial debt reconciliation with Net debt/(funds) including intersegment transactions

€m	At 31 December 2022	At 31 December 2021
<b>M. Total financial debt (H + L)</b>	<b>2,821</b>	<b>1,429</b>
Non-current financial assets	(539)	(76)
K. Trade payables and other non-current payables	(18)	(22)
Tax credits Law no. 77/2020	(420)	(448)
<b>Net debt/(funds)</b>	<b>1,843</b>	<b>883</b>
Intersegment financial receivables and payables	996	401
<b>Net debt/(funds) including intersegment transactions</b>	<b>2,839</b>	<b>1,284</b>

**Existing cash and credit lines** are amply sufficient to cover expected financial requirements. More specifically, at 31 December 2022, the cash of the Mail, Parcels and Distribution Strategic Business Unit amounted to €0.6 billion (of which €0.5 billion relating to the Parent Company), while unused committed and uncommitted lines to support liquidity totalled approximately €3.5 billion.

The table below provides details of the credit lines at 31 December 2022 and 31 December 2021.

Description (€m)	Balance at 31 December 2022	Balance at 31 December 2021
<b>Committed credit lines</b>	<b>2,450</b>	<b>1,750</b>
Short-term loans	2,450	1,750
<b>Uncommitted credit lines</b>	<b>2,159</b>	<b>2,357</b>
Short-term loans	1,005	1,309
Current account overdrafts	145	145
Unsecured	1,008	903
<b>Total</b>	<b>4,609</b>	<b>4,107</b>
<b>Committed uses</b>	<b>-</b>	<b>-</b>
Short-term loans	-	-
<b>Uncommitted uses</b>	<b>652</b>	<b>975</b>
Short-term loans	1	550
Unsecured loans	652	425
<b>Total</b>	<b>652</b>	<b>975</b>

## < 7.7 Performance of Poste Italiane SpA and Report on Operations of BancoPosta RFC

- Economic performance of Poste Italiane SpA
- Financial Position and Cash Flow of Poste Italiane SpA
- Report on Operations of BancoPosta RFC

### 7.7.1 Economic Performance of Poste Italiane SpA

#### Reclassified profit or loss

€m	2022	2021	CHANGES	
Revenue from sales and services	8,904	8,485	+419	+4.9%
Other income from financial activities	428	523	(95)	-18.2%
Other operating income	721	683	+38	+5.6%
<b>Revenue</b>	<b>10,053</b>	<b>9,691</b>	<b>+362</b>	<b>+3.7%</b>
Total personnel expenses	4,987	5,235	(248)	-4.7%
Other operating expenses	3,246	2,856	+390	+13.7%
<b>Costs</b>	<b>8,233</b>	<b>8,091</b>	<b>+142</b>	<b>+1.8%</b>
<b>EBITDA</b>	<b>1,820</b>	<b>1,600</b>	<b>+220</b>	<b>+13.8%</b>
Depreciation, amortisation and impairments	744	715	+29	+4.0%
<b>EBIT</b>	<b>1,076</b>	<b>885</b>	<b>+191</b>	<b>+21.6%</b>
<b>EBIT MARGIN</b>	<b>10.7%</b>	<b>9.1%</b>		
Finance income/(costs)	24	12	+12	+99.0%
<b>Gross profit</b>	<b>1,100</b>	<b>897</b>	<b>+203</b>	<b>+22.6%</b>
Taxes	253	100	+153	n/s
<b>Net profit</b>	<b>847</b>	<b>797</b>	<b>+50</b>	<b>+6.3%</b>

n/s: not significant

**Total revenues** generated by Poste Italiane SpA in 2022 amounted to €10,053 million, up 3.7% year-on-year (€9,691 million in 2021). Revenues and Income increased by €419 million (+4.9%) compared to 2021, due to the contribution of **revenues from financial services**, which showed an increase compared to 2021 mainly attributable to higher income from the use of postal current account deposits and free cash balances, partly mitigated by the decrease in income from postal savings deposits, due to the contraction in deposits affected by the macroeconomic context during the year.

The decrease in **Other income from financial activities**, compared to the previous year, is mainly due to lower realised gains from financial instruments. The increase in **Other operating income** is mainly due to higher dividends distributed by subsidiaries during the year.

**Total costs**, net of Depreciation, Amortisation and Write-downs, increased from €8,091 million in 2021 to €8,233 million in 2022, mainly due to the increase in other operating costs (+€390 million compared to 2021) partially offset by the decrease in personnel expenses (-€248 million compared to 2021). The increase in other operating expenses was mainly attributable to: i) higher provisions for risks and losses on tax credits, only partially offset by lower net provisions for other provisions for risks and charges; ii) the increase in financial operating expenses mainly due to the effect of higher interest expenses recognised to public customers for deposits on postal current accounts, following the upward shift in the interest rate curve, partially offset by lower losses from the realisation of financial instruments.

The item **Depreciation, amortisation and impairments** increased by €29 million compared to the previous year due to higher depreciation and lower write-downs on both property, plant and equipment (€20 million) and rights of use (€4 million) mainly due to the expansion of the leased fleet, as well as higher amortisation on intangible assets (€5 million) related to investments in software applications that became available for use during the year.

The **total personnel expenses** decreased by €248 million (-4.7%) compared to 2021. This change is mainly attributable to the decrease in the extraordinary component and partly to the decrease in the ordinary component.

The decrease in the extraordinary component is mainly due to lower exit incentives (-€156 million).

The change in the ordinary component compared to the previous year is mainly due to the reduction of the average workforce (about 1,500 FTE less than in 2021).

**Income tax expense** is up from €100 million for 2021 to €253 million in 2022, an increase of €153 million. The 2022 balance includes the positive effect of €6 million relating to the tax benefit associated with the Aid to Economic Growth (ACE), referred to the 2013 financial year, for which, in the year under review, the uncertainties associated with quantification no longer exist.

Poste Italiane SpA's net profit for the year ended 31 December 2022 was €847 million (€797 million in 2021).

## < 7.7.2 Financial position and Cash Flow of Poste Italiane SpA

### Net invested capital and related funding

€m	31 December 2022	31 December 2021	CHANGES	
Tangible fixed assets	2,234	2,142	+92	+4.3%
Intangible fixed assets	945	828	+117	+14.1%
Right-of-use assets	1,040	945	+95	+10.0%
Investments	3,676	2,598	+1,078	+41.5%
<b>Non-current assets</b>	<b>7,895</b>	<b>6,513</b>	<b>+1,382</b>	<b>+21.2%</b>
Trade receivables and Other receivables and assets	5,281	5,583	(302)	-5.4%
Trade payables and Other liabilities	(5,332)	(5,041)	(291)	-5.8%
Current tax assets/(liabilities)	54	105	(51)	-48.6%
<b>Total net working capital</b>	<b>3</b>	<b>647</b>	<b>(644)</b>	<b>-99.5%</b>
<b>Gross invested capital</b>	<b>7,898</b>	<b>7,160</b>	<b>+738</b>	<b>+10.3%</b>
Provisions for risks and charges	(1,257)	(1,169)	(87)	-7.5%
Employee termination benefits	(678)	(896)	+218	+24.4%
Prepaid/deferred tax assets/(liabilities)	1,223	-	+1,223	n/s
<b>Net invested capital</b>	<b>7,186</b>	<b>5,095</b>	<b>+2,091</b>	<b>+41.1%</b>
<b>Equity</b>	<b>3,808</b>	<b>7,034</b>	<b>(3,227)</b>	<b>-45.9%</b>
<i>of which profit for the period</i>	847	797	+50	+6.3%
<i>of which fair value reserve</i>	(2,374)	1,192	(3,566)	n/s
Financial liabilities	104,703	106,259	(1,556)	-1.5%
Financial assets	(84,197)	(90,213)	+6,015	+6.7%
Tax credits Law no. 77/2020	(9,021)	(6,456)	(2,565)	-39.7%
Cash and deposits attributable to BancoPosta	(5,848)	(7,659)	+1,810	+23.6%
Cash and cash equivalents	(2,258)	(3,870)	+1,612	+41.6%
<b>Net debt/(funds)</b>	<b>3,379</b>	<b>(1,939)</b>	<b>+5,318</b>	<b>n/s</b>

n/s: not significant

Poste Italiane SpA's net invested capital amounted to €7,187 million at 31 December 2022 (€5,095 million at 31 December 2021).

**Non-current assets** amounted to €7,895 million, an increase of €1,382 million compared to 2021. Investments in tangible and intangible assets of €751 million also contributed to the formation of non-current assets, partly offset by amortisation, depreciation and impairments of €538 million. Right-of-use assets recorded a positive change of €95 million, which mainly took into account acquisitions during the year for new contracts and renewals of existing contracts in the amount of €291 million (mainly related to the rental of company vehicles for mail and parcel delivery activities), positive adjustments of €37 million for contractual changes during the year, and depreciation and amortisation for the period of €208 million. The value of equity investments increased by €1,078 million compared to 31 December 2021 mainly attributable to the effect: i) of the subscription, on 9 September 2022, of PostePay SpA's paid capital increase totalling €700 million aimed at providing the company with the financial resources needed to complete the acquisition of LIS Holding SpA, which was finalised on 14 September 2022; ii) of the recapitalisation, on 3 August 2022, of Poste Vita SpA through the subscription of a subordinated, non-convertible capital instrument, with perpetual duration and a non-call period of 10 years, totalling €500 million, aimed at strengthening its Solvency Ratio; iii) of the purchase on 24 February 2022 from Poste Vita SpA of 100% of the share capital of Poste Welfare Servizi S.r.l for a total of €70 million; iv) of the capital contribution, on 14 April 2022, to Poste Welfare Servizi S.r.l for a total of €55 million aimed at providing the company with the financial resources necessary for the acquisition of the company Plurima SpA; v) of the adhesion, on 28 October 2022, by Poste Italiane SpA to the voluntary public tender offer for the shares and warrants issued by the company Sourcesense SpA with a total investment of €30 million; vi) of the acquisition, on 13 October 2022, of a 70% shareholding in the company Agile Power S.r.l and indirectly of the entire Agile Lab Group, for a total of €18 million, which provided for the payment by Poste Italiane in favour of the founding shareholders, who will retain the remaining 30%, of €13 million and the subscription of a paid capital increase in favour of the companies of €5 million; vii) of the merger by incorporation into Poste Italiane SpA of the subsidiary PSIA S.r.l, effective as of 1 November 2022, which generated a merger surplus totalling €330 million, recognised in the specific equity reserve. In addition, on 29 September 2022, the Information Technology business unit of BancoPosta Fondi SpA SGR was transferred to Poste Italiane SpA with effect from 1 October 2022.

**Net working capital** at 31 December 2022 amounted to €3 million and decreased by €644 million compared to the end of 2021, mainly due to the combined effect: i) of the decrease in trade receivables mainly attributable to the decrease in receivables due from Cassa Depositi e Prestiti (-€365 million) due to the new billing and payment methods on a monthly basis and no longer on a quarterly basis, introduced by the Agreement of 23 December 2021, effective from 1 January 2022; ii) of the increase in deferred income mainly due to the non-repayable contribution (€125 million) received in advance from Poste Italiane SpA for the realisation of the "Polis - Casa dei servizi digitali" project; iii) of the increase in the total liability that Poste Italiane SpA has towards its subsidiaries in its capacity as tax consolidator (+€113 million).

The balance of **Provisions for risks and charges** amounted to €1,257 million (€1,169 million at the end of December 2021) and mainly includes provisions for early retirement incentives of €352 million (€515 million at 31 December 2021); this reflects the estimate of liabilities that the Company committed to irrevocably incur, under the current arrangements agreed with the unions, as a result of a certain number of personnel taking voluntary early retirement by 31 December 2024.

The balance also includes the provision of €320 million for risks on tax credits under Law 77/2020.

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. At 31 December 2022, the provision amounts to €265 million (€265 million at 31 December 2021). Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.

Provisions for operational risks relating to liabilities arising from transactions conducted within BancoPosta and amounting to €109 million at 31 December 2022 decreased compared with the balance at 31 December 2021 (€134 million). The net absorptions for the year, totalling €12 million, mainly reflect the prescription of certain stocks related to the funds transfer business and the adjustment of estimates of risks related to the distribution of postal savings products as well as fraud.

The Provision for personnel expenses amounts to €101 million (€120 million at the end of December 2021) 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 (€89 million) to reflect the estimated value of new liabilities and decreased as a result of past contingent liabilities that failed to materialise (€33 million) and settled disputes (€75 million).

The net balance of **Deferred Tax Receivables (Payables)** as at 31 December 2022 was positive in the amount of €1,223 million (insignificant balance as at 31 December 2021); the change in the period was largely attributable to the net positive tax effect on the net negative change in the fair value reserve of investments in available-for-sale securities.

**Equity** amounted to €3,808 million and decreased by €3,227 million compared to the previous year, mainly due to the movement in the fair value reserve (-€3,326 million), which essentially reflects the fluctuations (positive and/or negative) from the valuation of investments classified in the FVTOCI category, as well as the payment of the 2021 balance and the 2022 interim dividend to shareholders (-€799 million) and the change in the cash flow hedge reserve (-€93 million). These changes are partially mitigated by the €847 million profit for the year.



**ESMA Financial Debt of Poste Italiane SpA's capital outside the ring-fence**

(€m)	At 31 December 2022	At 31 December 2021
A. Cash and cash equivalents	(469)	(2,028)
B. Cash equivalents	-	-
C. Other current financial assets	(29)	(52)
<b>D. Liquidity (A+B+C)</b>	<b>(498)</b>	<b>(2,080)</b>
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	1,590	1,935
F. Current portion of non-current debt	1	1
<b>G. Current financial debt (E + F)</b>	<b>1,591</b>	<b>1,936</b>
<b>H. Net current financial debt (G + D)</b>	<b>1,093</b>	<b>(144)</b>
I. Non-current financial debt (excluding current portion and debt instruments)	1,671	1,532
J. Debt instruments	997	1,047
K. Trade payables and other non-current payables	18	22
<b>L. Non-current financial debt (I + J + K)</b>	<b>2,686</b>	<b>2,601</b>
<b>M. Total financial debt (H + L)</b>	<b>3,779</b>	<b>2,457</b>

**Reconciliation of financial debt ESMA**

(€m)	At 31 December 2022	At 31 December 2021
<b>M. Total financial debt (H + L)</b>	<b>3,779</b>	<b>2,457</b>
Non-current financial assets	(875)	(407)
K. Trade payables and other non-current payables	(18)	(22)
Tax credits Law no. 77/2020	(421)	(448)
<b>Industrial Net Financial Position</b>	<b>2,465</b>	<b>1,580</b>
Intersegment financial (receivables)/payables	349	175
<b>Industrial net debt for capital outside ring-fence including intersegment transactions</b>	<b>2,814</b>	<b>1,755</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 General 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**" approved by the Board of Directors of Poste Italiane, the latest update of which dates back to 24 June 2022. 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 process of "Governance of Assignments and Outsourcing" of BancoPosta RFC, already subject to review in 2018, was further strengthened, lastly in June 2022, with reference to the scope of the activities assigned and/or outsourced, with a view to improving the quality of processes.

During the second quarter of 2022, preparatory activities were started for the renewal of the Specifications<sup>106</sup> expiring in December 2022. In accordance with the deadlines set out in the regulations, the Disciplinary Rules for Essential or Important Functions (EIFs) and Control Functions updated for the period from 1 January 2023 to 31 December 2025 were sent to the Bank of Italy on 28 October for the relevant checks (so-called "Prior Notice"). On 2 January 2023, the Authority replied, finding no obstacles to the assignments in question: BancoPosta is therefore proceeding with the signing of the Disciplinary Measures, having included certain changes envisaged in the so-called "Plan of Interventions" drawn up in relation to the observations received from the Supervisory Authority as a result of the inspection carried out in 2022.

In 2022, with the aim of overseeing and strengthening the methods of dialogue on the assigned and outsourced functions, the **Operational Committees** with the functions of Poste Italiane (Private Market, Digital, Technology & Operations, Information Security, Fund Movement, Corporate Market and Public Administration) continued, and committees for the areas of Business Continuity Management (BCM), CERT, Fraud Management and Human Resources and Organisation were started. Operating Committees also continued with BancoPosta Fondi SpA SGR, which provides the service of financial management of BancoPosta RFC, and with PostePay SpA, which manages various products on behalf of BancoPosta, such as, for example, utility bills, car tax stamps, RAV, credit transfers, direct debits, money orders, euro transfers, passbook cards and the payment platform.

During the first half of 2022, a contract to manage individual investment portfolios on behalf of third parties was signed with BancoPosta Fondi SpA SGR. The integration of the envisaged contents, concerning the migration period and handover, the specification of the place of service delivery, termination rights, the discipline of sub-outsourcing and business continuity, is effective as of 1 January 2022. During the second half of 2022, renewal activities were started for the contract between BancoPosta and PostePay SpA for collection and payment services, which expires on 31 December 2022. The new contract, with a duration of one year, was signed in March 2023.

106. 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 Assets as at 31 December 2022 in this Annual Report for further details.

## BancoPosta RFC financial review

Main indicators	2022	2021
CET 1 CAPITAL * (*)	2,618	2,633
TOTAL CAPITAL** (*)	2,968	2,983
CET 1 RATIO*** (*)	20.3%	19.3%
TOTAL CAPITAL RATIO**** (*)	23.1%	21.9%
ROA*****	0.6%	0.5%
ROE***** (*)	23.0%	20.5%
Net interest income/Net interest and other banking income*****	35.3%	27.8%
Operating expenses/Net interest and other banking income*****	84.7%	86.6%

(\*) The 2021 ratios and own funds reflect the €200 million in 2021 profit provisioned by the Ordinary Shareholders' Meeting of Poste Italiane SpA on 27 May 2022.

\* 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).

\*\* TOTAL CAPITAL includes CET 1 CAPITAL, and Additional Tier 1 (AT 1) capital.

\*\*\* The CET 1 Ratio represents the adequacy of Tier 1 capital in terms of Pillar 1 capital requirements (operational, credit, counterparty and market risks).

\*\*\*\* The TOTAL CAPITAL RATIO expresses the adequacy of own funds (Total Capital) to the weighted exposure to Pillar 1 risks (operational, credit, counterparty and exchange rate).

\*\*\*\*\* ROA (Return On Assets) represents the ratio of profit for the period and total assets.

\*\*\*\*\* ROE (Return On Equity) represents the ratio of profit for the period and equity after deducting profit for the period and the valuation reserves.

\*\*\*\*\* Represents the contribution from net interest income as a ratio of net interest and other banking income.

\*\*\*\*\* Cost/income ratio. This is the ratio between Operating expenses and Net interest and other banking income.

## Operating performance

### Profit or loss

(€m)	2022	2021	CHANGES	
Interest and similar income	2,095	1,533	+562	+36.7%
Interest expense and similar charges	(172)	(91)	(81)	-89.0%
<b>Net interest income</b>	<b>1,923</b>	<b>1,442</b>	<b>+481</b>	<b>+33.4%</b>
Fee income	3,454	3,588	(135)	-3.7%
Fee expenses	(216)	(267)	+51	+19.1%
<b>Net fee and commission income</b>	<b>3,238</b>	<b>3,321</b>	<b>(83)</b>	<b>-2.5%</b>
Profits/(Losses) on trading	(68)	(2)	(66)	n/s
Profits/(Losses) on hedging	18	5	+13	n/s
Gains (losses) on sale of financial assets or liabilities	335	407	(72)	-17.7%
Profits/(losses) on financial assets and liabilities measured at fair value through profit or loss	1	7	(6)	-85.7%
<b>Net interest and other banking income</b>	<b>5,446</b>	<b>5,180</b>	<b>+266</b>	<b>+5.1%</b>
Administrative expenses	(4,627)	(4,446)	(181)	-4.1%
Other operating income/(expense)	(6)	8	(14)	n/s
<b>Net operating expenses</b>	<b>(4,633)</b>	<b>(4,438)</b>	<b>(195)</b>	<b>-4.4%</b>
<b>Net operating result</b>	<b>813</b>	<b>742</b>	<b>+71</b>	<b>+9.6%</b>
Net provisions for risks and charges	21	(48)	+69	n/s
Net impairment losses/reversals of impairment losses due to credit risk (+/-)	(1)	4	(5)	n/s
<b>Current pre-tax result</b>	<b>834</b>	<b>698</b>	<b>+136</b>	<b>+19.5%</b>
Period income tax	(231)	(189)	(42)	-22.2%
<b>Net profit</b>	<b>602</b>	<b>508</b>	<b>+94</b>	<b>+18.5%</b>

n/s: not significant

**Net interest income** amounted to €1,923 million, an increase of 33.4% (+€481 million).

In particular, interest income of €2,095 million, up 36.7% on the €1,533 million of the previous year (+€562 million), includes income deriving from investments in securities, interest-bearing deposits at the MEF, tax credits, repurchase agreements and derivatives collateralisation. The change in the item is mainly due to the higher income from investments in tax credits purchased with reference to the Relaunch Decree No. 34/2020 (subsequently converted into Law No. 77/2020) and the investments with the MEF of deposits from postal current accounts belonging to public customers, whose yield is variable and is calculated on a basket of government bonds.

Interest expense, which is essentially attributable to current account transactions, repurchase agreement transactions and collateralisation of derivative transactions, amounted to €172 million and was up compared to €91 million in 2021 (+€81 million equal to +89%). The change in this item is mainly due to the increase in interest paid to public customers on postal current account balances.

**Net fee and commission income** amounted to €3,238 million, down 2.5% from €3,321 million in the same period of the previous year (-€83 million). Fee income amounted to €3,454 million, a decrease of €135 million (-3.7%) compared to 2021. The negative change mainly reflects the effect of lower revenues from postal savings collection and commissions on slips, and is mitigated by an improvement in insurance brokerage revenues, higher commissions received for the placement and promotion of products issued by PostePay, and the repricing of commissions on account-keeping with customers. Fee expenses amounted to €216 million, down from €267 million in 2021 (-€51 million, or -19.1%). The negative change was mainly due to lower costs accrued under the service contract signed with PostePay SpA.

The Profits/(Losses) on trading (negative by €68 million) and hedging (positive by €18 million), is attributable respectively to the effect of charges generated by derivative instruments entered into to hedge the index linked component to which the remuneration of government borrowing is linked, and the positive effect of the ineffectiveness component of existing hedging derivatives.

Net income from disposals of financial assets amounted to €335 million, down on the €407 million of 2021 (-€72 million, -17.7%).

Profits/(losses) on financial assets and liabilities measured at fair value through Profit or loss is positive and equal to €1 million, mainly due to the positive change in the fair value of the Visa Incorporated shares.

**Net operating expenses**, which totalled €4,633 million, included administrative expenses of €4,627 million and other operating income of a negative €6 million. Administrative expenses were up 4.1% year-on-year, and operating income was down from the positive €8 million recorded in 2021.

Net provisions for liabilities and charges showed a positive balance of €21 million, compared to a negative balance of €48 million in the previous year. This positive change was affected by the revised estimate of certain risks related to the distribution of the money order product and legal disputes with third parties relating to BancoPosta's RFC.

Net adjustments and reversals for credit risk amounted to -€1 million (+€4 million as at 31 December 2021). The item reflects the combined effect of higher charges related to value adjustments linked to Expected Credit Losses on the securities portfolio and reversals related to the release of an impairment provision to cover an impaired loan, collected in early 2023.

After taking into account taxation for the period of €231 million (€189 million at 31 December 2021), net profit for the year 2022 for BancoPosta RFC amounted to €602 million, an increase of €94 million (equal to +18.5%) compared to the previous year (€508 million).

## Resources of BancoPosta RFC

Average number in full-time equivalent terms	2022	2021
Executives	28	27
Middle managers	298	291
Operational staff	71	72
<b>Total</b>	<b>397</b>	<b>390</b>

At 31 December 2022, the BancoPosta function has 9 second-level functions, including 2 Marketing functions: Marketing Individuals and Marketing Companies and Public Administration; 1 function dedicated to the training of sales channels for the provision of financial and insurance services: Product support for channels; 3 Staff functions: Administration, Planning and Control, Operating Processes and Technical Secretarial services; 3 Control Functions: Compliance, Internal Auditing, Risk Management and Outsourcing Governance.

In December, an Investment Support Team was set up within the Private Customers Marketing function, with resources operating within BancoPosta and the company BancoPosta Fondi SGR, with the aim of supporting the Private Market sales channel in pursuing customer loyalty and development objectives in the investment segment.

As at 31 December 2022, around 29,000 hours of technical/specialist, regulatory/mandatory and behavioural/managerial training had been provided to BancoPosta staff via webinar or e-learning platform.

## Financial position and cash flow

### Statement of financial position

Assets (€m)	31 December 2022	31 December 2021	CHANGES	
Cash and cash equivalents	5,874	7,680	(1,806)	-23.5%
Financial assets measured at fair value through profit or loss	40	39	+1	+2.6%
Financial assets measured at fair value through other comprehensive income	33,161	37,626	(4,465)	-11.9%
Financial assets measured at amortised cost	46,576	53,733	(7,157)	-13.3%
Hedging derivatives	6,109	873	+5,236	n/s
Tax assets	1,157	283	+874	n/s
Other assets	11,521	8,838	+2,683	+30.4%
<b>Total assets</b>	<b>104,438</b>	<b>109,072</b>	<b>(4,634)</b>	<b>-4.2%</b>

n/s: not significant

Liabilities (€m)	31 December 2022	31 December 2021	CHANGES	
Financial liabilities measured at amortised cost	98,944	95,799	+3,145	+3.3%
Financial liabilities held for trading	4	2	+2	n/s
Hedging derivatives	971	5,461	(4,490)	-82.2%
Tax liabilities	225	670	(445)	-66.4%
Other liabilities	2,789	2,535	+254	+10.0%
Employee termination benefits	2	3	(1)	n/s
Provisions for risks and charges	188	229	(41)	-17.9%
Valuation reserves	-2,223	1,118	(3,341)	n/s
Equity instruments	350	350	0	n/s
Reserves	2,585	2,397	+188	+7.8%
Net profit	602	508	+94	+18.5%
<b>Total liabilities and equity</b>	<b>104,438</b>	<b>109,072</b>	<b>(4,634)</b>	<b>-4.2%</b>

n/s: not significant

Assets are represented by cash and cash equivalents, financial assets and hedging derivatives, tax assets and other assets.

**Cash and cash equivalents** amounted to €5,874 million at 31 December 2022 (€7,680 million at 31 December 2021, -€1,806 million) and included, for a total of €3,984 million, cash at Post Offices and at cash transportation companies, as well as balances on the account with the Bank of Italy for interbank settlements of €1,855 million.

**Financial assets at fair value through profit or loss** amounted to €40 million and were mainly attributable to the fair value of 32,059 Visa Incorporated (Series C Convertible Participating Preferred Stock) and 1,019 Visa Incorporated (Series A Preferred Stock) and the change of which from 31 December 2021 is shown in Net income from financial assets and liabilities at fair value through profit or loss.

**Financial assets measured at fair value through other comprehensive income** amounted to €33,161 million (€37,626 million at 31 December 2021, -€4,465 million) and include investments in mainly Italian government bonds. The decrease in this item is mainly due to the change in the fair value of securities in the portfolio, amounting to €10,126 million, only partially offset by the positive balance between sales/redemptions and new purchases of securities, amounting to €5,405 million.

**Financial assets measured at amortised cost** amounted to €46,576 million (€53,733 million at 31 December 2021, -€7,157 million) and are attributable both to investments in Italian government bonds and securities guaranteed by the Italian government for €27,699 million (€33,110 million at 31 December 2021, -€5,411 million) and to sundry deposits and receivables for €18,877 million (€20,624 million at 31 December 2021, -€1,747 million).

With regard to Financial Assets relating to investments in bonds issued by the Italian government and backed by the Italian government, the reduction for the year was the combined result of the reduction in the fair value of securities hedged with fair value hedge derivatives (-€5,398 million) and the negative balance between sales/redemptions of securities and new purchases (for -€42 million). With reference to Financial Assets referring to deposits and sundry receivables, the decrease of 1,743 compared to 2021 was mainly due to the reduction in: (i) loans and deposits with the MEF of €804 million (from €14,697 million at 31 December 2021 to €13,893 million at 31 December 2022); (ii) guarantee deposits of €2,401 million (from €4,858 million at 31 December 2021 to €2,457 million at 31 December 2022); (iii) trade receivables for €18 million (from €818 million at 31 December 2021 to €800 million at 31 December 2022); these changes are partially offset by the increase of €171 million in receivables relating to the balance of cash transactions on which collections and payments with third parties are settled through Poste Italiane, which went from €178 million at 31 December 2021 to €349 million at 31 December 2022 and the increase in accounting changes in loan repurchase agreements for €1,358 million.

The change in loans and deposits with the MEF is mainly attributable to lower funding from the Public Administration; the reduction in guarantee deposits is mainly attributable to the improvement in the fair value of hedging derivatives, recorded both on the assets and liabilities side of the balance sheet offset by higher deposits paid as collateral in repo liabilities, as the fair value of pledged securities decreased.

**Hedging derivatives** with a positive fair value at 31 December 2022 amounted to €6,109 million (€873 million at 31 December 2021, +€5,236 million). The change is mainly due to the overall rise in interest rates, which has a positive impact on the fair value of the derivatives portfolio, as these are, for the most part, interest rate swaps to hedge the securities portfolio, which transform the yield of the latter from fixed to variable.

**Tax assets** amounted to €1,157 million, an increase of €874 million compared to €283 million as of 31 December 2021, mainly due to changes in deferred tax assets in equity or to changes in valuation reserves.

**Other Assets**, which amounted to €11,521 million (€8,838 million as of 31 December 2021, +€2,683 million), increased substantially due to tax credits acquired by Poste Italiane SpA and allocated, net of offsets, to BancoPosta RFC, and recognised at 31 December 2022 at €8.6 billion (with a nominal value of approximately €9.7 billion).

The principal liabilities are represented by financial liabilities, hedging derivatives, tax liabilities, other liabilities and provisions.

**Financial liabilities measured at amortised cost** amounted to €98,944 million (€95,799 million at 31 December 2021, +€3,145 million) and include: (i) amounts due to customers of €86,094 million (€85,098 million at 31 December 2021, +€996 million) attributable to funding through current accounts, repurchase agreements and payables for guarantee deposits paid by counterparties; (ii) payables to banks for €12,850 million (€10,701 million at 31 December 2021, +€2,149 million) attributable, also in this case, to current account relationships and repurchase agreement transactions and payables for deposits in guarantee paid by the banking counterparties.

**Financial liabilities held for trading**, amounting to €4 million, represent the fair value of derivative instruments entered into to hedge the fair value of the Visa shares mentioned above.

Hedging derivatives relating to securities in portfolio with negative fair value amounted to €971 million (€5,461 million at 31 December 2021, -€4,490 million). The reasons for the change are described in Hedging Derivatives with Positive Fair Value.

**Tax liabilities** amounted to €225 million, a decrease of €445 million, compared to €670 million at the end of fiscal year 2021, due to changes in deferred taxes in fiscal year 2022 related to financial assets measured at fair value through other comprehensive income.

**Other liabilities** amounted to €2,789 million (€2,535 million at 31 December 2021, +€254 million), mainly include items of a tax nature by way of substitute tax and items in progress.

The **Provision for employee termination benefits**, amounting to approximately €2 million, is in line with the amount at 31 December 2021.

**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 €188 million, down €41 million on 31 December 2021. The change in this item was affected by the revision of estimates of certain risks related to litigation with third parties.

**BancoPosta RFC** at 31 December 2022 amounted to €1,314 million (€4,373 million at 31 December 2021, -€3,059 million). The negative change was mainly due to the decrease of €3,341 million in Valuation reserves, which went from €1,118 million at 31 December 2021 to -€2,223 million at 31 December 2022 due to the decrease in Fair value reserves for financial assets. With reference to the other components, the following should be noted: (i) the Reserve for BancoPosta RFC, totalling €2,585 million (increased by €188 million compared with 31 December 2021); (ii) the Reserve for retained earnings of previous years, totalling €1,373 million, which has been increased by €200 million following the shareholders' resolution of 27 May 2022 to allocate BancoPosta's 2021 net profit to BancoPosta RFC and decreased by €12 million due to interest expense, net of tax effects, accrued on Equity Instruments (iii) Capital Instruments, which remain unchanged at €350 million and relate to a perpetual subordinated loan with a non-call period of 8 years, granted on 30 June 2021 under terms and conditions that allow it to be counted as Additional Tier 1 capital; (iv) Net profit for 2022 of €602 million (€508 million in 2021).

## BancoPosta RFC's internal control and risk management system

The elements that characterise BancoPosta's Control Area<sup>107</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 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 control functions equipped with the requisites of autonomy and independence, with respect to both the corresponding functions of Poste Italiane and 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. In line with the above mentioned provisions of the Assignment and Outsourcing Process Regulation, BancoPosta, also in the area of controls, relies on the contribution of other Poste Italiane functions.

<sup>107</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.



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 2023 BancoPosta's Internal Auditing function prepared its **2022 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 **2022 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.

Internal Auditing has also drawn up the Annual 2023 and Multi-year (2023-2025) 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.

## 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 2022, the Risk Appetite Framework (RAF)<sup>108</sup> was revised. The 2021 Annual Report and the programme of activities for 2022 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>109</sup> report and the Public Risk Report for 2021. 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, 2022 was characterised by an increase in Italian government bond yields (10-year BTP 4.72% as at 31 December 2022, +351 bps since the beginning of the year) and in the 10-year BTP-Bund spread (214 bps at the end of December 2022, 82 bps higher than at the beginning of the year).

The evolution of interest rates and the spread led to a reduction in net capital gains at portfolio level, going from over €2.1 billion of capital gains in December 2021 to around €7.2 billion of capital losses at the end of December 2022.

With regard to BancoPosta's capital structure, the Leverage Ratio stood at 2.9% in December 2022, the CET 1 Ratio at 20.3% and the Total Capital Ratio at 23.1%, 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 2022.

<sup>108</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>109</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.



## BancoPosta RFC events after 31 December 2022

No significant events occurred after the end of the financial year that would have an impact on the result.

## Outlook for BancoPosta RFC

In the Postal Savings segment, monitoring of developments in the economic context will continue in order to adapt the range of products offered to market conditions and changing customer needs, including with the introduction of new products issued by Cassa Depositi e Prestiti. In the course of 2023, activities aimed at developing and releasing projects supported by appropriate communication activities and aimed at expanding the digitalisation of customers and improving the customer experience on all sales channels will continue. Specifically, an evolution of the Libretto Smart is planned that will allow for an improvement in the functionalities and services that customers can use from an omnichannel perspective.

With regard to Investments, the expansion of the product range will continue with the launch of new products. A new combined offer between a restricted current account and a plan of scheduled deposits into mutual funds will also be launched: the mechanism involves the deposit of an initial sum into the current account and subsequent monthly transfers from it to a managed mutual fund.

In the Personal Protection segment, a restyling of the personal line products is planned, which aims to simplify accident and health covers, including the new Temporary Death coverage. The first quarter of 2023 will see the start of the release of the new coverage and underwriting process for Credit Protection Insurance, the optional coverage provided to customers taking out a BancoPosta loan.

In the area of Business Protection, in the second half of 2023, the new collective policy 'Poste Welfare Infortuni', dedicated to covering the risks of occupational and extra-professional accidents of employees of contracting companies, will be placed at post offices through the network of Small Business Specialists.


With regard to Pensions, new developments are planned with regard to the advisory platform used in Post Offices concerning the internalisation of the cost sheet and refinements on the target market.

In the current account segment, with a view to improving the digitalisation of the BancoPosta account, a revised BancoPosta app account opening application service will be made available in early 2023, introducing various simplifications, including customer identification via SPID and digital omni-channelling, i.e. the ability to switch from the app channel to the web and vice versa during the application process.

As of 1 April 2023, as market rates structurally return to positive territory, the current account fee will decrease due to the reinstatement of conditions prior to the increase on 1 July 2022. BancoPosta, in fact, had undertaken to monitor the trend of the monthly average of the 6-month Euribor rate in order to verify that the conditions that had led to the increase in the aforementioned charges were no longer in place. In the course of 2023, the possibility of opening the BancoPosta account in the corners within many post offices will be activated in order to increase the possibility of access to the service, and the sales front end of the current account will be migrated to the Single Front End in order to simplify the sales process and bring it into line with that already operating for other products.

In the area of credit cards, in view of the changed market scenario, which saw an increase in the operating costs incurred by the issuer Deutsche Bank, during the first quarter of 2023, the fee for the Classica and Gold credit cards issued from the start of the placement to 31 December 2020 will increase. Excluded from this change are cards reserved for the categories of Employees and Pensioners of the Poste Group and Cassa Depositi e Prestiti and Employees and Pensioners of the Companies subject to the management and coordination of Cassa Depositi e Prestiti for whom, in the first quarter of 2023, Deutsche Bank will replace the existing cards, operating on the Mastercard international payment circuit, with new cards adhering to the Visa international payment circuit.

In the first half of 2023, corporate financing will be further enhanced by the launch of a new partnership. The extension of the Quinto BancoPosta offer to employees of other "semi-public" companies is also planned for the first quarter of 2023.

With regard to Business and Public Administration current accounts, developments for the migration from all lists to the "Conto BancoPosta Business Link" will be completed during 2023. In addition, new digital services such as the **SEPA Instant Credit Transfer**  (SCT instant) will be developed.

During 2023, the cash disbursement of the livelihood contribution will continue at the Post Office network in favour of persons from Ukraine seeking temporary protection and who have found independent accommodation, as provided for in the Convention signed with the Civil Protection Department.

For further information, please see the Business Outlook for the Poste Italiane Group.

## 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 2022 (BancoPosta RFC's Separate Report, Part H of the notes).

### Separate financial statements

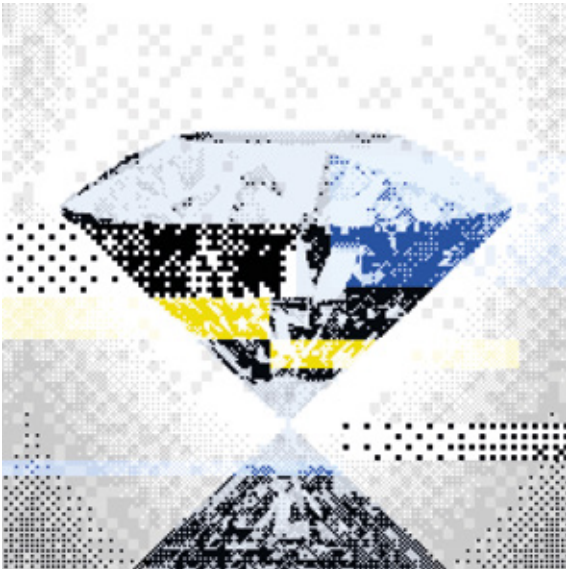
Poste Italiane SpA's statement of financial position includes the Supplementary Statement of BancoPosta RFC, prepared pursuant to art. 2, paragraph 17-*undecies* of Law 10 converting Law Decree no. 225 of 29 December 2010 which states that "the assets and relationships included in RFC are shown separately 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 2022 (BancoPosta RFC's Separate Report, Part A of the notes).

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## < 7.8 The ESG value (Environmental, Social and Governance)



**INTEGRITY AND  
TRANSPARENCY**



**PEOPLE  
DEVELOPMENT**



**GREEN  
TRANSITION**



**CUSTOMER  
EXPERIENCE**



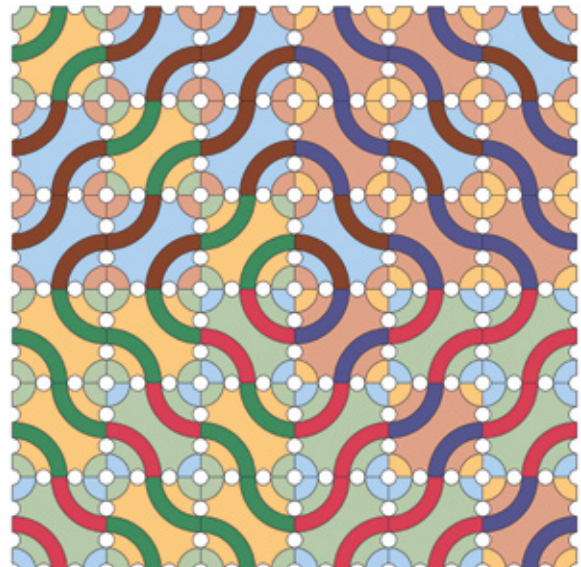
**DIVERSITY  
AND INCLUSION**



**CREATING VALUE FOR  
THE COUNTRY**

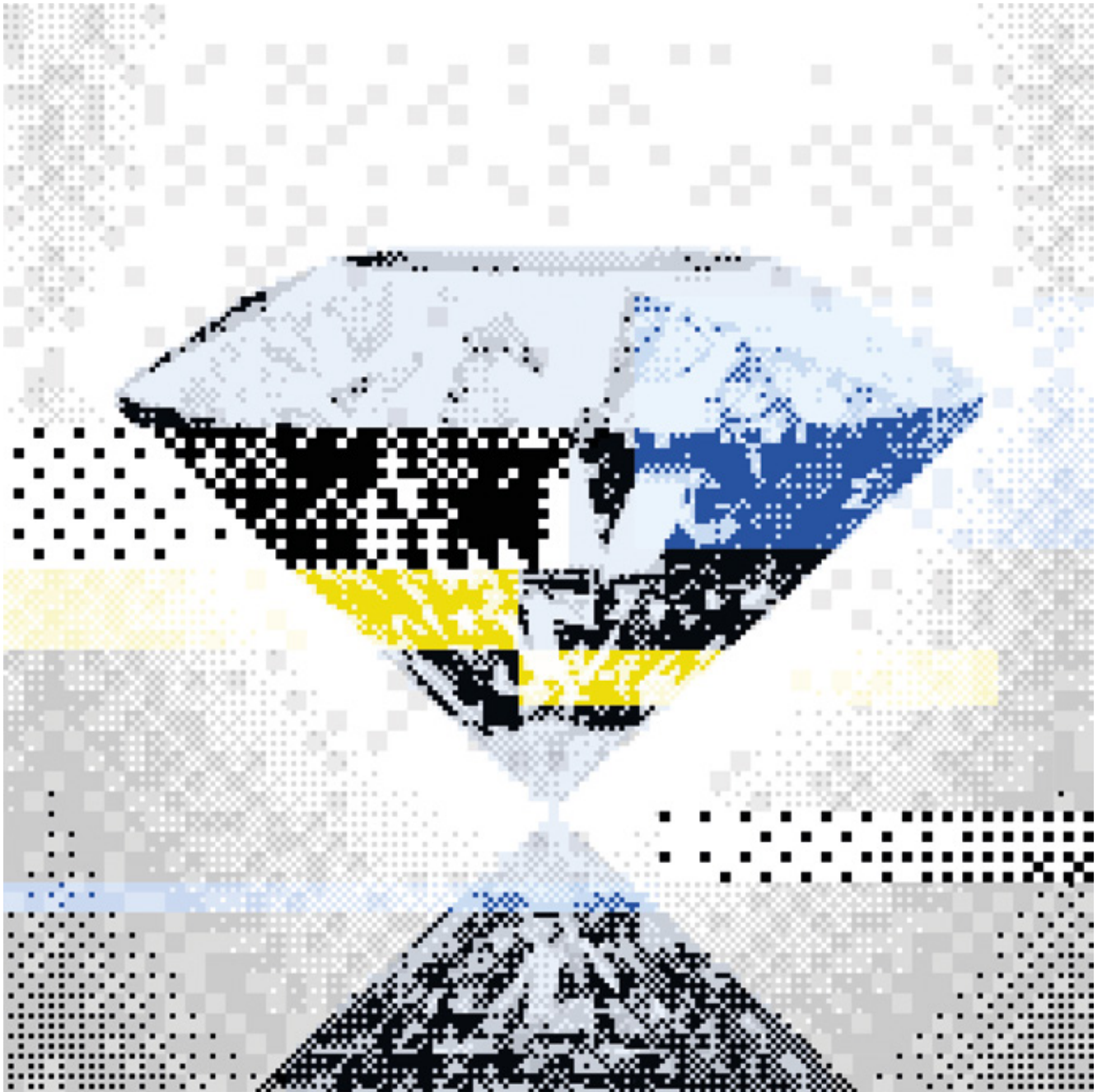


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**SUSTAINABLE  
FINANCE**





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# Integrity and transparency

Our work ethic, our commitment to the citizenry, communities and companies.

- **ISO 37301** certification obtained for “**Compliance management system**”
- Confirmation of the **highest legality rating score**
- **+ 19.2%** of tenders conducted on the basis of **governance criteria**
- **84.8%** of suppliers with a **ISO 14001** or **EMAS** certified environmental management system

## < 7.9 Integrity and transparency



**INTEGRITY AND TRANSPARENCY FOR US:**  
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### MAIN RELATED TYPES OF CAPITAL



### IMPLEMENTATION STATUS

MAIN TYPES OF CAPITAL	OBJECTIVES	INDICATOR (KPI)	TARGET	BASELINE	2022	OUTCOME
	<b>Certify the main Group companies in accordance with the ISO 37001 standard</b>	• % of significant Group companies certified to ISO 37001	• 100% by 2022	2018	• 100% <div><div></div></div>	
	<b>Increase personnel training on the Group's ethical principles (including respect for human rights)</b>	• % of Group employees involved	• 100% by 2022	2018	• 100% <div><div></div></div>	
	<b>Group-wide implementation of the sustainable procurement framework</b>	• % coverage on Group purchases	• 100% by 2024	2021	• 30% <div><div></div></div>	
	<b>Verify ESG aspects in the supplier qualification process</b>	• % of suppliers belonging to significant product categories qualified according to ESG criteria	• 100% by 2022	2018	• 100% <div><div></div></div>	
	<b>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</b>	• % of the Group's qualified suppliers subject to sustainability audits	• 100% by 2024	2022	NEW	
	<b>Implementation of the new Integrated Anti-Fraud Platform (PIAF) that combines fraud prevention objectives with improved customer satisfaction</b>	• % financial, insurance, digital products	• 100% by 2024	2020	• 60% <div><div></div></div>	
	<b>Definition of ESG parameters in the participation requirements and in the evaluation criteria of the technical tender offers</b>	• % ESG coverage for OEPV tenders	• 100% by 2024	2022	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

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 regulations, internal and external policies and codes of conduct, respect for rules and the strictest 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.

### MAIN RELATED TYPES OF CAPITAL



### Poste Italiane signatory of the Global Compact principles

The Group is a member of the UN Global Compact and has prepared in 2021 a Communication on Progress at “Advanced” level

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 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 current 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.

Poste Italiane, with a view to strengthen and continually improve its Internal Control and Risk Management System, promptly adapted to recent regulatory developments concerning non-cash payment instruments and cultural heritage, given the Company's important role in financial intermediation, as well as the importance of movable and immovable assets subject to cultural protection and in the Company's possession.

Following the recent regulatory developments mainly concerning non-cash payment instruments, cultural heritage and public disbursements, the Risk Assessment and 231 Gap Analysis was updated, by verifying the adequacy of internal organisational and procedural tools.

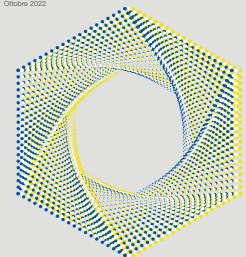
Following the aforementioned analyses, activities were carried out to update the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, aimed at ensuring its adequacy and suitability.

### Model 231

**“The principles that guide our organisation in the management of business activities.”**

**MODELLO DI ORGANIZZAZIONE, GESTIONE E CONTROLLO DI POSTE ITALIANE S.P.A.**  
AI SENSI DEL DECRETO LEGISLATIVO N. 231/2001

Ottobre 2022



Poste Italiane 

 Green Capital

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 bodies, 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, as the Company requires 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 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.

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 order to further emphasise the central importance of Integrity and transparency issues in relations with all the Group's stakeholders also in line with the requirements of ISO 37301 - Compliance Management Systems, the Integrated Policy was integrated with the principles and activities related to compliance management.

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 Risk Management structure/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 new 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, thus 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.

On 28 November 2022, Poste Italiane's first Compliance Day "Compliance, a strategy for global challenges" was held. Its purpose was, on the one hand, to bring together Poste Italiane's Compliance Professional Family in an institutionalised format, with the contribution to the work of the heads of important Compliance functions at central level and within the Group, and, on the other hand, to maintain the training profile, broadening the participation to the heads of corporate functions and structures affected by the widespread application of regulations and by the management of compliance risks. The event, which took place in the Palazzo delle Poste in Piazza San Silvestro and virtually via the Microsoft Teams platform, involved around 1,400 participants, of which 40 in attendance (managers and members of the main functions within the Compliance professional family) and the remainder through a remote connection (managers and executives responsible up to the fifth level of the Group). In line with Poste Italiane's commitment to disseminating the culture of Compliance at all levels in a context - characterised by the health emergency, the economic crisis and geo-political instability - that continues to confront the Company with increasingly demanding challenges, the event was an opportunity for all Poste Italiane's Compliance people and professionals to meet and exchange views, which saw the commitment also of the Top Management reaffirmed in the operational and daily management of non-compliance risks as an essential component of the strategy for sustainable development.

### Poste Italiane's Compliance Day: "Compliance, a strategy for global challenges"

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. As far as Group companies are concerned, after Poste Vita, PostePay, BancoPosta Fondi SGR, SDA Express Courier head office and Poste Assicura obtained the certification (as of 2019), in 2022, EGI and Postel also obtained this certification, which was extended to the territorial areas of SDA Express Courier.

### EGI and Postel obtain the ISO 37001 certification

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, focusing on the importance of spreading a culture of compliance within the organisation that contributes to the pursuit of sustainable success. In April 2022, Poste Italiane was the first company in Italy to obtain this certification from IMQ for the management of Integrated Compliance to oversee the processes of design, development and delivery of Postal, Financial and Logistical Services in the areas of administrative, accounting and fiscal responsibility.

In 2022, Poste Italiane also obtained ISO 37002 "Whistleblowing", an international standard aimed at providing a comprehensive guide to help organisations define, develop, implement, and effectively maintain a Management System on the process of receiving and handling whistleblowing.

### Poste Italiane obtains ISO 37301 and ISO 37002 certifications

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 all members of corporate bodies, executives, employees and all those who work to achieve the Group's purpose and objectives must observe. In par-

ticular, the objectives set out in the document concern: ensuring compliance with competition and consumer protection rules, of which no violation is tolerated; strengthening awareness and disseminating knowledge about the importance of competition and consumer protection regulations; 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; providing guidance to prevent actions, behaviours and omissions that violate competition and consumer protection regulations, and outlining monitoring tools to identify any violations.

## Poste Italiane and Guardia di Finanza together to ensure legality and transparency

**Posteitaliane**



**Guardia di Finanza**

The historic collaboration with Guardia di Finanza (Finance Policy) 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

**Posteitaliane**



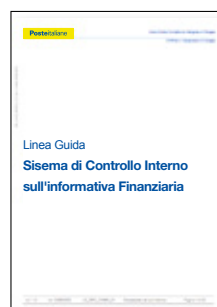
Through the Memorandum of Understanding with Arma dei Carabinieri, Poste Italiane consolidates the rooting of company rules and regulations in its processes and strongly reaffirms - internally and externally - the organisation's position on issues of legality, safety at work and training. On the basis 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.

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 on 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 "Internal Control System on Financial Reporting" Guidelines (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 fight 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 2022, projects and activities were implemented as part of the fraud prevention management process through an integrated anti-fraud system. In addition, initiatives for the evolution and adaptation of support information systems continued, in specifically with the Integrated Anti-fraud Platform (PIAF), an innovative fraud prevention system that includes all digital financial products and services of: On US Monetics, e-commerce and digital banking, based on predictive analytical models and enabling - in real time and subject to 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).

### The new Integrated Anti-fraud Platform (PIAF)

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 2022, Poste Italiane confirmed its **legality rating**, receiving the **highest three star rating** from the AGCM, which is awarded to just **8.7%** 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>110</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;
- 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;
- encourage the development of constructive, professional and transparent relations with the Tax Authorities, based on the concepts of integrity, collaboration and mutual trust.

### The Collaborative Compliance Regime admitted Poste Italiane and its subsidiary Poste Vita with the tax authorities

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 Substitution, Corporate Income, Indirect Taxes, Local Taxes and Litigation, VAT and IT Compliance and Oversight of tax obligations envisaged for financial intermediaries.

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.

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.

110. Poste Italiane SpA'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)

## Tax Risk Assessment

During 2022, an update of the Tax Risk Assessment was carried out, which entailed a review of Poste Italiane's tax risks, both in terms of existing risks and their assessment, as well as an updating of activities and the related controls, partly in order to exploit potential synergies with other control systems within the Company. In general, the review of the Tax Risk Assessment covered the following points:

- updating of the tax risk map due to changes in tax legislation, the review of risks with a view to continuous improvement;
- updating of the qualitative/quantitative assessment of tax risks, in line with the risk assessment methodology developed during 2020;

- updating of the activities and related controls identified to mitigate tax risks in response to changes in tax legislation, of the organisational and process changes during the period, of any shortcomings in the design of controls identified during testing or with a view to continuous improvement in order to ensure the efficiency and harmonisation of Poste Italiane's existing control systems, and to increase the awareness of control owners regarding the methods of carrying out controls.

During 2022, 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 2021, the courses delivered by the Tax function covered the following topics:

- Communicating with the Revenue Agency: the obligations of financial intermediaries;
- National Tax Consolidation - Poste Italiane Group;
- Corporate Taxation - Direct Taxes;
- M&A - Tax implications of the main types of extraordinary transactions;
- Functionalities and usage of the fiscal risk management platform (GRC-RSA Archer).

In 2022, however, consistent with the ongoing health emergency, training events are being planned in the following areas:

- Tax concessions;
- Course on VAT and postal services with a special focus on aspects related to tenders and direct awarding, as well as the new features of the tax decree (international VAT);
- Definition of processes and identification of control points;
- Registration and stamp duty on contracts;
- Direct Taxes;
- Significant tax regulations with an impact on Poste Italiane's international structure (Sources of international tax law - CFC - Dividends from companies in privileged tax countries - TP - Hybrid mismatches);
- Voluntary tax correction/settlement;
- Collection;
- Tax substitution.

## Legality and incorporation of ESG criteria within the procurement processes

NFS

Poste Italiane manages its supply chain responsibly with the aim of certifying the sustainability, functionality and traceability of procurement. In this regard, in addition to ensuring compliance with current regulations and corporate directives, the Group is committed to basing its purchasing processes on pre-contractual and contractual relations based on the values of legality and transparency, with respect for agreements, payment methods and payment times at the centre. Therefore, within its supplier base, the Company includes those with adequate quality characteristics that guarantee the protection of workers and compliance with environmental standards.

Poste Italiane Group gives each supplier the opportunity to compete in the awarding procedures, guaranteeing equal opportunities and excluding 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 - including any subcontractors - and their partners to formally accept the guiding principles and criteria of conduct outlined in the Code of Ethics and Group Policies.

To select its suppliers, the Group is guided by objective and verifiable criteria, including ESG criteria, with the aim of ensuring fairness, impartiality, transparency and equal opportunities for collaboration

### MAIN RELATED TYPES OF CAPITAL



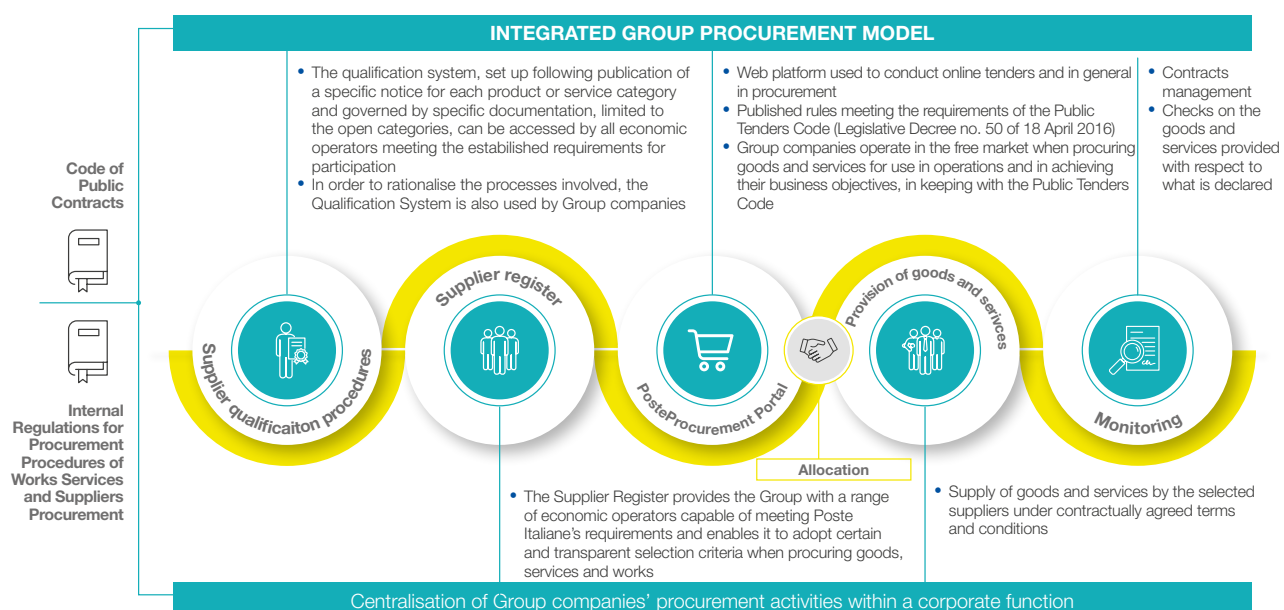
Through internal rules, Poste Italiane regulates the procurement process both for contracts subject to the Public Contracts Code and for those excluded from the scope of the Code.

In order to encourage and improve relations with suppliers and to ensure efficient and integrated management of the supply chain in full compliance with the principles of confidentiality, authenticity, competitiveness, integrity and availability in the exchange of data, purchases are made on the PosteProcurement Purchasing Portal, an electronic system dedicated to procurement activities and the management of the Supplier Register.

The Group's purchasing procedures are in line with the trend of recent years and record a massive and constant recourse to competitive procedures capable of guaranteeing competitive advantages for the Company.

The purchasing process takes ESG issues into account with the aim of pursuing sustainable procurement, acting as a vehicle for disseminating the culture of sustainability - understood as the set of the Group's sustainable policies integrated within the Company's regulatory system and outlined in the purchasing process itself.

Finally, it should be noted that the purchasing activity is regulated by a regulatory and procedural framework which, together with the Internal Regulations for the Award of Works, Service and Supply Contract Procedures (approved in November 2017 and modified in July 2019) and the Public Contracts





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.

**Poste Italiane  
receives the  
ISO 20400  
certification**

Code, if applicable, constitute the main governance and regulatory oversight of Poste Italiane's contract awards. In this regard, in order to pursue continuous improvement, the process of revising the procedural system started in 2021 continued in 2022, introducing, among other things, the ESG principles already in force, functional to sustainable procurement and consistent with the provisions of ISO 20400 certification, as well as strengthening the centrality of Business Process Management (BPM) as a tool for managing, dematerialising and tracking the liability cycle.

The Group's Sustainable Development, Risk and Compliance Function in the Corporate Affairs area aims at recognising 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. Risk management is aimed at limiting risks arising from transactions with third parties, ensuring adequate supplier rotation and minimising bad debt losses through constant monitoring. In order to enable the identification of direct and indirect relationships prone to criticality, it is necessary to strengthen the prevention of unlawful phenomena through an analysis that considers internal and external information. During the Covid-19 pandemic, Poste Italiane expanded the assessment process to include pandemic risk analysis.

The Poste Italiane Group's commitment has been recognised by the UN Global Compact Network Italia, which included the Group's example in the Position Paper "La gestione sostenibile delle catene di fornitura: tra responsabilità e opportunità per le imprese". The document, presented as part of the CSR and Social Innovation Fair, recognizes the commitment of several companies, including Poste Italiane, to the sustainable management of supply chains, and their ability to identify opportunities related to this challenge.

**Poste Italiane  
obtains the  
Recognition  
of the UN Global  
Compact  
Network Italia**

## Main types of goods and services purchased

Within real estate procurement, in 2022, all tenders for the supply of furniture, cleaning services and works included compliance with the Minimum Environmental Criteria (MEC). In particular, in works tenders, in order to reduce the environmental impact on natural resources and increase the use of recycled materials, thereby increasing waste recovery, specific award criteria have been adopted for the use of new materials produced with a certain percentage of recycled content and which, at the end of their life, can be subjected to selective demolition, recycling or reuse. For each product subject to the award score criteria, the production of a special sheet was required, giving a general description of the product and indicating the physical characteristics, marks, environmental labelling and certifications proving that it is made of recycled or environmentally friendly materials.

The concession contracts for catering services at the property complexes also comply with the principles of Green Public Procurement (GPP – Green Procurement of the Public Administration), to guarantee the provision of a corporate catering service with a reduced environmental impact characterised, in terms of processes and contents, by compliance with environmental, economic and social sustainability. Poste Italiane rewards the supply of food-stuffs, 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 far as the procurement of electricity for the Group is concerned, it is purchased from the reference market with 100% from certified renewable sources with guarantees of origin. A residual share of the requirements is self-produced by proprietary photovoltaic systems. In order to increase energy self-production, work is nearing completion on the installation of about 600 photovoltaic systems on the roofs of the Group's buildings, and the new tender for a further 1,000 interventions on the roofs of Post Offices as part of the Polis Project is being contracted out.

Postel's project initiative involving the construction of photovoltaic systems at its two production sites dedicated mainly to mass printing and industrial envelope stuffing activities is also significant: the first was installed in October 2022, and is located at the Melzo production centre, while the second was installed in December and is located at the Pomezia production centre. The installation covers a total area of 5,100 m<sup>2</sup> with an energy production capacity of 1,210,000 kWh/year, corresponding to a CO<sub>2</sub> emission saving of 560 tonnes/year.

## The largest photovoltaic plant in Lazio belongs to Poste Italiane



The new photovoltaic plant that went into operation at the Postel plant in Pomezia accelerates Poste Italiane's interventions in Lazio as well, which will enable the Company to reach the carbon neutrality target by 2030.

Consisting of 1,170 mono-crystalline panels on the roof of the Centre, for a total of 1,900 square metres corresponding to about 7 tennis courts, the largest photovoltaic system built by Poste Italiane in Lazio is one of the largest in Italy, has a power of about 400 KWp, an average annual production of about 490,000 kWh, and a saving of CO<sub>2</sub> emissions into the environment of 260 tonnes, equal to the average annual emission of almost 87 households. In addition, the plant uses totally renewable electricity and the site lighting is 100% LED.

As part of the Smart Building project, 965 installations of micro-climate monitoring systems were carried out in 2022, bringing to 1,621 the number of sites equipped with continuous screening of optimal environmental comfort parameters (temperature and humidity), with a reduction in energy consumption of more than 15% compared to sites without them.

The commitment to the construction of recharging stations for hybrid or all-electric company vehicles also continues, with the purchase of 325 new columns that will be installed at company premises. Similarly, as part of the Polis Project, an EU tender was launched for the construction of a nationwide recharging infrastructure with 5,000 recharging stations that can be used by the community every day and at any time.

With regard to logistics procurement, with reference to the purchase of the main Full rent services of the operational and transport fleet, when tenders are being carried out, a bonus score is awarded to bids with lower CO<sub>2</sub> emission classes, as well as compliance with the relevant MEC, where applicable.

For footwear and Personal Protective Equipment, as well as for the supply of work uniforms, the relevant MEC are observed and offers aimed at environmental sustainability, also in relation to the possibility of recycling packaging, are valued.

In the procurement of technological parcel and letter sorting equipment, special attention is paid to the prioritization of offers with low energy consumption solutions and noise reduction.

In addition, the tender for the supply of vehicle fuels by Fuel Card for Poste Italiane Group vehicles is under way. The technical offer of the tender, besides providing for the introduction of new card functionalities and attaching value to the capillarity of the network, emphasises sustainability through the requirement of environmental management, corruption prevention and occupational health and safety certifications, together with the realisation of the Fuel Cards with plant-based/recycled plastic materials.

With regards to ICT purchases, the IT requirements for printers, multifunctional equipment, desktop PCs and laptops were also procured in compliance with the basic and rewarding MEC under GPP. In particular, for the management of printing processes, a new category of "ink-jet" printers has been identified for Poste Italiane Offices, equipped with large capacity tanks and refillable with special ink bottles that significantly reduce the replacement of refill cartridges, leading to savings

# +965

## micro-climate monitoring systems



on consumables and a significant reduction in plastic waste (packaging, spare parts, etc.). As well as helping to improve the quality of the working environment through zero ozone emissions, the new printers, relying on electronic optimisation in the printing process, enable the containment of running costs and a significant reduction in power consumption.

Lastly, as part of the verification of the technological obsolescence of the PCs used by company personnel and for which the operating system was found to be outdated, a "no replacement" project was launched with the aim of upgrading the devices, as an alternative to replacing them. This intervention, in addition to a significant economic saving, has in fact enabled the life of the equipment to be extended whilst reducing WEEE.

## Supplier qualification procedures

In line with the provisions of current legislation (Article 134 of the current Public Contracts Code), in 2006, the Poste Italiane Group set up its own Register of Suppliers to streamline award procedures and ensure consistency among selected parties, in all product areas, as well as transparency vis-à-vis the market.

The Regulation of the Suppliers' Register and the Regulation of the Qualification System, which respectively govern the Qualification System in the Suppliers' 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 can take place at any time by submitting an application and the required documentation.

All suppliers, in order to be qualified in the Register, must possess not only general requirements, i.e. moral quality and professional suitability, but also special requirements, including those of an economic-financial and technical-organisational nature. These enabling prerequisites aim at consolidating the governance of the Group's purchasing process.

Moreover, in the context of relations with suppliers of works, services and supplies, the contractual clauses with which Poste Italiane operates are continually updated on the basis of any new regulatory provisions and special requirements communicated by the internal customer. This contributes to the acceleration of contractual time and ensures adequate governance of the most significant issues.

Poste Italiane Group ensures a high level of disclosure of

its procurement process, in line 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 expressly mentioned in the legislation. To guarantee said information flow, the "Open and Transparent Contracts" portal was 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.

**+1.4%**

of tenders carried out on the basis of environmental criteria compared to **2021**

The Group pays special attention to the ESG aspects of supply chain management, recognizing that developing transparent and lasting relationships with suppliers, as well as paying the utmost 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>111</sup> and to the constant improvement of the service offered to its customers.

**84.8%**

of suppliers have an **ISO 14001** or **EMAS certified** environmental management system

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, in relation to its relations with its suppliers, provides specific contractual clauses related to sustainability issues (e.g. human rights, health and safety at work, ethics, etc.).

Demonstrating the Group's commitment to these issues, significant increases were again reported in 2022 in relation to tenders held on the basis of environmental, social and governance criteria.

Specifically, 88.3% of suppliers, compared to 84.5% in 2021, were selected in accordance with specific social standards during 2022. 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, 84.8% of the tenders issued in 2022, compared to 83.4% in the previous year, meet certain envi-

**+3.8%**

of tenders carried out on the basis of social criteria compared to **2021**

ronmental 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. Analysing the tendering procedures launched with amounts above the EU thresholds, we obtain the figure that represents the initiatives with specific governance criteria in qualification, evaluation criteria (e.g. ISO 37001, Legality Rating, Code of Ethics/Conduct, Policy etc.) and contractual clauses.

Of the tenders issued during the year, 52.3% took governance aspects into account, compared to 33% in the previous year. The same indicator, not including the tenders without the technical offer, certifies that almost all tenders launched require governance criteria (>80%).

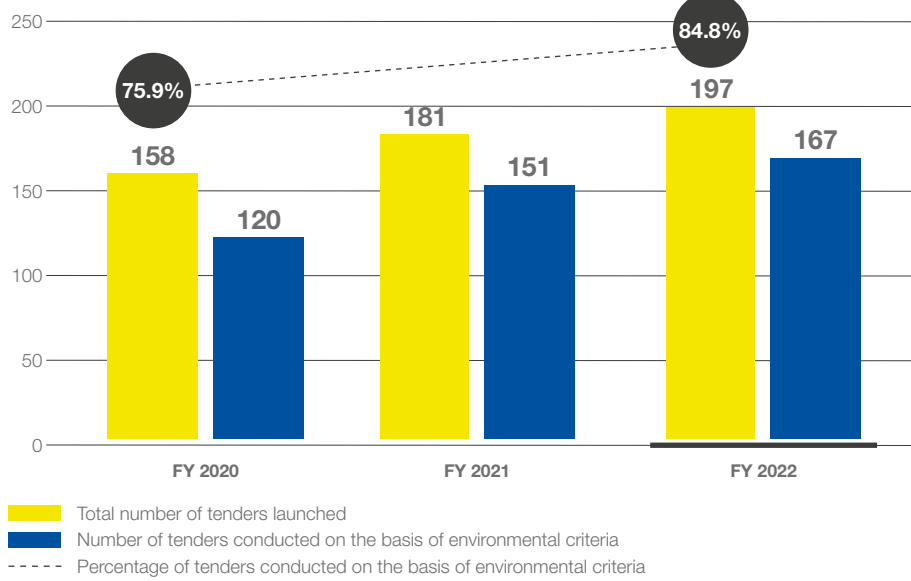
The reporting scope refers to the current special sector procurement thresholds, conventionally extended to non-code tenders, for the lowest price (PBB) and economically most advantageous (OEPV) award criteria.

**+19.2%**

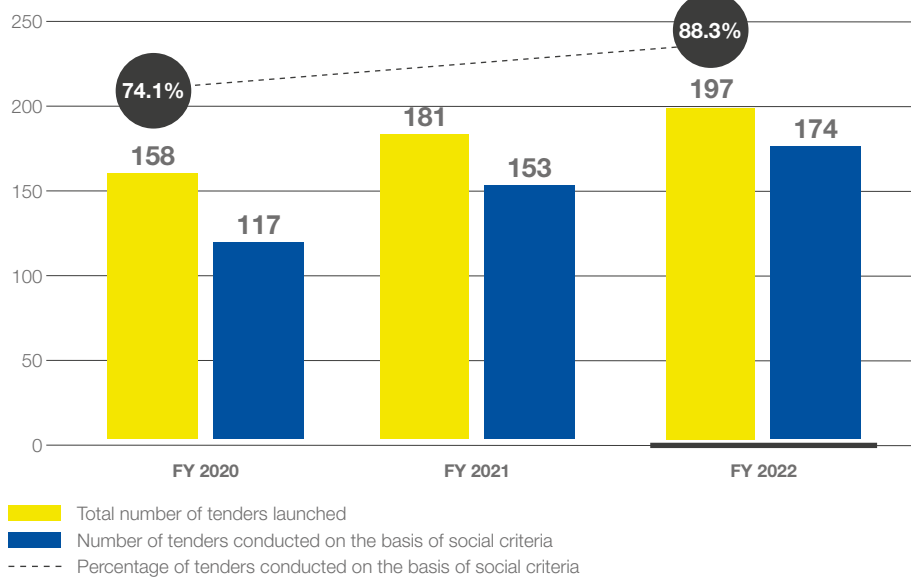
of tenders carried out on the basis of governance criteria compared to **2021**

111. In 2022, there are zero instances of supplier non-compliance with environmental and labour rights policies.

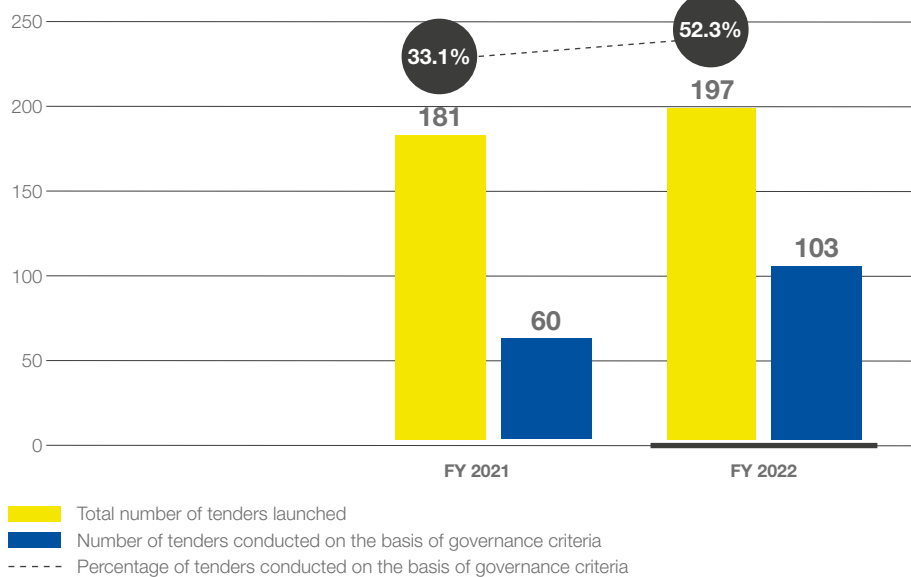
### Environmental criteria



### Social criteria



### Governance criteria



In 2019, the Group introduced the Green Procurement function in order to report on ESG issues within its supply chain management on a timely basis. This function is able to ensure a constant integration of sustainability issues within tender processes and ESG criteria in the technical evaluation of offers. The definition of highly relevant projects, such as logistics, decarbonisation of buildings, consumables, and by promoting a focus on resource utilisation, investment plans and technological development, together with the greening of more traditional requirements, promotes the achievement of the sustainable change objective.

The upward trend in Environmental, Social and Governance indicators is matched by the significant increase in the ESG relevance of the technical offer, measured in over 6 percentage points compared to last year, with the stable presence of criteria related to Environmental Management (65%), Occupational Health and Safety (64%), Attention to People (53.3%) and Integrity and transparency (52.3%). By encouraging the adoption of ESG criteria for selecting, evaluating and monitoring suppliers, as well as mitigating any ESG risks, Poste Italiane pursues the goal of increasing the effectiveness of business processes and competitiveness. In line with previous years and with the aim of combining sustainability in terms of reducing environmental impacts and rationalising costs, Poste Italiane Group has adopted the criteria set forth by the Green Public Procurement, implementing, where applicable, the Minimum Environmental Criteria (MEC), established by specific Ministerial Decrees. Furthermore, the ESG model in the Group's procurement process was implemented through the introduction of specific Integrity and transparency (Governance) criteria.

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 definition of an ad hoc questionnaire for each supplier (100% of qualified suppliers). The model is risk-based, as it allows for an 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 Group within the 99 recognised ATECO sectors. As each sector

is characterised by specific risks 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. With regard to the size of the organisation, on the other hand, which according to the European Commission's regulations can be small, medium or large, the Company highlighted 8 main Governance risks potentially relevant for the suppliers under 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 analysed and processed through the definition of an ESG scoring process that involves, for each aspect analysed, the attribution of a rating for each relevant risk and a total ESG rating.

These elements provide the model with the following strengths:

- assessment focused on the supplier's relevant ESG risks, through the use of a specific questionnaire for each economic sector (risk-based approach);
- strength of the analysis thanks to the use of a quantitative algorithm, which guarantees the attribution of a rating which is 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 based on the rating given to the way individual risks are managed;
- facilitated completion of the questionnaire, characterised by multiple closed answers;

**100%**

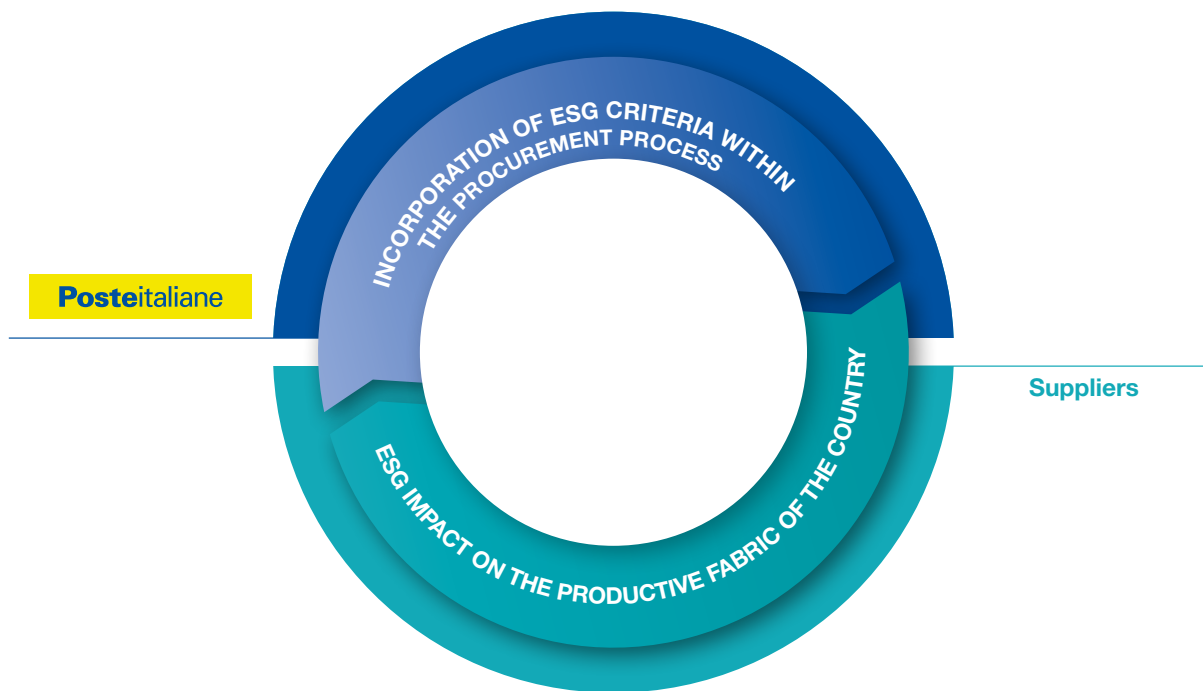
of suppliers classified by **ATECO sector** and size

Poste Italiane's Vendor Rating (VR) system stems from the need to provide the Company with a system to measure the performance of suppliers and to evaluate them in the ESG sphere. This system represents an essential element of the supply chain, as it aims to define and implement a scoring model that allows for an accurate assessment of suppliers in relation to quality, safety, punctuality and environmental compliance of the services offered, as well as commercial behaviour and billing accuracy. The tool thus enables Poste Italiane to make informed choices on the purchase of goods and services. Through this system, all suppliers who carried out activities in the reporting period and were linked to Poste Italiane by contracts such as framework agreements and spot contracts were evaluated.

### Poste Italiane's Vendor Rating system

- 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.

With the aim of raising awareness among its suppliers and accompanying them on a path of sustainable growth, Poste Italiane is committed to the gradual introduction of environmental, social and governance criteria in its tendering procedures over the years. In this way, it is able to ensure a progressive expansion of the required scope, coverage and weight of ESG criteria on the tender score.



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**MARCO BRANCATO**  
Illustrator





# People development

Human capital, a key element in the growth of our Company.

- **6 million** hours of **training** provided
- Project **INSIEME 24 SI** first place at the **AiFin Italian Award 2022**
- **+127%** of participation to the **Poste Mondo Welfare** programme
- **2022 performance bonus: 5% increase** in contrast to the inflationary phenomenon

## &lt; 7.10 People development



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## MAIN RELATED TYPES OF CAPITAL



## IMPLEMENTATION STATUS

## MAIN TYPES OF CAPITAL

OBJECTIVES	INDICATOR (KPI)	TARGET	BASELINE	2022	OUTCOME
Provide continuous training to all Group employees	• Hours of training provided	• 25 million by 2024	2020	• 17.9 million hours 	
Increase the quota of middle managers and white-collar staff involved in the MLAB development plans (Managerial LAB for the development of middle managers who have further growth potential) and POP (Professional Orientation Programme that identifies and develops talented young people)	• % of middle managers involved in development plans • % of white-collar staff involved in development plans	• 20% by 2022 • 25% by 2022	2018	• 21.5% • 40% 	
Increasing the ability to harness the potential of the Group's people, in view of intergenerational inclusion, to foster better integration between talent and the organisation	• % of people involved in potential scouting processes	• +200% by 2022	2021	• 397% 	
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	• +5% by 2024	2021	• +2.3% 	
Fostering the development of talented individuals identified in the Company's People Review process by expanding opportunities for professional growth (professional diversification, increased responsibility, participation in skill development programmes, etc.)	• % of talent (identified in People Review) involved in growth opportunities	• 25% by 2024	2021	• 28% 	
Strengthening and spreading the corporate welfare initiative for the conversion of the performance bonus into goods and services by expanding the use of the dedicated platform, improving the range and user experience	• % enrolment	• +50% by 2024	2020	• +127% enrolment compared to the 2021 edition 	
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 response to comments, qualitative and quantitative reporting	• 1 by 2024	2021	• Framework defined for launch of a thematic community for the purpose of its configuration and development 	
Reduce the number of Group employees' occupational injuries	• Number of injuries	• -740 events in the PCL area by 2024	2021	• -956 	
Reduce the occupational injury frequency rate for Group employees	• Injury frequency rate	• -8% by 2024	2020	• -13.89% 	
Maintenance of Occupational Health and Safety Management Systems and related ISO 45001 certifications at Poste Italiane and the main Group companies	• % of Poste Italiane Group units with a certified OHSMS	• 100% by 2022	Every year	NEW 	
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	• 34% 	
Implementation of a new corporate welfare model: development of screening 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 • % progress of instrumental initiatives	• 100% by 2024 • 100% by 2024	2020	• 100% • 50% 	
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 intranet editorial plans on employee health and well-being topics on different initiatives (target of 50 news items)	1 by 2023	2022	NEW	
Release of new NoidiPoste app and intranet version on Sharepoint platform with the aim of making content and services more accessible to employees of Poste and the Group companies concerned	• % average daily users compared to average for previous years	• +5% by 2023	2022	NEW	
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	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

For Poste Italiane, human capital plays an extremely important role, as a distinctive element for the achievement of corporate objectives and an essential aspect for the creation of competitive advantage. Precisely for this reason, the Group promotes and invests in staff training courses that are able to prepare people to deal effectively with the demands of an ever-changing business. 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 line with the Code of Ethics, expresses its willingness to recognise and value the importance of the individual contribution of each member of the Company's workforce, undertaking to guarantee equal opportunities in career paths to all employees, without distinction.

*The Group considers training an essential lever for achieving competitive advantage in the market, constantly promoting its innovativeness and continuity*

Consistent with the Strategic Plan, the training activities are part of a much broader project, which, in accordance with corporate principles and the needs of the market, customers and regulations, envisages the provision of around 25 million hours of training in the 2020-2024 five-year period. In order to promote the smooth running of training activities, in 2015, the Company established the Corporate University, identified as a Human Resources function that, through organisation in various Academies, delivers training on different business contents, depending on the skills to be developed. The Corporate University aims to define and guarantee the conduct of the training process in its entirety (including operational training). In particular, the "Training and Operational Training" Procedure, addressed to all corporate functions and all personnel, describes the Group's operational training model, explaining the operating mechanisms and organisational ownership of training and operational training activities. The logic guiding the Procedure is geared towards ensuring the effectiveness, efficiency and conformity of the expected results, through the introduction of organisational and control measures that are also relevant pursuant to Legislative Decree 231/01. In addition, the procedure complements other more specific policies/procedures for areas of activity/organisational functions that are being updated (e.g. funded training, BancoPosta training, etc.).

In 2022, the training plan focused on specific drivers identified with a view to promoting and accelerating the implementation of the Strategic Plan, in particular:

- innovative content: push on digital skills development, multichannel, business development and new business;

### MAIN RELATED TYPES OF CAPITAL



- processes: re-focusing processes on the customer, by designing tools and solutions for simplification and streamlining;
- skills and costs: continuous investment in staff skills, in line with the Plan objectives, and a continuous push on the recovery of funded training.

In 2022, the learning experience improved through the introduction of new innovative formats, such as the learning game mode, 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 addition, the use of the Open Learning Area content, freely accessible by the entire corporate 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.

A total of approximately 6 million training hours were provided during 2022. In response to the various training needs related to the Group's different businesses, training courses were developed for specific targets (e.g. tellers, post officers and women, customer service employees, salespeople) for the acquisition, consolidation and development of the specialist technical skills of the related role. Cross-training courses were also provided on issues oriented towards the adoption of cultural tools and models addressed to all company personnel, regardless of their specific role. Finally, through individual training courses, especially dedicated to developing resources, skills useful for more complex roles were strengthened.

**6 million**  
hours of training in 2022

There were numerous free-participation initiatives dedicated to updating and acquiring digital and innovation skills. Among these, the "Digital Voices" programme saw voluntary participation in a rich cycle of webinars and online content with the aim of opening a window of observation on the external context, analysing the influence of digital on markets, to increase the predictive capacity required for the development of the Group's businesses.

Through the involvement of various organisational functions, the Corporate University represents the core of the training process and ensures the governance of the entire training process itself. This is organised in 5 Academies, each dedicated to specific skills. Three Academies focus on vertical business areas such as: 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. Also in the Faculty area, the internal teaching staff was enriched with a new trainer figure - the instructor trainer - to manage teaching in operational contexts. In addition, Poste Italiane's School of Coaches in 2022 expanded the number of new coaches engaged in the development of high-potential staff and in the support during the return to work of fragile resources, including young mothers. The other two Academies, on the other hand, focus on transversal core competencies. Specifically, the Managerial Academy oversees the development of managerial skills for senior 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, there is a Planning and Governance function that deals with the consolidation of the training plan and the periodic monitoring and control of progress.

With the aim of exploiting the synergies of tools, methodologies and competencies, in May 2022, the Education initiative was merged into the Corporate University. Its objective is to promote campaigns, initiatives and opportunities for discussion aimed at stimulating dialogue with citizens and increasing customer confidence in products and services.

The training process starts with the annual Training Plan, which incorporates the training needs expressed by the lines consistent with the objectives of the Strategic Plan. Listening to and collecting training needs is, in fact, the first step in creating pathways and designing refresher, role-enhancing and skills-building interventions for the entire population, from new recruits 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.

In order to verify the achievement of the set 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 has provided for periodic audits 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 learners. The Company also pays close attention to the role of the media (the company website, Poste News, interviews on the TG Poste) in order to make potential employees aware of the importance of the training courses on offer. 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**

For the improvement of systems, processes and strategies Poste Italiane, projected towards the achievement of sustainable business success, uses People Analytics, also known as HR Talent or workforce analytics, i.e. the practice of collecting and analysing organisational human resources data through the application of statistics and other data techniques. In particular, the Group used People Analytics practices in 2022 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 professionals 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, the online Study Space was set up to analyse organised content and innovative solutions in the HR world, with a multidisciplinary and user-friendly approach, aimed at the contamination of knowledge and the emergence of innovative practices to be grafted onto functional strategies; in addition, contributions from the various business functions are proposed for the pooling of knowledge and the facilitation of implementation synergies with respect to corporate objectives, also with a view to achieving integration in the “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.

In addition, as part of its People Analytics practices, the Development function uses a series of additional data (personal, organisational, performance and potential data, etc.) for defining, monitoring and initiating people development and enhancement paths based on business objectives. The integration and analysis of such data provides a clear picture of employees with distinctive skills and performance, to be taken into account for possible access to evaluation programmes for potential or for possible activation of pathways to specific roles. In particular, POP (Process for Intercepting Potential Young People) and MLAB (Process for Intercepting Solid Professionals and Managers) are the Company's main scouting processes, which are managed with pre-defined access criteria (e.g. performance, company seniority) and allow the identification of eligible individuals. In both initiatives, it is possible to collect a specific amount of information on the potential that has emerged, with both qualitative and quantitative indications referring to the preservation of the Leadership Model's capabilities. 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. To this end, the Group has implemented a pilot project for about 400 employees concerning an assistance tool available in the same area, through which the people involved can communicate with HR in a simple, transparent and fast way. This further innovation, the extension of which is being considered, will enable the systematic and constant collection of data useful not only for the type of requests and problems received, but also for the clarity of the services offered and the effectiveness of communication with Human Resources.

**2.893 million**  
**hours of training for compliance**

As part of its training model, the Group always pays close attention to compulsory regulatory training, which refers to cross-cutting issues and is aimed at the entire company population (Safety at Work, Legislative Decree 231/01, GDPR, Integrated Quality and Corruption Prevention System, etc.) and specific training aimed at specific professional figures (e.g. ESMA/IVASS and Air Safety training).



## Compliance training

### Legislative Decree 231/2001

The online course “The Decree 231 in business ethics” continued to be delivered in 2022. It describes, through the stories of its protagonists, the general contents of Legislative Decree 231/2001 and the tools that Poste Italiane has adopted to comply with the principles and provisions of the Decree. The course falls within the scope of compulsory training and is therefore intended for all Poste Italiane Group staff. The training initiative illustrates general topics of Decree 231 that are also of interest to the Subsidiaries. Nevertheless, it is the responsibility of each Subsidiary to assess any additional training needs in this area, taking into account the specific activities carried out by its employees and the operational and organisational peculiarities of the Company. Moreover, within the scope of the training initiatives promoted for the managerial roles of the Poste Italiane Group, the following training events on the topics of Legislative Decree 231/01 “The types of corruption offences” and “Market protection and corporate offences” were introduced.

### GDPR

Since 2019, the Group has been delivering the online course “The GDPR - General Data Protection Regulation”, which aims to provide 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 take 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 have 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.

### IT security

Like in previous years, the Group continued the delivery of the online course “Cyber Security”, 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.

### Antitrust

Since May 2021, Poste Italiane has been delivering the training webinar “New Group Compliance Programmes - Integrated Compliance and Antitrust Compliance” aimed at the Group’s management figures. In addition, since January 2022, 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 the creation and dissemination of a corporate culture that is aware and attentive to the issue of compliance as a strategic objective and fundamental value of the Company. The training initiative is intended for resources working in the Group’s central and territorial staff functions. Training continued with a further online course entitled “Compliance for competition and consumer protection” delivered for the same target group in February.

### Anti-corruption

In continuity with the previous two-year period, training activities continued for all Poste Italiane Group personnel on anti-corruption, describing the integrated Quality and Anti-Corruption Management System that Poste Italiane has adopted, focusing on the provisions of the relevant regulations and, 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 2022, the usual ESMA/IVASS induction and refresher training programmes were delivered in line with the financial and insurance industry regulations, with a particular focus on Anti-Money Laundering 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 2022 in continuity with the previous two-year period:

“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.

In 2022, the Group promoted specific training activities for the managerial class, following three lines of action:

- transversal initiatives: courses, pathways and formats for strengthening skills common to several professional groups;
- target segment initiatives: courses and learning paths aimed at developing and strengthening the managerial skills of resources belonging to the same cluster;
- initiatives by business segments: courses and courses designed vertically on specific business functions for the development of managerial skills related to business units.

In addition, 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. There are both institutional pathways that accompany newly appointed managers in their new role for the development of competencies in an inter-functional perspective, fostering an exchange of value, both personal and professional, and training initiatives in support of the Diversity & Inclusion Plan aimed at developing skills related to the Corporate Leadership Model. In addition, the Group has implemented training measures aimed in particular at Executives, using innovative formats, to strengthen managerial skills capable of generating an acceleration in the ability to govern complexity.

## Diversified skills development within the Poste Italiane Group

### Mail, Parcels and Distribution

Training initiatives focus not only on skills upgrading and testing programmes based on IVASS and ESMA regulatory requirements, but also on the development of digital, innovation and change and complexity management skills. The Group also invested in important training projects, involving the commercial structures of the Private Market and the Corporate and Public Administration Market. In 2022, in line with the regulations of the financial and insurance sector involving the Commercial, Customer Service and internal trainers of the BP - Channel Product Support function, the usual ESMA/IVASS 60 and 30 hour induction and refresher training programmes were delivered; the mapping of development and training needs (annual assessment) was carried out for both the financial and insurance sectors, with particular focus on Anti-Money Laundering and Ethics. In December, the 30-hour ESMA tests valid for maintaining the ISO 22222 investment advisory service certification of MP's sales network were completed. The year saw the completion of the training course on aligning the specialised skills of the Financial Claims Management function in SAC, which will provide for an annual refresher course from 2023 onwards. In the area of Customer Operations, in particular in the area of Customer Service, training initiatives were carried out focusing on the importance of the relationship with the customer and the ability to interpret his needs, as well as on the evolution of the omnichannel value assistance model with a view to proactivity and addressing the MP sales network. 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. Finally, with specific reference to counter operators, the training activity on relational proactivity aimed at understanding customers' needs and seizing business opportunities in synergy with the sales network was completed. To further support technical expertise and with a view to continuous improvement, training initiatives were carried out on the Methods-Time Measurement (MTM) methodology and on the design of internal micro-logistics flows. 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 4,000 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.

### Financial Services

The Group provided various training activities for the BancoPosta function aimed at learning and consolidating specialised skills and digital skills. During 2022, various initiatives were carried out to support the specialist figures dedicated to BancoPosta and BancoPosta Fondi SGR functions, aimed at supporting specific skills in the area of market scenario and evolution; ad hoc training measures, in line with regulatory provisions, were also carried out on Compliance and Anti-Money Laundering issues, in response to the mapping of skills carried out and aimed at targeting the training actions to support them. Finally, training activities were carried out at BancoPosta Fondi SGR in 2022 with the aim of strengthening skills in various areas such as:

- mandatory regulatory: "Knowledge and Competence" course, "Relevant Personal Transactions" workshop (Market Abuse), "Group Business Continuity Management" training and anti-money laundering regulatory training;
- technical specialisation: in-depth analysis of regulatory and civil law aspects applicable to AMC in the areas of taxation, inheritance, seizures, privacy; non-banking financial intermediary financial statements; advanced bank risk analysis; corporate credit analysis; financial markets-investment choices and uncertainty factors; the new outsourcing framework between Bank of Italy transposition of EBA guidelines and new ESMA guidelines on the cloud;
- managerial: delivery of webinars with SDA Bocconi.





### Insurance Services

The aim of the training for the Poste Vita Group (Poste Vita, 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 initiatives were focused on specialised knowledge development topics (Actuarial training, Life and Non-Life insurance product updates, Innovation, Finance, ESG, Fintech, SQL Server standard training, insurance anti-fraud). Finally, in line with the previous year, ample space was reserved for the development of soft skills, new talent development and managerial skills.

### Payments and Mobile

The training courses for 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. In order to support managerial development and the acquisition of skills on core issues for the Company, 24 “Executive Lab” courses and annual Master’s courses with strategic and innovative content were provided, organised by the Luiss Business School, Fondazione CUOA and Scuola Palo Alto. Finally, for specialised training of particular relevance, the “EU Telecoms Regulation Master Programme” organised by the Cullen International SA School, which aims to provide a comprehensive overview of regulatory issues and developments in telecommunications in the sector; the “Master Program in Advanced Data Science and Quantitative Finance” organised by the ARPM School, which addresses topics related to quantitative risk management and portfolio construction. Lastly, in the field of Energy, we note the participation in the Milan SUMMIT organised by ARCHITECTA.

## Continuous performance improvement

The Group is committed to periodically monitoring the effectiveness, efficiency and quality of the training programmes provided, as these are key performance indicators of the training programmes. Effectiveness is measured by means of learning tests at the end of the training activities, while efficiency is identified as the ability to achieve the aforementioned objectives through consistent use of the available economic and organisational resources. Finally, quality is measured through questionnaires investigating the degree of employee satisfaction with the various levels and areas of the training offer.

## The development system

The Development, Change Management and Digital HR Function ensures 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 accompanies the evolution of the Company’s culture by promoting the change of mindset, behaviour and modus operandi of employees in a logic of diffuse leadership, whose main drivers are responsibility, integration and collaboration. Moreover, through an integrated system of development policies, programmes and tools, People Review and engagement processes, the Group favours an organisational culture focused on the person in all his or her expression, both personal and professional.

Each initiative is dedicated to heterogeneous target populations belonging to all corporate functions and all Group Companies. Particular attention is paid to ensuring equal opportunities in participation in terms of age, gender, functional and geographical affiliation, always taking into account the entry criteria specific to each initiative.

The Development System is built on the following 3 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.

Consistent with the objective of enhancing business performance by attracting and developing talent, the Group’s Development System can be seen from an employee experience perspective, favouring a culture that focuses on the individual and his or her needs.

All Development, Talent and Change Management initiatives are periodically communicated to the corporate population through the main internal (TG Poste, newsletter, corporate Intranet, etc.) and external (social media, specialised press) communication channels.

The objectives pursued in 2022, 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. In addition, the establishment of the Development, Change Management and Digital HR function enabled the maximisation of integration between the scouting, development and People Review processes, as well as initiating a HR digitisation process within a broader HR and Organisation service evolution strategy.

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 corporate 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.

## INSIEME 24 SI" platform

Poste Italiane, in order to consolidate its sustainable development strategy, launched in November 2021, "INSIEME 24 SI", the platform for collecting ideas and contributions aimed at the entire Group population. It 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. In the context of Poste Italiane's Strategic Plan, "INSIEME 24 SI" represents a space in which the contribution of all stakeholders, as contributors, can be taken into account for the purposes of the Plan's implementation, fitting within the eight pillars of the sustainability strategy. The initiative is cyclical: the first edition, which ended in June 2022, saw in its main stages the participation of around 100 teams, comprising a total of 350 people, in an innovation marathon, the Bootcamp, during which the proposed ideas were discussed in greater depth and pitches presented to the jury of in-house managers. From the Bootcamp, 10 proposals were selected that followed an incubation path typical of start-ups: the teams, comprising a total of 56 people, working with the agile/sprint methodology and thanks to internal mentors and external tutors, produced a prototype that was presented to top management during the final event. These 10 prototype solutions, thanks to the sponsorship of business functions, are currently being consolidated and implemented so that they can become concrete projects capable of generating a positive impact inside and outside the Company.

The best three ideas further pursued the development of skills related to innovation and sustainability through participation in the training initiative "Entrepreneurial mindset & Launch your start-up", developed in collaboration with LUISS Business School. The experience, aimed at strengthening the entrepreneurial approach, allowed the participants to interface with the start-up eco-system in an immersive way, reflecting on possible internal barriers and facilitating the process of changing existing processes.

In September 2022, the 2nd edition was launched. Since the start of the programme, more than 1,300 ideas submitted by employees have been proposed and evaluated, and as of January 2023, 2,000 people are registered on the platform as contributors, putting their skills at the disposal of the Company and the ideas collected.

Both editions saw wide participation and engagement, also witnessed by the accesses to the intranet and campaign news (27,000 in the 1st edition, over 21,000 in the 2nd edition, until January 2023) and the "likes" receive during the "social" scoring of the ideas of the two waves (about 18,000 in both the 1st and 2nd editions).

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 capabilities 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 identifying high potential young people with limited company seniority, that are inserted, according to predefined criteria, in a process of assessment and professional orientation, functional to growth towards managerial roles. The process is directed by internal Assessors certified for the digital management of the assessment and subsequent development sessions;
- **MLAB:** the process of intercepting established professionals and managers, with consolidated experience in the role of manager to be developed on positions of greater complexity. This path has also been entirely redesigned in a digital perspective.

**481**

**people involved in the POP and MLAB programmes in 2022**

Following the assessment of potential, both programmes provide specific interventions to strengthen the profile of skills detected, which find in coaching a privileged support tool. In addition, managerial scouting processes, aimed at targeting rising middle managers towards roles of greater responsibility, were further expanded, providing for individual solutions alongside those of the Group. Both programs received a positive evaluation from the participants with respect to the level of usefulness, the degree of professionalism of the Assessors and the appreciation of 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, designing career paths and succession plans. Consistently with the Diversity & Inclusion objectives that Poste Italiane has defined to support the 24SI strategy, the 2022 programme envisaged the priority involvement of female managers, mainly identified as potential 'successors' to positions of greater complexity. With this initiative, Poste Italiane proposes further support for the growth of leadership development skills.

With the aim of increasing the number of resources involved in the potential assessment processes, also involving populations not eligible for the scouting programmes already in place - POP, MLAB, Leadership Assessment - the significant investment in the use of smart potential assessment tools, usable online, continued and, thanks to the speed of delivery, allowed to involve +397% of people compared to 2021. In particular, this new approach was used in the People Review processes, for the valorisation of PCL postmen and, in MP, for the identification of Branch Operations Management Referents.

**+397% vs 2021**

**resources involved in massive scouting**

The results of the potential, together with the performance trend and seniority, have guided the structured launch of the People Review, a Group talent enhancement process involving the business lines together with RUO in a cross-sectional comparison, aimed at bringing out a shared concept of talent within the organisation.

In 2022, the People Review involved PCL, DTO and Marketing. Line managers and HR managers met with a talent pool of about 700 resources to define accelerated development solutions and to expand the pipeline of candidates to fill business positions, also from a cross-Group perspective. In 2022, the Blooming Programme, a programme of development initiatives dedicated to personal 'blossoming', was launched for identified talent.

**+159%**

**presence of women in coachee activities compared to 2021**

With regard to the introduction of innovative tools, in the area of skills development, the initiative SkillGym was confirmed, following the successful pilot test carried out in 2021. In 2022, more than 1,000 employees were involved in practising "critical conversations" to strengthen soft skills related to managing the feedback process, through the use of a digital platform that provides simulated environments guided by artificial intelligence.

Coaching activities were also enhanced in 2022, carried out by coaches both internally and externally, which involved managers and young talents in transversal skills enhancement courses. The number of coachees increased by 81% over the previous year, with a significant presence of women (+159% vs 2021). A specific programme was then launched - Mums at Work - which involves employees returning from maternity leave, accompanying them in their effective reintegration into the Company through dedicated coaching courses. The initiative is consistent 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. An empowering asset within the Policy is the role of leaders and managers in creating an environment of trust and engagement for the expression of each employee's personal and professional abilities. 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.

Again with a view to enhancing the value of people in line with the talent expressed, expertise and results achieved, is the "Territorial Development Paths" project which, in continuity with 2021, has defined specific paths for key roles in the territory, through co-planning between central and territorial HR functions and Line, in an agile manner and capable of strengthening, at the same time, the development skills of the functions concerned.

**+47%**

**female mentors** compared to 2021

Market pressures and the continuous drive for change require people to become increasingly engaged and motivated, putting the concepts of responsibility, autonomy and flexibility at the forefront. In this context, Poste Italiane's mentoring programme has evolved, establishing itself as a stable and widespread process throughout the Company as a space of exchange for managerial best practices and different role models. In 2022, more than 440 mentors and mentees were active within the Company with a significant presence of women (+72% female mentees and +47% female mentors compared to 2021). Mentoring ensures the expansion of a global vision as it allows a comparison between diversity of gender, age and experience. Cross-fertilisation, i.e. transversality between functions and integration between centre and territory, is the main driver of the programme as it promotes mentorship relationships between managers and professionals from different areas and functions.

**+72%**

**female mentees** compared to 2021

In connection with the 2022 Middle Managers evaluation campaign, the evaluation and feedback tools were further consolidated, with regard to a greater involvement of managers both in providing information on the development potential of employees and in being empowered, through a specific target, to be the main sponsors in their development. The roles of the team leader and team members were introduced into the evaluation process as additional providers of feedback on the performance of employees involved in cross-functional projects. This approach allows the direct manager to broaden the view of his or her staff and take this into account in the overall performance evaluation.

The use of the Oracle HCM Cloud Platform from 2021 allows integrated management of people evaluation and development processes. The platform made it possible to rethink the evaluation process as a pivotal process for people's development. Precisely because of the relevance and centrality of individual competence and performance development, the evaluation process is called the Performance Development Plan (PSP).

The PSP is based on conscious engagement and motivation of people, combined with a culture of results and collaboration. Achieving the goals of involvement and participation is contingent on making the links between organisational and individual goals clearer and more transparent, along with strengthening communication processes to make people more aware of their potential for development and growth and of their own role.

Feedback is a pivotal element of the PSP as a tool for growth and constructive confrontation that ensures continuous improvement leading to a feed-forward logic based on possible future improvement actions and solutions.

## Corporate Mentoring of Poste Italiane



In line with the positive activities undertaken over the past three years, a new edition of Corporate Mentoring was launched in 2022, involving 81 aspiring mentors in a learning-oriented group coaching course. The Corporate Mentoring programme, coordinated by the Development and Performance Management function, is part of the personal development initiatives and aims to ensure a circularity of experience and leadership between company managers (Mentors) and employees (Mentees), through an exchange of values that is enhanced by the logic of inclusion and diversity in all its facets (generational, gender, territorial, cross-functional). The Mentoring relationship helps to reinforce the values and identity that the Poste Italiane Group wishes to express, as well as to ensure the successful accompaniment of the development of younger employees.



The design and implementation of development, talent management and change management programmes are managed by the central Development, Change Management and Digital HR function, which delivers the operational processes and monitors them across all functions and companies, providing regular information, data and feedback to all HRBP involved. With respect to the management, monitoring and governance of the data obtained, IT systems are exploited, and for some specific programmes, digital platforms belonging to HR partner suppliers are used (e.g. SAP, WEB PERS, MS Teams, Oracle HCM).

The results generated and the feedback gathered make it possible to assess the level of effectiveness of the development policies and criteria of the various initiatives. One of the goals of the Development, Change Management and Digital HR function is to ensure equal participation in terms of diversity through awareness-raising and careful monitoring.

After the initiatives, the Group carries out regular satisfaction surveys to assess their effectiveness.

In order to provide support to the teams and increase the level of engagement, Poste Italiane introduced in the Performance Development Plan the possibility of involving the project teams in the evaluation of performance, both during the assignment of goals (goal management) and in the actual evaluation phase. Contributing to the process in the manner outlined in the methodology are Project Managers, Organisational Contacts and cross-functional team members.

In order to enable a greater involvement of people, the implementation of a working model with greater individual responsibility and organisational integration and participation (bottom up, team) that goes beyond the traditional evaluation model (top down, leader-collaborator) was carried out for an initial target population. 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 evaluation of employees and project leaders for members of cross-functional teams.

The rest of the corporate population, from 2021 onwards, saw the introduction in the PSP of ad hoc questionnaires for project information and scouting and people review processes, which allow individuals to express their interests, motivations, professional orientation and suggestions for improving integration and inclusion in work teams.

Taking into account the experience of the platform evaluation cycles, specific working tables were implemented for the design and implementation of evolutionary practices and for the simplification of the process, tools and system with the aim of increasing staff participation.

An important role within training is certainly covered by cross-training activities, which enable knowledge to be increased on topics common to several professional families, developing skills from an inter-functional perspective and fostering an exchange of value, both personal and professional.

A significant cross-cutting initiative, carried out during 2022 together with the Corporate Protection function, was dedicated to the topic of Eco-Driving. This activity is part of the actions implemented by Poste Italiane to contribute to the reduction of CO<sub>2</sub> emissions in the air and raise awareness of environmentally sustainable driving.

The Corporate University also has two in-house Academies that focus on transversal core competencies, namely the Managerial Academy, which oversees the development of managerial competencies for senior roles, and the Digital Academy and Innovation, which ensures the design and development of online courses, the re-engineering of learning processes and tools, and scouts for innovative training solutions.

Digital is a cross-cutting area but it is vital to every activity in the Company. For this reason, several initiatives were carried out during 2022 to increase employees' skills in this area, such as the "Digital Voices" programme.

In addition, activities aimed at developing managerial skills related to the Business Units in Post, Communication and Logistics (PCL) continued with training on the Lean methodology (Lean Academy), while in the Private Market, courses were developed for Sales Managers and Operational Management Managers aimed at strengthening their roles following the revision of the territorial organisational model. In BancoPosta and in Mercato Business and Public Administration, "Team building" projects were carried out to foster knowledge and cooperation between the members of the Top Management of the respective functions.

## Cross-training to support the Company



## Benefits of employee development programmes

### Insourcing and re-employment

Poste Italiane's "Insourcing and Re-employment" project provides for the redeployment of staff previously employed in other production sectors in new or strategic activities, fulfilling a social function of valorising people. 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 enables the in-house management of previously outsourced activities, with benefits both in terms of maximising productivity and saving on the profit and loss account, enabling the reduction of the use of external supplies. During 2022, 1,900 people were interviewed, of whom 1,252 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.

### Development programmes in the 2020-2021-2022 three-year period

The development programmes put in place in the 2020-2021-2022 three-year period resulted in benefits both in terms of containing the absenteeism rate and in a visible impact on the turnover rate for voluntary departures from the Company. The analysis of the target group involved in at least one development initiative in the last three years refers to diversified programmes and actions, such as:

- **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.

Generally speaking, development programmes not only enhance and consolidate participants' skills, but also offer benefits in terms of engagement, motivation and a sense of belonging.

In order to improve the working conditions of employees, Poste Italiane pays particular attention to active dialogue with the Company population. In light of this, 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, enabling a wider dissemination of corporate culture, providing support for brand reputation and encouraging active participation in company dynamics by employees.

## 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 2022, the annual surveillance audit was passed with no findings, which highlighted positively evaluated elements such as the constant adaptation of the training management process and its supporting processes with the implementation of meaningful monitoring indicators, and the strong push for innovation in digital processes from training needs analysis to user satisfaction.

## Staff welfare and well-being

NFS

The Company considers the well-being of its employees to be essential and for this reason is constantly striving to improve their conditions and those of their loved ones. In 2022, the Group increasingly considered responsibilities related to the care and well-being of people through actions aimed at consolidating the welfare system and spreading the corporate culture with initiatives for employees and their families. In addition, Poste Italiane pays increasing attention to aspects such as the personalisation of caring, reconciliation, the support and growth of the younger generations, the protection of the fragile and the strengthening of the sense of belonging and corporate identification

The needs of individuals, as well as the improvement of the conditions of the entire workforce, are at the heart of Poste Italiane's welfare strategy, and it is around these issues that initiatives are implemented every year to promote the well-being of each individual

Poste Italiane is committed to promoting activities that aim to improve the well-being of its employees, enabling easier living conditions and promoting better work performance. The initiatives are implemented in the process of strengthening staff engagement, as a prerequisite for the realisation of a positive corporate climate that ensures social well-being and productivity levels aligned with business objectives.

The implementation of the corporate welfare system is characterised by the adoption of an integral vision of the person, which goes beyond the work dimension, capable of taking charge of the individual's experience, also in the social, family and territorial dimensions, and by increasing attention to listening to and enhancing individual contributions in a logic of greater involvement towards common and shared objectives.

### MAIN RELATED TYPES OF CAPITAL



With the aim of keeping welfare initiatives up-to-date, the Group adopts internal policies and specific procedures that aim to constantly recognise the emergence of new needs. In this regard, the Company uses company networks and dedicated working tables to develop benchmarks, while it makes use of internal and external questionnaires and surveys for employee satisfaction surveys. In addition, an intergenerational vision is adopted in the process of designing and developing the welfare plan, combined with targeted analyses of gender, age, professional characteristics, family situation and possible vulnerability of the people involved in the initiatives to support them throughout their life cycle.

The path taken by the Group has enabled it to gain experience and strengthen collaborative and cross-functional working methods characterised also by participatory models in bottom-up logic, because they enable a virtuous path in terms of identification, trust and a sense of belonging, which constitute an important link in the adequacy of welfare policies. This makes it possible to maximise, on the one hand, the qualitative and quantitative impact, in terms of the opportunities offered to people, and, on the other hand, it makes it possible to facilitate a faster implementation for the pooling of different competences and skills.

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;

Poste Italiane, in its strategic business vision, aims to increasingly and constantly foster the integration of social and relational dimensions in order to improve its competitive positioning in the market. This has led the Company to play a primary role in a wider context than its business scope. The social vocation towards sustainable growth models, proximity to the territory, and the ability to establish a close bond with people has, therefore, led the Group to outline a new backbone of intervention towards community welfare logics, in synergy with local communities for corporate welfare services to support the vulnerabilities of employees and citizens.

The Company aims to make community 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. The plan therefore envisages a reorientation of welfare services to make them usable for the community as well.

To this end, a design and feasibility study was launched in 2022 for the redevelopment of a company property located in Bologna, with the aim of creating meeting and socialisation places for people belonging to weak or vulnerable groups, such as the disabled, the elderly, unemployed young people, and women victims of violence.

**Poste Italiane  
supports  
corporate and  
community  
welfare**



- 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 objective is to introduce a corporate welfare system capable of neutralising inequalities and contrasts through the development of a circular, modular, interconnected and fair system that responsibly takes charge of people's well-being and 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 2022. 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 corporate 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 corporate population. The rating scale on which the survey was based provided values from 1 to 10.

**2022 Home-Work Mobility Survey:** annual survey that analyses employees' home-work travel habits in order to identify, in the medium and long term, sustainable mobility solutions to reduce CO<sub>2</sub> emissions in the interests of employees and the community. The survey was conducted using CAWI methodology and featured multiple-choice questions, radio buttons and open fields.

**New Intranet Survey:** survey aimed at co-designing the content of the new "NoidiPoste" intranet. The survey was conducted using CAWI methodology and featured multiple-choice questions, radio buttons and open fields.

**"Call to Action" Survey:** fact-finding survey addressed to Internal Workers and Production workers (profiled) to acquire the orientation of the personnel affected by the reorganisation with respect to the various relocation options, as defined by the trade union agreement of 2 August 2022.

**"Dicci la tua su Poste Energia" Survey:** listening survey on "Energia160", the PosteEnergia electricity and gas offer reserved to employees.

**New Newsletter Survey:** questionnaire on the new format of the weekly internal communication newsletter. The survey was carried out with Microsoft Forms and featured multiple-choice questions, radio buttons and open fields.

**"Posteln – Diversity & Inclusion secondo te" Survey:** survey of the entire company population with the aim of understanding how Poste Italiane's commitment to Diversity & Inclusion issues is perceived by employees. The survey was carried out in cooperation with online administration and dissemination through the company intranet, official news, TG and newsletters.

**"Progetto di ricerca con Polimi" Survey:** the survey, launched in June 2022, is part of the research project conducted by the Politecnico di Milano to build an interpretative model on employee engagement/disengagement with respect to set variables. The target group was approximately 11,000 people representatives of the main corporate functions. The project envisaged the administration of the survey at two different times approximately one year apart.

The analysis of the results of the first survey was completed in 2022, and the second one is planned for the first half of 2023. The survey was structured with a set of questions attributable to the following clusters:

- level of well-being;
- working in Poste Italiane;
- leadership in Poste Italiane.

**"DDay Poste Plurale, Universale" Survey:** 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 2022 the Company continued to publish in the innovative Postenews app, launched last year, with the aim of reporting daily news with features and video reports from

**49**
**editions of Postenews in 2022**

inside and outside the Group. The Poste Italiane magazine, therefore, offers updates on topics related to logistics, savings, the economy, institutions, security, welfare, the environment and digital. 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. .

**4,949**
**services on TGPoste in 2022**

## Work-life balance

With regard to the Group's welfare strategy, the Company pursues the improvement of its employees' well-being by seeking a work-life balance. In line with previous years, Poste Italiane has provided orientation paths for young people and support for families, strengthening the focus on the social and family dimension of workers, also to support parenthood.

In the area of contractual welfare, the Poste Mondo Welfare programme was launched for the fourth consecutive year, implementing the trade union agreement on the performance related bonus, which allows employees, on a voluntary basis, to convert all or part of the performance bonus in

**87%**
**percentage of utilisation of the Bonus converted into welfare in 2022**

welfare goods and services characterised by specific social, educational, recreational and welfare purposes. The programme provides tax benefits related to current legislation and additional company welfare credits to increase the purchasing power of employees and their families. In this regard, the welfare platform has been revamped to make it simpler and more intuitive to use, and has received - also using the listening survey published on the NoidiPoste intranet - feedback from both the previous year's subscribers and those who had not yet undertaken this experience. In 2022, Poste Mondo Welfare was characterised by an improvement in the employee experience, a widespread and multi-channel internal communication plan, information workshops, dedicated ambassadors, travelling promotional stands in the most staff-intensive organisational structures, and an expansion of the network of goods and services offered to promote greater awareness of the related opportunities. In addition, the benefits of the tax legislation in force were valorised, with specific reward measures relating to the recognition of additional fuel vouchers - based on the percentage of membership and use of the programme - and the reimbursement of household bills for electricity, water and gas. During the year, platform members were able to benefit from an increased economic value compared to the previous year. The programme has been so well received by the employees that it has more than doubled its membership rate compared to past editions.

**+127%**
**sign-ups to the Poste Mondo Welfare program compared to 2021**

For many years, the Company has identified part-time work as a valid instrument of labour flexibility that enables it to meet the individual work-life balance interests of employees with the organisational needs of the Company, and provides economic incentives for workers' requests to transform full-time employment into part-time work.

In addition, on the occasion of the renewal of the relevant CCNL, signed on 23 June 2021, regulations were introduced for the presentation of requests for the transformation from full-time to part-time by the workers concerned, providing for the possibility of formulating the request every six months and with reference to the specific time slots (so-called clusters) made known, from time to time, by the Company.

**Employee support programmes**
**Part-time work options**

## Poste Italiane and its continuous support for parents

An important role within the Company is attributed to professionals who are parents in their private lives, for whom initiatives, policies and support services are put in place to support and reconcile private and working life.

One example is the Company's decision to launch the Support for Active Parenting Policy in 2022, in order to support the role of parents and enhance gender balance, overcoming stereotypes, discrimination and prejudice in the workplace.

Poste Italiane provides crèches at its Rome and Bologna offices for the children/grandchildren of Group employees and, for a portion, for users from municipal and third-party entities as a subsidiary response to the needs of local users. The service is extended to more than 100 families with children from 3 to 36 months and 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 (such as the use of at least 50% organic, PDO and PGI and 0 km food), by cross-culturalism (bilingualism) and by inclusion and educational alliance with families to foster a structured dialogue, also through innovative communication methods. These include new opportunities for exchange and participation, such as the interactive app, new seminar programmes to support parenting, thematic webinars extended to all employees, and a counselling service as a listening and reflection space offered to parents to explore any difficulties related to their children's developmental processes and transition phases.

To strengthen the initiatives in support of active parenthood, in line with previous years, the Company continued the Lifeed project, a digital platform active since 2015 formerly known as MAAM, and activate the MultiMe@Finder programme, in order to improve awareness of the roles played in different life experiences.



On the Group's 160th anniversary, Poste Italiane promoted the "IINostroXcorso" project, with the aim of rediscovering Italian localities by travelling mainly by bicycle, the mean of transport symbolically linked to the postman's work. Through an application available on the NoidiPoste app and intranet, users had the opportunity to share their travel experience undertaken alone or in company, running, walking, or using a bicycle, starting from their home, place of work or a place they considered important. With this initiative, the Group wants to introduce the people of a large Company, spread across many parts of Italy, inclusive, attentive to environmental sustainability and united in teamwork to achieve increasingly challenging goals, in pursuit of the well-being of all.

## Health and prevention

With reference to initiatives aimed at fostering primary prevention and the maturation of social awareness in young people, 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.

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

## "Poste Centro Medico"

Poste Italiane's healthcare facility for its People

With 11,000 health services in two years, Poste Centro Medico consolidates its role as a safeguard of the well-being of employees and their families.

In 2022 the activities of Poste Centro Medico, 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, videodermatoscope, gynaecological unit, ophthalmic equipment, etc.). In particular, in 2022, Poste Centro Medico expanded its range of services: one example is the introduction in May 2022, of equipment to also perform mammography for the early diagnosis of breast cancer.



product is carefully checked for ecological and health aspects. 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 reinforces the Company’s commitment to the development of the new generations with the desire to contribute to the growth of young people through numerous initiatives for school and professional orientation and the development of soft skills for the children of employees and for young people also from vulnerable social backgrounds.

# 19

**scholarships for employees’  
deserving children**

In fact, in continuity with past editions, the Group has implemented the “Next Generation” project dedicated to the employees’ children and children from secondary schools 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, the following were realised: skills development workshops, orientation meetings in which the students also learnt how to write an effective CV and how to prepare themselves for interviews, the “Digital Creathon” with the launch of the corporate challenge and the Innovation hub. During the “Digital Creathon”, the participating young people - students from schools and children of Poste Italiane employees - were able to get involved in responding to the challenge launched by Poste Italiane: “Oltre l’apparenza” (Beyond Appearance). The challenge was also designed in line with the UN Agenda 2030 and the 10th Sustainable Development Goals (SDGs), in particular, “to reduce inequalities” and thus to empower and promote the social, economic and political inclusion of all, regardless of all forms of diversity. Hence, the idea to ask

them to make a presentation and a video that, starting from their family, school and social experiences, would tell stories of marginalisation and separation and also show the way to overcome them, going “beyond appearances” and valuing each person and path.

Poste Italiane took part in the two-year “School4Life 2.0” project, discussed in detail in the previous chapters, and in the new editions of the STEAMcamp initiative, dedicated to the employees’ children and their families with the aim of deepening their knowledge of STEAM subjects. STEAMcamps are able to promote innovation and the distinctive skills needed for future professions through a learning and gaming experience that stimulates confrontation with new models ranging from coding, artificial intelligence, gamification, robotics and more, whose only boundary is creativity. In 2022, new awareness-raising proposals called “Social Media Lab” were launched, focusing on the language of digital innovation, to help young people understand the evolution of identity on the Internet and to raise their awareness of online sociality.

In addition, the “Future Lab” programme for employees’ children has also been strengthened with the new editions, with the aim of 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, supporting them in their choices so that they can pursue paths in line with their skills and passions and learn about the main market trends on the professions of the future.

Finally, with a view to promoting cross-cultural exchanges, 19 scholarships abroad were awarded to deserving children of employees, supported entirely by the Company.

## Sense of belonging

As part of the initiatives aimed at consolidating the sense of belonging, 58 Group employees were awarded the “Stella al merito del lavoro” (Star of Labour Merit) in 2022 for distinguishing themselves by virtue of their particular expertise and industriousness in their work for 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 from the lowest contractual levels and have distinguished themselves for their human and professional contribution to the Company. Specifically, employees were identified throughout the country and are representative of most of the professions 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 are the company car for mixed use and the medical check-up, also provided for facility managers.

## Relations with social partners

NFS

Poste Italiane, through periodic 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 concludes agreements governed by the National Collective Labour Agreement (CCNL) and the Consolidated Text on Representation to facilitate the creation of a positive corporate climate and ensure compliance with the applicable regulations. The Group implements every activity envisaged by the Industrial Relations System, described in Chapter I of the CCNL of Poste Italiane SpA (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 appropriate 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 asset.

Consistently with the requirements of current legislation, Poste Italiane ensures impartiality and independence in its relations with Trade Unions, as set out in the Group's Code of Ethics, and at the same time, undertakes to ensure the well-being and protection of the rights of its workers and their freedom of association and collective bargaining.

#### MAIN RELATED TYPES OF CAPITAL



Poste Italiane is committed to ensuring the welfare and protection of its employees, who are at the heart of its strategy, and maintains constant dialogue with the social partners

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 agree-

ment 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 represents a characterising and significant element in the Group's growth and evolution strategy. Continuous dialogue with the Trade Unions is ensured through significant information and negotiation activities with the Social Partners conducted by the Industrial Relations function. The most significant outputs of this activity are represented by the signing of specific agreements with the Trade Union Organizations both on the subjects expressly indicated by the National Collective Labour Agreement of 23 June 2021 (CCNL), and on further topics relating to the achievement of the Plan objectives that have regulatory and/or managerial effects on personnel.

## The National Collective Labour Agreement

With the aim of pursuing the well-being of employees and guaranteeing the protection of their rights, both during ordinary management and in phases of change in the Company's organisation, Poste Italiane considers dialogue with employee representatives to be a central aspect of the Group's organisation and management. Therefore, the Company is committed to a constant dialogue with the Trade Union Organisations (OO.SS.), guaranteeing impartiality and independence in the promotion of relations in compliance with current legislation and ensuring, 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 important 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.

## Active labour policies

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.

With the Agreement signed on 8 February 2022, the Parties, before identifying the overall active policy measures to be implemented for the year 2022, defined an extraordinary measure, of an anticipatory nature, for a total of 1,100 FTE (Full Time Equivalent) between counters and placements from the external market, in order to support the needs of front-end structures in the most critical territories. The Agreement signed on 12 May 2022, also in order to support the reorganisation actions already shared and the further organisational review actions discussed in detail with the Trade Unions, provides that, for the three-year period 2021-2023 - in line with what was defined in the Agreement of 13 June 2018 - the Company will ensure an adequate number of Active Employment Policies actions in relation to the incentive-based redundancies that will be recorded in the period. Specifically, Active Employment Policies (stabilisations, conversions from part-time to full-time, recruitment from the external market, counters, job postings) were implemented for a total of over

6,900 FTE. On 6 September 2022, the Parties agreed that for 2022, by way of exception, the limit on the use of fixed-term contracts in the regions of Emilia Romagna, Lombardy, Veneto, Piedmont, Liguria, Valle d'Aosta, Marche, Campania and Calabria is set at 12%. In the Understanding of 21 November 2022, the Company and Trade Unions agreed on an advance of the Active Labour Policy 2023 for Post, Communication and Logistics (PCL) by defining strengthening actions both in delivery (700 full-time availabilities) and sorting (60 conversions from part-time to full-time). Similarly, on 19 December 2022, Active Labour Policies interventions were agreed, again in anticipation, in relation to the Private Market, to be implemented starting from January 2023. In particular: conversion from part-time to full-time for 350 Counter Operators (175 FTE), transfer to front-end roles of 225 postmen and women eligible for job posting under the Agreement of 12 May 2022 (counters) and 250 recruitments from the external market to fill specialist roles. In the Agreement of 1 February 2023, the Parties agreed on the need to evaluate, within the framework and subsequent employment agreements for the year 2023, dedicated measures for the Digital, Technology & Operations function.



On 2 March 2023, an Agreement Report on Voluntary Mobility (transfers on request) was signed whereby, pending the definition of the new agreement that will regulate the matter for the years 2023/2024, 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, which expired on 31/12/2022.

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. The new model will be subject to a trial with the parties committing to meet no later than May 2023 to review its progress. 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. The introduction of this new service will be accompanied by dedicated training courses for the staff 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, as of March 2023, the remodelled timetables according to the new organisation of the Technology Centres will come into force, characterised by a single nationwide model with a Saturday presence as well. 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.

With the Agreement Report signed between the Company and the Trade Unions on 12 May 2022, the process of organisational revision of the Private Market function initiated with the Agreement of 30 September 2021, and which had focused on strengthening the business model, continued. With this latest agreement, the Company and the Trade Unions implemented further organisational reviews of both the business

model and the operational platform of the sales support functions. Specifically, the number of the Protection and Financing Contact Persons was increased and the relational activities carried out by the Reception Workers were developed. The Agreement also provided for the strengthening of the Corner 2.0 network, which evolved into the "Punto Poste Casa e Famiglia" format. The territorial operational management model was updated by enhancing the coordination, support and control activities at the Macro Area level and streamlining the structure at the Branch level. Finally, new momentum was given to the Hub & Spoke project, with the release, on a trial basis, of the new posting application, which will be adopted by the Hub DUP on the first six branches starting from June. On 19 December 2022, the Company and Trade Unions signed an agreement covering three macro topics: 1. the Polis Project - House of Digital Services; 2. the evolution of the organisational model Small Economic Operators (POE); 3. the anticipation of the Active Employment Policies 2023 measure. The Polis Project involves about 7,000 Post Offices, located in municipalities with a population of less than 15,000 inhabitants, which will be reconfigured to enable the provision of a wide range of PA services, as well as the creation of co-working spaces in an interconnected national network of 250 properties. The evolution of the POE organisational model, on the other hand, envisages the reconfiguration of the Mercato Privati sales chain from a synergic perspective, placing the POE channel alongside the retail channel. In particular, at the Macro Area level, the role of POE Sales Representative was created and the role of the Enterprise Sales Manager was superseded, with the relocation of resources within the Private Market or Enterprise Market and Public Administration functions. At the branch level, the Small Business Specialists (SSB) and Mail and Parcel Specialists (SPP) were moved to report to the Branch Sales Manager (RCF).

On 1 March 2022, the Company signed an Agreement with the Trade Unions, in force until 31 March 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. The Agreement, in tracing the regulatory framework of the previous 2020 Agreement - which, among other things, provided for the possibility for all employees to activate agile working for a maximum of 3 days per week and 13 days per month - introduced some new elements that make it consistent not only with the National Protocol on agile working stipulated by the Social Partners on 7 December 2021, but also with the organisational and management evidence that emerged from the observation of the implementation phase of the Institute in the Company during the emergency period. Specifically:

- some organisational areas/figures previously affected by agile working (e.g. Sorting Centres, Operations Centres, Premium Referrers, etc.) were reduced;
- for managers and for specific professional figures, the need to guarantee in-presence supervision of activities and coordination of resources has been emphasised, with the possibility of flexible use of the Institute during the month, without reference to any single week;

- the provision contained in the 2020 Agreement that provided for the sterilisation of unrecognised injury events for the purposes of accounting for the performance bonus and voluntary national mobility was eliminated, bringing the case back to the normal management of absences due to injury/sickness;
- a specific Joint Observatory was set up with the task of monitoring the implementation phase of the Institute.

On 8 June 2022, on the basis of the provisions of the Agreement dated 1 March 2022, the Joint Observatory on agile working met and carried out an initial survey on its implementation in the Company. The Trade Unions emphasised the need to study certain issues in greater depth, including, by way of example, reasonable accommodation, fragile workers, etc. The need to provide for agile working for training purposes for all workers whose work cannot be remotely performed was also emphasised. The Agreement Report signed on 3 August 2022, taking into account the epidemiological crisis from Covid-19, extended the possibility of smart working to staff hired on a temporary basis as well as, for training purposes only, to CTD staff at operational facilities.

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 2 March 2023, the Agreement was signed by which the Parties agreed to extend the effects of the agreements of 1 March and 3 August 2022 until 30 September.

On 29 July 2022, the Agreement on performance-related bonus for 2022 was signed for Poste Italiane SpA and the Group Companies. With reference to the unit value of the bonus, the agreement provided for a 5% increase, allowing for a recovery of the inflationary pressure resulting from the overall economic/monetary trend. With respect to the national indicators which the payment of the bonus is correlated to, Group revenues per employee were introduced for Poste Italiane. Moreover, 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 in June 2023 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.

With the Agreement of 2 August 2022, the Parties outlined the organisational and management guidelines under which the organisational revision processes of some important production areas of the Post, Communication and Logistics (PCL) function will be implemented. Specifically, the Understanding provides for:

- the evolution of Internal Processing activities, which are brought back into the organisational framework of sorting at 150 Centralised Centres;
- the definition of new working hours for the resources employed in the sector;
- the updating of postmen's entry times as a result of the new timing and feeding methods of the Distribution Centres (CDs).

In addition, the staff members Market articulation were also called upon to perform activities at the centralised nodes (so-called residual activities on CDs). This move defined the new needs of the sector and, with respect to the management of the employment effects generated by the project, the levers to be activated were identified in order to achieve the correct workforce size (redeployment at centralised nodes, professional enhancement/mobility in different organisational areas, retraining courses, redeployment within the Insourcing project, voluntary redundancies based on incentives, possible activation of the Solidarity Fund). The Parties, in defining the macro-frameworks of intervention, agreed to postpone to a further Agreement the identification of the detailed rules aimed at regulating all the application aspects of the project, including the criteria for the relocation of resources. The new model was applied on an experimental basis on 18 centralised nodes and 25 connected CDs. The trial started on 10 October on 11 CDs and on 24 October on 14 CDs respectively.

During 2022, an agreement was reached between Poste Italiane and the Trade Unions on the centralisation of in-house processing relating to the Post Communication and Logistics (PCL) division. The aim of the new agreement is to deliver greater service efficiency in postal communication, enhancing the central resources in Poste Italiane's growth strategy. In a context in which the postal services sector is also evolving, the agreement concerns the bringing of in-house processing activities within the organisational scope of sorting, the concentration of these activities at the nodes where the product will be processed and sorted, and the evolution of the figure of in-house processing employee into production employee. The signing of the agreement confirms the spirit of trust and fruitful cooperation between Poste Italiane and the Trade Unions.

**The agreement  
between  
Poste Italiane  
and the  
Trade Unions**

On 21 November 2022, completing the relational path outlined in the agreement of 2 August 2022, the Company and the Trade Unions signed the Agreement Report with which the specific regulations for the implementation of the reorganisation project of the Postal, Communication and Logistics (PCL) function were identified. The Parties defined the micro-organisation of the Logistics Centres, as well as the management levers for about 1,700 redundant resources that are to be relocated to the counter, i.e. to Digital, Technology & Operations through the Insourcing project. Incentivised voluntary redundancies were activated for those resources that met the requirements. The Parties also redefined the management system for unsuitable delivery personnel, in relation to both temporary and permanent unfitness, adapting it to the new organisation of the sorting process. Provision was also made for the possible activation of voluntary mobility on an exceptional basis at territorial level, with a commitment to evaluate it upon conclusion of the reorganisation project. The Industrial relations system accompanying the reorganisation, which is scheduled to end in 2024, provides for a mechanism of discussion between the Company and Trade Unions at both central and territorial levels.

On 11 July 2022, the Company and Trade Unions set 28 and 29 March 2023 as the dates for the general elections of the Unitary Trade Union Representatives (RSU) and of the Workers' Safety Representatives (RSL) of the Companies Poste Italiane SpA, Postel SpA, Poste Vita SpA, Poste Assicura SpA, PostePay SpA and Nexive Network Srl. On 21 December 2022, the Parties signed the Agreement Report amending the RSU protocol of 27 February 2023, in which they confirmed the dates of the elections on 28 and 29 March 2023 and updated the number of production units due to the new company structure, especially with reference to the Digital, Technology & Operations function. 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, this provision will apply 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 will 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.

Lastly, in view of the persisting Covid-19 emergency, the Company and the Trade Unions continued their discussions within the OPN (Organismo Paritetico Nazionale per la Salute e la Sicurezza sul Lavoro - National Joint Committee for Occupational Health and Safety) Committee aimed at guaranteeing the safety of people and the containment of the virus by favouring the use of smart working and monitoring the preventive screening activities implemented by the Company. On 6 July 2022, the Company and the Trade Unions continued their discussions within OPN in order to give continuity, according to the new indications contained in the aforementioned Protocol of 30 June 2022, to the measures to contain the Covid-19 virus.

Also in the context of the work of the OPN Committee, the Parties, at the meetings of 30 November 2022, 1 February 2023 and 20 March 2023, defined the project structure and methodology that will be followed for the new detection of the risk of Work-Related Stress, initiating the same by proceeding in the meeting of 20 March to draw the name of workers who will be part of the Regional Assessment Teams that will have the task of compiling the INAIL check list. At the regional level, specific OPR sessions will be convened to illustrate the methodology that will be followed for the new survey, which is to be completed by the end of July, in order to start the subsequent activity of analysing the results and verifying them for the purpose of determining the risk level.

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. By way of example, the implementation of the new organisational model of delivery, the so-called Joint Delivery, was made possible through the signing of the Agreement of 8 February 2018 that redesigned the organisation of Poste Italiane SpA's mail delivery, as well as with the recent Agreements of 2/8/2022 and 21/11/2022 which allowed the process of streamlining and rationalising Internal Delivery Processing to begin.



## Participatory organisations with mixed composition (members from Poste Italiane and Labour Unions)

Together with the labour 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)**, 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 Riquadificazione Professionale (The Bilateral Agency for Personnel Training and Retraining)**, through which the Parties joint-

ly 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”. At the end of 2018, the Osservatorio Paritetico sulla Sanità Integrativa (Joint Observatory on Supplementary Healthcare) was set up, with the role of proposing and monitoring the services offered by the Supplementary Healthcare Fund.

## Occupational health and safety

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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 having identified organisational responsibilities and having specific policies, in line with legislation, collective bargaining and national and international reference standards (e.g. ILO) to ensure adequate supervision of all aspects of occupational health and safety it is constantly committed to taking all necessary measures to reduce accidents, injuries and occupational diseases. These policies are implemented with reference to all Group operations, including activities related to partners and suppliers, and are addressed to each individual working for or under the supervision of Poste Italiane. Moreover, through prevention policies and programmes and information and awareness campaigns, it promotes people's psychophysical well-being. The Group's Chief Executive Officer, as Employer, is the highest figure responsible and in charge of overseeing health and safety issues in the Company. The Board of Directors approves the Policy and, through its Endoconsiliary Committees, supervises the appropriate management of the risks involved and the respect of the relevant principles.

**495 thousand**

**hours of Work safety training**  
delivered in 2022

### MAIN RELATED TYPES OF CAPITAL



The integrated policy and the Group health and safety policy define the key elements of the occupational 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 achieving constant improvement;
- the prioritisation of the actions to be implemented in order to manage the risks related to health and safety at work, identified during the assessment phase, and the consequent integration of the action plans with quantitative objectives to address the above 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 (OHSMS), the responsibility of each production unit of the Parent company and the main Group companies lies with its employer. Within the Parent Company, employers are assisted by the Corporate Affairs/Corporate Protection function, which ensures, 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 line with the current regulatory framework.

Occupational health and safety issues are a priority for the Group. In this regard, Poste Italiane has defined quantifiable targets for Business Unit managers, which are evaluated on an accident reduction target. In fact, the CEO, the top management and all those responsible up to the fifth organisational level were assessed on an accident reduction target. The Company has also set up dedicated teams with the specific task of monitoring the data relevant to the defined quantitative targets on a daily basis.

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Promoting and developing a shared safety culture at all organisational levels of Poste Italiane is an enabling factor to reduce accidents and encourage the constant improvement of the management systems adopted

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Among the main objectives pursued by Poste Italiane, the continuous awareness and involvement on the subject of Health and Safety at Work of all those who work within the Group is fundamental and a priority. Of particular importance is the dissemination and enhancement of the safety culture within the territorial operational centres (distribution centres and Post Offices) and their 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 challenging objectives.

For years, Poste Italiane has pursued the objective of reducing accidents, especially in the sectors most exposed to road traffic risk, such as logistics and delivery (postal mechanisation and distribution centres). The constant monitoring and control of said phenomenon contributed, also in 2022, 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 of the fact that the continuous improvement of OHS Management Systems is conditional on the contribution and participa-

tion of all workers, according to the roles and responsibilities assigned, is committed to disseminating and enhancing the culture of safety from a systemic and participatory perspective.

The activities carried out to achieve the objectives include continuous training, awareness and involvement of personnel on OHS issues, plant-structural site improvements, continuous improvement and maintenance of Management System certification, as well as constant risk assessment in relation to processes and workplaces, monitoring of the implementation of the Improvement Plans referred to in the risk assessment, and constant checks on compliance with the requirements of current legislation.

Poste Italiane Group allocates annual budgets 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.

In the risk assessment process, the Group analyses all potentially hazardous situations related to work processes and workplaces and, after identifying their potential to cause harm, assesses the associated level of risk. The assessment takes into account the actual manner in which the work is carried out and the exposure of personnel, as well as any protective measures already in place in accordance with the criteria defined by current technical regulations, technical standards, good engineering practice 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. Systematic control of all possible hazards applicable to and correlated with workplaces and processes is guaranteed by the preliminary compilation of a check list annexed to 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, with regard to occupational health and safety risk management, this is also achieved through dialogue and the continuous exchange of information between human resources, managers and the various Business Units. On a quarterly basis, the competent control function coordinates with the risk specialists and, through them, also with the risk owners, with regard to monitoring activities on the trend of risk indicators and treatment actions related to the Top Risks concerning 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). This is followed by an annual reporting

phase of the activities through the consolidation of the contributions from the various control functions within the “Risk and Compliance Report”. This is presented to the Corporate Bodies and Top Management and provides a concise and integrated view of the initiatives promoted and/or introduced during the year in the various aspects 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.

In addition to the compulsory training imparted to all Personnel, the Group transmits in controlled form the Safety Operating Instructions (IOS) that describe the dangers related to the work processes concerned, as well as the organisational, preventive and protective measures for reduction of the corresponding level of risk. Within them, the IOS include the obligation (deriving from Legislative Decree 81/08) for workers to report the presence of possible dangers or dangerous situations at work 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 critical issues, respecting the timescales and methods corresponding to the level of risk associated with them. Considering the relevance of this issue, Poste Italiane has adopted 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 line with specific processes codified within the adopted health and safety management systems, carries out 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 monitoring of accidents, specifically related to incidents, in order to identify - or manage - the triggering factors.

By means of the three-year moving average, which considers accident data from 2017 until 2022, before and after Covid-19, 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 pool of company doctors who, within specific territorial perimeters, carry out the provisions of article 41 of Legislative Decree 81/08 (visits, inspections, periodic meetings, spot

consultations). The network is coordinated by a competent doctor who supports 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 list 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.

With regard to workers engaged in tasks/activities involving exposure to a specific (tabulated or assessed) risk, a health surveillance programme is activated, which includes medical examinations, supplementary health checks and toxicological tests.

During 2022, Health Surveillance activities were carried out continuously, throughout the country, in compliance with health protocols and current regulations. In addition, until September 2022, exceptional Health Surveillance was ensured for personnel with a “Fragility” condition, as well as the management of the post-sickness return process from Covid-19 with the adoption of all the necessary precautionary solutions for the worker’s health to cope with the risk from SARS-CoV-2.

The Workers’ Safety Representatives (RLS), who are 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 81/08. The RLS are periodically consulted not only following the introduction of new risk assessment methodologies, but also on the occasion of organisational or process changes that may have an impact on occupational health and safety, as well as during the drafting of the Risk Assessment Document. Adequate, timely and preventive consultation with the RLS allows them to obtain useful advice for the timely fulfilment of legislative obligations and for the continuous improvement of workers’ health and safety. The consultation may concern all the Workers’ Safety Representatives of the national territory or only those of a specific territory.

Discussion between employers and workers, 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 union and RLS representatives participate, the Company involves all stakeholders in order to address specific health and safety issues arising also from workers’ reports, share occupational health and safety initiatives and start the process of consulting RLS on risk assessment. Therefore, Joint Bodies meetings are convened whenever the need arises and not according to a pre-established schedule.



Over the years, Poste Italiane has defined a multi-year plan for the Company-wide adoption of health and safety certifications, which in 2021, led to the completion of the certification process for all of the Parent Company's production units. In 2022, Occupational Health and Safety Management Systems compliant with the UNI ISO 45001 standard were kept active, with related certifications, in all the production units of the Parent Company, according to the plans and strategic objectives set. Group companies also adopt OHS Management Systems certified by accredited certification bodies. As of 2022, the main Group companies certified according to the UNI ISO 45001 standard are: EGI SpA, PosteVita SpA, PosteAssicura SpA, SDA SpA, Postel SpA, Poste Air Cargo Srl, Bancoposta Fondi SpA, Postepay SpA. Poste Italiane's goal is to maintain this certification in all of the production units of Poste Italiane SpA and of Group Companies.

Health and Safety at Work audits and controls are systematically carried out 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 2022 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;
- operational checks and raising awareness of the health and safety of personnel working at sites, in particular operational checks at Delivery Centres and Post Offices aimed at assessing the overall state of safety in terms of infrastructure, systems and working processes.

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 performance and targets set are constantly monitored and reviewed at the planned review of adopted OHS Management Systems.

Finally, it should be noted that with the end of the state of health emergency on 31 March 2022 and the improvement in the epidemiological development, mainly linked to the considerable reduction in the expected damage in the event of contagion, a reshaping of the anti-contagion measures was implemented during 2022. Specifically, the protective measures adopted according to the actual level of risk, the regulatory framework in force from time to time and the indications of the Health Authority, were as follows:

- information to external personnel (maintenance staff, consultants, customers, etc.) and employees about the risk containment measures adopted by the Company and the relevant rules of conduct;

- distribution, at such intervals as to ensure their availability at all times, of respiratory protective masks for all workers;
- publication of safety procedures and operating instructions for the management of symptomatic cases and Covid-19 cases in the Company;
- communication campaigns aimed at continuously raising staff awareness on the adoption of correct behaviour aimed at preventing the risk of infection.

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.

With specific reference to the logistics and delivery sector, which is the sector most exposed to road traffic risks, Poste Italiane implemented several initiatives, including the constant risk assessment and updating of risk assessment documents (DVR) following the reorganisations in the delivery sector and the measures taken to combat Covid-19.

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.

In order to share information on the accident phenomenon with the territory, daily, weekly and monthly reports were produced centrally. Furthermore, in order to adequately analyse the phenomenon and share best practices, it is emphasised that there is a monthly Security Committee with all Macro Logistics Areas (MAL) coordinated by the central Security and Infrastructure structure.

With regard to the reduction of accident events, the Group has replaced all equipment that is a source of potential accidents with new equipment, such as Automated guided vehicles instead of man-mounted trucks 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.

## Security in Logistics







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# Diversity and inclusion

The value of diversity for an inclusive corporate culture.

- **Equal Salary certification** obtained for **pay equity policy**
- **ISO 30415** certification obtained for “**HRM – Diversity & Inclusion**”
- New **Support for Active Parenting Policy** approved
- **46%** of middle and senior **women managers**

## &lt; 7.11 Diversity and inclusion

**DIVERSITY AND INCLUSION FOR US:**  
scan the QR code and watch the video

## MAIN RELATED TYPES OF CAPITAL



## IMPLEMENTATION STATUS

## MAIN TYPES OF CAPITAL

OBJECTIVES	INDICATOR (KPI)	TARGET	BASELINE	2022	OUTCOME
Strengthen the presence of women in management succession plans, instrumental to increasing the presence of women in positions of greater responsibility in the Group	• % of female succession candidates	• 45% by 2024	2021	• 36.4%	
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	• No. of awareness-raising campaigns • No. of editions within the framework of initiatives for the younger generation • % role models	• 2 by 2023 • 10 by 2023 • +50% by 2023	2021	• 1 • 18 • +110%	
Increasing the involvement of women in the mentoring programme	• % female mentees • % female mentors	• + 65% by 2022 • + 35% by 2022	2021	• 72% • 47%	
Promote intergenerational matching between mentor and mentee within the mentoring programme	• % matching of mixed-generation pairs	• 40% by 2024	2022	NEW	
Increase the involvement of women in coaching programmes	• % of female coaches	• +65% by 2022	2021	• 159%	
Strengthen caring measures towards colleagues with chronic diseases and/or serious pathologies through corporate awareness plans and the availability of services aimed at inclusion	• % of the detected target reached by the caring measures identified	• 40% by 2022	2019	• 85%	
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	• % of the detected target reached by the caring measures identified	• 40% by 2024	2022	NEW	
Implementation of campaigns and awareness-raising actions on issues of labour inclusion and LGBTQ+ rights	• No. of awareness-raising campaigns and/or welfare in support of social parenting	• 2 by 2023	2021	• 1	
Specific employer branding on diversity and inclusion, in synergy with universities	• No. of universities involved	• 4 by 2022	2019	• 6	
Carry out training and awareness actions on the protection of human rights	• % of the company workforce	• 60% by 2022	2019	• 77.4%	
Support on the company intranet for diversity and inclusion themes and the related commitment of the Group	• No. of dedicated editorial plans (e.g. new "D&I" column) • No. of serial podcasts with progressive publication addressed to all employees	• 2 by 2022 • 1 by 2022	2021	• 74 published news items • One podcast series "In other words" created with the first three releases	
Take pervasive actions to implement the diversity and inclusion strategy through envisioning workshops, meetings and thematic awareness-raising events integrated into work processes and relations	• No. of initiatives (workshops, D&I meetings, thematic events)	• 28 by 2024	2021	• 17	
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	• Active Parenting Policy formalised • No. of interventions carried out	• Active Parenting Policy formalised by 2023 • 2 by 2023	2021	• Publication of the Active Parenting Policy • 1	
Create an ad hoc diversity and inclusion community to spread a growing sensitivity and awareness of the value of diversity and inclusion at all levels of the organisation	• % of company population involved	• 100% by 2022	2020	• A community with 40 supporters was created	
Promote the creation of Employee Resource Groups (ERGs)	• No. of Employee Resource Groups (ERGs)	• 2 by 2024	2022	NEW	
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	• No. of regional cases to which the pilot project was extended	• 2 by 2023	2021	• Launch of the nationwide pilot project	
Set up an editorial content plan to support women's employment and leadership focused on Goal 5 of the 2030 Agenda, which is also aligned with global events and initiatives on the topic	• No. of integrated, multi-channel editorial plans	• 1 by 2022	2021	• One editorial plan with eight published news items	
Equal Salary Certification	• Certification	• Obtaining certification by 2022	2020	• Obtained	
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	• No. of engagement and training plans • No. of programmes with social value	• 1 by 2024 • 3 by 2024	2021	• One engagement plan	
Openness to community welfare logic in synergy with local communities, providing corporate welfare services to support the vulnerabilities of employees and citizenship	• No. of initiatives/services activated	• 2 by 2024	2021	• Planning commenced for redevelopment of company property	
Increase the implementation of initiatives that use inclusive formats to facilitate accessibility for people with disabilities or special educational needs	• No. of educational formats for Group employees	• 1 by 2024	2022	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 is aware of the key role it can play in promoting the principles of sustainable development, given its great importance as a Company within the Italian economic and social context. Therefore, the Group has adopted a Code of Ethics, supported by several 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 Active Parenting Support Policy. Moreover, in compliance with the international principles concerning the protection and safeguard of Human Rights, in addition to following the above-mentioned corporate policies and guidelines, Poste Italiane is committed to ensuring the well-being of all the people working in the Company or collaborating with it, and to improving the conditions of the community in which it operates, by playing an active role in the dissemination of the principles laid down in the regulations and international standards.

Poste Italiane is committed to assuming increasing responsibility for the protection of Human Rights, both in the interest of the people who work with the Company and those in the community in which it operates

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 the protection of the rights of all those who are included in the Group's value chain, and who belong to specific categories such as: own workers, women, children, indigenous people, migrants, external workers, local communities, suppliers and partners, customers, people with disabilities, and people who are victims of any form of discrimination and violence. The Policy sets out the Company's commitment to align company processes with the main international standards and best practices, and to promote these principles and periodically report on the performance achieved, in terms of management and monitoring methods, identified risks and management and mitigation actions. The Policy also regulates various aspects concerning the prevention and condemnation of all forms of discrimination or violence, including forced or child labour and human trafficking, and promotes freedom of association, the right to collective bargaining and fair remuneration, with the aim of supporting personal well-being.

Poste Italiane considers it essential to encourage and develop a business culture based on respect for and appreciation of diversity in all its forms and manifestations, at all levels of the organisation. Managing diversity in an inclusive manner not only creates shared social values, but also provides a competitive advantage for the entire Group and intensifies people's engagement and commitment to the Company's goals.

### MAIN RELATED TYPES OF CAPITAL



The projects and initiatives promoted by Poste Italiane in order to ensure social inclusion and enhance diversity are part of a broader strategic framework, which is aimed at developing balanced organisational models that favour communication and the emergence of personal characteristics, while protecting individual vulnerability. The path taken by the Group is geared towards evolving from an approach focused only on the protection and integration of diversity, towards a more proactive strategy aimed at overcoming barriers and solving the factors that hinder the employment inclusion of individuals. In fact, the Company's mission and strategy on diversity and inclusion are defined with the aim of creating a collaborative, supportive and open working environment that allows the Group to maximise the resulting opportunities, both for the well-being of the Company and for competitive advantage in the business.

The Group has enshrined its guiding principles and values through the elaboration and formalisation by the Board of Directors of a Diversity & Inclusion Policy, through which the governing body defines measurable, 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 corporate population. Thanks to this process, numerous projects were proposed on topics such as development and opportunity, open communication, inclusion and care, participation and dialogue, culture and awareness. The Policy is available online on the company website, and is communicated to all employees through specific training sessions, based on roles and responsibilities. With reference to updating, the Policy is 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 embarked on a path with more than 10 projects to support gender equality and remove obstacles to women's professional development. In particular, the Group contemplates the strengthening of governance systems for career progression, the design of composite focus groups aimed at assessing the main conscious or unconscious biases that influence inclusive leadership, improving work life adjustment mechanisms in terms of reconciling and sharing family responsibilities, and adhering to the path for the prestigious international Equal Salary certification, achieved in November 2022, as per the ESG plan, further sanctioning and confirming the Group's commitment to pay equity between women and men within the organisation.

The Group broadened its focus on issues concerning sexual orientation and the prevention of gender harassment in the workplace by extending an information programme to raise awareness among all employees. The aim is to provide an overview of gender harassment and its impacts on individuals and organisations, to promote a culture of respect in the workplace.

## Generations

Poste Italiane promotes integrated strategies to foster dialogue and exchange between the different generations within the Company, taking into account demographic perspectives and their effects on turnover. The Group promotes the contamination of different social, cultural and professional experiences, as well as the different skills, knowledge and competences typical of each generation. This openness to complementarity and diversity encourages the interchange of experiences to support inclusion and employment opportunities.

## Disability/Vulnerability

The Company has undertaken awareness-raising initiatives at a collective level to preventively recognise situations of vulnerability and facilitate job placement and quality of work for people 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 into account situations of fragility.

## Interculturality/Inclusive culture

Poste Italiane has designed multi-year initiatives aimed at promoting interaction between different cultures and experiences through envisioning programmes and the dissemination of knowledge in organisational and managerial environments, with the objective of promoting a cross-cultural vision open to multi-level confrontation and geared to organisational and social cooperation.

The Diversity & Inclusion programmes, in line with the provisions of the Company Policy, are monitored using indicators developed annually in collaboration with the Group's Sustainable Development, Risk and Compliance function in the Corporate Affairs area, in line with the evolutionary guidelines of the corporate sustainability plan.

Poste Italiane maintains, in continuity with the previous year, its Diversity & Inclusion Plan, drawn up following an active participation process which envisaged the establishment of cross-functional working groups made up of professionals and middle-managers who operated according to a bottom-up logic, elaborating project proposals that have been evaluated on the basis of two variables, the qualitative-quantitative impact on the company population and the speed of implementation. The Plan is aimed at generating 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-raising campaigns, the Group promotes engagement, listening and trust, the creation of inclusive working environments, and in general, the improvement of the corporate organisation through the enhancement of differences.

Moreover, to further spread knowledge and understanding of the importance of each individual within the Company and of the initiatives supporting diversity, and to promote the contamination of different cultures and experiences in order to trigger participatory processes characterised by the co-presence of a set of different cultures among people, a special "Diversity & Inclusion" section is available on the NoidiPoste corporate intranet, containing news, documents and multimedia material. Finally, a series of podcasts entitled "In Other Words" was launched, which aims to focus on listening in the telling of stories of diversity and inclusion.

The Company's commitment to promoting an inclusive culture is a cultural journey that can enrich the experience of staff throughout their working careers, with both individual and collective benefits. To this end, the Company works constantly and systematically, implementing synergistic actions to develop analysis models and indicators consistent with people management processes. This system allows management to evaluate scenarios, objectives and metrics in a transparent and visible manner both within the organisation and for external stakeholders.

### Smart Café

#### Thematic paths on interculturality



To underline the Group's commitment to promoting initiatives for development and integration of the management community, Poste Italiane is carrying out the "Smart Café" project, which consists of conversations dedicated to managers with the aim of fostering dialogue with a high level of interculturality at work and beyond.

These conversations focus on thematic paths that make different cultures and knowledge visible, also considering generational differences. Using an innovative mode of communication and relationship, the project aims to create an intercultural space for the exchange of contributions, points of view and social, cultural and work experiences.

In particular, with the special edition of "Smart Café" dedicated to generational confrontation, the contamination of different social, cultural and work experiences is promoted to strengthen the alliance at work between the different generations.

In 2022, the Company was certified according to the standard ISO 30415:2021 Human resource management - Diversity and Inclusion for its ability to integrate the principles of diversity and inclusion in all processes of design, direction, control, coordination and delivery of postal, financial, insurance and digital services. The Group is the first large company in the FTSE MIB certified according to the Uni ISO 30415:2021 standard, an acknowledgement that once again confirms the central role that Poste Italiane assigns to the principles of sustainable development.

The conscious management of diversity in an inclusive key, in addition to creating shared social value, determines a competitive advantage for the entire Group and is functional to promoting people's engagement with respect to corporate objectives. In fact, obtaining the ISO 30415 certification represents a further merit of the Company, which is added to other important recognitions obtained by Poste Italiane.

## Poste Italiane obtains the Acknowledgement Diversity and Inclusion

During 2022, the first 8 innovation workshops were also conducted for territorial operational heads, who, with the methodology of polarity thinking, concretely tackled the issues related to one of the four aspects that make up the Diversity & Inclusion Policy, putting themselves into play concretely and drawing up their own personal action plan.

During the year, all Diversity & Inclusion activities were carefully monitored and evaluated through a feedback system to ensure continuous improvement and to enable participants to co-design subsequent initiatives. The Company recognised the importance of increasingly integrating the social, relational and process dimensions of Diversity & Inclusion into its strategic vision. To this end, a survey was launched in November on the entire company population through the survey "Poste IN Diversity & Inclusion according to you", which aims to gather information on individual and collective knowledge and perception of Diversity & Inclusion issues, as well as the Company's commitment in this area. Specifically, employees' perceptions on the following different areas were requested:

- Diversity & Inclusion knowledge of respondents;
- Knowledge of the four areas of D&I;
- D&I attitudes;
- Ratings and opinions on D&I in the Company;
- Knowledge and opinions of D&I projects and policies in Poste Italiane.

The survey was carried out in cooperation with "Work Wide Women", and was disseminated online via the company intranet, official news, TG Poste and the newsletter.

In order to prevent any possible negative impact on the corporate population to whom the initiatives are addressed, all events are publicised, enhanced and communicated on the internal website, so that the corporate action in this area can be made known and the population can participate. In addition, feedback is systematically provided to employee comments and reports on the company intranet community in order to ensure timely clarity of information and offer contextualisation elements useful for participation and contribution to the collection of any aspects of process improvement.

The main actions aimed at promoting Diversity & Inclusion are overseen in the Human Resources and Industrial Relations area through the People Care and Diversity Management function, set up in 2019, within which a contact person

operates with the role of promoting the implementation of the project initiatives envisaged in the Diversity & Inclusion Plan, also taking care of programme management activities for cross-functional projects. To support these initiatives, a budget defined on the basis of annual planning is allocated. Generally speaking, Diversity & Inclusion projects and initiatives are managed by internal databases through dedicated company systems for mapping participants, reporting and monitoring, as well as through the company intranet.

In order to ensure alignment with market trends and best practices, the HR Research Centre continued its activities in 2022, participating in inter-company round tables, also exchanging views with associations and institutions to generate new opportunities, visions and enabling orientations with respect to corporate objectives. The Centre also provides selected content, organised in thematic areas presented in an innovative editorial manner, using the dedicated online site, available to all employees in Human Resources and Organisation. The user-friendly platform encourages the exchange of information, the socialisation of experiences and the broad sharing of content and approaches in support of inclusive culture and people's well-being in general.

In order to act on the cultural awareness of the context in which Poste Italiane carries out its activities, professional figures called "Diversity and Inclusion Supporters" have also been identified, who operate in the Human Resources area throughout the country, with the aim of supporting and disseminating corporate initiatives and gathering suggestions and ideas from staff in the relevant areas, always in a bottom-up logic of collaboration and expression of needs, involving all corporate entities. The supporters were also included in a training course with the Palo Alto School to acquire the techniques of animation and management of corporate communities.

A wide range of initiatives promoted by the Company translate the principles of inclusion and equal opportunities into action. Fundamental to this was the drafting of the "Framework agreement on harassment and violence in the workplace", with which the Group aims to maintain a working environment in which respect and dignity are guaranteed for each person. Poste Italiane also cooperates with the two main advocacy organisations operating at national level, 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, providing many of them with training opportunities, job placement

and in some cases accommodation. The principle of equal career development opportunities is applied by ensuring that personnel selection is carried out on the basis of professionalism and skills in accordance with the Company's needs, regardless of personal characteristics such as age, gender, sexual orientation, disability, ethnicity, nationality, political opinions and religious beliefs.

10

lodgings were made available  
for **40** women victims of violence  
throughout the country

There are also many good Company practices supporting maternity and paternity. In cooperation with "Valore D", an association of companies promoting diversity, talent and female leadership, Poste Italiane has committed to managerial training to promote the professional growth of its female employees. Poste Italiane promotes activities to raise awareness of gender-based violence through awareness-raising initiatives and constantly monitors the impact of such activities on the territory, in accordance with the Memorandum of Understanding entered into with the Ministry of Equal Opportunities. To this end, institutional messages of awareness-raising on these issues are visible on the screens of Postamat ATMs. In addition, the counter monitors also provide useful information such as the freephone number 1522 and the app for preventing and combating violence, including stalking and mistreatment.

Poste Italiane pays particular attention to every aspect that can increasingly reconcile work and family life, as well as to instances of violence against women. Faced with the emergency and the difficult consequences of the pandemic on the condition of women victims of violence, and given the availability of its own residential accommodation, the Group promoted the project "Housing autonomy for women victims of violence". The project, introduced in 2021, is in continuity with the project aimed at the labour inclusion of women victims of violence and their job placement launched in 2019. Poste Italiane has confirmed its commitment to these issues by fully funding the initiative for the second year running, demonstrating its leadership among companies on the Italian social sustainability scene. An important phase of the project was completed in March 2022, with the identification of 10 housing units belonging to the Company's real estate throughout the country to be reserved for the independent living of women and their daughters and minor children who find themselves in a particularly difficult economic situation, for a maximum of about 40 women per year, and for a total of 200 pathways to be followed over the entire duration of the project. Nine regions were involved, namely the provinces of Vercelli, Brescia, Padua, Bologna, Macerata, Rome, Bari, Naples, Salerno and Messina. 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 D.i.Re (Donne in Rete) and Differenza Donna, Third Sector organisations

working to combat gender-based violence, widely present throughout the country, with the task of selecting women and following them along the entire path of housing autonomy.

Moreover, through the "Mortgage loan instalment suspension", Poste Italiane's commitment to the inclusion of women victims of violence through the implementation of the memorandum of understanding between ABI and the Trade Unions, to facilitate the repayment of loans by women victims of gender-based violence, was confirmed for 2022 as well. In addition, the Company signed the three-year Protocol on the implementation of policies on gender equality, equal opportunities and combating gender-based violence with the Ministry for Equal Opportunities and the Family on 13 April 2022, confirming its commitment within a broader institutional framework. The agreement signed on 25 November 2019 between ABI and the Trade Unions, which provides for suspending, where required, the payment of the capital portion of the instalments of mortgages taken out by women victims of gender-based violence who are on certified protection pathways and are in economic difficulty, was recently extended until 25 November 2023. Therefore, Poste Italiane, in continuity with the actions already undertaken, in agreement with the lending banks Deutsche Bank SpA and Intesa Sanpaolo SpA, has implemented the agreement with ABI and offers women the possibility of requesting the suspension of the payment of the principal amount of mortgage loans, with the corresponding extension of the amortisation plan, for a period not exceeding 18 months and in any case not exceeding the duration of the "protection path".

In relation to the Company's commitment to combating gender-based violence and the Housing Autonomy project, Poste Italiane held a webinar dedicated to project contact persons and Human Resources Managers. The aim of the initiative was to raise awareness on the topic of gender-based harassment and violence and the main tools to recognise the phenomenon and prevent it, while offering an overview of programmes for the employment and housing inclusion of women victims of violence.

Furthermore, during 2022, in order to strengthen the Group's commitment to its diversity and inclusion policies, an intervention plan has been identified in the area of affective orientation and gender identity, divided into the following areas, for which four working tables have been set up:

- Active parenthood: concerns the regulation of the employment relationship and in particular the institutes pertaining to parenthood and their application to homogeneous families. This is an area characterised by an important legislative intervention such as the Cirinnà Law no. 76 of 2016, which introduced same-sex civil unions into the Italian legal system;
- Change of corporate culture: focused on training and informing staff at all levels of the organisation to raise the level of awareness of each employee and overcome prejudices that often condition people's behaviour;
- Gender transition: the topic has important impacts in the corporate area in various aspects, from the initial phase of finding employment to dress codes, from management support for bosses and employees to identification docu-



ments during the transition process, to the rules of use of company premises (e.g. changing rooms and toilets). A further area for exploration is the possible support interventions that the Supplementary Health Fund can provide to accompany the transition process;

- **LGBTQI+ Policy:** drafting of a company policy that integrates the principles, values and rules that the Company intends to adopt with regard to standards of behaviour and internal organisational processes, also making a structured synthesis of the results emerging from the other working tables.

Poste Italiane considers to be of primary importance, and which it promotes and pursues also within its governing bodies. For this reason, the Group has adopted a “Diversity Policy for Management and Supervisory Bodies”, which is the document with which the Company declares its responsibility to adopt a perspective of this value

The Policy establishes the criteria for a qualitative and quantitative composition of the Board of Directors functional to the effective performance of the tasks and responsibilities entrusted to it, through the presence of individuals who ensure a sufficient degree of diversity of perspectives and skills, which are crucial for a good understanding of current affairs and the risks and opportunities associated with running the Company's business over the long term.

The Policy defines the criteria for selecting the members of the Board of Directors according to their responsibilities and tasks, as well as ensuring the presence of people with differ-

# 44.4%

of the **BoD** of the Parent Company is made up of **women**

ent perspectives and competences, who are able to manage the risks and opportunities related to the Company's business in the long term. Through the Policy, the Group is able to ensure a qualitative composition of the Board of Directors that is optimal for the effective performance of its functions. In defining said criteria, the Board of Directors considered various factors, such as the nature and complexity of the Company's business, the social and environmental context in which the Company operates, the experience gained by the Board itself with regard to the activities and functioning methods of the Board and of the internal Board Committees, as well as the results of the self-assessment processes carried out in recent years.

Finally, while respecting the requirements of professionalism, honour and independence, as well as situations of incompatibility and/or disqualification provided for by law, regulations and the By-laws, the Policy also takes into account age and seniority in office, gender, geographical origin and international experience. In addition, the Policy recommends specific professional expertise in the areas of finance or contribution policy, accounting and risk management, as well as adequate knowledge of the sector in which the Company operates in order to assess the associated risks.

The Company has started a partnership with “Parks - Free and Equal”, a non-profit association whose members are exclusively employers, whose aim is to help member companies, organisations and institutions understand the business potential of developing diversity-friendly strategies and best practices, in order to create inclusive and respectful workplaces for all employees, and in particular those belonging to the LGBTQIA+ community.

Poste Italiane promotes policies of inclusion to protect diversity, and the collaboration with Parks allows this path to be further strengthened. Awareness-raising initiatives were implemented to value the richness of plurality, accompaniment in cases of gender transition, counselling in the definition of training and communication programmes, and evolutionary integration in work processes and relations.

The collaboration thus aims to strengthen the cultural positioning of the Company in its diversity management path.

In this context, Poste Italiane has undertaken a series of initiatives to promote an inclusive working environment that is attentive to the needs of people according to their different identities. These initiatives include the production of an episode of the company podcast “In other words”, available on the company intranet and the NoidiPoste app, in which the Company emphasises the importance of creating an inclusive working environment that takes into account the different identities of people and their needs. Feeling welcome and included has a significant impact on the ability to relate and work effectively, crucial factors for an organisation that cares about the well-being of people both as individuals and as a community.

## Parks – Liberi e Uguali

Gender identity  
and coexistence of  
differences



**46%**

of **female** middle and senior managers in **2022**

The Board of Directors, thanks to the assistance of an external company specialised in the sector, annually carries out the Board Review, a self-assessment in line with a procedure that

involves conducting interviews, also making use of specific questionnaires, with each director, statutory auditor and with the Secretary of the Board of Directors.

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 2022 showed that the quality profile of the administrative body in terms of skills, professionalism, experience and diversity, in its various meanings, is appropriate.

### Poste Italiane's D&I strategy "The Hidden Potential of Inclusion"



Poste Italiane was cited as one of the "inspirational cases" within the research report entitled 'The Hidden Potential of Inclusion', conducted by Lundquist.

The research was promoted with the aim of creating a space for dialogue and pragmatic comparison in order to build paths of transformation in the area of Diversity and inclusion. Therefore, the Poste Italiane Group was taken as a positive example for having adopted a strategy based on objectives and measurability of the same, with the following reason: "Poste Italiane, through 21 targets set in 2021 and scheduled to be reached in 2024, shows what it wants to achieve and when. A well-set goal is halfway achieved."

## Equal career development opportunities

NFS

Human Resources management is a priority for the Company, which is committed to ensuring respect for equal opportunities by recognising the value of each individual, and to reducing situations of individual fragility. In fact, as regulated in the Code of Ethics, the Group promotes the management and fair growth of intellectual potential, in line with the criteria of merit and the results achieved, guaranteeing equal treatment and condemning any form of discrimination. In accordance with this principle, the selection of the corporate population is based on individual skills and professionalism, in line with the Group's needs. The selection process is carried out irrespective of age, gender, sexual orientation, disability, ethnicity, nationality, political opinions and religious beliefs, which are not evaluation criteria, in accordance with the principle of impartiality expressed by the Group.

The development and enhancement of people's distinctive skills, in all their forms and manifestations, at all levels of the organisation, are key factors in supporting the growth of the Group's business. Poste Italiane adopts an approach aimed at the widest involvement of employees, enhancing their skills throughout the value chain, in order to gain a competitive advantage in the market and to generate shared social value.

### MAIN RELATED TYPES OF CAPITAL



By maintaining constant dialogue with its employees and containing all forms of discrimination, Poste Italiane is able to promote the well-being of each individual in the Company

In line 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 supporting 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 fostering the creation of a working environment that reflects the values of inclusion and pluralism, offering equal opportunities to all people and valuing individual skills. Encouraging and developing a corporate culture based on respect for and appreciation of diversity is also a prerequisite to develop remuneration systems functional to enhancing the skills of each individual, which can guarantee optimal work performance and thus contribute to the creation of lasting shared value.

Poste Italiane continues to implement what has been set out in the Memorandum of Understanding with the Ministry of Equal Opportunities, in line with its commitment to enhance

diversity and to create a joint and effective action in communicating, raising awareness and disseminating the following issues:

- 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

In line with previous years, the Lifeed initiative, launched in 2015 under the name “MAAM”, “Maternity As A Master”, which supports family reconciliation, with a special focus on women’s participation in the world of work, continued in 2022. The programme, which can be used digitally, is aimed at enhancing parenting skills, which are also particularly useful when returning to work, in order to become more aware of the changes and skills acquired through the experience of caring for a child.

Registration is open to both women on maternity leave and new parents of children from 0 to 3 years of age, as well as managers involved with their employees, and from this year also parents of children up to the age of 18. During 2022, the programme involved the participation of about 900 users, who had the opportunity to enhance the skills acquired during their parenting experience.

The initiative is also supported by an online community that allows mothers and fathers to discuss parenting and the path they have taken, integrating their different experiences within a network of participants from various companies, sharing their learning, training and skills development process in a protected and stimulating environment.

In addition, a pilot edition of the MultiMe®Finder programme, a new tool offered by Lifeed in cooperation with the Kellogg School of Management at Northwestern University in Chicago, will be launched in 2022. This programme allows to explore and discover own skills and roles in different life experiences, both personal and professional. The initiative involved over 350 employees and extended not only to parents, but also to all people interested in improving their awareness and developing their skills for personal and professional growth. In fact, the programme aims to increase awareness of the roles played in different life experiences, enhancing the skills acquired as opportunities for personal growth, also in the work context.

The Group 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.

~900

employees participated in the **Lifeed** project in **2022**

In addition, an Active Parenting Support Policy was approved in 2022, with the aim of creating a customised support programme based on the professional profile and personal needs of employees, as well as encapsulating the Company’s programmes and regulations to support staff with children.

Through the Active Parenthood Support Policy, in line with ESG objectives, Poste Italiane strengthens its commitment to enhancing gender balance and overcoming stereotypes, discrimination and prejudice in the workplace, in order to promote conditions, measures and paths aimed at the individual and organisational well-being of people, focusing on paths to support the role of parents and actions to support the condition of women.

This programme consists of pre- and post-work development paths, the use of platforms to improve the soft skills acquired through parenthood, and the possibility of participating in refresher and coaching programmes to facilitate, if necessary, a 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 the sharing of care burdens in order to strengthen work-life balance mechanisms and measures to promote culturally ready contexts to accommodate these needs.

These initiatives are driven by increasingly innovative ways and perspectives, which aim to improve the quality of life of employees and promote a sustainable and fair working environment.

Within the actions envisaged by the Active Parenting Support Policy is also the launch of the “Mums At Work” project, which aims to offer company coaching programmes to support women returning from maternity leave, in order to facilitate the achievement of a work-life balance. In particular, new mothers are supported for about four months by in-house coaches who help employees refocus their goals and reconcile their new family needs with their return to their jobs at the Company.



The Company, in addition to guaranteeing the use of breastfeeding time off in accordance with the regulations in force, recognises the possibility for working mothers to be assigned during the first year of their child's age to their municipality of habitual residence or to a neighbouring municipality, provided that it is within their own Macro Territorial Area, without preju-

dice to their duties. In addition, with regard to tasks that can be remote, from 2022, the possibility of increasing the number of days on which work can be performed in smart working has been introduced for parents of children under three years of age.

## Developing women's leadership

Poste Italiane's corporate identity has always been characterised by a strong female presence and a working environment free from all forms of discrimination and prejudice so that everyone can express themselves to the full, in accordance with the objectives shared in the Diversity and Inclusion Policy.

In the area of support for gender equality, numerous initiatives were promoted, starting with the partnership with "Valore D", and ending with the Equal Salary certification and the valorisation of STEM skills through the inclusion of young women with this course of study. These initiatives represent an important chapter 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. Adhering to the Equal Salary certification pathway has enabled the Company to verify pay equity between women and men within its organisation,

enriching innovation processes, improving the Company's reputation and image, and offering maximum transparency with respect to 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, determines 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 awards obtained by Poste Italiane, including global leadership in gender equality according to Bloomberg's Gender-Equality Index and entry into the Top 100 global rankings on gender equality compiled by Equileap.

The recognitions obtained by Poste Italiane for its policies of attention to gender diversity demonstrate 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. For this reason, Poste Italiane collaborated with Consel-Consorzio Elis to participate in the two-year "School4Life 2.0" project, aimed at fostering a structured connection between schools and businesses and preventing school drop-outs.

Poste Italiane has also implemented programmes to strengthen the alliance between the corporate world and the world of education, with initiatives for orientation and dialogue between generations. 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 in the future also trade masters are the roles that the company experts identified play to inspire young people and guide them in their study and work choices, encourage the expression of their critical thinking, transfer trade-related skills and bring them closer to the complex and ever-changing world of work. In fact, Poste Italiane continued its collaboration with "Valore D" for the realisation of orientation programmes aimed at encouraging girls and boys of school age to follow their aspirations, free from gender conditioning, through dialogue with internal role models, in order to actively affect common stereotypes that accompany the younger generations.

Poste Italiane, as part of its actions in support of intergenerational exchange within the organisation, has promoted 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.

The survey analysed, among other aspects, the frequency and quality of relations between employees of different generations and gathered feedback and suggestions for improving collaboration between them. Numerous employees with a wide range of skills, including tellers, delivery personnel and staff members, participated in the survey. The results showed that most of the participants regularly have the opportunity to work with people from different generations and believe that generational differences represent an added value.

The research also provided relevant insights to develop further initiatives to foster dialogue and exchange between generations in labour relations, such as the experimental project “The value of experience”, job training between pairs of employees of different generations to compare techniques, approaches and skills acted upon.

## “Generazioni connesse” Enhancing intergenerational collaboration



## Enhancement of disabled personnel

Consistent with the objective of enhancing diversity and social inclusion, the LIS Project continues at Poste Italiane in a number of Post Offices nationwide. This project aims to set up a desk offering services in sign language to customers with hearing disabilities. The customer is assisted by staff able to express themselves in Italian sign language for normal counter activities, such as paying bills and sending mail and parcels. Currently, the initiative involves 10 Post Offices with a total of 11 resources in the six Macro Territorial Areas. In September 2022, on the occasion of the International Day of Sign Language, Poste Italiane broadcast the webinar “Digital

Citizens”, which illustrated the essential elements to pay attention to when surfing the web and also provided food for thought to increase digital awareness. The webinar is in addition to the multimedia content available on the Poste Italiane website, created to meet the different needs of users in terms of accessibility and communication methods. In fact, tools with predominantly visual characteristics such as infographics and video briefs, playful-educational narrative elements such as interactive games were created. These initiatives are part of Poste Italiane’s broad programme to offer services and tools accessible to all users.

## Supporting vulnerability

In 2022, Poste Italiane continued its commitment to the “Noi Siamo Qui” (We Are Here) caring initiative, aimed at supporting workers with fragility due to serious illnesses or chronic diseases with dedicated listening actions, work flexibility interventions, and the activation of business coaching paths with an inclusive approach to accompany an effective reintegration into work. The aim is to offer, among other measures, a listening

pathway to identify the main cultural, organisational and management implications of fragility conditions and, at the same time, to spread growing awareness and company proximity on the issue. Among the new services launched for the project target group, the possibility of requesting a second opinion for oncological and cardiovascular diseases was also introduced in cooperation with the Company’s Medical Centre.

In December, Poste Italiane organised the first 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.

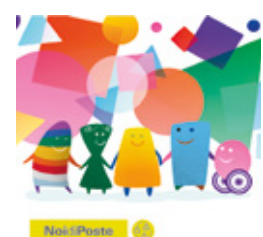
During the event, external guests and employees gave testimonies on the four dimensions of Diversity & Inclusion: Gender, Generations, Vulnerability and Interculturality, offering an immersive experience in diversity.

The event was made accessible to the entire corporate population in streaming, which is also accessible thanks to the presence of LIS interpreters.

In addition, an itinerary was created at the event to raise awareness among families on digital inclusion and the risks involved in building a digital identity.

A feedback questionnaire was also conducted anonymously to employees who attended the corporate event 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, underlining the appreciation of the initiative and the value of the inclusion pathway.

## “Poste Plurale Universale” People at the centre of the inclusion process



In addition, in order to ensure the re-employment of “workers in fragility condition” who were unable to work at the Company’s premises in connection with the health emergency, Poste Italiane continued the Insourcing and Re-employment programme, which started in 2021.

In order to promote the psychological well-being of its employees, a new project has been set up in 2022, which will start in early 2023, a “Listening, Guidance and Support Counter”, whose services include access to a dedicated platform to support people’s mental well-being and offer a concrete response to challenges, changes and vulnerable situations that may arise in daily life. The platform will provide access to a network of selected psychologists and psychotherapists to undertake an accompanying pathway, and will make available various accessible content, such as various scientific tests for the self-assessment of global well-being.

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In 2022, Poste Italiane promoted, for the tenth edition, the initiative dedicated to disabled children and siblings of employees, which includes two summer holiday periods of fifteen days each. Thanks to this initiative, around 40 boys and girls had the opportunity to spend time being entertained and receiving individual assistance from dedicated caregivers, thus fostering an experience of socialisation and full integration, as well as allowing families to benefit from relief in their daily care needs.

For the third consecutive year, Poste Italiane also participated in “4Weeks4Inclusion”, the largest inter-company event in Italy on diversity and inclusion. Over the course of four weeks, the event involved more than 300 partners including companies, universities, associations and non-profit organisations who shared events, in presence and digitally, realising moments open to the public and thousands of social interactions. Through the initiative, the Company realised its own event on the occasion of the “Day against Violence against Women” on 25 November, entitled “Corporate Volunteering in Support of Women Victims of Violence”, to show the continuity of its commitment in this area. This was followed up with a targeted editorial plan on the NoidiPoste corporate intranet. In addition, the Company, already a signatory of the Equal Opportunities Charter, joined the “European Diversity Month”, a thirty-day initiative promoted by the European Commission that aims to raise awareness of the importance of diversity and inclusion in the workplace. The Company participated in the project by making an intercompany video with testimonies of people from different cultures and involved the entire company community in the “Let’s Movie” initiative, through which employees were able to share their preferences on diversity and inclusion, suggesting films and TV series on stories of inclusion and respect for diversity to build a virtual commented and shared list.

As part of the promotion of diversity and inclusion, Poste Italiane further intensified its cultural awareness and training activities, including through six “Diversity Innovation Meetings”, with the aim of exploring the main aspects of diversity, focusing specifically on the issues of gender equality, intergenerational alliance, vulnerabilities, interculturality and inclusive language. During these meetings, start-ups, third sector organisations and institutions were invited to share their experiences and knowledge on promoting inclusion. Following their speeches, the participants divided into working groups and discussed together co-generating ideas to be implemented in our specific reality. The initiative received positive feedback from participants for the effective interactivity and the high level of inspiration of the testimonials.

## Poste Italiane’s support to food collection

Together in the 26<sup>th</sup> edition



Among the solidarity initiatives held during the course of 2022 that saw the participation of Poste Italiane was the twenty-sixth National Food Collection Day, the initiative organised by Banco Alimentare Onlus that allows people to donate part of their grocery shopping to those in need.

The Group provided over 150 Company vehicles to transport the donated foodstuffs and employees responded positively to the solidarity day, participating both as drivers and as volunteers in the supermarkets. In just one day, 6,700 tonnes of food were collected in 11,600 outlets, a sign of trust that testifies to the value of the solidarity initiative as concrete help for the weaker sections of the population.

In December, the first functionalities of a Diversity & Inclusion KPI monitoring dashboard were released. Based on the typical processes of the Human Resources function, it analyses, by organisational function and territory, the trend of the main variables on the four Diversity aspects: gender, generations, disability/vulnerability and interculturality. The dashboard will make it possible to keep track of movement across the four aspects and intervene promptly in the event of out-of-line targets and critical situations. It will be a useful tool to accompany an ongoing and widespread awareness-raising on processes impacting on Diversity & Inclusion dimensions.

In addition, to support the focus on the Corporate Volunteering project, an inspirational streaming event was organised, extended to the entire company population, with the aim of reflecting, through external and internal testimonies, on the meaning and value of the role of a volunteer in the social area and in the Company. The event was an opportunity for colleagues to take a closer look at the activities of Corporate Volunteering and its evolutionary perspectives, with the possibility for everyone to contribute with their own participation to the new social objectives that arise and move also in workplaces and relationships from a social and community welfare perspective.



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**RICCARDO GUASCO**  
Illustrator





# Creating value for the country

Helping Italy recover.

- **Financial and digital education and inclusion projects** for citizens, customers and businesses
- **Certification of 100%** of the Group's **financial consultants** in accordance with **ISO 22222**
- **70.000** participants to the **Edufin events**
- **42%** of investments for **well-being** and **social inclusion**

## < 7.12 Creating value for the country

### MAIN RELATED TYPES OF CAPITAL



**CREATING VALUE FOR THE COUNTRY FOR US:**  
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IMPLEMENTATION  
STATUS 2022

MAIN TYPES  
OF CAPITAL

	OBJECTIVES	INDICATOR (KPI)	TARGET	BASELINE	2022	OUTCOME
	<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>	• 2026	2022	NEW	
	<b>Increase the inclusiveness and sustainability of financial education activities through the implementation of a comprehensive Edufin Events Plan</b>	<ul style="list-style-type: none"> <li>No. of basic sequence events</li> <li>No. of themed web sequence conferences</li> </ul>	<ul style="list-style-type: none"> <li>• 134 by 2022</li> <li>• 9 by 2022</li> </ul>	2021	<ul style="list-style-type: none"> <li>• Around 70,000 participants</li> </ul>	
	<b>Increase people's knowledge of new delivery and logistics models and digital issues through webinars dedicated to the individual macro areas and also accessible to people with hearing disabilities</b>	<ul style="list-style-type: none"> <li>No. of webinar sessions held on new delivery and logistics models with sign language translator and subtitles</li> <li>No. of webinar sessions held on digital with sign language translator and subtitles</li> </ul>	<ul style="list-style-type: none"> <li>• 6 by 2022</li> <li>• 6 by 2022</li> </ul>	2021	<ul style="list-style-type: none"> <li>• 6</li> <li>• 6</li> </ul>	
	<b>Maintaining certification of financial advisory service and the skills of people operating in accordance with the ISO 22222 standard</b>	<ul style="list-style-type: none"> <li>% of ISO 22222 certified financial advisors</li> </ul>	• 100% by 2023	Every year	NEW	
	<b>Increase the Group's support for initiatives in the "well-being and social inclusion" category</b>	<ul style="list-style-type: none"> <li>% of well-being and social inclusion investments</li> </ul>	• +10% by 2022	2019	• +55%	
	<b>Strengthen the Group's action in support of the community through initiatives aimed at promoting sectors related to culture and art, on which the continuation of the pandemic and health restrictions had the most serious impact</b>	<ul style="list-style-type: none"> <li>% of areas covered by initiatives for the promotion of the culture and art sectors</li> </ul>	• +10% by 2022	2021	• +29%	
	<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>	• +10% by 2023	2022	NEW	
	<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	NEW	
	<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>	• 1 by 2023	2022	NEW	
	<b>Increase knowledge of financial education activities</b>	<ul style="list-style-type: none"> <li>No. of events held</li> </ul>	• 30 by 2024	2022	NEW	
	<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	NEW	



Objective achieved/Objective achieved and updated

Objective not achieved

Deadline for achieving the objective that has not yet expired



## Support for the socio-economic development of local communities

NFS

Through the implementation of modernisation and digitalisation processes aimed at increasing the well-being of citizens and the socio-economic development of the territory in which it operates, Poste Italiane pays particular attention to local communities. The Group, committed on a daily basis to the promotion of organic and widespread social inclusion initiatives, sets itself the goal of generating a positive impact in the context in which it is present and, relying on an inclusive approach and constant dialogue with citizens, institutions and Third Sector associations - both local and national - is committed to achieving this goal thanks to the capillarity of its Post Offices and the development of high-quality products and services. In addition, following a continuous process of listening to and reconciling the legitimate interests of the community, the Company pays greater attention to the most vulnerable, who are hindered by particular physical, mental, family, economic, ethnic or social conditions.

Poste Italiane's commitment is aimed at generating a positive impact throughout the country, promoting an inclusive approach and constant dialogue with citizens, in order to protect their well-being and interests in an organic and widespread manner

In order to contribute to the socio-economic development of the territory in which it operates, Poste Italiane affirms its commitment to the territory and the community within its Community Initiatives Policy.

The Policy, which highlights Poste Italiane's attention to the most vulnerable categories of people and the needs of the community, is part of the broader regulatory framework already outlined by documents such as the Code of Ethics, the Group's Integrated Anti-Corruption Policy and the Human Rights Policy. The Policy also describes the main areas of intervention by the Group for the creation of shared value in the long term, which, in line with those described in the Human Rights Policy, concern the integration of the categories most at risk of exclusion through the offer of dedicated products and services, culture and education, economic sustainability and social connection. Through collaboration with central and local governments, the Third Sector and communities, the Company involves its stakeholders by maintaining an ongoing dialogue with them, to meet the needs of the most disadvantaged groups.

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).

### MAIN RELATED TYPES OF CAPITAL



The Group invests for the benefit of the community 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 way in which Poste Italiane grants contributions through sponsorships and donations to partners, entities, associations and institutions operating in the territory is laid down by a specific procedure governing its organisational controls. As stated 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 Company's assessment of the provision of such contributions takes into account the relevance of the initiatives, the reputation of the potential partner and the alignment with the Company's objectives and expected benefits. In order to ensure the performance of activities and monitor sponsorship initiatives, the Company has a specific "Sponsorships and Product Placement" office in Corporate Affairs/Coordination and Support Corporate Affairs and Sponsorships, with a core of dedicated resources. Poste Italiane also adopted a specific "Sponsorships and Donations" procedure, which accurately regulates the process of disbursing contributions to partners, bodies, associations and institutions operating in the territory, defining specific organisational safeguards aimed at avoiding any possible conflict of interest. All requests for sponsorships and donations are evaluated by the Sponsorships and Donations Committee, which is chaired by an external President with high requirements of professionalism, integrity and independence.

Furthermore, in order to proceed with the disbursement of the contribution, an assessment is 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.

During 2022, the Sponsorship and Donations Committee met 10 times, evaluating a total of 291 initiatives, of which 120 had a favourable outcome. In choosing the initiatives to support, preference was given to those with a significant social impact, seeking to strengthen Poste Italiane's presence in the territory, and in particular in the country's peripheral areas. The initiatives supported by Poste Italiane, in the entire country, were selected to pursue two main objectives: increase the Group's support for initiatives in the "welfare and social inclusion" category and strengthen Poste Italiane's intervention in the territory through initiatives aimed at promoting sectors related to Culture and Art on which the continuing pandemic and health restrictions have had the most serious impact.

# 291

socio-cultural initiatives approved by the Sponsorship Committee that met **10** times in **2022**



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 London Benchmarking Group (LBG model), which establishes specific criteria for managing, measuring and reporting on community involvement, according to principles of transparency and participation.

In March 2022, version 8.0 of the "Sponsorships and Donations" procedure was approved to take into account the changes in the acquisition process via the website and for the evaluation of sponsorship initiatives according to the SELECT model, which had already been revised in 2021 in order to strengthen it through more robust media value calculation methods and a standardisation of the qualitative evaluation of initiatives. With the aim of transferring the algorithm and database from Excel to a more powerful software, the model uses the SELECT 2.0 tool, developed in 2021 with the support of the Digital Technology & Operations Function and integrated into Poste Italiane's systems, and fed with quantitative data provided by potential partners on the web platform. In 2022, an online form was also created to guide Sponsees through the sponsorship application process. The platform aims to ensure greater transparency and traceability, to structure and homogenise sponsorship requests from potential partners, and to make quantitative

information on the initiative compulsory, which is useful for the enhancement of the SELECT model.

To help citizens in the Marche region affected by the 2016/2017 earthquake, Poste Italiane has extended until 31 December 2022 the possibility of using the 'Seguimi' (Follow Me) service free of charge. Designed to help citizens affected by catastrophic events, the service is dedicated to all those who have not yet defined their housing situation, and allows them to automatically receive mail from their old address to their new address with validity for correspondence destined both in Italy and abroad. In addition, in December 2022, Poste Italiane helped to support the community living on the island of Ischia, affected by the flood of 26 November 2022, in returning to their daily lives. The Poste Italiane office was a point of reference for the population, as well as a place to meet and gather initial information on the events that took place on the rest of the island. Poste Italiane, which acted in the front line since the day after the flood, has cleared the water and mud from the Post Office in Casamicciola, which was reopened to the public as soon as possible, so that residents could carry out all necessary financial and postal transactions, such as withdrawing pensions. In addition, the Company organised a collection service for undelivered parcels at the Ischia Porto office, to help restore normality after the flood.

## Monitoring Seismic Movements

Poste Italiane in support of the National Institute of Oceanography and Geophysics

Seismic areas such as the North East need constant monitoring of seismic movements. Poste Italiane made itself available to the OGS (the National Institute of Oceanography and Experimental Geophysics) for the installation of seismographs in its buildings, taking care to find the most suitable locations both to ensure careful monitoring and not to disrupt the daily activities of its employees. The Group promptly responded to the Institute's request for seismographs to be installed in various parts of the territory for precise monitoring, making all the buildings used in the area available.

The collaboration included the initial installation of 42 seismographs, of the approximately 100 planned. So that the installation would not interfere with the daily work of the employees and to ensure their safety in the workplace, the seismographs were installed inside the rack, the structure that stores the servers and from which the telephone lines originate.

During 2022, coinciding with the dramatic events related to the humanitarian crisis linked to the outbreak of the conflict in Ukraine, Poste Italiane took the lead in working with institutions to support people in need.

Thanks to the cooperation with the Fire Department of the Ministry of the Interior, Poste Italiane delivered 500 sleeping bags to Ukrainian refugees accommodated in Latvia, and two radiation detectors to the embassies in Prague and Krakow, useful in the event of exposure of the population to radiation.

The Civil Defence also requested support from the Company for the correct and safe provision of a subsistence contribution for refugees: this is a measure that is paid directly to the beneficiary, for a maximum of three months and for a total amount of €900. Poste Italiane also ensured timely reporting of the contributions made. In addition, thanks to the synergy of BP, MP, MIPA and DTO, and with the collaboration of PostePay, the design of the process shared with the Civil Protection and the continuous and constant alignment between all company structures made it possible to activate the disbursement of the contribution in a very short time, so much so that the first payment was made at the end of May, while the engagement of Poste Italiane took place in April. Finally, all the problems presented, related to the tax code and cyrillic writing, were solved promptly. Thanks to the support of Poste Italiane, a total of more than 140,000 payments were made to over 30,000 refugees in 2022.

## Poste alongside institutions

The Company's support for the humanitarian crisis caused by the war in Ukraine



## A New Life for Small Municipalities

Poste Italiane assumes a fundamental role as a link between the country's institutions, territory and services, making available its capillarity on the territory that guarantees the country's quality of life and allows citizens to relate to the largest service distribution network, through its omnichannel offer.

Thanks to the new digital infrastructure connected to the PA, Poste Italiane is fighting the 'desertification' of small towns that have lost more than half of their residents over the past 50 years and now find themselves at risk of depopulation due to factors such as poor job opportunities, transport difficulties and the progressive reduction of services, such as bank counters and Public Administration offices. In this sense, investment in services and infrastructure is of strategic importance as it can affect the quality of life of those who wish to remain in, or return to, small towns.

## Zero

Post Offices closed in 2022



The Group continues to invest in the programme, launched in November 2018, dedicated to supporting the communities of Small Municipalities, in awareness of their fundamental role in the national socio-economic dimension. The project affirms Poste Italiane's desire to establish a solid and active relationship with the territory, in order to promote specific initiatives to support the development and inclusion of under-served territories. In 2022, in continuity with previous years, the Group ensured continuity of service by maintaining an immediate and transparent dialogue with local and central institutions, as well as by involving the public in educational initiatives, from financial to digital education. Poste Italiane took into account the solicitations received from local communities regarding the risk of depopulation and decided to invest in the peripheral net-

work by involving the local authorities, so that they could point out the needs of the territories, in order to systematise 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 Piemonte, the National Union of Municipalities, Communities and Mountain Authorities, entitled "1952-2022 - Walking Together. Entities, Territories, Communities in the Challenges of Ecological Transition and Country Unity". The Assembly, held in Rome on 13 December 2022, was attended by parliamentarians from different parties, who interacted with mayors, local administrators, businesses and university professors to discuss what territories and communities are today.

Finally, Poste Italiane closed in 2022 the experimental phase of the "Smart Letter Box" initiative, which had seen the installation during 2021 of 57 boxes with screens in the cities of Rome, Milan and Turin. By 2022, more than 400 smart boxes will have been installed throughout Italy, 300 of them in small municipalities. The testing phase was also useful to monitor and develop the management of the information collected by the boxes, which through IoT technology are able to detect certain parameters such as temperature, humidity, atmospheric pressure, and the detection of particulate matter and nitrogen dioxide. Through the low-power e-ink screen, both environmental and logistics-related information can be conveyed. In fact, the new boxes make mail collection even more efficient and sustainable: the presence of sensors that check whether or not there is mail inside the box allows post officers to know, by consulting their hand held devices, whether the box needs to be emptied. Therefore, the benefits of the operation of the new cassettes can be found in a reduced environmental impact, since it avoids the passage of the post officer if the cassette is empty, and in increased work efficiency of the post officer himself.

## Poste Italiane in support of local communities

The agreement signed by Poste Italiane and Unione Nazionale Pro Loco d'Italia



The core of the agreement signed by Poste Italiane and the Unione Nazionale Pro Loco d'Italia is the offer of innovative services and products to support the activities of UNPLI Pro Loco organisations. The agreement will enable the approximately 221 Pro Loco organisations in Friuli Venezia Giulia to use the services offered by the Group at advantageous conditions, thus being able to fulfil the new obligations imposed by the Third Sector reform, thanks to digital payment systems including "Codice Postepay" and "Mobile Pos Postepay". Through the "Codice Postepay" service, transactions made by framing a QR code from a smartphone can be accepted through biometric recognition and PostelD entry, without the use of Postamat or prepaid cards. The service can be used by around 29 million Postamat or prepaid card holders, 5 million of whom already have the PostePay app. The "Mobile Pos Postepay" service, on the other hand, allows mobile acceptance of transactions via Mobile POS with payment cards belonging to the circuits for which authorisation has been requested.

The agreement between Poste Italiane and Unione Nazionale Pro Loco d'Italia confirms the Group's central role in supporting not only local businesses, but also Third Sector organisations.

## Poste Italiane at the service of the territory

The new Post Office at the Biomedical Campus in Rome



On 20 April 2022, a new Post Office was opened at the Fondazione Policlinico Universitario Campus Bio-Medico, located at Via Alvaro del Portillo 200, Rome. This is an important achievement for the benefit of the citizens of the neighbourhood: in fact, the facility serves the university campus in Trigoria, at the gates of the Decima Malafede Nature Reserve. The new service made available by Poste Italiane is part of the Campus Bio-Medico "Campus Hub" multi-service hub project development framework and is intended to integrate training, research and care facilities with socially useful public services in compliance with the criteria of innovation and environmental sustainability.

As of 31 December 2022, Poste Italiane has achieved important goals that are part of the Group's broader Strategic Plan, enhancing one of the essential resources for the Company and the country, namely the territory and the communities that inhabit it. With regard to environmental sustainability, Poste Italiane's commitment to achieving carbon neutrality targets by 2030 and thus reducing emissions and the environmental impact generated by its activities is also strengthened in relation to the initiatives undertaken by the Group to support small municipalities. In this regard, the Company aims to offer zero-emission services in 800 small municipalities and 35 historical centres by 2024.

This is the background to the ambitious "Polis Project - Digital Citizenship Service Houses", which through tools such as proximity "Single Points of Contact" aims to trans-

form the 6,933 municipalities with fewer than 15,000 inhabitants, with at least one Post Office, by equipping them with a cutting-edge technological and digital infrastructure that enables the automation of services and the rapid dissemination of new PA digital service. The project represents a significant milestone in the fight against depopulation of small municipalities, also with a view to supporting the country's digital transition, as envisaged by the PNRR (National Recovery and Resilience Plan) and the PNC (National Plan for Complementary Investments). Poste Italiane not only strengthens the relationship with its vast customer base, but also contributes in this way to the streamlining of processes within the public administration. Some 35 million people currently use the physical and virtual counters provided by Poste Italiane and will be able to benefit from the project's advantages.

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 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 “Sportelli Unici” (One-Stop Shops): in the 6,933 municipalities with a population of less than 15,000 inhabitants, equipped with at least one Post Office; the second, “Spazi per l'Italia” (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. Poste Italiane, which has already built 28 Post Offices, plans to start or complete a total of 1,500 sites by 2023.

In particular, with regard to the “Sportelli Unici” 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.

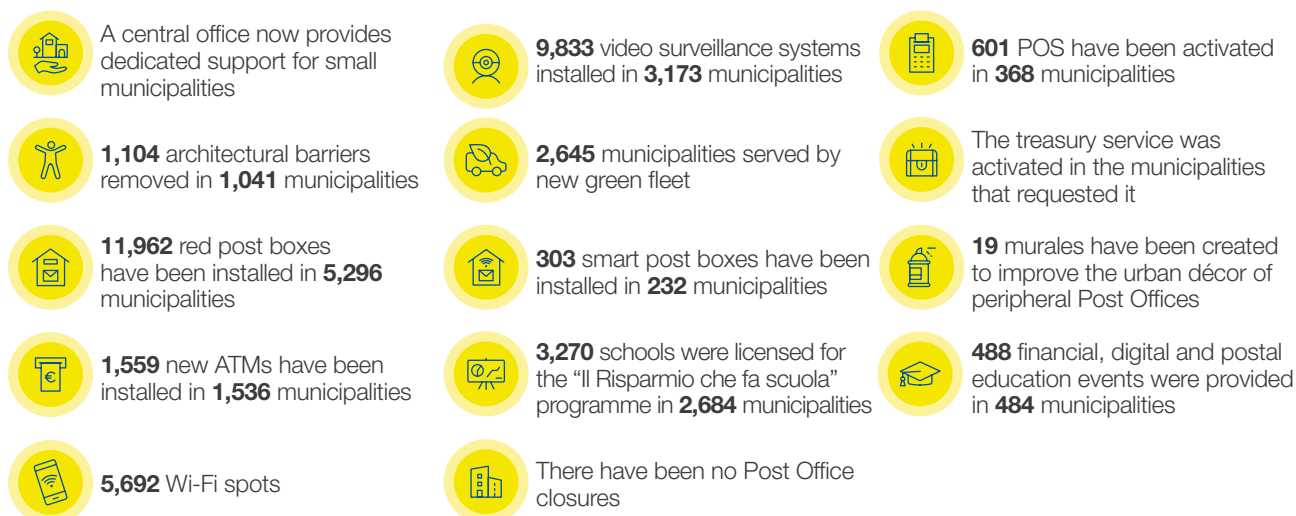
Finally, the Polis Project generates significant impacts throughout the territory, also with a view to achieving the Sustainable Development Goals (SDGs): Gender equality (SDG No. 5); Clean and affordable energy (SDG No. 7); Decent work and economic growth (SDG No. 8); Enterprise, innovation and infrastructure (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).

## “Polis Project”

**P O L I S**  
DAI PICCOLI CENTRI  
SI FA GRANDE L'ITALIA



With reference to Poste Italiane's achievements in providing support to small municipalities, the following should be mentioned:



### Poste Italiane's logo becomes a national interest



In 2022, Poste Italiane's logo, in electric blue block letters with the initials PT standing out against a round, yellow background, received recognition as a "historic brand of national interest", becoming a new example of Made in Italy. This was reported by TGP Poste as part of a report on the initiatives of the Company on its 160th anniversary. The 242 offices in Naples and its province also received recognition from the MISE, with registration in the ad hoc register set up to protect and enhance Italian-made products.

With the aim of celebrating its link with the life and transformation of the country, Poste Italiane has evoked places and paths of the logo in the 'Poste Storie' exhibition space, set up inside the Post Office in Piazza San Silvestro, Rome. The exhibition, which is free and open to the public, traces the Company's activities and values through historical objects, films, immersive videos, augmented reality and works of art created for the occasion.

## Cresco Award "Città Sostenibili" (Sustainable Cities) 2022

In keeping with Poste Italiane's mission to represent, with its widespread network of Post Offices, a link between institutions, the territory and the country's services, in 2022 the Group once again took part in the CRESCO AWARD "Città Sostenibili" (Sustainable Cities) award, promoted by the Sodalitas Foundation in collaboration with ANCI (National Association of Italian Municipalities), under the patronage of a European Commission and the Ministry of the Environment, an initiative that 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 Marene (CN) for "Marene: may their example become Culture - 10 years of the Municipal Library of Marene", Tornareccio (CH) for "Pallano: origins and evolution" and Acireale (CT) for "Space Music". The projects and programmes being developed in these places will contribute to creating virtuous styles and behaviour in sustainable development.

## "Valori ritrovati" (Rediscovered values): a project of circular economy

In continuity with the Memorandum of Understanding stipulated with Caritas in 2018, and renewed in 2019 for a further 5 years, the initiative "Valori ritrovati" (Rediscovered Values) continued in 2022, a circular economy project that aims to allocate the so-called "anonymous parcels" or "abandoned parcels", to families in need, through "Empori della Solidarietà", a circuit of supermarkets managed by Caritas that provides basic necessity products free of charge. The objective of this collaboration, which reinforces the Company's presence in promoting local development through initiatives of inclusion and social solidari-

ty, is to recover abandoned parcels destined for waste, for the benefit of those most in need.

More than 120 tonnes of abandoned parcels have been recovered by Poste Italiane - with the support of its employees, who participate as volunteers - in the course of this circular economy project, with a total economic value of more than €500,000. Approximately 35,000 anonymous or abandoned parcels have been delivered to Caritas every year since 2019, thus fostering the culture of reuse.

## Corporate Volunteering

Promoted in the context of social responsibility, corporate volunteering represents an ethical choice of the Company and a concrete commitment to the community, in line with the values and principles stated in the Code of Ethics and the Sustainability Policies. This commitment has been reaffirmed with the Group's adoption of an internal procedure called "Defining, developing and monitoring corporate volunteering initiatives", which is consistent with the Poste Italiane Group's Sustainability Strategy, and which identifies the strengthening of corporate volunteering as a means of creating a network of solidarity in the area and strengthening the collaborative capacity between people by fostering the development of social networks that can bring long-term value to the Company, consolidating its reputation in terms of social responsibility. The ultimate goal is to make a significant impact on society by creating virtuous volunteering.

The definition of activities to promote corporate volunteering and fundraising for social projects in compliance with Poste Italiane's Code of Ethics, is part of the Memorandum of Understanding signed in February 2022 between Poste Italiane and the Forum of the Third Sector, aimed at promoting the development of inland areas through targeted projects and services and to encourage the re-employment of the most

vulnerable people. The memorandum of understanding, which leverages Poste Italiane's widespread territorial distribution, is aimed at the creation of a corporate volunteering platform, through which the 100 national member organisations of the Forum, representing over 158,000 territorial branches, can present projects in which Poste Italiane employees can take part as volunteers, outside working hours.

Moreover, the protocol envisages Poste Italiane's participation in shared events and initiatives organised by the National Forum of the Third Sector, thanks also to the support of a permanent discussion table with the Forum, in line with the Group's stakeholder engagement policies, by providing information material on Poste Italiane's tools and products dedicated to the Third Sector and communities. Similarly, the Forum is committed to participating in the activities and events organised by Poste Italiane, with the aim of disseminating knowledge of the incentives managed by the Company among the non-profit entities belonging to its organisation, in order to facilitate their use by the associated organisations. The Forum can also avail itself of the technical support of Poste Italiane in defining proposals for public finance interventions to support Third Sector organisations.

## Close to young people

In continuity with previous years, Poste Italiane is supporting the digital transformation path in collaboration with the academic world. After last year's meeting with around 100 students from the master's degree course in Data Science at Rome's La Sapienza University, who were the protagonists of the initiative promoted by the Data Science Industrial Liaison Program (ILP), Poste Italiane continued its path of bringing together Italy's most important industrial realities and the students of the degree course at the same university. 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.

March 2022 also saw the conclusion of the "Future Lab" project, which had already started last year. The initiative was aimed at the children of Poste Italiane employees between the ages of 16 and 23, who set out to find out what path to take in their future. The aim of the project was to support boys and girls in their study choices, bringing them closer to the world of work in a more conscious manner, to undertake paths in line with their skills and passions and to learn about the main market orientations on future professions.

In 2022, the School4Life 2.0 project, aimed at combating high school drop-outs, continued. The initiative involved 133 schools, 15,000 students from all over Italy and 11 major companies, including Poste Italiane, with the co-ordination of Consel Consorzio ELIS, a non-profit training organisation

that brings together more than 100 large groups and SMEs. School4Life 2.0 consists of school and career guidance, in the awareness that socially responsible companies should take charge of the younger generations, accompanying them towards a professional future through a structured link between school and business. The aim of the project is to give young people a more direct insight into the world of work and a greater awareness of their own potential. The lines of intervention, which made up the project in 2022, were: project-based teaching approach with technical interventions by corporate figures; motivation and inspiration through role models and corporate mentors; training on topics such as the SDGs and Agenda 2030; bringing the female population closer to STEM subjects (Science, Technology, Engineering, Mathematics). The Company experts with their testimonies trained over 530 young people from 14 schools nationwide.

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. The spirit of the initiative and the details of the ten educational, recreational and training projects were illustrated during a meeting in the presence of the Chair of Poste Italiane, Maria Bianca Farina, the Joint General Manager, Giuseppe Lasco, and representatives of the 10 non-profit programme partners: 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.



## Hires

### Poste Italiane to support young people



Poste Italiane was able to take advantage of the recovery following two years heavily marked by the health emergency by enhancing, in continuity with previous years, the employment of young people. In 2022, the Group continued to actively promote a recruitment campaign aimed at young people and recent graduates, recruiting around 3,700 people under the age of 30, well over twice as many as in the previous year for the same category of new hires.

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.

## Dialogue and transparency in relations with the authorities

NFS

The Group's capillary presence in Italy and its desire to act as an intermediary between institutions, the territory and citizens, implies maintaining a constant and proactive dialogue with public decision-makers and collaboration with all national and local institutions, in order to generate a system-wide benefit that extends to the entire community and not just those directly involved in the process.

Specifically, dialogue with authorities and institutions can be a useful tool for public decision-makers in assessing the impact and possible consequences of the introduction of a given piece of legislation, both with a view to preventing problems and creating opportunities, as it allows them to identify the Company's position with regard to particular issues of legislative relevance.

In addition to guaranteeing the effective delivery of services to citizens, the satisfaction of the social needs of the community and, at the same time, increased competitiveness and business continuity, Poste Italiane aims to maintain a positive and constant dialogue with the institutions in order to encourage the sharing of projects for the development of the territory.

The Group collaborates with central institutions, such as the Government and Parliament, to represent corporate interests and promote shared socio-economic development projects in the interest of the community.

The institutional activity carried out is therefore developed along two lines:

- towards the Group, ensuring the protection of corporate interests and supporting business development by monitoring the institutional framework, assessing the impact of regulations, identifying risks and opportunities, the preparation of texts and positioning documents with the specialist functions and the representation of requests to institutions;

### MAIN RELATED TYPES OF CAPITAL



- towards institutions, actively contributing to the institutional dialogue through an ongoing discussion on issues of relevance to the country system, consultation on the impact of regulations in the relevant markets, the provision of supporting information and knowledge and partnership for project development.

The analysis of the impact of regulations is necessarily supported by institutional dialogue aimed at clarifying and exploring the application aspects of a given regulatory provision, also through the presentation of proposals aimed at supporting specific business needs, in order to mitigate or prevent specific risks. In this regard, during 2022, steps were taken to ensure the protection of the interests of the Company and the Group by monitoring the measures under review and regulatory provisions that, if approved, would be critical for the various business areas with loss of revenue or increase in operating costs for the Company.

During 2022, regulatory interventions mostly focused on the drivers of innovation and digitalisation, which are fundamental for the country's strategic progress, for the accessibility and functionality of services offered to citizens and for the connection with the business fabric and the Public Administration, as well as for the provision of cutting-edge technological solutions.

## 400

meetings with local administrations during 2022



The activities aimed at the management of institutional relations, and more specifically the legislative activity and the representation of interests, are governed by the procedure "Release of information and management of relations with institutional sub-

jects”, which is periodically reviewed and updated on the basis of the evolution of the system of relations and the corporate organisation. The actions to be implemented, the effectiveness of which is measured downstream by the proposing business and/or corporate functions, are supported by assessments of the expected benefits, which are subsequently represented in periodic reports describing the scope of the initiatives undertaken in economic, commercial and governance terms.

Collaboration with local institutions is intended to foster the sharing of development projects in the area, as well as to identify shared solutions aimed at accompanying corporate reorganisation processes with attention to the specific features of the various territories, in order to foster the most effective service delivery to citizens, the satisfaction of the community's social needs and, at the same time, the enhancement of competitiveness and business continuity.<sup>112</sup> The promotion of dialogue with representatives of local institutions is necessary for the Company in order to stimulate knowledge and sharing, and to prevent possible critical issues in relation to the Group's activities. In particular, the emergence of negative impacts may take the form of critical situations with institutions or negative media coverage. The management of these impacts takes place through territorial oversight and the appropriate central structures, through an internal analysis aimed at analysing the characteristics of the various criticalities. In order to share the internally agreed solution between the heads of the Institutional Relations structures and those of the Business Units involved, this process is being reported on, and is supported by the implementation of an institutional database for the integrated management and archiving of applications, reports and contacts. In addition, in order to measure and verify the actual quality of the actions undertaken, quality and quantity indicators are used on a monthly and quarterly basis included in analyses of global reports and managed on a comparative basis across geographic areas and in comparison to previous years. This reporting is based on meetings by macro-topic and on weekly and monthly developmental analyses of engagements with institutions, in relation to requests received. Approximately 400 meetings with local administrations were organised during the reporting year.

An effective dialogue between Poste Italiane and consumer associations began in 1999 and grew over time, until the first Framework Agreement was formalised, signed in 2011 and renewed first in 2014 and then in 2018. The following are the primary objectives of the agreement:

- constant improvement of the quality of Poste Italiane's products and services;
- transparency and fairness of the Company's relations with consumers;
- improving consumer knowledge of products and services;
- information for the correct and conscious use of products and services and for the dissemination of the instrument of joint conciliation.

The Framework Agreement also established the Cantiere Consumatori, a regular monthly consultation with representatives of the Associations aimed at presenting products and services and explaining them in detail.

A further objective of the relationship with the associations is to follow up the Conciliation procedures, also provided for in the Agreement, for the amicable settlement of disputes for all areas of the Company's activities. Finally, also on the basis of the Agreement, which lays down the principles for transparent cooperation and information sharing for the benefit of customers, the newsletter “Dialogue with Consumers” was established.

Constant and transparent relations with consumer associations continued in 2022, therefore, on the basis of the Framework Agreement, the Consumer Forum and the newsletter “A dialogue with consumers”. Topics include the repricing of the BancoPosta account, the new mailboxes distribution plan, and the public consultation launched by AGCom, the Communications Guarantee Authority, on the subject of compensation in the postal sector. On the subject of training, a new course for conciliation experts was organised during the year, as well as 8 local refresher training meetings at the Bologna and Landriano hubs. Finally, on the topic of anti-fraud, four thematic webinars were held, organised in cooperation with CERT. This activity is regulated and described by the Company procedures pursuant to Legislative Decree 231/2001 and by the procedures defined on the basis of the Framework Agreement entered into between the Company and Consumer Associations, referred to in the procedures pursuant to Legislative Decree 231/2001. The success of the policies adopted is verified and evaluated in relation to the lack of critical interventions by consumer associations in the media, both at national and territorial level.

Relations with consumer associations at central level are managed by the “Relations with Trade and Consumer Associations” function, which consists of a manager, four resources in the Rome office and one in the Milan office. On the other hand, relations with consumer associations at the territorial level, in particular with regard to Retail Postal Conciliation procedures, are managed in connection with the territorial offices of the function. The objectives of the function, which are included in the MBO of the managers in charge, are measured by analysing the discussion questions by assessing the percentage of questions conciliated, i.e. concluded with an agreement with the consumer associations, in relation to the total number of questions discussed. Conciliation procedures are governed by the “Retail Postal Products Conciliation” Procedure, updated in 2021 and drawn up in cooperation with several consumer associations.

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),

<sup>112</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. The agreement for the three-year period 2020-2022 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. For the association year 2022, the membership fee stands at €3.2 million.

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, as part of its relations with the MEF, on 20 February 2020, Poste Italiane's Board of Directors approved the renewal of the three-year agreement for 2020-2022, which aims to regulate treasury services and the movement of funds on behalf of the State.

Furthermore, on a European and international level, Poste Italiane maintains relations with the European Parliament,

the European Commission, the Universal Postal Union (UPU), PostEurope, the European Center of Employers and Enterprises providing Public services (CEEP), the International Post Corporation (IPC), together with other institutions and associations in the sectors in which the Company operates. The Group is involved in the coordination, representation and monitoring of the political agenda, both at European and international level, within the above-mentioned bodies. In addition, the Group is engaged in the release of information for regulatory purposes at national, European and international level, as well as in the preparation of proposals for amendments and additions to the relevant legal and regulatory framework.

## Financial inclusion

NFS

Based on the experience gained in previous years in relation to the Covid-19 health emergency, which emphasised the value Poste Italiane places on people, especially in times of difficulty, the Group maintained its commitment to ensuring that its products and services are also available to those who cannot easily access them. Thanks to its extensive network, the Group was able to stay close to the community also during 2022, a year further affected by the conflict between Russia and Ukraine.

Poste Italiane supports the protection of the rights of local communities in order to ensure the accessibility of its products and services to those territories and categories of users who would otherwise not be able to access them, as set out in the Company's Policy on the Protection and Safeguarding of Human Rights. At the same time, the Company undertakes to promote initiatives aimed at disseminating and supporting the

### MAIN RELATED TYPES OF CAPITAL



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.

Thanks to its widespread presence throughout Italy, Poste Italiane maintains its proximity to the communities in which it operates, guaranteeing products and services accessible to all and aimed at social inclusion

### Poste Italiane's offering

#### The expansion of the Group's services in 2022

During 2022, Poste Italiane maintained its commitment to an all-round sustainable future by expanding its range of offerings with the introduction of new services. In this regard, the Group promoted, like in the previous year, the "risparmiosemplice" (simple savings) formula. The Savings Plan, which can be subscribed to at any Post Office by holders of a BancoPosta current account or a Post Office Savings Booklet, has an indefinite duration with a periodicity defined by the customer, and is based on the 4-year postal savings bond issued by Cassa Depositi e Prestiti SpA. By subscribing to this bond within the Savings Plan, it is possible to periodically set aside amounts - even small ones - in order to build up capital over time, with the possibility of also making additional subscriptions. The sums deriving from the maturity of Postal Savings Bonds, subscribed under the Plan itself, will be automatically reinvested in the "risparmiosemplice" Savings Plan and, in addition to the capital invested, also include the accrued interest, net of tax charges. In addition, the postal savings agreement with Cassa Depositi e Prestiti, renewed in 2021, offers the Group a sustainable remuneration over the four-year period 2021-2024, with an annual fee for collection targets of between €1.6 and 1.85 billion.

A further service, launched in November 2022 in cooperation with Banca Aidexa SpA, is the "Prestito BancoPosta Business Link Online", which allows digital loans to be offered to sole proprietorships and small businesses. In the area of insurance services, on the other hand, the mixed life insurance product "Poste Progetto Dinamico Bonus" was launched, with a duration of 15 years, aimed at combining a performance-linked insurance project with unit-linked insurance investment components. In addition, the new "Digital Protection" feature of "Poste Vivere Protetti" has been included in the modular offer. Through PostePay's omnichannel platform, the Group has assumed a strategic role in the provision of payment services, reaching a number of "Evolution" cards of almost nine million and more than 23 million users who have adopted PostelD to certify their digital identity.

The Group monitors its initiatives and its range of products and services by promoting continuous and structured dialogue initiatives, such as the annual dialogue with key stakeholders. The purpose is to monitor the needs of the 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.

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 4X4 Bond, the interest of which, fixed and increasing, accrues at the end of each four-year period from the date of subscription and, after 4, 8 and 12 years, is also recognised in the event of early redemption;
- 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 3-Year Plus Bond, with a term of 3 years, provides for the capital invested and interest to be recognised at the end of 3 years;
- the Ordinary Bond, the interest on which is fixed and increasing and is paid after one year from subscription and every two months thereafter. 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 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 20 September 2022 and within the placement period of the Renew Bond. It has a term of six 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 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.

In order to encourage the use of the digital channel by all citizens, also taking into account the experience gained during the emergency period, Poste Italiane encouraged several communication campaigns 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. As of 2022, the Group also made it possible for the legal guardian to carry out online transactions with the “Libretto Minori”.

With a view to digital and financial inclusion and in line with the country's objectives, Poste Italiane has confirmed its considerable contribution in Italy in providing digital identity to citizens, the Public Digital Identity System (SPID) which aims to provide users with a single login system with which to access all the services of the Public Administration. During 2022, more than 6 million new digital identities were activated and more than 1 billion accesses were executed through this system. It is also possible for younger people to request activation of the digital identity: parents or guardians of minors can request activation of the SPID by accessing their personal area and managing access authorisations.

## Financial and digital inclusion of seniors and young people

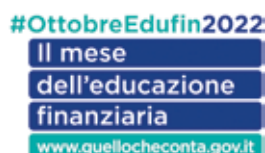
Poste Italiane is constantly seeking innovative solutions aimed at reducing the digital divide and increasing financial inclusion, with a particular focus on the most fragile and at-risk groups, supporting and sustaining the different population groups within the communities in which it operates.

With regard to the issue of financial inclusion, the Group promoted, in continuity with previous years, financial education initiatives to enable citizens to train and inform themselves, so as to be able to make informed choices in financial matters.

In addition, Poste Italiane periodically updates the page of its website dedicated to Financial Education, publishing new content, video briefs and useful tools for users to become more aware of their financial, insurance and pension needs and to better orientate themselves among the various solutions with the support of a financial advisor. Financial Education events, run live by experts, aim to explore the importance of proper financial education and its usefulness in everyday life for oneself and one's family members.



## Poste Italiane participates to “Mese dell’Educazione Finanziaria”



The unknowns linked to the international scenario and rising inflation force us to act with foresight, and financial education can be a key tool to face and overcome this period of crisis. With this in mind, Poste Italiane is at the forefront of the country and is aware of the need to strengthen and systemise initiatives aimed at increasing the financial, insurance and pension knowledge of Italian people. During 2022, the Group participated in the fifth edition of the “Mese dell’Educazione Finanziaria” (Financial Education Month), #ottobredufin2022, the largest Italian event on financial education, established and promoted by the “Comitato per la programmazione e il coordinamento delle attività di educazione finanziaria - Comitato Edufin” (Committee for the planning and coordination of financial education activities - Edufin Committee) with information and awareness-raising activities and events on financial, insurance and pension.

An interesting new feature introduced this year, shared with the Philately Department and the MEF, is the philatelic initiative dedicated to the event, which includes a philatelic postmark available in all 487 Post Offices with philatelic counters and in the 10 Philately Spaces from 1 October and throughout the month, and the weekly distribution of 5 postcards with contents inspired by the “Moments that Count” described on the Edufin Committee website.

With the aim of enhancing the economic and financial knowledge of students at all levels of school, in order to educate them in active and aware citizenship, the multi-year initiative “Il Risparmio che fa scuola”, promoted by Poste Italiane and Cassa Depositi e Prestiti, in cooperation with the Ministry of Education, continued. This project offers a completely free, unique and original educational path, aimed at training the



citizens of the future, leading them to reflect on their own economic, environmental, energy and food saving behaviour, and on how much these can affect everyone's life and that of own community.

Until its natural expiry date, June 2022, the project delivered the initiative's training content only through digital channels, updating the dedicated portal [www.ilrisparmiochefascuola.com](http://www.ilrisparmiochefascuola.com) in such a way as to facilitate the use of all the materials present (training sheets for teachers and students, thematic videos, games for children). In this way, the project continued to contribute to the education of students on topical issues such as basic economics, savings and the valorisation of all resources.

In 2022, the Company continued to expand its offering of financial inclusion products in the ‘green’ sphere aimed at young, senior and new Italians. In this regard, the Postepay Green prepaid card, voted Product of the Year 2022, is dedicated to 10-17 year olds, and is made of biodegradable mate-

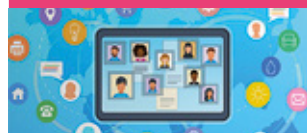
rial, with 82% polylactic acid of organic origin. The Postepay app allows to access to an innovative payment system, share expenses with other Postepay Green holders, and purchase tickets for transport.

With regard to Payments and Mobile services, PostePay's range of products and services is designed to allow access in an inclusive manner to all categories of users, such as new Italians, young people, students and seniors. In particular, the main products and services offered are:

- 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 Digital, an electronic money tool that aims to improve the customer experience with a focus on simplifying the processes of selling and using the prepaid card through the Postepay app, a single and simplified access point to the world of payment and mobile services offered by PostePay SpA, with over 21.7 million downloads.

In addition, PostePay aims to improve knowledge and usage of the products through constant attention to the information available on the used channels, in particular through the content on the institutional website and FAQs.

## The Digital Education project



In continuity with 2021, Poste Italiane promoted the Digital Education project, with the aim of fostering the acquisition by citizens, customers and businesses of digital skills in order to consciously and safely seize the opportunities arising from the technological transformation. The initiative, which is part of the company's broader programme as a guide for citizens in the development of knowledge and increasing skills between technology and innovation, aims to provide users with an overview of technological and digital innovations through dedicated multimedia content and free webinars.

Activities can be followed on LinkedIn, Facebook and Twitter via #educazionedigitale.

## Transfer of the tax credit

In line with previous years and confirming the support offered by Poste Italiane at the national level, the Group continued to offer tax credit transfer during the course of 2022. The service, which will be launched in autumn 2020, allows citizens and businesses with a BancoPosta account to transfer their tax bonuses and obtain liquidity in one go. The service can be requested online on the poste.it website using internet banking credentials or in all Post Offices, and the request process is simple and immediate. It is also possible to view the value of credits in real time, using a simulator available both on the website, in the public section, and at the Post Office.

Following the interruption of the tax credit transfer service due to the successive anti-fraud regulatory changes enacted by the Government, on 7 March 2022 Poste Italiane reopened the platform for the purchase, subject to the availability of the sums on the Revenue Agency platform, of tax credits deriving from building works. Since the anti-fraud rules enacted by the government limit the use of the service for taxpayers and businesses, the transfer of the credit through Poste Italiane is restricted to those who have directly incurred the “Bonus casa” charges. Since the platform has been reopened for first transfers only, at the moment, Poste Italiane does not purchase any tax credits that have been the subject of a previous transfer, including tax credits accrued as a result of invoice discounts.

In 2022, Poste Italiane was honoured as a Sustainability Leader thanks to its socially responsible behaviour.

Leaders of Sustainability is the list of the 200 Italian companies awarded as most sustainable created by “Il Sole 24 Ore” in cooperation with “Statista”. The ranking was drawn up following a complex process of research and selection of companies, and the evaluation criteria were determined according to independent criteria. Specifically, the intensive research is based on the analysis of a total of 40 indicators in the three areas of sustainability: environmental, social and economic. The data are searched in the sustainability report (or an equivalent document) and in annual reports or financial statements for 2020 or 2019. Subsequently, the data collected is aggregated and evaluated and scored and each company receives a total score in the three areas. The 200 companies with the highest final score (the maximum score being 100) are named Sustainability Leaders.

**Poste Italiane  
awarded as  
Leader in  
Sustainability**





**LEARN ABOUT THE ARTWORK  
WITH AUGMENTED REALITY**

Scan the QR code with your smartphone  
and click on the link.



**GUMMY GUE** |  
Urban artist





# Green transition

Respecting the environment to create sustainable value.

- - **19%** of the **Group's emissions** due to the **energy efficiency** in the buildings
- **99%** of the electricity requirement of the Group from **sources 100% renewable**
- Poste Italiane included in "**Change the World 2022**" among the **50 companies** that are **changing the world**
- **21.7 million** invested in projects to **reduce emissions**
- **37%** of **green vehicles** that make up the company fleet

## &lt; 7.13 Green transition

**GREEN TRANSITION FOR US:**  
scan the QR code and watch the video

## MAIN RELATED TYPES OF CAPITAL



## IMPLEMENTATION STATUS

## MAIN TYPES OF CAPITAL

OBJECTIVES	INDICATOR (KPI)	TARGET	BASELINE	2022	OUTCOME
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	• -10%	
Achieve Carbon Neutrality	• Net tCO <sub>2</sub> e	• 0% by 2030	2020	• Green Challenge framework developed	
Reduce the Group's direct (Scope 1) GHG emissions from physical plant	• tCO <sub>2</sub> e	• -7,000 by 2024	2020	• -6,667 tCO <sub>2</sub> e	
Decrease the Group's indirect (Scope 2) GHG emissions from physical plant	• tCO <sub>2</sub> e	• -5,000 by 2024	2020	• -6,395 tCO <sub>2</sub> e	
Reduce emissions from the postal delivery fleet	• % of emissions produced	• -40% by 2024	2019	• -18%	
Increase the share of environmentally friendly vehicles (electric, hybrid, low emission) of Nexive, SDA, Milkman	• tCO <sub>2</sub> e	• -15% by 2025	2020	• Identification of activities instrumental to achieving the target	
Increase the share of environmentally friendly vehicles (hybrid, low emission) of sender	• tCO <sub>2</sub> e	• -8% by 2025	2020	• Identification of activities instrumental to achieving the target	
Use of electricity from renewable sources	• % of electricity consumed	• ≥ 98% by 2024	2020	• >98%	
Replace the company fleet with vehicles with reduced environmental impact	• No. of company vehicles with reduced environmental impact introduced	• 27,800 by 2024	2019	• 22,610	
Introduce Smart Building solutions for the Group's entire physical plant	• GWh of energy consumed	• -8GWh by 2024	2020	• -2.7	
Reduce the number of locations with diesel and LPG tanks	• No. of locations	• -220 by 2024	2020	• -436	
Increase the production of GWh of renewable energy that can be used for self-consumption	• GWh of renewable energy produced	• +20GWh by 2024	2020	• +0.8	
Make a large building Carbon Neutral	• Carbon Neutral Buildings	• 0 net tCO <sub>2</sub> e of a SC by 2023	2020	• Project on SC site in Padua defined. Planning started and project guidelines set	
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	• 39,100 contracts activated in 2022	
Maintenance of ISO 14001 certification	• ISO 14001-certified corporate processes	• 100% by 2022	Every year	NEW	
Implementation of Environmental Management Systems according to ISO 14001 in Poste Italiane's production units	• % of Group sites with >300 employees with an Environmental Management System	• 100% by 2024	2021	• 100%	
Maintenance of Environmental Management Systems according to ISO 14001 in Poste Italiane's production units	• % of Group sites with >300 employees with an Environmental Management System	• 100% by 2023	2022	NEW	



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

Poste Italiane attaches particular importance to environmental protection, aware of the need to use resources responsibly in order to minimise negative environmental impacts and pursue sustainable development aimed at creating value for the community and the territory in which it operates, in full implementation of the Group's Code of Ethics.

By adopting a conscious approach to the use of energy, water resources and waste management, Poste Italiane aims to generate a positive impact for the community in which it operates, following a path aimed at the green transition of its activities



In 2021, Poste Italiane became an official supporter of the TCFD (Task Force on Climate Related Disclosures), committing to climate-related disclosure to help create a more resilient financial system. This action reinforces the Group's willingness to align with national, European and international environmental and energy objectives, in compliance with applicable laws and regulations.<sup>113</sup>

In this regard, to ensure the compliance of the Group's activities with current regulations on energy use, Poste Italiane entrusts the management of the processes of monitoring, measuring consumption and identifying sources of savings to a single corporate function, which oversees the areas of environmental responsibility related to the Group's real estate assets.

Consistent with previous years, in 2022, Poste Italiane maintained its commitment to environmental protection, promoting initiatives aimed at reducing its environmental impact, in pursuit of the Group's ESG objectives.

Notable actions implemented by the Company include the management of utility contracts with the purchase of commodities from 2023 directly in wholesale markets, the gradual replacement of endothermic vehicles with electric vehicles and the installation of charging stations for electric vehicles. Considering the monitoring of environmental impact as a functional element for a green conduct of its business, the Group is constantly renewing its commitment to install data collection

### MAIN RELATED TYPES OF CAPITAL



tools and management platforms to control consumption and utility bills. In addition, Poste Italiane has promoted energy efficiency through an increase in the production of renewable energy and has fostered the reduction of emissions through dedicated projects including: planting initiatives, installation of consumption data collection tools, promotion of internal team development dynamics and conscious behaviour in the use of energy by employees.

As of 2019, Poste Italiane has adopted an Environmental Sustainability Policy, which allows it to identify the Principles and initiatives on environmental sustainability towards which to direct its commitment and action. This Policy is also a useful tool to formally communicate to stakeholders the green approach of the Group's business model, with reference to logistics, transport and property management activities.

The Policy consists of several Principles, which define how Poste Italiane acts in the area of environmental sustainability. Specifically, the issues covered in the document concern resource efficiency, innovation to support the transition to a low-carbon economy, the reduction and prevention of the environmental footprint and the promotion of an environmentally conscious culture.

Over the years, as a demonstration of the willingness to reduce the environmental impact of its activities, Poste Italiane has achieved certification of the environmental management system for the companies Postel SpA and SDA SpA, 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.

In order to improve the Group's performance with a view to efficiency, Poste Italiane has developed an Environmental Management System compliant with the ISO 14001 standard, which represents a key tool in the systemic management of environmental issues, with reference to business processes. In order to support its improvement objectives, the Company promotes actions and interventions aimed at reducing the impacts linked to the performance of its activities, as well as initiatives aimed at raising awareness of environmental protection and respect issues. In this sense, the Environmental Management System provides valuable technical support to achieve Poste Italiane's sustainability goals.

Specifically, in order to achieve the objectives and Principles set out in the Environmental Sustainability Policy, Poste Italiane has identified three areas of intervention, for

113. During 2022, the Company did not incur any fines or penalties linked to non-compliance with environmental regulations.

each of which a number of specific actions are envisaged, detailed 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, with the aim of 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, as 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.

Numerous initiatives demonstrate Poste Italiane's commitment to environmental sustainability. In this regard, we highlight the projects to increase energy production from renewable sources through the development of photovoltaic solutions and those to absorb CO<sub>2</sub> and other climate-changing emissions through the planting of green areas on the Company's land and buildings are highlighted.

The effectiveness of the approach adopted is constantly monitored through procedures for identifying and assessing risks inside and outside the Group, also referring to the dialogue with stakeholders and the systems for reporting violations and sanctions.

In accordance with reference regulations, Postel SpA 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 SpA:** the Policy 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, Postel SpA 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 SpA:** through this Policy, SDA SpA establishes and presents the principles relating to the proper management of quality, environment and occupational health and safety issues. In particular, the Company 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, SDA SpA 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.

For Poste Italiane Group, the decarbonisation strategy relating to property management is a sustainable choice, also in view of the effects on energy prices caused by the Covid-19 pandemic and the war in Ukraine.

In this regard, in July 2022, Poste Italiane opened a new photovoltaic power plant in Palermo, capable of satisfying the equivalent of one year's energy consumption of as many as 250 homes. This is only the latest of the major environmental sustainability measures implemented by Poste Italiane in the Region of Sicily. Despite the fact that the Covid-19 pandemic crisis has dramatically altered the timeframe for the commissioning of the system, due to the restrictive regulations applied across the country, Poste Italiane, with its 769 Post Offices and 122 delivery centres in Sicily, has embarked on a path that will lead it to achieve zero net carbon dioxide emissions by 2030. The Company launched five parallel projects in Sicily, investing in LED, photovoltaic and other technologies. The first plan of interventions includes the replacement of classic lighting fixtures with LED fluorescent lamps to reduce electricity consumption by around 50%, and over 9,000 installations have already been carried out on 378 sites on the island. Lighting systems, along with air conditioning systems, are also part of a "smart building" project involving an integrated, timed and remotely controlled in-building consumption management system. Through an integrated management of the systems, as well as their replacement and modernisation, 200 Post Offices in Sicily are currently working to achieve an average consumption saving of 15% for the electricity component and 10% for the gas component, according to the "energy efficiency" plan for air conditioning, electrical and lighting systems. Green areas have also become central to the Company's operations. The fourth project, which involved 12 locations, involved the conversion of old underground heating fuel tanks into water collection systems for new or existing trees and hedges planted in areas outside the buildings.

The photovoltaic plan was also implemented, with the installation of panels at 39 Sicilian sites capable of producing around 3 million 700,000 kWh a year, equal to the annual energy supply of more than 750 homes (with traditional 3 kW meters).

## Poste Italiane's green strategy

A new photovoltaic power plant in Palermo



Poste Italiane has undertaken a number of initiatives to ensure that its buildings are increasingly sustainable. One of the relevant initiatives in Central Italy was the reclassification of the Passo Varano sorting centre in the Marche region. The centre underwent a major energy upgrade, with a view to decarbonize the buildings.

Specifically, work was carried out on the conditioning system. The system, consisting of a gas-fired central heating plant and cooling units, has been replaced by more modern and less impactful electric heat pumps, which, thanks to their state-of-the-art technology, have better energy performance and are also less harmful to the environment in the event of gas leaks.

## Energy requalification

Poste Italiane in support of the Passo Varano sorting centre

The Group is aware that energy efficiency is crucial to succeed in combining economic growth and sustainable development. Therefore, in adopting an exemplary environmental behaviour, Poste Italiane bases its strategy on the following areas of intervention:

**Renewable energy sources.** Poste Italiane promotes the installation of photovoltaic panels in its buildings, located throughout Italy, in order to make the impact of its activities even more sustainable. The renewable energy project envis-

ages the development of around 300 photovoltaic plants on flat-roofed property sites totalling 18MWp and around 25 GWh/y of expected production when fully operational. In addition, in 2022, 96 realisations were completed with progressive networking of plants.

The initiative has a two-year duration and started in the first half of 2021, with a total investment of €31.5 million, of which €16.5 million in 2022.

# 99%

of the Group's electricity requirement comes from 100% renewable sources, certified by Guarantees of Origin

# -19%

Scope 1 and Scope 2 emission reductions achieved through building energy efficiency initiatives

In addition to the approximately 25 plants built between 2009 and 2020, which now produce over 1.5 GWh per year, the new investments are aimed at building by the end of 2023 around 300 medium/large-sized plants that will cover all regions with one of the most significant interventions in Italy in recent years, certainly representing the most widespread initiative ever carried out in the country. This intervention will create a production capacity of 18 MW with a projected annual output of 25 GWh, equal to around 6% of current consumption, progressively leading to the connection of the first 9 MW of photovoltaic power to the national grid. The best practices for this type of plant are: the Padua Sorting Centre with 1,300kW of power that will be completed within the year, the Milan Roserio plant with 524kW and the Palermo Sorting Centre with 858kW completed and soon to be connected to the national grid.

**Smart buildings.** Confirming the Group's commitment to environmental protection, in continuity with previous years, the Smart Building project was promoted for the creation

**~10,900**

**tonnes of saved carbon dioxide**  
thanks to the energy efficiency initiatives  
implemented

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. The project, financed by the European Investment Bank, envisages the implementation on 2,000 Poste Italiane buildings of a Building and Energy Management System (BEMS) with a unique platform of integrated plant supervision, management and control aimed at optimising maintenance management and energy efficiency. The intervention includes both the installation in the buildings of sensors and plant control and monitoring systems, and the connection to a centralised platform that allows the progressive optimisation of plant and room management. With thousands of buildings scattered in every climatic zone and at every latitude and altitude in Italy, Poste Italiane is fully representative of the extreme diversity of climatic conditions that characterise the territory in which it operates. For this reason, the Company needs technical solutions that can be adapted to different conditions and that can optimally manage the comfort of environments for both staff and customers, in an attempt to use as little energy as possible and make the best possible use of the systems, so as to reduce breakdowns and increase the service life of the systems. More than 1,600 locations, mainly Post Offices and delivery centres, are already connected to the BEMS platform and therefore, efficiently managed and monitored remotely, also through the implementation of a dedicated Control Room,

and the expected electricity saving is about 7.6 GWh/year when fully operational. By 2022, more than 950 additional locations were installed, in addition to the progressive improvement of the Software of the BEMS platform, also shared with some professionals in the area. During the year, more than 1,600 sites were installed and on-boarded on the supervisory system, despite some difficulties in the procurement of materials, with an investment of €6.5 million, of which more than 3 in 2022. The project is scheduled to be completed during 2023, with an overall target of approximately 2,000 locations.

**90**

**energy efficiency projects conducted**  
on the territory, focused on reducing  
consumption (gas and electricity)  
and emissions

**Energy optimisation.** With regard to energy efficiency, Poste Italiane has started installing gas and electricity meters in the Company's main buildings, in accordance with the provisions of Legislative Decree 102/14, and expects the gradual completion and use of measurement data also for the new series of energy diagnoses by 2023.

In continuity with previous years, in 2022, Poste Italiane planned a series of measures aimed at achieving lower resource consumption, in particular for the heating and cooling management of its buildings. The levers that are used are manifold and range from the renewal of end-of-life installations with more efficient equipment to the renovation of buildings to improve thermal efficiency, as well as revise the heating and cooling modes by switching from vectors such as oil to natural gas, to electrically powered heat pumps. Again, interventions are carried out according to technical parameters renewed year by year by the "Gestore dei Servizi Energetici - GSE" (Energy Services Manager) which indicate the types of solutions that qualify for incentives for the increased efficiency of installed equipment. Approximately 270 interventions were completed in 2022.

As part of the so-called "green project", between 2020 and 2022, the decommissioning of diesel tanks no longer in use and their conversion into water tanks capable of collecting rainwater to be used for the irrigation of newly planted trees will be carried out at 81 locations.

In addition, the Company launched an energy efficiency project aimed at optimising the air-conditioning and heating systems at some of the Group's structural sites for more than 40 interventions and an investment budget of approximately €3 million in 2022.



# 21.7 mln€

invested in projects to  
reduce emissions

**LED lighting.** In 2022, Poste Italiane's commitment to the use of smart technologies continued. Over the years, the Group has installed LED lighting systems. In particular, more than 30,000 new LED light fixtures were installed in over 500 buildings in 2022.

**Encouraging virtuous behaviour.** Poste Italiane, which has always been committed to promoting increasingly efficient and sustainable management of its operating processes, pays particular attention to the issue of reducing the waste produced, initiating and maintaining projects for the "virtuous" reuse of goods and equipment/equipment deemed obsolete, but which can still have a "second life". These initiatives, such as "Valori Ritrovati" promoted in cooperation with Caritas, consist in removing certain goods and equipment from the waste management cycle by handing them over to third parties for reuse. Poste Italiane also participates in numerous initiatives aimed at raising awareness on the rational use of energy, such as "Ora della Terra", "Sustainability Survey", "Libera il Tuo Talento", "M'illumino di meno". 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.

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. The 52nd edition held in 2022 focused on accelerating the search for solutions to combat climate change in a collaborative effort between citizens and governments around the world. At the end of the day, a memorandum with 52 tips for reducing environmental impact was published.

During the day, special attention was paid to the education of the youngest. To this end, the "Festival of Education for Sustainability" was again proposed, designed to bring children closer to green issues. In addition, during the TV marathon #OnePeopleOnePlanet, which in recent years has replaced the "Earth Village" organised by the Focolari Movement at Villa Borghese, a moment was reserved for the youngest, for the stories of young people from all over the world and their commitment to the planet, also with the presence of guests, artists and schools. The event concluded with the awarding of the #locitengo contest: the project aimed at stimulating the awareness and active participation of children and young people in solving the global challenges undertaken by nations with the 2030 Agenda, through the creation of projects such as artwork or reportage.

By participating in this event, the Group 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.

**Poste Italiane  
participates to  
"Earth Day"**

**"Investing"  
in the Planet**



## Green Month

### Poste Italiane pays attention to environmental sustainability issues

In continuity with previous years, Poste Italiane organised the “Green Month” on 20 April 2022, in order to strengthen the focus on the Group’s sustainability, also by joining international awareness campaigns. The initiative lasted 30 days, useful for working on the culture of good environmental protection practices through a number of appointments. Commitment to the environment is one of the pillars of Poste Italiane’s Sustainability Strategy, and developing a culture of concrete actions in our daily lives is the real challenge the Group needs to face in order to make a real contribution to the planet.

Below is Poste Italiane’s Green Month decalogue for 2022:

## GREEN MONTH DECALOGUE POSTE 2022

- |   |  |
|---|--|
| <p><b>1.</b> Turn off lights when you do not need them e do not leave electronic devices on standby</p>   | <p><b>6.</b> Use curtains to create gaps in front of windows, window frames, external doors, and avoid leaving them closed in front of radiators</p>   |
| <p><b>2.</b> Adapt lighting equipment (and not only) to efficient technologies (LED for lighting)</p>   | <p><b>7.</b> Favour to the purchase of reusable products that at the end of their life cycle are fully recyclable, paying maximum attention to their proper disposal</p>   |
| <p><b>3.</b> Defrost the refrigerator frequently: keep the coil clean and away from the wall so that air can circulate</p>  | <p><b>8.</b> Study all possible synergies and exploit the opportunities arising from intermodal mobility, taking advantage of public and shared transport such as car-sharing/car-pooling an cycling pedestrian mobility</p> |
| <p><b>4.</b> Put the lid on the pots when boiling water and always avoid the flame being wider than the bottom of the pot</p>   | <p><b>9.</b> Save time, money and energy by rationally planning your trips</p>   |
| <p><b>5.</b> Maintain efficient heating/cooling systems, regulating them so as to intervene on the ambient temperature only when necessary and while in the house</p> | <p><b>10.</b> Choose the right means of transport according to needs, thanks to adequate information oon the different possibilities and trying to favour the most ecological means of transport</p>                         |

The theme of “Green Month 2022” was WEEE (waste electrical and electronic equipment) and its management. The focus on the management of WEEE, which if not properly disposed of can become powerful pollutants, draws attention to the issues of reuse, recycling and the circular economy, which are cornerstones of Poste Italiane’s Sustainability Strategy and which also find concrete expression in other company initiatives.

The Group has promoted numerous initiatives in different fields, from sustainable mobility to land valorisation, such as: ‘M’illumino di meno’, ‘Earth Hour’, ‘Sustainability Monitor Report’ to promote a conscious approach to environmental issues and to reach the carbon neutrality target set for 2030.

Demonstrating the Group’s concern for the environment, the Company promotes the consumption of certified and recyclable products with respect to internal and external printing and consumables. In this regard, the procurement of consumables, such as original and remanufactured consumables, reams of paper, packaging, and the supply of labels, forms and cartons, incorporates, where applicable, the Minimum Environmental Criteria (MEC) set forth in Article 34 of Legislative Decree 50/2016. In addition, specific product certificates/eco-labels conforming to ISO 14024 are used.

Consistent with the Group’s commitment to the use of recyclable materials, a project has been launched to replace traditional credit cards with cards made from sustainable materials, such as the new Postepay Green, produced in biodegradable material and composed of 82% polylactic acid of biological origin. Moreover, Poste Italiane confirms its focus on environmental sustainability policies through the use of FSC (Forest Stewardship Council) certified paper and transparent cellulose and biodegradable material for envelope

## Postepay Green

made of biodegradable material, 82%  
polylactic acid of organic origin

windows. Specifically, the use of FSC-certified paper for the Group’s mass printing plants ensures the procurement of this material through a value chain that guarantees environmentally friendly, socially useful and economically sustainable forest management.

For some time, the Group has paid special attention to the social and environmental aspects of its supply chain management, in the belief that the development of transparent and long-lasting relationships with suppliers, paying utmost attention to quality, respect for the environment, safety and social

implications in the procurement process, are useful principles for constantly improving the service offered to its customers, as well as for pursuing a public interest objective for Italy's entire economic system. The aim is to pursue sustainable change through the definition of projects with a significant impact, such as logistics, decarbonisation of buildings and consumables, favouring a focus on resource exploitation, investment plans and technological development, together with the greening of more traditional needs.

For the planning and preparation phase of tenders, the Sustainable Procurement Model adopted by the Group envisages a differentiated approach that, on the one hand, encourages sustainable innovation of materials and processes also with a view to the Circular Economy, and on the other hand, verifies and proposes the possible reference to the general framework of Green Public Procurement (GPP - Green Procurement of the Public Administration) 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 business size of the economic operator. Specifically, KeyESGs represent the non-financial criteria for assessing a company's performance, measuring its sustainability in environmental, social and governance terms.

The upward trend in environmental, social and governance indicators is matched by the significant increase in the ESG incidence of the technical offer, recorded at over 6 percentage points compared to last year. In order to increase the effec-

tiveness of business processes and the competitiveness of the supply chain, Poste Italiane aims to encourage the adoption of ESG criteria for selecting, evaluating and monitoring suppliers, mitigating any ESG risks.

Like in previous years, Poste Italiane has implemented the criteria set out in GPP, in order to combine sustainability in terms of reducing environmental impacts and cost rationalisation, applying, where required, the indications on the MEC, established with specific Ministerial Decrees. Tender procedures with technical offers (OEPV) almost always include ESG criteria.

Poste Italiane promotes the supply of foodstuffs of BIO, IGP, DOP, sustainable fishing, etc. products, which are higher than the minimum quantities prescribed by the MEC. Therefore, even local suppliers involved in the supply chain of food products for canteens and bars are required to guarantee certified products.

Furthermore, in order to significantly reduce its environmental footprint, the Company has embarked on a path of eliminating plastic of the canteens since 2019. In this regard, the register of suppliers is developed through a qualification system for regional areas and territorial areas. By favouring the presence of local labour with a zero-kilometre supply of material in the process of awarding works contracts, especially for those involving building and plant works, Poste Italiane is able to keep procurement costs low while reducing its impact on the environment.

## Poste Italiane's entry in the market of selling energy to Italian households

The Poste Italiane Group's entry into the electricity and gas sector was accompanied by the "Energia160" promotion, through which the Company provided a discount on electricity and gas supplies for its employees and pensioners. The transparent and completely green offer was introduced in honour of Poste Italiane's 160th anniversary and includes the supply of both gas and electricity for users. The pillars of Poste Italiane's "Poste Energia" electricity and gas solution, aimed at the free market and available at all Post Offices, on poste.it and on the Postepay and BancoPosta apps, are: transparency, predictability and sustainability.

In terms of how the offer works, the price of the raw material for electricity and gas is locked in for 24 months, and there are two payment options: the traditional one, with a variable amount based on how much is consumed in the month, and the fixed instalment option, which is calculated on the basis of the previous year's consumption. This innovative solution allows the customer to pay the same amount per month for 12 months, and thus plan energy expenses in the household budget. At the end of the year, the instalment is recalculated for the following year, upwards or downwards, on the basis of the actual consumption recorded.

In line with the Group's philosophy, "Poste Energia" is a transparent, predictable, innovative and sustainable service that strengthens the relationship of trust between citizens and the Company. The service represents another step along the path defined in the Strategic Plan, and contributes to the strategic

objectives of a multi-platform company with a diversified business consisting of postal and logistics services, finance, insurance, payment, telephony and, from now on, energy.

**100% green**

Electricity and gas offers

In addition, the "Poste Energia" offer is distinguished by its focus on environmental sustainability, with particular reference to environmental consumption. In fact, the Company is committed to guiding the customer towards good practices in the use of the service, aimed at limiting its consumption. Furthermore, the electricity sold comes 100% from renewable sources produced in Italy and the carbon dioxide emissions of the gas released for consumption are fully offset. Finally, "Poste Energia" is easy to subscribe to, simply submitting a recent bill, minimising paper consumption.

The supply of electricity and gas expands the multi-channel offer of services already offered by the Group, from postal services to financial services, from insurance to digital payments, from telephony to fibre Internet connection and other services. The approach adopted by the Group is based on reliability and transparency, maximising the predictability of customer spending and using 'pull' commercial channels, which differ from 'push' channels in that they are activated by customers

according to their own will, and do not prompt them to make a choice that is not always conscious or correct.

Through this new service, Poste Italiane intends to take a leading role in the country's energy transition path, while at the same time developing an advanced digital customer experience, relying on the widespread network of Post Offices close to the territories and people.

## Waste Management

Among the Group's environmental sustainability strategies is the continuous reduction of waste produced in all activities, the use of products with less impact on raw material consumption, the increased focus on the life cycle of materials used and the reduction of packaging. Most of the waste produced by Poste Italiane is non-hazardous waste such as paper, cardboard and plastic packaging and wooden pallets. However, within some sites the production of special waste classifiable as special hazardous waste, such as containers of printing inks or ink waste, may originate, albeit residually. In this regard, the Group is constantly committed to the gradual elimination from the purchasing cycle, also through the adoption of CAMs, of the products and materials that at the end of their life cycle give rise to the production of hazardous special waste, favouring similar but more sustainable products. 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 152/2006 and the like (e.g. forms, loading/unloading register, MUD). The share of recyclable waste is instead sent for recycling/recovery through asset transfer contracts. This activity currently includes the recycling/recovery of paper and cardboard, plastic, wood and, partially, iron ore.

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 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 constant assessment of impacts and the implementation of countermeasures also through the precise definition and identification of roles and responsibilities within its organisations. The responsibilities of the Company's various organisational structures with regard to activities that influence waste management and, more generally, environmental impact issues, are documented in the organisational structures and specified in the activity declarations therein. The verification of the conformity of the processes related to the correct management of waste is constantly carried out through the control of the technical and professional suitability requirements of the suppliers of the collection and recovery and disposal service, through the control of service levels

and through controls on the correct management of operational processes within the sites. The plant-structural audit activity carried out at the sites also includes verification of the conformity of the waste management processes produced, with particular reference to the correct management of collection points, temporary storage, separation by type and the processing and keeping of the required documentation (Forms, MUD, etc.). In addition, the Group has undertaken initiatives aimed at raising awareness on the issue of waste management, especially at sites where proper separation and disposal are an added value in terms of recovery/recycling possibilities.

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, with the aim of planning actions for continuous improvement in waste management, a risk and opportunity assessment is carried out within the framework of the adopted Environmental Management Systems. The criteria used are established according to the specifics 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.

Actions implemented to address risks and, where possible, seize opportunities, are proportional to the impact of waste production according to site and type, and monitoring of waste production data is carried out both within the specific procedures/methods referred to in the Environmental Management System, and during periodic reporting, such as the preparation of annual activity reports.

In particular, in 2022, the Environmental Management System, adopted and certified according to ISO 14001 at the Roma Eur headquarters, was extended to all sites throughout the country with a 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.

## Water resource management

As regards the water supply of the sites owned by Poste Italiane, this is carried out by withdrawal from the national water network and is mainly used for sanitary purposes, with discharge into the municipal sewage system. The Group's objective is to minimise the use of water resources by monitoring their overall consumption and to minimise the volume of water resources to be disposed of as industrial waste by monitoring their production.

With regard to the activities of Postel SpA, water is taken from local aqueducts or from wells for which it has a concession, for use mainly in connection with activities similar to domestic use or for air conditioning systems. Only at the Melzo and Pomezia sites, water is used for industrial purposes, and waste from industrial processing is delivered to disposals. In contrast, water that can be assimilated to domestic water or rainwater is discharged in accordance with local concessions.

With reference to the activities of SDA SpA, the water supply of the sites comes mainly from municipal aqueducts and

only in 3 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, while in the leased sites the activity is completely managed by the lessor.

With regard to consumption monitoring, Poste Italiane uses an integrated quality/environmental/safety management system certified according to ISO 14001:2015. In particular, a Meter Reading Register is compiled monthly at the SDA SpA premises, where water consumption readings are recorded. These data are collected centrally to calculate the total annual consumption and the average daily consumption. On the basis of consumption, through an ad-hoc indicator called "WCI" (Water Consumption Indicator), it is possible to relate consumption to productivity, i.e. 'litres/shipping'. Subsequently, a ranking is drawn up that highlights which locations have high and excessive consumption, in order to check for abnormal situations. The objective of SDA SpA is to keep within the standard of the average value of the WCI indicator, with the aim of reducing the WCI by 5%. The quantities of water resources used and discharged in the manner described in the concessions of the various water resource sites are reported to the local administrations, which then carry out the prescribed analyses. Suppliers using the water resource, contracted under Group agreements, manage the resource in accordance with the local contracts and concessions of the various sites where they operate.

## Environmental impacts of logistics

NFS

Aware of its capillary presence within the country and the potential contribution it can make in reducing environmental impacts, Poste Italiane Group considers these issues a priority in carrying out its activities, as well as in the process of defining its Sustainability Strategy.

*In order to generate a positive environmental impact with regard to logistics activities, the Group aims to support the green transition of its fleet*

Like in previous years, in 2022 Poste Italiane continued to implement sustainability initiatives, with particular reference to reducing the environmental impact of the corporate fleet. In this regard, 11,409 alternatively fuelled vehicles (electric, natural gas and LPG) are already deployed in the fleet.

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, continued in 2022 through measures to reduce energy consumption, lower atmospheric emissions, increase safety and increase load capacity for delivery. In fact, in addition to increasing safety parameters by replacing two-wheelers with three- and four-wheelers, electrically powered vehicles

### MAIN RELATED TYPES OF CAPITAL



have been increased in order to promote 'green mobility'. With regard to improving the organisation of the delivery load, Poste Italiane also introduced larger and more functional vehicles for the transport and delivery of parcels, and set up new fittings.

Improving the environmental performance of the Group's fleet generates significant impacts on the reduction of greenhouse gas emissions. For this reason, 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. The results of this policy are evident, as the Company has gone from 11% green vehicles in 2016 to 37% in 2022, more than doubling this percentage by 2021, with the aim of replacing the entire company fleet with low-emission vehicles by 2024, resulting in a CO<sub>2</sub> reduction equal to that of around 80,000 trees.

In line with the Group's objectives aimed at the efficient use of renewable sources and the rationalisation of energy consumption from fossil fuels, since 2018, the Company has been promoting and supporting the new plan for the green

# -18%

PCL fleet emissions  
compare to 2019

# 37%

of the fleet consisting  
of green vehicles

evolution of the corporate fleet and the Joint Delivery plan, two key corporate strategies for achieving the objectives set in terms of environmental sustainability. Through the “Joint Delivery” plan, Poste Italiane adopts a model that allows the Group to radically reorganise the delivery network and its operating model, implementing a delivery style that provides for the transition from a single network structure to a structure with two networks, which differ in terms of delivery methods, frequency and type of product managed. 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.

Regarding the details of the green fleet transformation project, in 2022, Poste Italiane completed the fleet of 1,956 electric vehicles, of which 1,170 cars, 264 vans, and 511 tricycles and quadricycles, 7,003 hybrid electric or methane vehicles, and 6,154 low-emission vehicles.

The green fleet reached 37% of the total Poste Italiane fleet in 2022: there are about 7,500 bifuel vehicles between cars and vans - well above the approximately 2,800 in 2021 - and over 3,600 low-emission motorbikes. Specifically, 15,113 low-emission vehicles were fleet in 2022: 1,956 electric vehicles including 1,170 cars, 264 vans and 511 tricycles/quadricycles; 7,003 hybrid electric or natural gas vehicles; 6,154 low-emission vehicles. The total number of environmentally-friendly vehicles introduced as of 2019 is 22,610, and by 2023, a further 3,710 environmentally-friendly vehicles are expected to be introduced in the fleet, including: 2,250 electric vehicles; 684 hybrid electric or natural gas vehicles; 776 low-emission vehicles, a total of 26,320 environmentally-friendly vehicles by the end of 2023. The interventions are in line with the goal of reaching 27,800 vehicles by 2024.

## The Green Delivery Model

### Benefits:

- about 4 million passages saved and about 495,000 km avoided
- avoided emissions of 53 tonnes CO<sub>2eq</sub> and 244 kg of air contaminants
- each parcel delivered avoided the emission of 5.3 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 guarantees greater flexibility for customers and, at the same time, generates environmental benefits.

Poste Italiane customers, in fact, can make use of both the PuntoPoste network (consisting of more than 15,000 pick-up points such as tobacconists, bars, stationers, newsagents, Kipoint shops, Carrefour, API and lockers) 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 2022, through the PuntoPoste network and Post Offices, around 4 million parcel deliveries could be avoided, resulting in savings around 495,000 kilometres by the Italian Post Office fleet.

The journeys saved and kilometres avoided thanks to the Green Delivery model avoided the emission of 53 tonnes of CO<sub>2eq</sub> and 244 kg of air pollutants into the atmosphere (i.e. COVNM, NH<sub>3</sub>, SO<sub>2</sub>, NO<sub>x</sub>, PM10, PM2.5).

In particular, each parcel delivered through the Green delivery model resulted in a saving in CO<sub>2eq</sub> emissions and air contaminants of approximately 5.3 grams.



On 30 May 2022, an experimental flight was carried out on the Bari-Brescia-Bari route using SAF, Sustainable Aviation Fuel, derived from waste oil of biological origin.

The use of environmentally sustainable fuel for the Poste Air Cargo fleet is the proposal of the "Green Fuel" project for Poste Air Cargo, presented by a team of Poste Italiane employees as part of the "Insieme 24 SI" initiative, the contest of ideas on the eight pillars of the environmental sustainability strategy. The fuel used was obtained from a mixture of conventional fuel and green fuel - SAF - obtained from sustainable resources such as waste oils of organic origin, e.g. used cooking oil.

Thanks to the dilution of traditional fuel with SAF, it is possible to save around 35 kg of CO<sub>2</sub> for each hour of flight, as SAF fuel allows for a significant reduction in CO<sub>2</sub> emissions.

## Poste Air Cargo

The first flight with environmentally sustainable fuel

As of January 2019, the Group used the 'Fleet Management' function, set up for the purpose of indicating, managing and organising corporate strategies in the vehicle sector. This function has the task of defining and ensuring the governance, guidelines and appropriate tools to obtain the best services for the entire vehicle fleet of Poste Italiane and Group Companies.

In addition to all the stable sustainable mobility initiatives, Poste Italiane is taking steps to influence people's current and future behaviour, so that it becomes part of a new normality for the benefit of environmental protection.

- **smart working** for staff;
- **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;
- **#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 campaign** to help spread the culture of sustainable mobility;
- **awareness-raising campaigns** related to sustainable mobility issues to promote rethinking the way we move around the city;
- **publication** of the e-Book 'The challenge of the car of the future: naturally electric';
- **News Magazine** bi-monthly dedicated to sustainable mobility and **Time & Money Saving section** within the PMO portal.

## Sustainable mobility

Poste Italiane's main initiatives

## Home-Work Travel Plan 2022

### Sustainable Mobility Actions

Poste Italiane believes that the management of systematic movements of its employees is a key element capable of producing positive effects, both direct and indirect, on the relationship with key stakeholders that can be enhanced.

The environmental impact generated by home-work trips is one of the main indicators of the effectiveness of the Home-Work Commute Plan (PSCL). Year-by-year monitoring allows not only to report on the current situation, but also to estimate the emission trend caused by systematic corporate mobility.

The PSCL is aimed at reducing private vehicle traffic and identifying measures to direct the home-work journeys of employees towards sustainable forms of mobility alternative to the individual use of private motor vehicles, on the basis of an 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. According to current legislation, the observation is aimed at territorial offices with more than 100 employees in municipalities with a population of more than 50,000 inhabitants. The results allow the savings of tonnes of CO<sub>2</sub> emissions and the total economic value of the external costs avoided in the home-work journeys of staff.

The circulating car fleet is surveyed through the aggregated results of the survey conducted in 2022, where specific information was requested on the private vehicle used for home-to-work travel. Specific data on the composition of workers' car fleets were 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.

Objectives related to the reduction of CO<sub>2</sub> emissions are the focus of the joint venture agreement between Poste Italiane and sennder, a European leader in the digitalisation of freight transport. Through the partnership with sennder, the Group

wants to improve the efficiency of long-distance road transport, covering the entire full-load transport sector and the handling of parcels and letters between all the Group's sorting and distribution hubs.

## Poste Italiane in Green Postal Day 2022

### Together to combat climate change

Poste Italiane participated in the fourth edition of the "Green Postal Day", an initiative organised by the International Post Corporation to enhance the contribution of postal operators to the reduction of CO<sub>2</sub> emissions and the global combat 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 postal operators' commitment resulted in an annual reduction of more than 30% in collective pollutant emissions and 30% in electricity consumption by 2022, compared to 2008. Companies participating in Green Postal Day also reduced their aggregate electricity consumption by more than 17.5 terawatt/hours.

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.

This initiative contributes to the achievement of the objectives of the "2024 Sustain & Innovate Plus" Strategic Plan, in particular, those related to the decarbonisation of the corporate vehicle fleet in view of the zero-emission target set for 2030.



With particular reference to the supplier selection process, Poste Italiane also includes the use of specific criteria to monitor the indirect environmental impact. Specifically, 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. In particular, in relation to the vehicles used to perform the services, the Group requires their consistency with the European standards on polluting emissions with a class no lower than EURO6 and that the XL boxed or tarpaulin semi-trailers equipped with TIR cable are equipped with GPS detection capable of transmitting all the detections on the position of the vehicles.

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 Group promotes. In particular, for transport services there is a score that rewards eco-sustainability for suppliers who adopt 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, bids aiming at the recyclability of packaging are emphasised in terms of the technical score awarded. In line with the services mentioned above, in the procurement of technological systems for parcels and letters, offers with low energy consumption in use are valued.

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 2022, influenced by the current socio-economic context, are characterised by stable quotations, with an average CO<sub>2</sub> price of about €81, significantly higher than in 2021, which was about €54. 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.

## Offsetting of aircraft fleet emissions

ETS quotas

 **Poste** AIR CARGO

**VELOCITÀ** Premura  
**DIALOGO** Empatia  
**RISPETTO** Puntuale  
**SERVIZIO ORGANIZZAZIONE** Cortesia  
**APERTURA** **PRECISIONE**  
**FAMIGLIARITÀ** VIGILANZA  
**ASCOLTO** **CURA**  
**RISPOSTA** E ATTENZIONE  
**SOLUZIONE IN OGNI EMERGENZA** CAPILLARITÀ

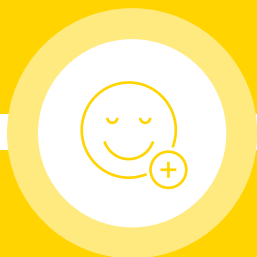


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and click on the link.



CHIARA RIVA  
Calligrapher



# Customer experience

Service quality and accessibility, attention to customers' needs.

- **83%** of customers are **satisfied** with the Group's services
- **ISO 27701** obtained for the **data protection management system**
- - **57%** IT security breaches/cybersecurity incidents
- - **90%** of customers involved in IT security breaches

## &lt; 7.14 Customer experience



**CUSTOMER EXPERIENCE FOR US:**  
scan the QR code and watch the video



## MAIN RELATED TYPES OF CAPITAL



## IMPLEMENTATION STATUS

MAIN TYPES OF CAPITAL	OBJECTIVES	INDICATOR (KPI)	TARGET	BASELINE	2022	OUTCOME
	<b>Increase Customer Satisfaction</b>	• Customer Satisfaction	• +4% by 2022	2018	<ul style="list-style-type: none"> <li>• +6% versus 2018</li> <li>• +4% versus 2021</li> </ul>	
	<b>Promote knowledge and skills development within the sales network</b>	• Hours of training provided to the sales network	• 6.5 million by 2022	2018	<ul style="list-style-type: none"> <li>• 8.5 million</li> </ul>	
	<b>Evolution of the Service Model through the specialisation of Financial Advisors based on the clientèle target into Personal, Dynamic and Premium</b>	• Number of specialised advisors	• > 10,000 by 2024	2020	<ul style="list-style-type: none"> <li>• 8,372</li> </ul>	
	<b>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</b>	• Number of subscriptions through Digital channel	• > 5% by 2024	2020	<ul style="list-style-type: none"> <li>• 7.2% incidence of digital gross inflows on total gross inflows by volume</li> <li>• 18% of transactions via the digital channel related to subscriptions of postal savings certificates and investment products</li> </ul>	
	<b>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</b>	<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	NEW	
	<b>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</b>	<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	NEW	
	<b>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</b>	• % number of transactions since solution release	• 30% by 2023	2022	NEW	
	<b>Promote knowledge and skills development within the sales network</b>	• hours per capita for employees working in the sales network	• 90 by 2024	2022	NEW	

Objective achieved/Objective achieved and updated

Objective not achieved

Deadline for achieving the objective that has not yet expired

## Quality and Customer experience

NFS

Customer satisfaction is a central objective of the quality policies of the Poste Italiane Group, which is committed to its pursuit by favouring moments of listening, which are essential to ensure the continuous improvement of the quality of the products and services offered. Offering customers a unique and distinctive experience is all the more important in such a rapidly developing and evolving environment, characterised by the increasing presence of mobile devices, social networks, e-commerce and multichannel. The correct approach within these channels enables a solid relationship of trust to be established and any changes in customer habits and behaviour to be intercepted.

Values such as courtesy, transparency, fairness and impartiality, which regulate the approach adopted by the Group towards its customers, are enshrined in the Code of Ethics and ensure correct, healthy and profitable management of customer relations.

Customer focus is the primary objective of Poste Italiane which, by offering a high level customer experience and a service based mainly on understanding and listening, succeeds in intercepting the needs of its customers, satisfying their requirements with great quality and professionalism

In this regard, the Company engages in a dual monitoring process, which allows for constant improvement of both the quality delivered and the quality perceived by the customer. With regard to the quality delivered, the Company monitors its targets and progress thanks to a KPI system that covers the entire range of products and services offered by the different business units and provides management with progress and trends based on a periodic reporting system. In the course of 2022, the development of the connected experience was pursued more intensively, whereby the 'connection' between customer ratings, operational performance and competitor results was initiated. As far as Post Offices are concerned, the

### MAIN RELATED TYPES OF CAPITAL



Private Market structure has activated 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.

In connection with the value the Company places on the quality perceived by customers, a customer experience target has been set for 2022 for recipients of the MBO (Management by Objectives) programme as well. Therefore, a dynamic model has been developed that has the ability to determine targets by taking into account the changing environment through the analysis of internal and external signals, as well as 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 the measurement of Customer Experience, to cover all significant interactions with customers. 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.

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 verbatims (spontaneous customer responses on critical areas encountered during the customer journey with Poste Italiane products and services) obtained on the basis of periodic surveys in relation to the Group's ESG objectives. These opinions are then translated into Net Promoter Score terms, i.e. the extent to which customers are satisfied enough to

Poste in Pratica is the new service aimed at public administrations and citizens for the delivery, control, digitalisation and dispatch of administrative files. Administrations implementing the agreement can use the widespread network of Post Offices for the delivery and dispatch of files of any type, or request home collection. For Poste Italiane, this is a solution designed to simplify processes, streamline the administrative process and reduce the delivery/receipt time of paperwork with the public administration.

The citizen wishing to send a file is informed directly by the administration about the possibility of using the service and then, once the relevant documents have been prepared, can go to the Post Office. The operator, after recognising the customer, verifies the completeness of the data entered by issuing an acceptance receipt and initiates the document at the Group's administrative service centres. After verification, the file is dematerialised and then sent directly to the PA, either in paper or digital format. The citizen using the service can also monitor the status of the file and make use of Poste Italiane's assistance channels.

### The "Poste in Pratica" service

The Poste Italiane network at the service of citizens and the Public Administration

# 381

improvement actions addressed by the **Quality and CX Task Force** in 2022

recommend the products or services themselves to others. On the basis of this, the business units identify critical issues to be addressed and direct their own improvement actions, which are delivered by each owner within the Company for implementation.

# 83%

of customers say they are **satisfied** (engaged) with the **Group's services**

The continuous listening model is ensured by the Customer Feedback Management (CFM) service, a corporate service activated for the provision of surveys on the quality perceived by customers with respect to the Group's products and services. The tool makes survey results available in real time, thanks to the use of a performing semantic engine. Indeed, Poste Italiane is working to become an ecosystem platform for the delivery of innovative products and services in a cus-

tomers-centric logic, enabling operational and business models that are rapidly aligned to the growing needs of customers and the market. The work of the Quality and CX (Customer Experience) Task Force activated in July 2020 continued in 2022, which is dedicated to analysing and listening to customer opinions in real time, with the aim of triggering rapid and selective action in respect of the evidence emerging from ongoing discussions with customers and the front line. In the course of 2022, the activity involved more than 222 people, highlighted 361 feedbacks and addressed 381 improvement actions.

The impact of digital transformation is relevant in many industries, particularly in the postal sector. Poste Italiane is therefore called upon to recognise these changes and to take action to provide customers with new tools to meet their needs. The Company aims to implement all booking system in the Post Office so that each appointment can be planned exactly, considering that the percentage of customers planning an appointment, currently around 10%, is set to increase in the short term. Crucial in this respect is the added value resulting from the omnichannel experience.

Finally, Poste Italiane also implemented several interventions in the area of waiting time management, with the related attribution of new functions provided to the reception operator (ODA) in order to direct customers to the fastest and most suitable channel for their needs. In fact, the Company has long been focusing on strengthening the advisory service, entrusting each financial advisor with a portfolio of clients. The portfolio of retail customers is one of the pillars of Poste Italiane's strategy to achieve its objectives and is the lever for effective customer management based on the new advisory service model.

## Poste Italiane's omnichannel strategy

The impact of digital transformation is relevant in many sectors and even more so in the postal sector. Poste Italiane is structuring an omnichannel service model that provides value and quality to both the many customers who prefer the digital mode and those who prefer to frequent Post Offices.

Poste Italiane's model is based on a strong integration between physical and remote accessibility to the services provided, and is based on four pillars:

- new reception model;
- relational desk;
- strengthening the tools that enable the Company to bring about this change;
- valorisation of consulting rooms.

The integrated model is necessary since 94% of Italians live within five minutes of a Post Office or PuntoPoste.

The full integration of its channels enables the Poste Italiane Group to effectively manage customers, from engagement to sales, through a data-driven service model supported by technology-intensive processes and customer operations. This model also contributes to the digitalisation process of the country by reducing the digital divide. Through its omnichannel interaction platform, Poste Italiane handles 20 million daily customer interactions, 6.7 million of which come from digital channels.

In addition, the "Punto Poste Casa & Famiglia", a new space where citizens can find the entire range of products and services dedicated to the home and family, designed to simplify and enhance customer relations, is active in many Post Offices. At the "Punto Poste Casa & Famiglia", it is also possible to find out about the offers of PosteMobile Casa, easily activate PostePay Evolution, subscribe to a Poste Guidare Sicuri RCA policy, or apply for all of Poste Italiane's more "traditional" products, such as the "Libretto di Risparmio Postale" or the "Buono Fruttifero Postale".





PostePay SpA 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's commitment has always been to put the customer first by offering quality services, with the aim of satisfying the customer at every stage: from purchase, to use, to customisation, to requesting assistance.

PostePay's customer service is based on customer culture and is transversal to the Company, involving all staff in all phases of the design, development and delivery of offers and management processes. PostePay has constantly evolved its services, capabilities and customer care in this direction, offering customers increasingly advanced tools to manage their offers and services, from a multi-service and multi-channel perspective.

## PostePay among the winners of Italy's Best Customer



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. This year's 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.

The use of artificial intelligence has several positive impacts for both customers and the Company, as it allows for 24-hour customer service 365 days a year, which helps to bring part of the population closer to and familiarise them with advanced technological systems, relieves operators of the most repetitive tasks, and allows them to dedicate themselves to activities that require human intervention.

## Poste Italiane: Awarded at Smau

Innovation in Customer Care Service Systems



Failure to meet customer needs is a risk driver that is assessed by the Board of Directors, also with reference to customer experience indicators, such as the complaint rate, which in 2022 decreased by 25% 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's objectives.

In order to collect and analyse data from the desired 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, through which it generates real-time reporting of 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.

At the organisational level, through the area dedicated to digital channel management, activated in 2020 to enable continuous improvement of experience KPIs gathered both from customer listening and from the analysis of external sources (store app, Google comments, etc.), more than 700 interventions were carried out up to 2022. These interventions positively affected the CES and rating app KPIs measured on the channels. The main releases include: the possibility for customers to purchase the main products online in a simplified manner (Postepay Digital Card, Current Account, "Libretto Minori", Loans), the evolution and innovation of the Home page of the Postepay and BancoPosta apps by grafting engagement elements aimed at driving sales and transactions, the possibility for customers to withdraw without the use of a card at ATM Postamat using the apps, the enabling of direct debits for utilities, the possibility of consulting their receipts for payments made online and at Post Offices directly on the notice board, and the possibility of requesting online and consulting the ISEE declaration on the notice board.



In addition, the continuous improvement and simplification of key processes from an omnichannel perspective continued in 2022. Among the most important interventions are the evolution of the access model in the Post Office, through an initial simplification of the booking process that will be completed in 2023, the simplification of identification in the Post Office, the completion of the customer profile to enable it to operate in multi-channel mode, and the signing of the digital signature also from the Post Office.

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 certifications and those identified by the “inter-functional communities”. In this area, the use of a process mining platform, purchased in 2022 by the Group, continued in 2021, which enables more effective service quality improvement projects with a strongly data-driven approach. During the year, the platform was used on improvement projects related to transversal processes such as “successions” and the “invoicing phase of the asset cycle”.

Since 2021, Poste Italiane has held UNI ISO 22222 certification for financial advisers who assist savers in their investment choices. The certification confirms the Group's commitment to supporting the widest application of ethical and sustainability principles to enhance the development of professional skills and offer services dedicated to customers' needs. Poste Italiane was, in fact, the first among large Italian companies to achieve UNI ISO 22222 and UNI TS 11348 certifications for the Investment Advisory Service Model of financial advisers engaged in the role of personal financial planners. 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.

**41 mln**

**contacts managed in 2022**  
**(+10.8% vs 2021)**

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 the support of the business. 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,

**39%**

**contracts managed**  
**by Artificial Intelligence**

Poste Italiane managed to increase the number of managed contracts by 10% in 2022 compared to 2021, with AI accounting for 39% of managed contracts (33% in 2021).

Poste Italiane has always paid the utmost attention to the needs of its customers to ensure their complete satisfaction, in order to offer the product or service best suited to their needs and preferences. In cases where the customer's expectations are not met, the cooperation of the customer becomes essential for the Company to identify and remove the causes of the inconvenience. Co-operation, in fact, on the one hand allows the interested party to have its needs met, and on the other hand to put in place the necessary corrective actions and activities to improve business processes. In this regard, Poste Vita has adopted a Complaints Policy that precisely defines the principles for handling customer grievances aimed at their correct and timely handling. In addition, the preparation of a monthly Complaints Report allows the monitoring of the above activities, highlighting the main causes of complaints and the corrective actions put in place to resolve them.

The issue of quality, which is also strongly integrated within the corporate development strategy, takes on a primary role within the Poste Italiane Group's Integrated Policy, with the aim of mapping, within the framework of quality management systems, all the processes that contribute to the design, development and implementation of a product or service.

Moreover, Poste Italiane considers it of fundamental importance to build customer relationships characterised by the pursuit of maximum transparency and fairness. For this reason, the Company requires its employees to constantly strive to meet its customers' expectations, and envisages that the principles set out in the Integrated Policy should be transposed by the Group Companies, according to their autonomy and independence, adapting them according to their size, organisational and operational context and any regulatory provisions (e.g. Financial and Insurance sectors).

In order to ensure the highest level of effectiveness and efficiency of processes, activities and resources, the Company has adopted an Integrated Management System that allows it to produce reporting that represents the trend of complaints and customer experience indicators. As far as quality is concerned, the Integrated Management System enables the Company to constantly implement initiatives to improve the regulatory system and, without prejudice to the autonomy of the individual business units in the drafting of content and procedures, to pool formats and tools.

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, which guarantees through its functions the satisfaction of customers' expectations, enables Poste Italiane to pursue the continuous improvement of its performance and standard of competitiveness on the market. The System plays an essential role in defining the rules and limits applicable to quality control at all levels. Therefore, any anomalies found are 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 was done in previous years, the Group further refined its customer listening activities through its multiple touch points for postal, financial and insurance services. Once a year, the NPS is also measured for the most representative competitors of the Poste Italiane Group's businesses.

Continuous listening to the front line of business channels was also activated in 2022. Large Customer Accounts and SME/POE Accounts thus 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 verbatims by an inter-functional team with the aim of structuring a follow-up, which is returned to each individual customer by the Account.

As far as customer interaction is concerned, recall management is crucial for the Poste Italiane Group because it can be an instrumental indicator in defining the Group's level of service. It also contributes to the assessment and management of operational and reputational risks, as well as non-compliance and conduct risks. In this regard, specific reporting systems are used to analyse the progress of complaints, carried out on a weekly and monthly basis, which communicate the results to top management. Each Poste Italiane Group company has adopted and implemented specific procedures outlining the principles and procedures for handling complaints, and these procedures are periodically submitted to their respective Boards of Directors for approval.

During 2022, the Poste Italiane Group implemented its financial services offering. Customers can subscribe to the "Prestito BancoPosta Business Link Online", developed in cooperation with Banca Aidexa SpA, which enables digital loans to be offered to sole proprietorships and small businesses.

In the area of insurance services, the new "Digital Protection" feature of "Poste Vivere Protetti" has been included in the modular offer. Through PostePay's omnichannel platform, the Group has assumed a strategic role in the provision of payment services, reaching a number of "Evolution" cards of almost nine million and more than 23 million users who have adopted PostelD to certify their digital identity.

On 15 June 2022, the Group launched an offer under its own energy brand aimed initially at current employees and pensioners. The transparent and completely green "Energy 160" offer was introduced in honour of Poste Italiane's 160-year history and includes the supply of both gas and electricity for users, for a total of around 30,000 contracts signed.

## Poste Italiane

Close to customers' needs



## Dialogue with consumer associations

Poste Italiane shares with the Consumer Associations a path oriented towards confrontation, dialogue and collaboration, on a small and large scale. The Framework Agreement signed in 2011, and then renewed in 2018, through which the “Cantiere Consumatori” was set up, a permanent working and consultation group made up of a single representative of each Association and Group representatives, whose purpose is to identify the best solutions to reconcile the Company's needs with those of its customers in the context of consumer-oriented corporate initiatives. Through the working group, the Company has been able to increase the quality of its products and services over time by adopting a constructive and transparent approach between the parties.

Furthermore, in order to follow up on the issues that emerged and were addressed at the round table and to promote initiatives, the newsletter “*Dialogando con i Consumatori*” was created, an information tool addressed to the territorial representatives of Consumer Associations. The aim of this project is to inform stakeholders about the main news related to Poste Italiane's activities and to provide them with new insights

and recommendations, in order to further tighten the bond of knowledge and cooperation that has always characterised the relationship between the Company and consumers.

In order to guide consumers through the online purchasing process, Poste Italiane has made available to them the “E@sy commerce” manual, created in collaboration with nineteen Consumer Associations and Netcomm, the Italian E-commerce Consortium whose members include the most important national operators in the e-commerce sector.

In order to ensure the availability of all the information necessary for the efficient use of postal products and to describe the quality objectives that the Company is committed to achieving for each of them, Poste Italiane makes available the Postal Services Charters, which provide all the information on the main products, delivery targets and times for Italy and abroad, complaints and refunds. The Universal Postal Service Charter includes products covered by the Universal Postal Service (Legislative Decree 261/99). The Postal Services Charter includes products not covered by the Universal Postal Service.

## Cybersecurity, IT Security and Privacy

NFS

In a global context characterised by an ever-increasing presence of the digital world as a cornerstone for business development and continuity, Poste Italiane attaches particular importance to the adoption and implementation of effective security systems for the defence of the Company's information assets and consequent data breaches. Therefore, the adoption of valid computer security systems is instrumental to the correct functioning and provision of own services and guarantees the confidentiality of data and information, preventing any type of access to unauthorised parties.

Among the priorities of the Poste Italiane Group is the protection and safeguarding of the information assets of customers and stakeholders. This is made possible by technologically advanced systems and state-of-the-art defence measures

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 pro-

### MAIN RELATED TYPES OF CAPITAL



cess 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**, 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 cyber risks in the Company, Poste Italiane combines these precautionary measures with two other indispensable parameters: patching and hardening. Together, these activities are aimed at resolving vulnerabilities by keeping the operating system, firmware and applications up-to-date, activating only required ports and services, and obfuscating easily breached system components.

The cyber risk assessment revolves around two main dimensions, Severity and Confidence. Severity identifies the severity level of cyber vulnerabilities; on the contrary, confidence refers to the level of reliability of the cyber risk value, which depends on the coverage degree of the checks carried out in terms of number of completed analyses. Downstream of the entire analysis process, Recovery Plans are drawn up, i.e. the main corrective measures necessary to fill the safety gaps identified during the various analyses, including the technical ones. In the past, the management

of Recovery Plans relating to the various security activities has involved the contribution of a number of Poste Italiane Group functions.

During 2022, the implementation of the new BCM (Business Continuity Management) model in the financial perimeter was started with the definition of the relevant Business Continuity Plan, Business Continuity Risk Analysis and Assessment Methodology. Organisational and technological solutions for continuity were tested and training events on business continuity were held. The following are the main initiatives of the year:

- Two cyber incident management drills in the financial sector;
- Involvement and coaching of the main corporate structures that have to adapt to the new model (Security Officers, Business Owners);
- Acquisition of specific licences to automate processes;
- Definition of the test plan for organisational solutions;
- Definition of test plan for technological solutions;
- Incident management and business continuity drills;
- Training event focusing on the supply chain and the role of Business and Process Owners.

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;
- a **Chief Information Security Officer (CISO)** has been entrusted with the responsibility of the Group's cyber security to ensure better management of the issue.

In order to ensure business continuity for the management of crisis situations resulting from sectoral, corporate or extensive

incidents affecting the Group, Poste Italiane has defined and implemented a business continuity plan based on an appropriate identification of the most critical systems, the potential threats that may occur on them and the countermeasures to be taken. This plan must, therefore, describe the criteria, procedures, technical and organisational measures and tools adopted for emergency management (Contingency Plan) and for the restoration of operating conditions prior to the occurrence of a harmful event (Disaster Recovery) in accordance with the Service Level Agreement (SLA) agreed with the internal customer. To ensure its effectiveness over time, the business continuity plan is tested and updated periodically (at least every six months) and in the face of significant organizational, technological and infrastructural innovations or more generally, in all those situations that can generate new risks.

In relation to the crisis that emerged due to the conflict in Ukraine, levels of monitoring and attention to security events were raised and cyber intelligence activities were strengthened in order to prevent or promptly intercept potential cyberattacks against the Poste Italiane Group. In addition, specific measures were put in place to minimise the attack surface and its impact on Poste Italiane's customer base.

Timely and effective business continuity and crisis management is ensured by the application of a Business Continuity Plan and a Crisis Management Plan, which are an integral part of a framework that also includes a Disaster Recovery Plan, a Communication Plan, a Test Plan, and operational procedures and instructions. In particular, in 2022, Poste Italiane recorded a 57% reduction in cybersecurity breaches or incidents compared to 2021.

In order to minimise human factor risks and their impacts, several training initiatives for internal staff were launched in 2022. Technical drills were carried out for security guards with the aim of strengthening their capabilities to detect, analyse and coun-

**-57%**

**IT security breaches/cybersecurity incidents compared to 2021**

ter cyber threats or attacks, and Table Top Scenario cyber incident management and business continuity drills aimed at testing business processes and procedures, as well as the correct interpretation and effectiveness of procedures in real-life cases.

Through its "Poste Sicuri Online" anti-fraud campaign, Poste Italiane presented guidelines in 2022 to prevent fraud against its customers. The campaign aims to spread simple rules and tricks to avoid computer security issues. These rules protect all postal operations carried out by the user, whether traditional or digital.

In this sense, a supporting tool are the Poste Italiane apps, which can also be used to take advantage of the free push notification service in order to stay informed in real time about payment transactions made with a current account and payment cards. Alternatively, it is possible to activate the SMS notification service on a mobile phone, which is free of charge for payments on websites and apps.

**"Poste Sicuri Online"**

**Navigating Away from Scams**

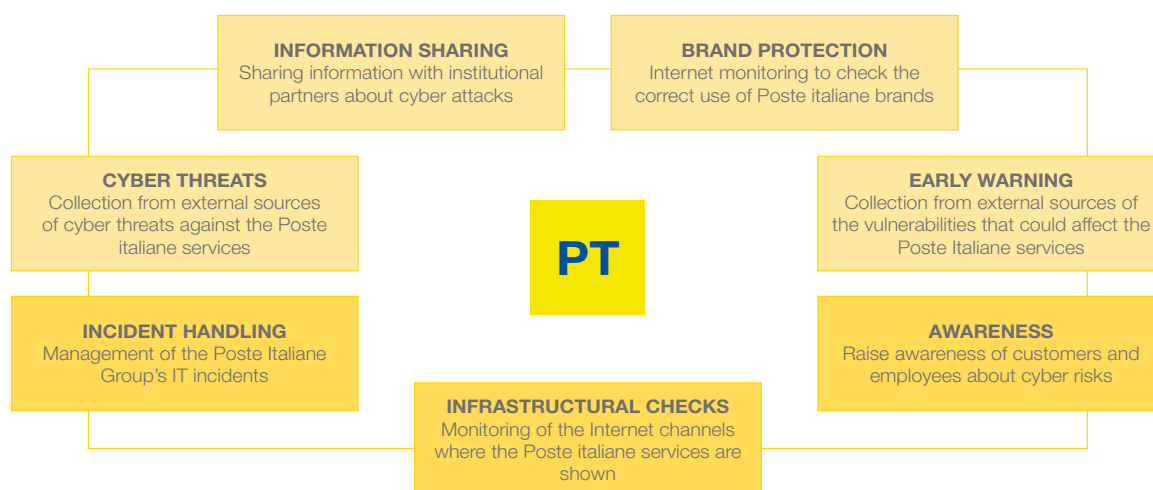
## Computer Emergency Response Team (CERT)

Given the complexity that characterises Poste Italiane's underlying organisation, the Group's cyber strategy has increasingly matured over the years, through the adoption of different organisational and technological solutions to minimise exposure to potential attacks. In this context, Poste Italiane set up the Computer Emergency Response Team in 2013, in order to ensure Group-wide oversight of cybersecurity and data protection activities, and to actively fight cybercrime. The working group performs a governance function in Crisis Management and Group Business Continuity to ensure the continuity of services. 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. This organisation is part of a wider network of similar structures, both nationally and internationally, with which it interacts constantly by sharing information, indicators of compromise and attack models in general. In this regard, Poste Italiane collaborates with CNAIPIC (National Centre Against Cybercrime for the Protection of Critical Infrastructure) division of the Postal Police.

CERT has structured its services in such a way as to ensure the overall protection of Poste Italiane's business, acting on a number of levels:

- **External perimeter**, which prevents attacks by collecting and exchanging information on threats and vulnerabilities that may affect the Group's services;
- **Internal perimeter**, which protects the corporate infrastructure and responds to potential IT emergencies.

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

#### Results and next steps



Involving, informing and conveying awareness on cybersecurity issues to all the Company's personnel is the objective of Poste Italiane's CERT, a centre of excellence that deals every day with the protection of company data, through prevention, analysis and protection against cyber threats.

In 2022, a campaign was conducted to raise awareness of the spread of malicious e-mails. The introduction of the "Report Phishing" button on the Microsoft platform was an important tool in the prevention and fight against cybercrime. CERT also promoted a campaign on the 'cash for SMS' phenomenon, linked to smartphone apps that offer to buy unused SMS messages for promotional campaigns and advertising messages to other phone numbers, exposing the user to a number of risks.

In order to disseminate the culture of cybersecurity among the Group's employees, a 12-episode miniseries was produced, based on real-life cases, in which the protagonist is a cyber investigator dealing with cyber crimes. The series is loosely based on the novel "Il giorno del Bianconiglio" (The Day of the White Rabbit) by Alessandro Curioni and aims to show how the world of the Net can overwhelm the real world.



Poste Italiane constantly dedicates attention and security to its employees and customers. As proof of this, Poste Italiane recorded a 90% reduction of customers involved in IT security breaches compared to 2021. The figure confirms the effectiveness of the activities carried out by the Business Control Centre Group, the security pact with the Postal Police and further agreements with different institutions and finally, the prevention actions carried out on a daily basis.

**-90%**

customers involved in IT security breaches compared to 2021

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.

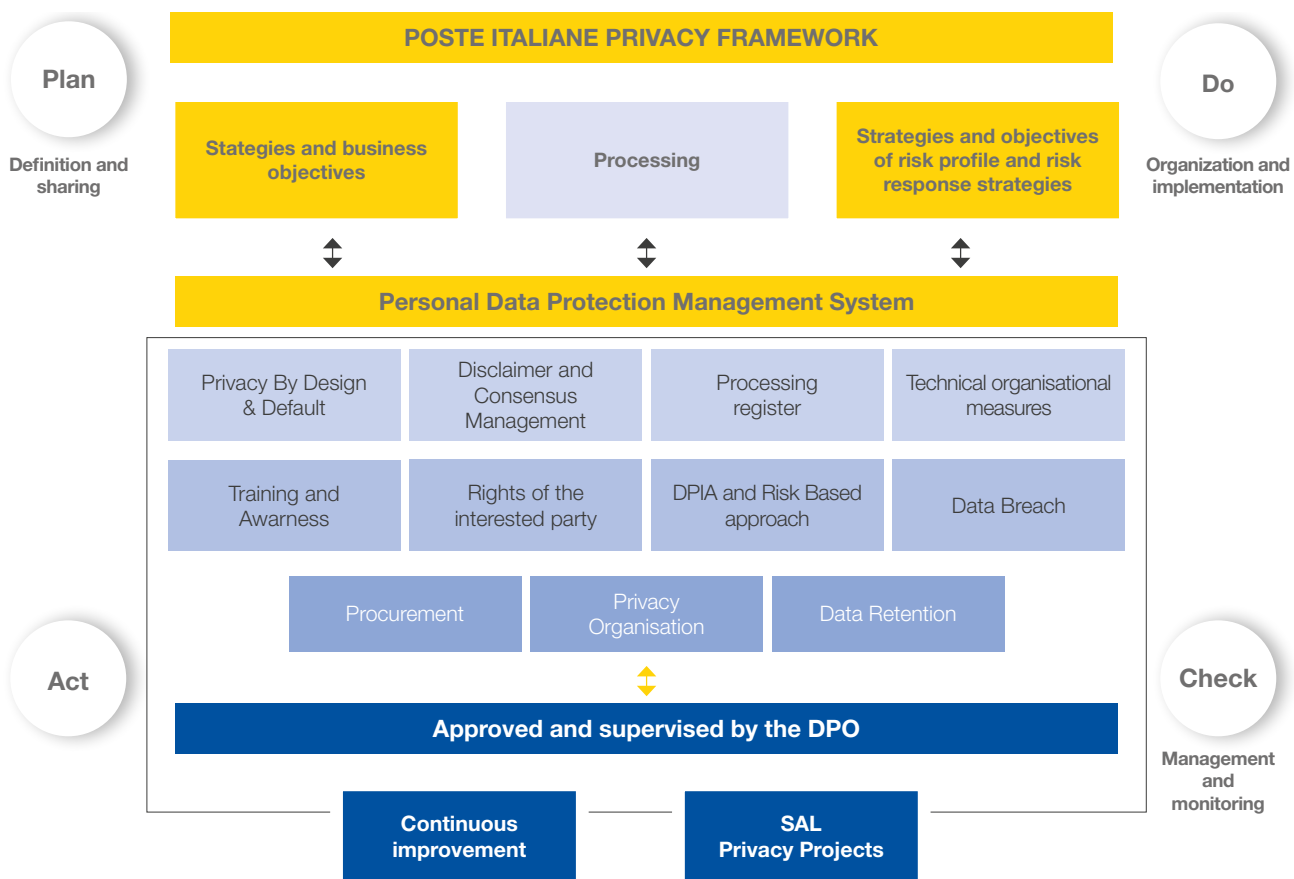
Poste Italiane also maintains its strong collaborative relationship with the Postal and Communications Police. This agreement envisaged activities aimed at preventing and combating offences relating to the products and production processes of the services offered by the Poste Italiane Group; surveillance at Post Offices during scheduled payment periods; the establishment of task forces to analyse new methods of computer fraud; and the development of new cybersecurity tools. These measures were necessary to cope with 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, for which it was necessary to intensify the activity of control and updating of the physical and IT security structures.

## Personal data protection

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), taking charge of the control of the management review process at Group level, as set out in art. 32. This regulatory system, consisting of procedures, guidelines and policies, is also applied in relations with all partners and suppliers, in order to ensure proper management of the risks related to privacy in all the Group's operations. Failure to comply with the standards defined by the system that leads to the occurrence of violations, may result in the application to employees of the disciplinary sanctions provided by the CCNL of Poste Italiane, gradually stricter based on the severity of the violation (written warning, fine, suspension of service with loss of pay, dismissal without notice, etc.). In this regard, Poste Italiane has drawn up a Corporate Policy on Personal Data Protection and Privacy Guidelines and a Personal Data Protection Management System, the latter introduced with the aim of ensuring uniform data management at Group level. In particular, the Guidelines define the Company privacy model and implements the principles of Privacy by Design and Privacy by Default, which establish the need for the Company to ensure adequate protection of personal data from the design of products/services and IT systems and to guarantee compliance with privacy legislation by default in processes for the collection and processing of data. Poste Italiane is also committed to ensuring proper management of data protection risks, including by carrying out the periodic management review process at the Group level.

By adopting policies and information campaigns aimed at raising data protection awareness, 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 the Group level for all responsibilities relating to personal data protection issues and coordinates the development of the aforementioned framework.

The Privacy Service Center operates within this function and its task is to represent a single point of reference for custom-

ers 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 Center, 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.

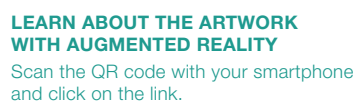


In 2022, Poste Italiane achieved ISO 27701:2019 certification for its data protection management system.

ISO 27701:2019 specifies requirements and provides guidance for the establishment, implementation, maintenance and continuous improvement of a Privacy Information Management System (PIMS) in the form of an extension of ISO/IEC 27001 and ISO/IEC 27002 for privacy management in the context of the organisation. The document specifies the requirements for PIMS and provides guidance for those responsible for the processing of personally identifiable information (PII) and for those in charge of processing it.

By achieving this security standard, Poste Italiane's Privacy function is able to demonstrate compliance of certified services with GDPR and other data privacy requirements.

## Poste Italiane obtains the ISO 27701 certification



Collage artist and graphic designer

Collage artist and graphic designer



# Innovation

Transforming our services, products and processes for a simpler world, for everyone.

- > **LIS Holding SpA** acquisition
- > **+20%** incidence of **digital operations**
- > **+25% download** of the **PosteID App** compared to 2021
- > **+18% download** of the **Postepay App** compared to 2021



## &lt; 7.15 Innovation



**INNOVATION FOR US:**  
scan the QR code and watch the video



## MAIN RELATED TYPES OF CAPITAL



## IMPLEMENTATION STATUS

## MAIN TYPES OF CAPITAL

OBJECTIVES	INDICATOR (KPI)	TARGET	BASELINE	2022	OUTCOME
<b>Development and deployment of digital and paperless services in energy supply</b>	<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>50% by 2025</li> <li>15% by 2025</li> <li>30% by 2025</li> </ul>	2021	<ul style="list-style-type: none"> <li>94%</li> <li>8%</li> <li>75% / 60%</li> </ul>	
<b>Install SMART mailboxes</b>	<ul style="list-style-type: none"> <li>Number of SMART mailboxes</li> </ul>	<ul style="list-style-type: none"> <li>10,500 by 2026</li> </ul>	2022	<ul style="list-style-type: none"> <li>156</li> </ul>	
<b>Increase the number of biodegradable cards</b>	<ul style="list-style-type: none"> <li>Number of biodegradable cards</li> </ul>	<ul style="list-style-type: none"> <li>16 million by 2024</li> </ul>	2020	<ul style="list-style-type: none"> <li>8.1 million</li> </ul>	
<b>Increase digital transactions for the various products of the Poste Italiane Group</b>	<ul style="list-style-type: none"> <li>Number of digital transactions in financial, insurance and payment services</li> </ul>	<ul style="list-style-type: none"> <li>+50% by 2024</li> </ul>	2020	<ul style="list-style-type: none"> <li>+67%</li> </ul>	
<b>Increase contactless transactions</b>	<ul style="list-style-type: none"> <li>Number of transactions</li> </ul>	<ul style="list-style-type: none"> <li>1.2 billion by 2024</li> </ul>	2022	NEW	
<b>Replacement of all PCL operating personnel uniforms</b>	<ul style="list-style-type: none"> <li>Number of PCL operating personnel uniforms replaced</li> </ul>	<ul style="list-style-type: none"> <li>40,000 (all staff) by 2025</li> </ul>	2021	<ul style="list-style-type: none"> <li>Tender awarded in December 2022</li> <li>Roll-out plan defined to complete supply</li> </ul>	
<b>Increase the level of automation of back office processes</b>	<ul style="list-style-type: none"> <li>% of back office resources supported by automated digital processes</li> </ul>	<ul style="list-style-type: none"> <li>75% by 2024</li> </ul>	2020	<ul style="list-style-type: none"> <li>56%</li> </ul>	
<b>RDS-Digital Service Request Project</b>	<ul style="list-style-type: none"> <li>Preparation on digital channels of data for in-branch transactions</li> </ul>	<ul style="list-style-type: none"> <li>Preparation on digital channels for data for in-branch transactions by 2024</li> </ul>	2020	<ul style="list-style-type: none"> <li>Implementation of the solution in app PT</li> <li>Analysis for porting to One app</li> </ul>	
<b>Digitisation of Customer Receipt – Phase 1</b>	<ul style="list-style-type: none"> <li>Digitisation customer receipt</li> </ul>	<ul style="list-style-type: none"> <li>Digitisation paper receipt by 2024</li> </ul>	2020	<ul style="list-style-type: none"> <li>Release on financial products throughout the PO network (credit transfer, phone top-up and Postepay)</li> </ul>	
<b>Elimination of the paper list used for products destined for Distribution Centres</b>	<ul style="list-style-type: none"> <li>No. of A4 paper sheets saved</li> </ul>	<ul style="list-style-type: none"> <li>8 million by 2022</li> </ul>	2021	<ul style="list-style-type: none"> <li>8 million</li> </ul>	
<b>Development of pre-sale and sale channels of products and services in multi-channel</b>	<ul style="list-style-type: none"> <li>% of new funnels created in multi-channel</li> </ul>	<ul style="list-style-type: none"> <li>75% by 2024</li> </ul>	2020	<ul style="list-style-type: none"> <li>68%</li> </ul>	
<b>Full Digital POs</b>	<ul style="list-style-type: none"> <li>No. pilot POs</li> </ul>	<ul style="list-style-type: none"> <li>One pilot PO by 2023</li> </ul>	2022	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

NFS

Today, companies, in response to changes in the global competitive landscape linked to an ever-increasing quest for sustainable success, have had to rework their products, services and processes. 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. In February 2023, Poste Italiane plans to expand its range of services by entering the energy sector with a 100% green product. The Poste Energia offer provides custom-

**+20%**

incidence of digital operations

### MAIN RELATED TYPES OF CAPITAL



ers with electricity 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.

For the Poste Italiane Group, innovation and digitalisation are the main drivers of strategic progress, fundamental to ensuring cutting-edge technological solutions

By adopting an innovative approach, the Company has managed to supplement its traditional offer with new proposals and to adapt quickly and effectively to a changing socio-economic context. In the aftermath of the Covid-19 pandemic, the country was forced to accelerate the digitalisation and innovation path started in previous years and Poste Italiane, thanks to customer-oriented technological solutions implemented directly through digital channels, supported companies in the transition.

## Innovation and digitalisation of products and services

During 2022, 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.

- 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.

## Payments and current accounts

In order to mitigate potential negative impacts, 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:

In 2022, in continuity with previous years, the Company implemented the digital payment services available, through an ecosystem of collection services available to consumer, business and PA customers, which can be used either through the physical network or through web or app channels. Still considering digital payments, the Group extended the "SoftPOS" service not only to the express courier SDA - the first entity to be enabled for the service - but also to post officers. Thanks to the new PDA, Poste Italiane's operators are able to handle cash-on-delivery mail and parcels and, through Tap on Phone ("SoftPOS") technology, authorise contactless payments through PostePay's "Pay with code" functionality. Furthermore, in 2022, "SoftPOS" saw the enabling of a "posless" electronic payment acceptance service on proprietary devices of large merchants.

In order to ensure the evolution of the loyalty programme by introducing more flexibility and opportunities for the development and enhancement of the customer base, Poste Italiane, in addition to 'SoftPOS', introduced a new online payment method, the QR Code Web, which can be framed from the Postepay app by the cardholder, allowing customers a frictionless, secure and unique experience. Payment with QR code is in addition to the payment methods already available in Pay with Postepay.

In addition, during 2022, the Group introduced a new "MPOS Postepay" offer by restyling the device and its packaging, with a view to environmental sustainability, using sustainable materials and improving sales and activation processes. In line with the commercial launch of the new "MPOS Postepay" product, an integrated Service Model was implemented with the new technology provider, which aims to ensure a smooth and transparent customer experience in the service process. At the same time, this model allows the Group to have an all-round understanding of the product's user experience, as well as to monitor the supplier's performance thanks to the real-time alignment of Poste Italiane's support systems in relation to tickets opened by the supplier. Finally, the delivery process of the "MPOS Postepay" product was improved, ensuring the fast availability of the collection service for the customer.

In the area of e-money, the Group promoted the continuity of its innovative products and services, launching, for example, the release of digital functionalities on the business channel of Postepay Evolution Business, together with the consolidation of important partnerships in the field of acquiring.

Additionally, thanks to the Open Banking platform, customers can manage accounts and cards, even if they are held at other banks or payment service providers, directly on the BancoPosta and Postepay apps. These initiatives make Poste Italiane's infrastructure open and offer customers increasingly connected and comprehensive services.

Opening a BancoPosta 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". The account is opened and activated after a few days. 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. Premium consultants are carefully selected following continuous and highly specialised training.

As far as current accounts dedicated to Business and Public Administration are concerned, in 2022, "BancoPosta Business Link", a current account for Small Business customers, introduced in the previous year and provided with a modular offer accessible online, was awarded at the MF Banking Awards with the Innovation Award in the category "Accounts and payments for business customers".

The offer launched in 2021, whereby the fee for the first year of the Postepay Evolution Business card is reimbursed with the request for the "Tandem Mobile POS" or "Tandem Physical POS" acquiring service and, at the same time, with the request for the card itself, was activated for the duration of 2022.

## BancoPosta

Towards an increasingly customer-centric approach

**BancoPosta**

In line with the Group's Strategic Plan, BancoPosta's contribution proved to be extremely relevant in 2022, confirming its position as the most reliable financial institution in Italy thanks to its omnichannel approach that guarantees a wide range of insurance and investment products.





The three pillars that guarantee the offer of an innovative business model are: people, the investment target for growth and the development of technical and professional skills; the platform, which increasingly guarantees adequate support for commercial activity and appropriate interaction with customers; and the products, which include, for example, multi-class policies, numerous partnerships and joint ventures.

By adopting an omnichannel logic, which allows for integration and synergy between channels for accessing products and services, BancoPosta is constantly adapting its activities to an increasingly customer-centric perspective.



In 2022, the collaboration between Poste Italiane and Santander Consumer Bank continued for the development and release of the Prestito Personale BancoPosta product.

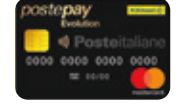

During the year, the Group encouraged the use of ATMs and digital channels and apps to perform various transactions, as an alternative to the counter for cash withdrawals. In the current context of digital progress, the Company is committed to guaranteeing its customers an offer that favours the use of electronic money and, at the same time, the fight against cash. The Group's research and commitment, as well as supporting government initiatives, have also enabled the development of a number of products and services:

- Postepay Digital**, the first 100% digital Postepay prepaid card suitable for online payments, public transport payments, payments via QR code or Google Pay for owners of an Android-enabled smartphone. It is managed by the Postepay app and allows users to request an associated IBAN code to receive or make transfers, credit their salary and pay their utility bills. In 2022, the possibility was introduced for customers to apply for Postepay Digital also through the web. Users who decide to receive the IBAN version of the card have the opportunity to request free of charge the physical card at home, so that they can withdraw cash from any ATM and pay at establishments affiliated with the Mastercard circuit;
 
- Postepay PA**, the prepaid card completely dedicated to the Public Administration, which since its launch, has made it possible to manage the funds and contributions to be paid out to citizens. The organisation can apply for the cards online through BancoPosta's Corporate Banking platform (BPIOL). The card funds are the property of the cardholder, who can top it up and use it for his or her personal expenses according to the limits defined by the institution during the agreement phase. The card has an IBAN code, which can be viewed from the PostePay and Bancoposta apps and from the postepay.it website, and allows SEPA Credit Transfers and Postagiرو to be received;
 
- Postepay Green**, a biodegradable prepaid card made from environmentally friendly organic materials, reserved for young people aged between 10 and 17. 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;
 
- Codice Postepay**, the new service that allows merchants to manage payments from the Postepay app via a QR code, identifying itself as a reliable and straightforward collection solution for professionals, artisans and small businesses in
 

the area. The possibility of making a payment by Codex, also within Post Offices, has been supplemented with a promotion that allows to



receive cashback for each transaction made. The initiative, which lasted until the end of 2022, gave the opportunity to obtain €3 cashback for every transaction made with a PostePay code worth at least €10 at one of the participating points of sale, with a maximum of €10 per day. The service can be purchased online and in Post Offices, where it is possible to generate lists of interested users (leads) who are subsequently contracted through sales representatives or contact centers. As of July 2022, the user experience of the Code payment mode was evolved with 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;

- The **Postepay Evolution** card is a rechargeable card with IBAN code that guarantees the use of main banking transactions without being tied to 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/postagiرو, utility payments and the crediting of salary or pension. The Group, through a 'business' version (Postepay Evolution Business) dedicated to self-employed professionals with a VAT number and sole proprietorships, offers the possibility of sending money on wallets and accounts, 24 hours a day, via Postepay app and website to over 200 countries thanks to the partnership with Western Union. In 2022, the digital functionality was also introduced on the Business channel of Postepay Evolution and the conversion of Postepay Evolution to environmentally-friendly materials was planned;
 
- 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 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.
 

Always with a focus on the business world, in the area of acquiring, the long-standing partnership between Poste Italiane and Lottomatica Italia Servizi (LIS) resulted in the acquisition of LIS from International Game Technology PCL (IGT).



## Poste Italiane finalises acquisition of LIS

The Group strengthens its position as a leading paytech company



Poste Italiane, through its subsidiary PostePay SpA, on 14 September 2022, completed the acquisition of LIS Holding SpA (LIS) from International Game Technology PCL (IGT), after obtaining the necessary regulatory and competition authority approvals. This acquisition constitutes the largest M&A transaction in Poste Italiane's history and strengthens PostePay's position as a leading paytech company, contributing to the further enrichment of the Group's omnichannel strategy.

LIS has a proprietary paytech platform, distinctive expertise, a highly qualified management team and is active in the Italian proximity payments market with a network of around 54,000 affiliated points of sale. Its offer consists of various services, including bill payments, prepaid payment cards, phone top-ups and vouchers, as well as solutions for merchants and businesses. LIS also provides integrated management of all back-office activities at the point of sale and of payment and commercial services provided to customers.

In line with Poste Italiane's omnichannel strategy, PostePay further consolidates its leadership in the digital payments and services market, leveraging on LIS's technological know-how to expand its product offering and strengthen its solutions dedicated to Small and Medium Enterprises.

The year 2022 saw the continuation of the partnership with ENI with the gradual activation of Postepay acquiring services (physical POS and in digital mode through the Paga con Postepay solution within the ENI Station app) at participating service stations. The collaboration with ENI has enabled the activation of PagoPA payment slips in over 2,800 service stations, thanks to which it is possible to pay taxes, stamp duties and other payments to the public administration. This opportunity was also extended on the LIS PAY network.

In the transport area, the service that allows payment cards to be accepted through PostePay acquiring at Trenitalia's physical POSs continued, while, as part of the virtual POS Corporate e-commerce acquiring service, the MO.TO services. (Mail Order/Telephone Order) were included, capable of accepting card payments through the telephone channel, payments with saving of card data COF (Card on File) and recurring payments (Recurring).

In 2022, the cooperation between PostePay and Bancomat continued. Under the "acquiring" licence, payments on the Bancomat and PagoBancomat circuits will be accepted in Post Offices, Postamat ATMs and at PostePay-affiliated establishments, and under the "issuing" licence, Postepay cards will be issued on the same circuits.

PostePay is the largest player in the industry with 29 million cards and more than two billion transactions by 2022: more than one and a half million Italians have chosen Postepay

cards to make their first e-commerce payments. The agreement enables the interoperability of digital payment platforms thanks to the user-friendliness of the QR code, which has already been successfully exploited for cashback. Successful initiatives that have been introduced in previous years and continued in 2022 include:

- **Apple Pay**, enables contactless payments with Postepay debit or prepaid cards from enabled iOS devices;
- **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;
- **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);
- **Postepay Business**, dedicated to retail customers, allows them to take advantage of the services of the Postepay ecosystem as well as those typical of a traditional debit card. Card operations can be customised via the Postepay Business app, on the dedicated web portal and at ATM Postamat. Additionally, the card allows authorisation of e-commerce purchases directly from the app.



## Tap & Go® Public transport becomes contactless



The Tap & Go® agreement between PostePay SpA, Mastercard and the public transport management companies of Milan, Rome, Turin, Bari and Naples allows access to and travel on enabled public transport such as metro, train and bus without having to purchase a paper ticket in advance.

In particular, the agreement allows the use of a prepaid or debit PostePay card belonging to the Mastercard circuit to pay for tickets directly at enabled contactless turnstiles. Payment can be finalised through the use of Apple Pay for iPhones or Google Pay for Android smartphones.

The service has no additional costs over and above those charged by the public transport company.

## 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).

Since 2020, in addition to BancoPosta, PostePay SpA has also been accredited as a payment service provider on the PagoPA system and it is therefore possible to carry out these operations on all digital channels, in Post Offices and through the portals of creditor institutions, also for payment notices drawn on bank current accounts.

In compliance with the Ministerial Decree of the MEF of 30 April 2021, Poste Italiane has developed the solution "Piattaforma Incassi per le Amministrazioni dello Stato" (Collection Platform for State Administrations), which allows the management of payments related to State Public Administration files through the use of the Bollettino postale (postal payment slip) as a collection tool on the postal current accounts of the treasury.

Poste Italiane's Digital Money Box (Salvadanaio Digitale) is 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. Through the Digital Money Box, the Poste Italiane Group encourages and promotes savings education, customer loyalty and the attraction of new customers, also encouraging the younger target group.

Since 2021, Poste Italiane customers have the option of using the SEPA Instant Credit Transfer (or SCT Instant) service on digital channels. Holders of Postepay cards with IBANs and holders of BancoPosta current accounts can have payments credited to the beneficiary in less than 10 seconds, as well as being able to independently manage their payments on the web and app channels. Customers can consult their payments and individual debit history, activate and revoke new mandates, enter specific amount limits and change debit IBAN coordinates also in omnichannel mode. Consistent with the European Central Bank's Roadmap, the process of adhering to the TARGET Instant Payment Settlement (TIPS) system was completed, enabling BancoPosta account holders and Postepay holders with IBAN, as well as holders of 'Smart' savings books, to receive instant credit transfers also from PSPs participating in the TIPS circuit.

The implementation of these initiatives aims at improving the user experience by enabling new use cases and facilitating the replacement of traditional payment instruments such as cheques and money orders.

The "Supersmart" offer, dedicated to customers bringing in new liquidity, allows them to access higher than standard interest rates on the amounts set aside at maturity. The "Supersmart 180 Days" offer can be activated at post offices, on poste.it and the BancoPosta app.

Also in 2022, 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 5,000 authorised Post

BancoPosta has deployed one of the most innovative and engaging means to reach new customers and modernise the current account vision. As a result of a co-innovation project of Poste Italiane (thanks to the internal teams in DTO Open Innovation and in BancoPosta), together with the start-up Gamindo, an initiative to invent and realise video games was carried out. An advergame, a branded video game, was developed to promote Poste Italiane and the Conto BancoPosta - Start Giovani option. This race game allowed users to be immersed in a new user experience, involving and informing young people about the services and benefits of the current account dedicated to them, with a strong message of innovation and digitalisation. Through "Conto BancoPosta Start Giovani - The Game", young people can have fun and at the same time discover new information on the services offered, including the possibility of subscribing to the account in the BancoPosta app.

Around 25,000 matches were played by Poste Italiane customers who went online to learn about the BancoPosta Start Giovani account. By playing an average of more than 2 minutes per game (on the various social platforms TikTok, Facebook, LinkedIn etc.), around 1,400 accounts were opened at the end of the trial, including through commercial e-mails and links to product site pages.

The game, developed for the BancoPosta Start Giovani account, consists of driving a small blue car on a "suspended" road, preventing it from ending up off the track. Along the way, bonus icons depicting Poste Italiane products are collected. What is of particular interest is the way in which customers are informed about the various services: every time they start to play, or start again after a mistake, users have to answer a simple question dealing with the BancoPosta world. Through the game, much more information is obtained, which in an immediate and user-friendly manner makes customers more familiar with the proposals and advantages of the BancoPosta account.

### Poste Italiane and gamification

The videogame dedicated to young people



Offices, after booking an appointment via the BancoPosta app or online.

Also in the area of insurance, Poste Italiane launched 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. The Group's objective is to contain the country's underinsurance phenomenon through customer-oriented awareness-raising actions, as outlined in the Strategic Plan.

Finally, in the area of payments, in 2022, the company recorded a significant growth in the number of digital payments, demonstrated by the spread of cards and, in terms of volume, the increase in card transactions, both in large and small shops. With respect to the phenomenon of the spread of POS, favoured by legal measures and the changing habits of Italians, the Group has made the following services available through the Single Front End also to Small Economic Operators:

- **Postepay Physical POS Service**, allows affiliated merchants to accept payments with cards or smartphones (via NFC technology), also in contactless mode, allowing monitoring of card collections, as payments, transactions and online statements can be consulted at any time via Merchant Portal;
- **Postepay's Mobile POS service**, allows to accept payments via cards or smartphones, even on the move. This is a zero-fee solution with zero recurring monthly fixed costs, which only includes the one-off cost of purchasing the "Card Reader". The application of transaction fees is among the most competitive on the market. Additionally, the service offers the possibility of handling transactions via a Mobile POS terminal and the appropriate app installed on the smartphone and/or tablet. To accept payments, simply connect the terminal via Bluetooth to the smartphone on which the app is installed, and free monitoring of receipts via the Merchant Portal is guaranteed.

## Poste Italiane among the 50 companies that are changing the world

The Company was included in Change the World 2022



Poste Italiane's sustainability plans take up one third of the investments in its Business Plan. Thanks to its commitment, the Company was included in Change the World 2022, a list of companies that through their business contribute to changing the world. Change the World does not focus on companies' turnovers, but on their social impact and sustainability.

In particular, Poste Italiane has been rewarded for its commitment to the electrification of deliveries: in fact, the complete renewal of the fleet is underway, with the aim of arriving at about 28,000 environmentally-friendly vehicles by 2024. Among the points emphasised in the analysis of the Group's initiatives is the digitalisation of its information system, with the gradual abandonment of paper, as well as the various initiatives for Italians; in fact, 80% of the more than 30 million Italians registered so far with the SPID digital identity have done so with Poste Italiane. In addition, the Company made its physical and technological network available for the vaccination campaign and accredited itself as a key player in the digitalisation process in Italy. Change the World is not the only award collected by the Group, which has not only been certified by the top rating agencies in almost all areas of sustainable comparison, but has also entered Morgan Stanley's STOXX Global Esg leaders by achieving AA ranking.

## Mobile

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 Fiber 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 2022, 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 by implementing further initiatives:

- **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 fourth quarter of 2022 saw the launch of the **PosteCasa Ultraveloce Start** product, which can be subscribed to at Post Offices and provides only the fibre data connection, leaving the customer the flexibility to choose whether to also request the 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.

In continuity with previous years, the PosteMobile Casa range of services, launched by PostePay in 2019, enabled the Group to increase its target market through flexible and convenient solutions. The expansion of the offer enables the consolidation of the Company as an institutional player of reference for the digitalisation and development of the coun-

# +25%

downloads from the PostelD app compared to 2021

try, especially in areas defined as "failed areas opportunities". Services are provided entirely over the mobile radio network, giving customers maximum flexibility in the use of data services, which can be used anywhere with a Wi-Fi modem connected to the electricity network.

# +18%

downloads from the Postepay app compared to 2021

Postepay Connect also continued, which saw the integration of the Postepay Evolution card and the PosteMobile SIM in a single app and proved to be a unique and distinctive offer within the Italian market, underlining the centrality of the online channel as complementary to the Post Office.

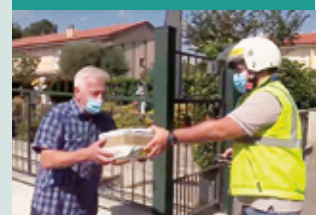
In line with the Group's ESG strategic objectives and specifically PostePay's green goals, the new SIM ECO was launched in August 2022. It has innovative features in that all the elements that make up the kit, both the SIM Card and the packaging (Envelope and Card Carrier), are made with materials and methods geared towards environmental sustainability. Specifically, the SIM was made of recycled plastic and half the size, while the card carrier and envelope carry Forest Stewardship Council (FSC) certification.

Thanks to a collaboration with the Ministry of Economic Development, which provides a government bonus, during 2022 Poste Italiane delivered free of charge to less well-off pensioners the decoders they need to watch TV programmes after the switchover to the new digital terrestrial television. The Group delivered TV decoders with a total value of no more than €30 directly to people's homes and also provided telephone assistance during installation of the device.

Customers could request the decoder in three different ways: through the toll-free number, through the form on the Nuova TV Digitale website, or by going to one of the almost 13,000 Italian Post Offices. This initiative is an integral part of the strategy of inclusion and support for the digitalisation of the country included in the Group's Business Plan.

## Poste Italiane and decoder delivery

The initiative for less well-off pensioners





## The Landriano strategic maxi-hub

### Updates one year after



One year after its inauguration, the activities of the Landriano e-commerce plant have continued, ensuring fast deliveries throughout Italy. Landriano represents Italy's first major hub for e-commerce and express courier services, capable of processing up to 320,000 parcels per day and ensure fast deliveries throughout Italy. The Landriano hub represents for Poste Italiane a further step in the transformation process of its logistics infrastructure, focused on innovation and sustainability. The facility enables the strategic development of the logistics network along the entire value chain to capture the full growth potential of e-commerce. Furthermore, the Landriano hub is a key part of Poste Italiane's sorting line together with the hubs in Bologna, Piacenza and the Centro di Passo Corese hub in Rome. The four centres are connected to the more than 90 branches and 1,700 delivery centres distributed throughout Italy for the operational handling of parcels that will then be delivered by the network of post officers and couriers.

At the Landriano hub, the sorting system, the operation used to sort goods and shipments, consists of four interconnected machines that automatically sort parcels by destination and weight/volume over 694 outlets, allowing the handling of 39,000 items per hour, using the highest technological standards. The state-of-the-art equipment also includes an innovative sorting system based on 'autonomous mobile sorting' technology, through which goods are sorted according to weight/volume by one of four machines that handle objects by type: small, medium, large and abnormally shaped. Objects with abnormal shapes are sorted by a specific machine operated by 17 robots to be subsequently processed by one of the system's four machines.

The new Landriano plant strictly adheres to the sustainability principles promoted by the Group. The structure has obtained the BREEAM In-Use Excellent certification, one of the most relevant international certifications in the field of sustainability, for the design and construction choices made. State-of-the-art photovoltaic panels covering a total area of 2,500 square metres were installed on the roof of the facility, providing the hub's daytime energy needs and reducing annual CO<sub>2</sub> emissions by 210 tonnes. Additionally, construction materials were used that ensure high performance in terms of energy containment.

## Parcels and Distribution

The Company, also in 2022, made use of an area fleet that proved to be a strategic asset to be able to meet the demanding market demand. In fact, thanks to its air connections, Poste Italiane has made it possible to deliver parcels within 24 hours throughout Italy, including the islands. The Company's aircraft fleet consists of six vehicles in total: five Boeing 737-400 Cargo and one ATR 72-500 Cargo. Domestically, it operates permanently at 8 airports.

In the delivery area, the Group continued its growth strategy in the logistics segment related to e-commerce purchases by strengthening the potential of its partnership with Amazon. 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 12,800 Post Offices and consists of around 15,000 alternative collection points including tobacconists, bars, stationers, newsagents, shops and KiPoints, as well as 320 lockers and 80 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.

Furthermore, the agreement signed with the partner Italiana Petroli (IP) provides for an increase in pick-up points dedicated to purchases online, to the dispatch of pre-stamped parcels and returns from the main e-commerce sites that adhere to the PuntoPoste Network.

Regarding the partnership with Amazon, renewed in 2021 for another three years, the aim is to meet the growing demand of customers throughout Italy through innovative delivery services. In this regard, operators running an e-commerce site can 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 beneficial for the retailer as it increases sales volume.

Additionally, in 2022 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 a view to business development, a new postal distribution centre in Viterbo was inaugurated in the last quarter of 2022, and is expected to handle very large volumes, averaging around 255,000 kg of “ordinary” mail and around 700,000 “items” of signed mail and parcels per year. The centre was designed and built in accordance with the “Joint Delivery”, the delivery model introduced throughout the province that guarantees the delivery of mail and parcels even during the afternoon hours and on Saturdays, as well as having state-of-the-art equipment to optimise the work of employees.

In addition to the Viterbo distribution centre, the Group opened other distribution centres in 2022, including Bracciano and Firenze Novoli. The new centres were designed in a functional way for “Joint Delivery” and allow a considerable increase in the volume of mail handled by Poste Italiane.

In the new distribution centres, all post officers are equipped with PDAs with which they handle ordinary mail and signatures in a quick and traceable manner. The recipient can pay from home or work, at the same time as the mail or parcel is delivered, by Postamat card, Postepay card or using debit cards from the Cirrus/Maestro circuit. The Joint Delivery model therefore passes through new structures, new organisational processes and new distribution logics. With the change towards efficiency, the Group aims to improve the quality of service and delivery times.

Additionally, Poste Italiane announced that it will open its first Post Office inside a railway station, in Catania, to contribute to the redevelopment and enhancement of the surrounding area.

## New hubs of Poste Italiane



With regard to the solutions offered to businesses, Poste Italiane has maintained Poste Delivery Business, an innovative service offering for sending goods and documents in Italy and abroad. As well as being modular, comprehensive and with services reserved for e-commerce, the offer integrates express courier expertise with the capillarity of the Group's network. In fact, the services made available are differentiated according to the required delivery speed (express or standard) and destination, and can be customised according to the customer's needs. For example, the “Reverse” option allows merchants to offer a simple and convenient return service, giving their customers the possibility to return purchases to Post Offices or PuntoPoste, while with the “Scegli Tu” (You Choose) option, the customer can change the destination address, reschedule the delivery at any time and view real-time updates on the expected arrival time. Furthermore, with the Offer “Prepagata” geared towards small businesses, it is possible to pay for shipments through an electronic wallet with free top-up amounts. Finally, by registering on the business.poste.it website, businesses can open an online shop window for free and be visible on the Postepay app map, so as to easily reach new customers. In 2022, the “Poste Delivery Business” offer was

enriched with a new feature that will allow sellers, users of Second Hand platforms, to send from proximity points also in paperless mode, i.e. without the need to print a label.

As part of its offerings for consumer customers, in continuation of previous years, the Company allows online parcels of up to 30 kg to be sent quickly and easily in Italy and abroad thanks to the “Poste Delivery Web” 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). The service currently operates from 10am to 8pm in Rome and Milan, but will gradually be extended to the main Italian cities.

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.

## Sustainability of production processes

Padua sorting centre awarded in the Lean World Class



In addition, Poste Italiane has once again this year maintained “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. There is a 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.

In continuity with previous years, in 2022, Poste Italiane promoted “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. The “Poste Delivery Now” service is based on a data-driven platform that guides the delivery process and processes information quickly, ensuring a high-quality delivery service.

The home delivery service for medicines also continued to be extended to large cities and medium-small municipalities, which can take place in instant (within 90 minutes of pur-

chase), scheduled (at the desired time) or next day (day after purchase) modes. The service is active in over 170 municipalities. In order to complete the transition to a broad-based logistics model, in 2022, Poste Italiane acquired a majority stake in Plurima, a leader in hospital logistics, and signed a partnership with Redcare, a leading company in the online sale of para-pharmaceuticals.

Finally, with the acquisition of the entire share capital of Nexive Group finalised in 2021, the Poste Italiane Group has further strengthened its position on the market, consolidating the mail sector and related logistics infrastructures to protect its sustainability.

## Innovation and digitalisation of processes

The digitalisation path undertaken by Poste Italiane has involved both the Group's offerings and its business processes, transforming the distribution model from an omnichannel perspective to allow services to be delivered in an agile manner and in line with customer needs.

The roll-out of the omnichannel strategy affected all levels of the business and, through the extension of the physical footprint and the enhancement of digital channels, it was possible to radically reverse the Group's paradigms.

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.

**~ 2 billion**  
will be invested in the Group's digital transformation over **2021-2024**

### Agile Lab

Agile Lab Poste Italiane acquires the majority of the Agile Lab Group



**Posteitaliane**

In October 2022, Poste Italiane formalised the acquisition of a 70% majority stake in the Agile Lab Group for a consideration of approximately €18 million.

Agile Lab is a company specialising in the field of data engineering and operates through three service lines - data strategy, data platform construction and related infrastructure management - through which it optimises data-intensive business processes, offering innovative solutions capable of enhancing the value of customer data and making the organisational structure that manages it more efficient. In this way, the Poste Italiane Group has equipped itself with distinctive elements in the modern data industry and strengthened its ability to build data-driven businesses for the market.



Poste Italiane, as part of its investment in the training of its employees, has promoted, in collaboration with the School of Management of the Politecnico di Milano, a course called "Digital Voices", which makes available some digital content from the "Osservatori Digital Innovation" platform of the School of Management of the Politecnico, with hundreds of contents and events created by analysts and experts for professional updating on Digital Innovation.

The objective of the programme, supported by the Digital Academy and Innovation of Poste Italiane's Corporate University in collaboration with experts in Market Data Analysis, was to involve all staff in order to foster the development and dissemination of the culture of digital innovation in the Company, also showing the opportunities and impacts that digital technologies have on people, businesses and the Public Administration.

## Digital innovation in the Company

Employee training



Thanks to the use of digital platforms that create new and customised products and services by exploiting the opportunities arising from technological innovation, the Company has opened up new communication channels capable of offering its customers a seamless experience in line with their needs. The digitalisation era has made platform companies disruptive and successful business models, characterised by critical success factors - such as the joint use of exponential technologies, customer centrality, open and easily integrated platforms, guarantee of reliability and security - which have proven to be essential to efficiently manage the markets even during the pandemic.

In this scenario, Poste Italiane has positioned itself as the Distribution Platform of Choice of the Italian System to support citizens in the needs of daily life, encouraging the growth of the productive fabric and favouring the simplification of the Public Administration.

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.

The omnichannel strategy transformed Poste Italiane into a platform company, resilient to the pandemic and the financial upheavals produced by the war in Ukraine. In the third quarter of 2022, the Company achieved a 17% increase in operating profit compared to the third quarter of the previous year, reaching, at €2.1 billion, the highest first nine-month result ever.

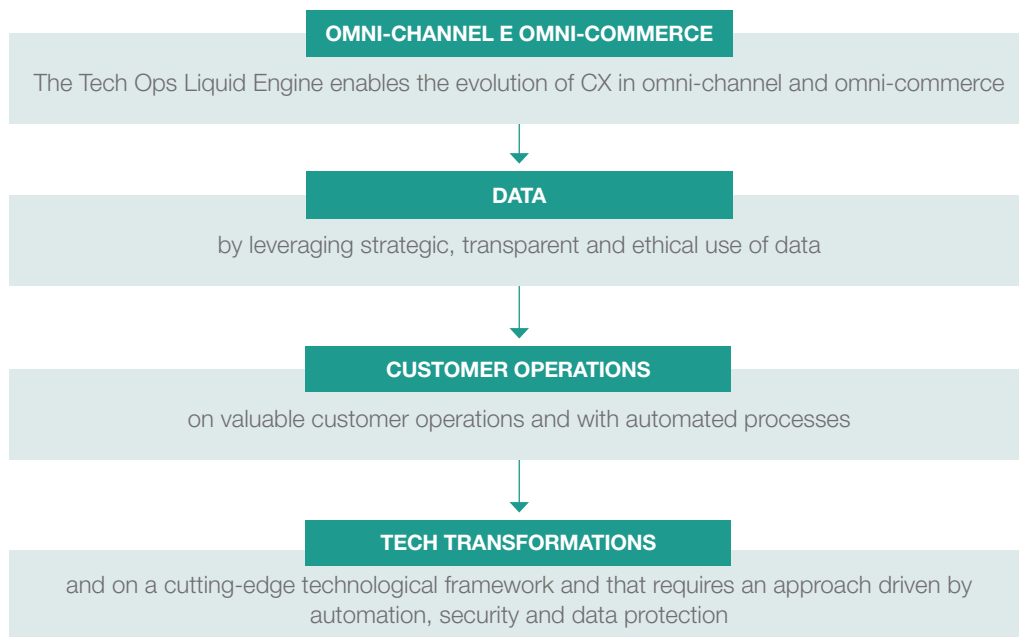
The Group has identified human capital as a vital resource for innovation. This is why, in addition to continuing its policy of open innovation and inorganic growth by acquiring or taking majority stakes in some of the most innovative companies and start-ups, it is also implementing a policy of "reshoring", 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.

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.

## Today, Poste Italiane is a platform-company

The winning strategy of the Platform Company





It should be emphasised that to make the transformation possible, it is necessary not only to develop strategic partnerships capable of accelerating the digitalisation of the country, but also to trigger a cultural change that involves all people in a number of respects:

- **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;
- **skill:** 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.

## Renewing with start-ups

### Poste Italiane acts for innovation

Poste Italiane underlines its commitment to innovation by participating in the sixth 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.

Start-ups today increasingly represent a player with which companies can really develop innovation, through multiple modalities and approaches. For this reason, during the OPEN ITALY programme, Poste Italiane collaborated with Bleb Technology and Discovery.

The technology developed by Bleb Technology, an Internet of Things (IOT) start-up, has found application in the logistics of the Italian Post Office. The proposed solution is based on the use of "Blebricks", low-energy wireless modular bricks that can be integrated on mobile devices for data collection, analysis and geolocation. Together with this start-up, the Company developed the I-Fast project to evaluate the possible use of this innovative technology to improve tracking systems within its Sorting and Distribution Centres for mail and parcels.

From the collaboration with Dscovr, a start-up with a team of only under 35 that provides its platform to listen to the voice of customers and help make strategic decisions on business services, the Look Around project was created. The aim is to analyse some of Poste Italiane's services in an innovative and flexible way through the experiences of its customers, as well as to raise the awareness of the importance of data in production processes and customer interactions among the people working in the Company.



Poste Italiane offers an advisory model focused on sustainable investments that can be consulted through an online platform. The model focuses on a product catalogue including financial criteria and ESG preferences of the client. The criteria include knowledge of the product and the client, advice and suitability, and disclosure to the client. Each product in the catalogue is associated with an ESG score on two levels, an overall pillar score and a category score, together with 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.

Advice is given in relation to financial drivers, 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. The control is in addition to those of the current adequacy model. Finally, as far as client disclosure is concerned, the recommendation report is enriched with indications on the consistency of the proposed products with respect to the client's ESG preferences and changes in terms of individual pillar scores, between pre- and post-recommendation portfolios. The Advisory Platform in the information sheet of each product provides information on ESG, and under the heading "product sheet", the scores for each driver (E, S, G) are broken down. 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.

## The ESG advisory model

### A Guided Advisory Platform



In the course of 2022, 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 helped to strengthen the Group's digital sales channel.

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.

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.

Through product diversification in line with the new hybrid world, the Poste Italiane Group responds to the needs of citizens in the transition to digital and configures itself as a platform company for the growth of the country

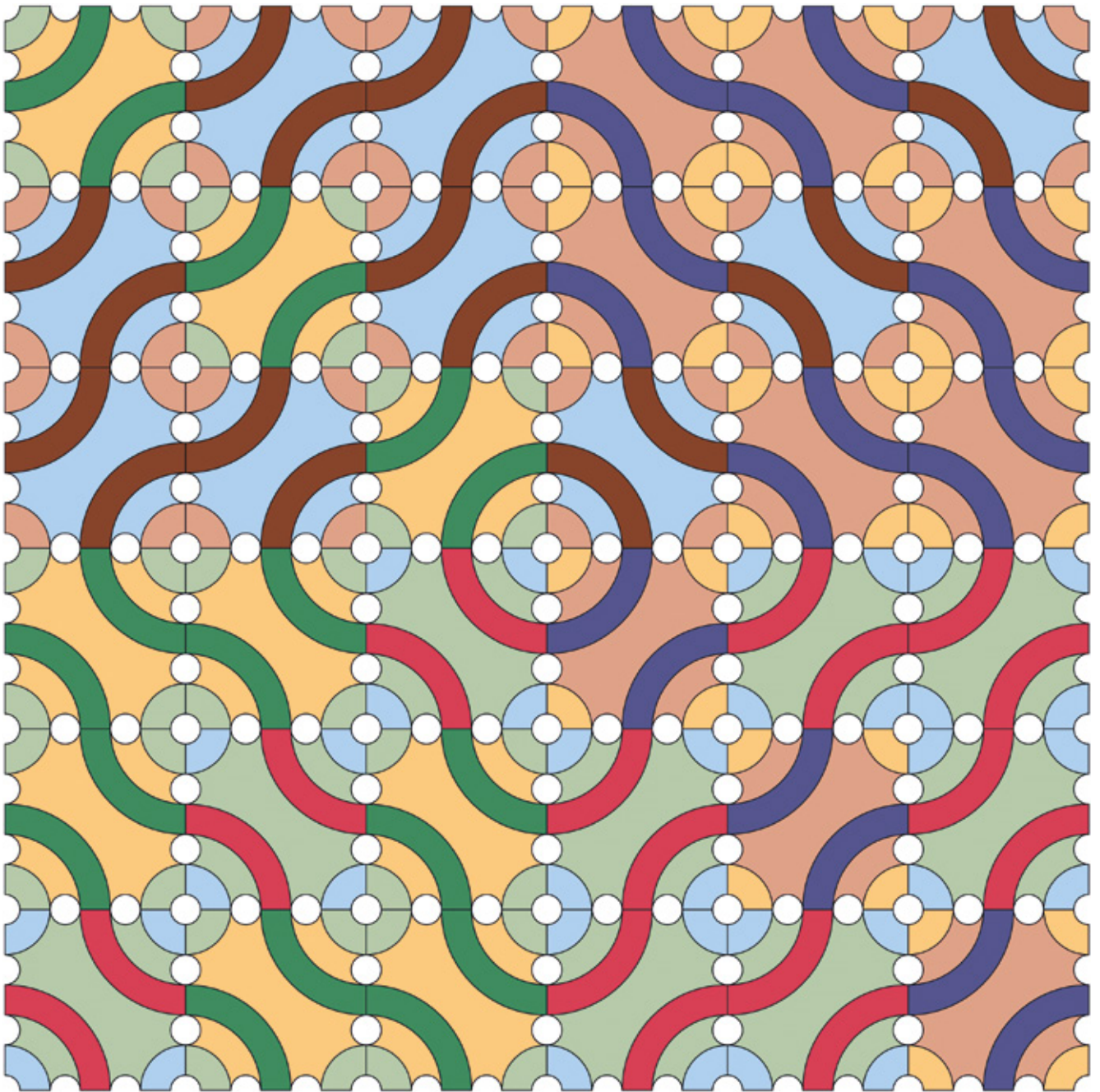
Following on from previous years, the partnership with Microsoft Italy and Postel continued, giving customers the opportunity to purchase packages of integrated offers to simplify business management.

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 with Microsoft

**Posteitaliane**





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WITH AUGMENTED REALITY**

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and click on the link.



**ADRIANO ATTUS**  
Designer e and visual artist





# Sustainable finance

Responsible investments for sustainable growth.

- **Half-yearly monitoring** of the degree of **social responsibility** and **carbon footprint** of the **portfolios** of BancoPosta Fondi SGR and Poste Vita
- **Widened** and **strengthened** the range of **products** whose investment decisions take into account **ESG factors**
- Integrated into the **information system** portfolio analysis tools for **ESG data** integration and **ESG KPI** monitoring

## &lt; 7.16 Sustainable finance



**SUSTAINABLE FINANCE FOR US:**  
scan the QR code and watch the video



## MAIN RELATED TYPES OF CAPITAL



## IMPLEMENTATION STATUS

MAIN TYPES OF CAPITAL	OBJECTIVES	INDICATOR (KPI)	TARGET	BASELINE	2022	OUTCOME
	Development of sustainable finance initiatives dedicated to internal stakeholders	• No. of initiatives	• 4 by 2024	2021	• 3	
	Gradual inclusion of an ESG component in Poste Vita investment products	• % of Poste Vita products with ESG elements	• 100% by 2024	2020	• 60%	
	Increase BancoPosta Fondi SGR investments involving the integration of ESG criteria	• % of total AUM of the Funds distributed with: a) benchmarks composed of ESG indices for the Funds with benchmarks; b) investment policies with specific selection criteria for financial instruments linked to ESG factors for Funds without a benchmark	• 50% by 2022	2019	• 88%	
	Increase BancoPosta Fondi SGR investments involving the integration of ESG criteria	• % of total AUM of the Funds distributed with: a) benchmarks composed of ESG indices for the Funds with benchmarks; b) investment policies with specific selection criteria for financial instruments linked to ESG factors for Funds without a benchmark	• 75% by 2023	2021	• 88%	
	Market launch of Poste Assicura's digital risk protection insurance offer linked to Web use	Development of digital risk insurance offerings	• Development and launch on the market of offerings by 2022	2021	• Commercial offerings	
	Market launch of Poste Assicura's specialist check-up, physiotherapy and diagnostic coverage, which can be purchased by a broad target and which supports the need to obtain private healthcare in a pandemic context of a generalised reduction in national healthcare spending	Development of offerings	• Development and launch on the market of offerings by 2022	2021	• Commercial offerings	
	Development of offerings dedicated to people with fragility	• Development of offerings for people with disabilities	• Development of the offering on the market by 2022	2020	• Offering developed	
	Integrate into at least one fund open to retail a strategy – also in competition with others – aimed at controlling and containing carbon emissions	• No. of funds	• 1 by 2024	2022	NEW	
	Increase ESG indicators against which BancoPosta Fondi SGR's investment portfolios can be monitored	• Define a proprietary synthetic sustainability indicator	• Definition of the indicator by 2024	2022	NEW	
	Development of a strategy concept integrating sustainability objectives (pursuant to Art. 9)	• No. of strategies with a sustainability objective	• 1 by 2024	2022	NEW	
	Revision of offerings to include personal care services, according to a full ESG approach	• Expanding offerings with personal care services	• Expansion of offerings by 2023	2022	NEW	
	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	• No. of insurance check-ups in production	• 1 by 2023	2022	NEW	
	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: • 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	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

NFS

The growing popularity of sustainable finance and the expansion of responsible investment testify that the integration of ESG considerations has now become a strategic axis, and that institutional investors have a duty to work towards the creation of long-term sustainable value.

This principle has, for years now, underpinned the responsible investment approach that the Poste Italiane Group has adopted and implemented in the investment activities of BancoPosta Fondi SGR and Poste Vita. In fact, the Group has long integrated this vision into its strategy, translating the principles of sustainability into all the sectors in which it operates, including the financial sector, strong in its conviction that, thanks to effective investment processes, the asset management and insurance sectors can help protect society, promote 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

In order to define a holistic approach for the integration of environmental, social and governance ("ESG") considerations into investment activities, as of 2019, a path was undertaken to develop the strategies and general approach of responsible investment for the Group's financial companies, BancoPosta Fondi SGR and Poste Vita. The first step along this path is the formal commitment to integrate ESG criteria into investment activities, following the two companies' signing of the Principles for Responsible Investment (PRI). This is an international network of investors, promoted by the United Nations, whose aim is to encourage the integration of ESG issues within their investments and the companies they invest in, proposing a long-term vision in the interests of the signatories, the

### MAIN RELATED TYPES OF CAPITAL



economy, the environment and society. The commitment made is not limited to the integration of ESG criteria, but also translates into a form of accountability with respect to policies and to the ESG integration processes adopted by signatories, who are obliged to report on progress in implementing the responsible investment approach after stipulation and on an annual basis. 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.

### Festival of Sustainable Development

Poste Italiane participated to the Festival of Sustainable Development represented by the CEO of BancoPosta Fondi SGR, bringing its experience in sustainable development and as an institutional partner of the event

In Poste Italiane's vision, an important contribution to the dissemination of sustainable development models and the achievement of ESG objectives from an international perspective is possible through dialogue with issuers where Group companies choose to invest, involving them in initiatives dedicated to the management of ESG criteria. In line with this conviction, in 2022, BancoPosta Fondi SGR and Poste Vita renewed their commitment to engagement as a pillar of ESG integration strategies in their investment processes, taking part in collaborative initiatives, with the aim of fostering the achievement of concrete results through the shared mobilisation of resources, in line with the guidelines governing the exercise of voting rights and engagement activities.

The last few years have seen increasing regulation at the European level in the area of sustainable finance, thanks to regulations enacted by the legislature with the aim of redirecting capital flows towards sustainable investments and promoting transparency and long-term vision in economic and financial activities.

During 2022, regulatory technical standards were defined. "RTS", Delegated Regulation (EU) 2022/1288) governing the presentation and content of the disclosures required under Regulation (EU) 2019/2008 ("Sustainable Finance Disclosure Regulation" or "SFDR") and Regulation (EU) 2020/852 ("Taxonomy Regulation").

In view of the entry into force of the RTS, BancoPosta Fondi SGR and Poste Vita have been called upon to adapt to the provisions, in particular by updating the disclosure in the pre-contractual documentation with the preparation of the annexes and the adaptation of the disclosure on the website for all Group products that promote environmental or social characteristics (as per Art. 8 SFDR). For these products, periodic reporting will be conducted from early 2023.

### European legislation on sustainable finance



## The impact of war on markets and support for the green transition

During 2022, the financial markets and the economic outlook of all their participants - institutional investors, retail investors and corporations - were profoundly affected by the outbreak of war in Ukraine. In addition to the resulting financial instability, the huge increase in energy prices helped push up inflation rates, leading the relevant central banks to intervene by raising interest rates.

The price shocks experienced have once again underlined the urgency, also on the part of the financial and insurance sector, to accelerate the climate transition, working along global pathways of decarbonisation and promotion of clean energies, while ensuring long-term social development.

In line with this, the Poste Italiane Group, BancoPosta Fondi SGR and Poste Vita signed the "Business letter ahead of the publication of the RePowerEU Plan" addressed to the President of the European Commission Ursula Von der Leyen to support the European Union in ending its supply dependency on Russia and promoting the green transition by enhancing energy security and resilience.

Poste Italiane considers it fundamental to participate in dialogue with institutions, trade associations and the financial sector in order to contribute to the dissemination of sustainable finance and the promotion of sustainable development in the belief that joint action can generate more concrete results towards sustainable development

Specifically, the Group confirmed its adherence to social and environmental initiatives such as: Access to Medicine Index, aimed at raising awareness in the pharmaceutical sector and facilitating access to medicines for the world's poorest population groups in line with the UN Sustainable Development Goals; Land use and Climate Working Group of the international Ceres network, which since 1989 has aimed to improve the management of emissions and natural resources through targeted engagement activities; Access to Nutrition US Index, Workforce Disclosure Initiative (WDI), ClimateAction 100+.

Furthermore, like before, dialogue activities on ESG issues with listed companies were carried out as part of the "Engagement" Working Group of the Forum for Sustainable Finance and Borsa Italiana's Digital Italian Sustainability Week.

In 2022, BancoPosta Fondi SGR published for the first time a report of engagement activity and voting rights exercised in the previous year in respect to the instruments held in the portfolio.

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 activities. Similarly to what has been described for the respective Guidelines for Voting and Engagement, in 2022, both companies revised their Guidelines for Investing in Sensitive Sectors, while Poste Vita updated its Responsible Investment Policy, taking into account both the evolution of the internal approach adopted and the external context, represented by regulation, market and international standards.

During 2022, a process was undertaken to update the system of policies that define the approach for integrating ESG criteria into the investment processes of Poste Italiane, with the aim of aligning the Responsible Investment strategy with changes in the external context, the regulatory framework and best practice and to incorporate internal developments

The Responsible Investment Policy is the reference document for all stakeholders that formalises the commitment to ESG integration in investment processes on the basis of the principles considered, activities, roles and instruments in the strategy defined. This strategy is based on the principle of including the environmental, social and governance profile of issuers in investment assessment processes, with the adoption of monitoring tools to identify the presence of inadequate sustainability profiles. 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.

### Controversial weapons

Poste Vita and BancoPosta Fondi SGR have anticipated for their own investments the prohibitions provided for by Italian law that came into force in 2022 with respect to the financing of issuers involved in the production and sale (and any activity thereto) of anti-personnel mines and cluster munitions, which were already excluded from the investable universe of the Companies in accordance with their respective Investment Policies

The policy system is complemented by guidelines defining the approach to deal with environmental, social and governance risks that may arise during the life of the investment.

In particular, the Guideline for investment in sensitive sectors of BancoPosta Fondi SGR and Poste Vita responds to the need to adopt an enhanced oversight for those activities or business conducts that present a significant inherent ESG risk, by defining the appropriate criteria and processes to identify, assess and monitor exposure to issuers involved in fossil fuels, coal, animal testing and human rights violations. In addition to the general revision of the process, the criteria for identifying issuers operating in the sensitive sectors to be monitored were also evaluated in 2022, leading to the extension of the issuers involved to include companies active in the unconventional fossil fuel sector and with coal-related transport and infrastructure activities.

In parallel with the exclusion criteria and the monitoring of exposures to sectors deemed sensitive, BancoPosta Fondi SGR and Poste Vita consider the potential negative impacts on sustainability factors caused by investment decisions.

The proper implementation of this policy system is ensured by the dissemination and communication of these policies within the organisation, in the belief that everyone's awareness is necessary to fully incorporate the integration of ESG considerations into business activities. At the same time, the clear allocation of roles and responsibilities enables the establishment of governance that favours the fluidity of processes and the creation of focal points within the companies for the management of ESG integration, which, through central coordination, ensure the consistency of approaches with the broader sustainability strategy and objectives of the Poste Italiane Group.

BancoPosta Fondi SGR and Poste Vita promote the integration of ESG criteria within them, including through the adop-

tion 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.

### Streams of information

BancoPosta Fondi SGR and Poste Vita integrated portfolios analysis tools within their information systems in order to integrate ESG data and to continuously monitor ESG KPI

## ESG monitoring

In line with its Responsible Investment Policies, BancoPosta Fondi SGR and Poste Vita use a detailed and structured process to monitor investments in the portfolio, with the aim of: verifying compliance with exclusion criteria, verifying exposures to sensitive sectors, analysing the ESG profiles of the assets and assessing the appropriateness of engaging with the issuers in the portfolio. By means of the principles and processes adopted, the two Group companies monitor the overall ESG profile of their investments, using assessments by specialised and internationally recognised info-providers. To this end, the portfolios of BancoPosta Fondi SGR and Poste Vita are periodically analysed in terms of ESG, through the now multi-year collaboration with Moody's ESG Solutions (formerly Vigeo Eiris), an agency specialising in social and environmental issues, to assess their degree of social respon-

For the Poste Vita Group, the weighted average ESG score for the investment portfolio in 2022 was 53/100 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 42/100 for corporate investments (equity and corporate bonds) and Xtrackers Global Government Bond equal to 64/100 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 6,160,000 tCO<sub>2</sub>eq, with an Energy Transition score of 55/100 for corporate issuers. The comparison with the benchmark iShares MSCI World ETF is slightly unfavourable in terms of carbon footprint (equal to 5,970,529 tCO<sub>2</sub>eq for the ETF) while the Energy Transition of Poste Vita's investments is higher than that of the index (score 45/100). Finally, the CFET of government investments was 361,194,832 tCO<sub>2</sub>eq, and the Energy Transition score 71/100.

With reference to BancoPosta Fondi SGR, the weighted average score for the portfolios relating to the Company's direct and indirect asset management (€101 billion of assets) was 53/100 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 42/100 for corporate investments (equity + corporate bonds) and Xtrackers Global Government Bond at 64/100 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 the Company's direct and indirect management portfolios (€101 billion of assets) was 5,024,749 tCO<sub>2</sub>eq, with an Energy Transition score of 55/100 for corporate issuers. Both indicators resulted in a higher score than the benchmark iShares MSCI World ETF (5,970,529 tCO<sub>2</sub>eq, Energy Transition score 45/100). The CFET of government investments, on the other hand, is 473,390,426 tCO<sub>2</sub>eq, and the Energy Transition score 72/100.

### Monitoring the ESG profiles of the investment portfolio

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BancoPosta Fondi SGR

sibility and carbon footprint, in order to mitigate any emerging risks. These assessments are carried out in accordance with internationally recognised and disseminated standards, guidelines and norms by organisations such as the UN, ILO

and OECD, and cover both corporate issuers and country issuers within portfolios managed directly or held indirectly through third-party funds.

## Offering investment products with environmental and social value

During 2022, 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. In particular, the extension of the investment product offering includes, in addition to the application of the policies and guidelines implemented by Group companies, investment strategies aimed at achieving the best performance through investments selected on the basis of ESG characteristics, according to different possible approaches.

### Poste Gestione Patrimoniale

In 2022, Poste Italiane, in collaboration with BancoPosta Fondi SGR and Moneyfarm, launched Poste Gestione Patrimoniale, a new portfolio management composed of 4 lines, the investment decisions of which take ESG factors into account

The offering of investment solutions classified under Article 8 SFDR, in line with the regulatory framework indicated by Regulation (EU) 2019/2088, stems from both the launch of new products and the revision of the investment strategies applied, with the introduction of additional ESG integration strategies.

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.

## Green Funds

Following the marketing in 2021 of BancoPosta Focus Ambiente 2027, BancoPosta Fondi SGR doubled its range of thematic products focused on the environment during the year, with the launch of BancoPosta Focus Ambiente March 2028. The funds, managed under delegation by Anima SGR, invest primarily in funds classified as products that promote environmental and/or social characteristics or 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.

With regard to insurance, there is a multi-class product whose class III component can be invested in an internal insurance fund linked to a benchmark consisting mainly of ESG indices, including, for 20%, a global equity index aiming to reduce carbon emissions by at least 50% compared to the main index. In addition, Poste Vita's portfolio includes investments in alternative asset classes with an ESG component: for example, the Real Estate Diamond Eurozone Office (DEO) fund, which received a high sustainability rating from GRESB<sup>114</sup> and was awarded the title of Green Fund, and the Real Estate Diamond Core investment fund whose underlying assets are WELL/LEED Gold-certified real estate 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 fund-of-funds products, BancoPosta Fondi SGR operates as an asset manager through flexible solutions based on the structuring of a proprietary model to support investment decisions. In particular, the two funds of the Universo family, BancoPosta Universo 40 and BancoPosta Universo 60, have been joined by three internal funds representing the sustainable investment options offered by the first Article 8 SFDR product launched by Poste Vita, namely "Poste Vita Valore Sostenibilità Dinamico", "Poste Vita Valore Sostenibilità Equilibrato" and "Poste Vita Valore Sostenibilità Sviluppo".

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 that assigns an internal rating to investable UCITS based on an assessment of the degree of commitment and application of responsible investment strategies.

At the beginning of 2023, BancoPosta Fondi SGR launched the placement of its new fund Universo Tematico, which uses the same criteria for selecting UCITS as described above, while focusing investments on three mega-trends (planet, innovation, population) that will drive future changes.

<sup>114</sup>. International organisation that analyses and compares real estate investments from an environmental, social and governance perspective worldwide.

## Best-in-class ESG Funds

This category includes those investment products of BancoPosta Fondi SGR for which a delegated manager adopts a strategy aimed at selecting only issuers that meet certain acceptability thresholds, defined according to an ESG rating scale that may be elaborated by the manager himself or by the reference info-provider chosen by the delegated manager.

The offering of this type of fund already included in 2021 the Poste Investo Sostenibile, BancoPosta Selezione Attiva and BancoPosta Azionario Euro products, managed under delegation by Amundi, an operator with a strong vocation for responsible investment; these were joined in 2022 by the

BancoPosta Azionario Internazionale, BancoPosta Orizzonte Reddito and BancoPosta Azionario Flessibile funds, for which the SGR reclassified them as Article 8 SFDR products, via an amendment to their respective investment policies that redefined the objective and management style of these funds. In particular, issuer selection is conducted with the aim of minimising exposure to certain business sectors and maintaining a minimum level of ESG rating per issuer or portfolio.

The transition of the three BancoPosta funds Mix 1, Mix 2 and Mix 3 from Article 6 to Article 8 SFDR will also become effective in the course of 2023. The investment policy will be revised to include the application of sustainable finance criteria such as the exclusion of controversial sectors and the implementation of a best-in-class strategy.

## Integration of ESG factors into insurance policies

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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 proper and effective implementation of risk management processes also by industry players, the insurance sector can contribute to the protection of 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", which will undergo a review process during 2022. 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. In particular, the Policy provides the principle of the systematic assessment of environmental, social and economic context variables that have a potential impact on people, with the aim of guaranteeing adequate management of the risks involved with a view to business continuity in the long term. In order to ensure the concrete effectiveness of its initiatives, the Policy also includes articulated management and monitoring processes through the definition of predetermined roles and tools.

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 and sustainable insurance products with social and environmental impacts

### MAIN RELATED TYPES OF CAPITAL



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 emphasised 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 bringing about widespread and cohesive action on ESG issues

### Brand Finance Global 500

In 2023, Poste Italiane ranks 283rd in the ranking of the 500 brands with the highest financial value worldwide

## Insurance products with social and environmental value

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, and people with particular illnesses. 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 insur-

ance 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 "Firma Elettronica Avanzata - FEA" (Advanced Electronic Signature). 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 its strategic objectives, during 2022, the Poste Vita Group continued the evolution of its range by considering the development of solutions that allow it to access the opportunities offered by the financial markets, including by seizing the return opportunities arising from investments in securities with positive ESG profiles. In particular, in May 2022, Poste Vita launched the placement of the first product in its range classified as a product that promotes features within the meaning of EU Regulation 2019/2088 ("SFDR"), namely "Poste Progetto Valore 360": in addition to satisfying the needs of customers oriented towards more sustainable investment choices, this product was designed to offer customers a 360-degree advisory service, which responds in an integrated manner to their investment needs and those of life and non-life protection, having, among others, the possibility to access in a single simplified process also "Poste Vivere Protetti", one of the insurance offers offered by Poste Assicura in the area of protection most 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.

## "Poste Progetto Valore 360"

"Poste Progetto Valore 360" is a multi-class insurance solution that provides for the allocation of the investment, according to a predefined combination, between the "Posta ValorePiù" segregated account and one of the internal insurance funds, which operate with the objective of achieving growth of the invested capital, namely "Poste Vita Valore Sostenibilità Dinamico", "Poste Vita Valore Sostenibilità Equilibrato" and "Poste Vita Valore Sostenibilità Sviluppo". Although characterised by different risk profiles, each internal fund adopts a responsible investment strategy aimed at promoting environmental and/or social characteristics.

In particular, the funds, the management of which is delegated to BancoPosta Fondi SGR, select UCITS instruments through a quantitative and qualitative evaluation process based on an analysis of the management company and an analysis of the individual UCITS, favouring those that apply at least one responsible investment strategy among the following: promotion of environmental or social characteristics, pursuit of sustainable investment objectives, or use of benchmarks with ESG characteristics.



Consistent with the commitment undertaken through the signing of the Principles for Sustainable Insurance in 2019, and with the promotion of transparency on operations that characterises the Poste Italiane Group, Poste Vita undertakes to periodically report on the progress in the implementation of the Principles it has signed up to, which are summarised in the diagram below.

**Principle 1 – Incorporate environmental, social and governance issues relevant to the insurance business into its decision-making processes.**

- Assignment of formalised responsibilities to top management regarding ESG: Board of Directors, Product Committee, Risk Office
- Ongoing training on ESG issues to top management and employees
- Presence of a dedicated section in the Company's Product Committee responsible for periodically reviewing and evaluating the criteria for the definition of ESG profiles and the Company's product catalogue
- Systematic evaluation of economic, social and environmental context factors that may have an impact on people and, therefore, on the Company's business in the long term and, in particular, social, technological, political, regulatory and environmental factors
- Development of insurance products with social and environmental value
- Integration of ESG criteria into investment activities in line with the Responsible Investment Policy, the Guidelines for Voting and Engagement Activities and the Guidelines for Investing in Sensitive Sectors adopted by the Company

**Principle 2 – Collaborate together with customers and business partners to raise awareness of environmental, social and governance issues, manage risks and develop solutions.**

- ESG assessment of suppliers
- Awareness raising and supplier involvement through specific activities
- Sharing relevant ESG information with customers

**Principle 3 – Collaborate together with governments, Authorities and other relevant stakeholders to promote widespread action within the Company on environmental, social and governance issues.**

- Membership within the Executive Committee of UNEP FI
- Participation in reference initiatives such as PRI, PSI, UN Global Compact
- Participation in national and international discussion and promotion initiatives on Sustainability issues
- Participation in collective engagement initiatives
- Participation in the ESG Committee of the trade association

**Principle 4 – Demonstrate accountability and transparency in regular public reporting on progress made in implementing the Principles.**

- Regular reporting on the Group's responsible investment and insurance performance and sustainability in general through a variety of tools, including the Integrated Report within the Annual Report, PRI Transparency Report, PSI Progress Report, corporate website and social media\*.

\* These documents outline all the details on how the Principles for Sustainable Insurance are applied and their evolution.

**PSI  
Progress  
Report**

## < 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.

### MAIN RELATED TYPES OF CAPITAL



#### [GRI 2-6] Capillarity of the organisation\*

Capillarity	2020		2021		2022	
	Unit	Personnel	Unit	Personnel	Unit	Personnel
Operation Area Manager	6	19	6	19	6	22
Branch offices	66	798	66	825	67	821
<b>Total</b>	<b>72</b>	<b>817</b>	<b>72</b>	<b>844</b>	<b>73</b>	<b>843</b>

\* The figures refer to the Group company SDA SpA.

#### [GRI 2-6] Capillarity of the organisation\*

Capillarity	2020		2021		2022	
	Unit	Personnel	Unit	Personnel	Unit	Personnel
Local Operating Centres	10	534	9	485	9	467

\* The figures refer to the Group company Postel SpA.





## Integrity and transparency

### [GRI 205-1] Companies assessed for risks related to corruption\* and percentage\*\* of operations audited for risks related to corruption

Analysis by corruption risk and impact of audit activities	2020	2021	2022
Total number of Group companies assessed for risks related to corruption	16	16	18
Total number of Group companies	24	24	33
Percentage of Group companies assessed for risks related to corruption	66	66	55
Percentage of operations for risk of corruption audited***			
High coverage	86	86	64
Medium coverage	9	14	32
Low coverage	5	0	4

\* 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.

\*\* Coverage represents the overall percentage of operations audited.

\*\*\* The figures refer to Poste Italiane SpA.

### Reports managed by the Whistleblowing Committee [GRI 205-3] Proven corruption incidents and actions taken

Reports	2020	2021	2022
Reports handled	274	617	790
of which confirmed	0	28**	37***
of which under investigation	0	28	57
Total reports handled in the area of corruption	3*	0	0
of which confirmed	0	0	0
of which under investigation	0	0	0

\* For reports in the corruption area, 3 have been assessed as potentially relevant to corruption; in particular, 3 reports were found to be unfounded, of which 1 with reference to 31 December 2019 was closed in 2020.

\*\* 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.

\*\*\* 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 further critical situations in the working environment. The corrective actions included the resolutions of the anomalies detected.

## Cases of bribery and corruption and corrective actions

Number of cases of bribery and corruption and corrective actions	2020	2021	2022
Cases of corruption and bribery	0	0	0

## Specific training on procedures and policies of anti-corruption

Anti-corruption training	2020	2021	2022
Total workforce	80,529	92,661	100,829
of which:			
Executives	428	455	478
Middle managers	12,413	13,899	14,393
Operational staff	67,688	78,307	85,958

## Existing tenders which incorporate specific environmental criteria\*

Tender procedures with environmental criteria	2020	2021	2022**
Percentage of suppliers selected on the basis of environmental criteria (%)	75.9	83.4	84.8

\* 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 2022, in continuation of previous findings, the scope of the figure includes Poste Italiane SpA, PostePay SpA, Postel SpA, Poste Vita SpA (Poste Assicura SpA), BancoPosta Fondi SGR SpA, SDA Express Courier SpA, Europa Gestioni Immobiliari SpA, Poste Air Cargo Srl. 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 1.4 percentage points compared to the 2021 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\*

Tender procedures with social criteria	2020	2021	2022**
Percentage of suppliers selected on the basis of social criteria (%)	74.1	84.5	88.3

\* The analysis pertains to tender procedures for amounts exceeding EU thresholds and is functional to identify 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 2022, in continuation of previous findings, the scope of the figure includes Poste Italiane SpA, PostePay SpA, Postel SpA, Poste Vita SpA (Poste Assicura SpA), BancoPosta Fondi SGR SpA, SDA Express Courier SpA, Europa Gestioni Immobiliari SpA, Poste Air Cargo Srl. The stabilisation of the sustainability compliance in procurement procedures ensured the continuation of the positive trend of the indicator, which recorded an increase in social performance of 3.8 percentage points compared to the 2021 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\*

Tender procedures with governance criteria	2021	2022**
Percentage of suppliers selected on the basis of governance criteria (%)	33.1	52.3

\* The analysis relates to tender 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.

\*\* For 2022, the scope of the figure includes Poste Italiane SpA, PostePay SpA, Postel SpA, Poste Vita SpA (Poste Assicura SpA), BancoPosta Fondi SGR SpA, SDA Express Courier SpA, Europa Gestioni Immobiliari SpA, Poste Air Cargo Srl. The stabilisation of the sustainability compliance in procurement procedures ensured the continuation of the positive trend of the indicator, which recorded an increase in governance performance of 19.2 percentage points compared to the 2021 figure.

**[GRI 301-1] Materials used by weight or volume\***

Type of material/raw material (kg)	2020	2021	2022
<b>Renewables</b>	<b>28,856,114</b>	<b>34,675,462</b>	<b>35,710,127</b>
Paper	17,563,176	18,775,259	22,680,803
Cardboard	4,033,481	6,115,574	3,678,597
Wood	7,259,458	9,784,629	9,350,728
<b>Non-Renewables</b>	<b>3,067,403</b>	<b>3,538,701</b>	<b>3,208,353</b>
Plastic	2,576,816	2,655,118	1,986,962
Ink/toner	83,479**	80,003	71,084
Glues	4,022	6,552	8,485
Other***	403,086	797,028	1,141,822
<b>Total</b>	<b>31,923,517</b>	<b>38,214,163</b>	<b>38,918,480</b>

\* The trend in material resources procured confirms a growth mainly related to the development of volumes in e-commerce.

\*\* The 2020 figure for the use of "Ink/toner" has been updated following a refinement of the reporting system.

\*\*\* "Other" contains the following materials: labels, bags and seals, packaging string, thermal paper (bisphenol type A-free, in line with legal requirements) and security envelopes made of Kraft material.

**[GRI 301-2] Materials used that originate from recycling**

Type of material/raw material from recycling (kg)	2020	2021	2022
Paper	4,664,961.7	4,003,532.9	4,248,312.6
Cardboard	504,415	1,890,347.4	2,517,357
Wood	6,181,407.5	9,784,527.7	5,761,963.5
Plastic	0	205,653.4	109,955
Ink/toner	0	17,795.7	23,451.3
<b>Total materials used</b>	<b>31,923,517</b>	<b>38,214,163</b>	<b>38,918,480</b>
of which: from recycling	11,350,784.2	15,901,857.2	12,661,039.3
<b>Percentage of materials used from recycling</b>	<b>35.56%</b>	<b>41.61%</b>	<b>32.53%</b>

**Anti-competitive practices**

Total sanctions	2020	2021	2022
Sanctions for anti-competitive practices/antitrust infringements (€)	5,000,000	11,000,000	0
Number of sanctions for anti-competitive practices/antitrust infringements	1	1	0

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

Percentage of suppliers	2020	2021	2022
Percentage of qualified suppliers with an ISO 14001 or EMAS certified environmental management system (%)	75.9	83.4	84.8

#### [GRI 207-4] Reporting of information of a fiscal nature\*

Fiscal data (€m)	2021			2022			
	Italy	Hong Kong	China	Italy**	Hong Kong***	China****	United Kingdom*****
Jurisdictions of Group operations							
Revenue from sales to third parties	31,633	77	0	31,761	115	0	2
Revenue from intra-group transactions with other tax jurisdictions	63	0	1	95	0	3	2
Profits/losses before tax	2,164	4	0	2,319	8	1	0
Tangible assets other than cash and cash equivalents	2,454	0	0	2,592	0	0	0
Income taxes paid on the basis of cash accounting principles*****	380	0	0	471.10	0	0	0
Corporate income taxes accrued on profits/losses	587	1	0	817	1	0	0
Revenues	32,065	77	1	32,024	116	3	4

\* Figures refer to the only four jurisdictions in which the Poste Italiane Group operates (Italy, Hong Kong, China and the UK).

\*\* 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, Consorzio Per I Servizi Di Telefonia 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, sennder Italia Srl, Nexive Network Srl, Nexive Scarl, Net Holding SpA, LIS Holding, LIS Pay, Agile Power Srl, Agile Lab Srl, Plurima Bidco Srl, Plurima SpA, Bridge Technologies Srl, Logos Srl, Sourcesense SpA, Sourcesense Digital Srl, Sourcesense Technology Srl, Agile Aim2 Srl, Agile Skill Srl, Agile Next Srl.

\*\*\* The figures refer to Sengi Express Limited (logistics services).

\*\*\*\* The figures refer to Sengi Express Guangzhou Limited (logistics services).

\*\*\*\*\* The figures refer to Sourcesense Ltd. (IT sector).

\*\*\*\*\* With reference to the Italian jurisdiction, in relation to the difference between income taxes accrued on company profits/losses and taxes paid, although two macro-phenomena appear to have emerged for 2022, such as the recognition of an ACE refund relating to FY2013 deriving from the filing of a refund petition and the tax effect deriving from the non-deductible provision for the liability underlying the tax credits issue, the final effect on the tax rate is substantially offset.



## People development

### [GRI 2-7] Personnel by contract type, gender and business line\*

Type of contract	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Permanent contract**</b>	<b>51,366</b>	<b>62,775</b>	<b>114,141</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>
of which:									
Mail, Parcels & Distribution	50,784	62,123	<b>112,907</b>	49,112	59,557	<b>108,668</b>	51,250	60,664	<b>111,914</b>
Financial Services	246	231	<b>476</b>	249	217	<b>466</b>	252	229	<b>481</b>
Insurance Services	207	269	<b>476</b>	214	269	<b>483</b>	220	239	<b>459</b>
Payments and Mobile	130	152	<b>282</b>	140	154	<b>294</b>	300	261	<b>561</b>
<b>Flexible contract***</b>	<b>5,898</b>	<b>3,544</b>	<b>9,442</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>
of which:									
Mail, Parcels & Distribution	5,898	3,542	<b>9,440</b>	5,697	3,353	<b>9,050</b>	4,738	2,863	<b>7,602</b>
Financial Services	0	1	<b>1</b>	0	0	<b>0</b>	0	0	<b>0</b>
Insurance Services	0	1	<b>1</b>	3	4	<b>7</b>	0	1	<b>1</b>
Payments and Mobile	0	0	<b>0</b>	0	1	<b>1</b>	4	12	<b>16</b>
<b>Total</b>	<b>57,264</b>	<b>66,319</b>	<b>123,583</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>

\* 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	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Full-time</b>	<b>55,636</b>	<b>62,194</b>	<b>117,830</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>
of which:									
Mail, Parcels & Distribution	55,055	61,563	<b>116,618</b>	53,159	58,695	<b>111,854</b>	54,043	59,425	<b>113,468</b>
Financial Services	245	221	<b>466</b>	248	209	<b>457</b>	251	222	<b>473</b>
Insurance Services	207	260	<b>467</b>	217	265	<b>482</b>	220	230	<b>450</b>
Payments and Mobile	129	150	<b>279</b>	139	152	<b>291</b>	303	265	<b>568</b>
<b>Part-time</b>	<b>2,948</b>	<b>6,798</b>	<b>9,746</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>
of which:									
Mail, Parcels & Distribution	2,946	6,768	<b>9,714</b>	2,961	6,875	<b>9,836</b>	3,416	6,529	<b>9,945</b>
Financial Services	1	14	<b>15</b>	1	11	<b>12</b>	2	9	<b>11</b>
Insurance Services	0	13	<b>13</b>	0	10	<b>10</b>	0	13	<b>13</b>
Payments and Mobile	1	3	<b>4</b>	1	4	<b>5</b>	1	10	<b>11</b>
<b>Total</b>	<b>58,584</b>	<b>68,992</b>	<b>127,576</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>

\* Figures expressed as Headcount.

## Employees (Foreign)

Distribution by Country	2021	2022
of which:		
China	24	32
Hong Kong	0	0
United Kingdom	0	2
<b>Total</b>	<b>24</b>	<b>34</b>

## [GRI 2-8] Non-employees

Total number of trainees by age group and gender	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of "trainees"*	21	20	<b>41</b>	92	55	<b>147</b>	90	67	<b>157</b>
of which:									
< 30 years old	20	20	<b>40</b>	92	55	<b>147</b>	90	67	<b>157</b>
30 – 50 years old	1	0	<b>1</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\*

Type of education	2020	2021	2022
University degree (%)	17	19.1	21.5
High School Diploma (%)	69.2	67.9	66.8
Middle School certificate (%)	13.7	12.9	11.6
Elementary School certificate (%)	0.1	0.1	0.1
<b>Total (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* The percentages have been calculated for permanent personnel in Headcount.

## Number of participants in development programmes

Development programme	2020	2021	2022
Assessment of potential	190	1,162	2,069
Mentoring and coaching paths	374	562	867
Skills development and innovation	105	6,990	4,760
<b>Total</b>	<b>669</b>	<b>8,714</b>	<b>7,696</b>

## [GRI 404-1] Average hours of training for employees by gender and category

Category	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	45	52	<b>47</b>	38	49	<b>41</b>	42	51	44
Middle managers	83	103	<b>92</b>	80	99	<b>89</b>	71	83	77
Operational staff	34	45	<b>40</b>	37	49	<b>44</b>	39	48	44
<b>Total workforce</b>	<b>41</b>	<b>51</b>	<b>46</b>	<b>43</b>	<b>55</b>	<b>49</b>	<b>43</b>	<b>52</b>	<b>48</b>

## Average training days per employee

Days of training	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Average training days provided to employees	6.8	8.4	<b>7.7</b>	7.1	9.1	<b>8.2</b>	7.2	8.7	<b>8</b>

## Hours by type of training\*

Type of training	2020	2021	2022
Management	37,000	33,200	53,600
Technical – specialist	2,584,400	2,743,150	3,041,350
Compliance	3,253,500	3,266,800	2,893,800
<b>Total</b>	<b>5,874,900</b>	<b>6,043,250</b>	<b>5,988,750</b>

\* 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

Training and development programmes	2020	2021	2022
Total expenditure on training and development programmes (€)	7,020,250	8,220,217	8,310,436

## Positions filled through internal hiring

Percentage of positions filled through internal hiring	2020	2021	2022
Percentage of positions filled through internal hiring (%)*	35	57	25

\* The percentage of positions filled through internal hiring refers to the Parent Company.

## Training and development inputs by gender and age

Training and development inputs	2021			2022		
	Men	Women	Total	Men	Women	Total
<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>
of which:						
< 30 years old	46.95	65.90	<b>54.17</b>	67.24	100.74	<b>80.40</b>
30 – 50 years old	48.86	59.08	<b>54.24</b>	47.74	56.85	<b>52.47</b>
> 50 years old	37.32	54.64	<b>47.18</b>	33.19	44.65	<b>39.76</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>
of which:						
< 30 years old	63.55	89.20	<b>73.31</b>	93.07	139.43	<b>111.28</b>
30 – 50 years old	66.13	79.96	<b>73.42</b>	66.07	78.68	<b>72.63</b>
> 50 years old	50.51	73.96	<b>63.86</b>	45.94	61.79	<b>55.03</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\*

Total number of new hires	2019			2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>New hires by gender</b>	<b>3,157</b>	<b>2,148</b>	<b>5,305</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>
of which:												
< 30 years old	1,606	1,054	<b>2,660</b>	568	478	<b>1,046</b>	773	667	<b>1,440</b>	2,058	1,667	<b>3,724</b>
30 – 50 years old	1,443	1,057	<b>2,499</b>	540	519	<b>1,059</b>	532	570	<b>1,102</b>	2,017	1,936	<b>3,953</b>
> 50 years old	109	37	<b>145</b>	45	26	<b>71</b>	51	31	<b>82</b>	133	62	<b>195</b>
Percentage of new hires by gender (%)	60	40	<b>100</b>	53	47	<b>100</b>	52	48	<b>100</b>	53	47	<b>100</b>
<b>Number of positions filled through internal hiring**</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91</b>	<b>68</b>	<b>159</b>	<b>847</b>	<b>884</b>	<b>1,731</b>	<b>449</b>	<b>394</b>	<b>843</b>
of which:												
< 30 years old	0	0	<b>0</b>	91	68	<b>159</b>	0	0	<b>0</b>	111	49	<b>160</b>
30 – 50 years old	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>	325	309	<b>634</b>
> 50 years old	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>	13	36	<b>49</b>

\* The figures are shown in Full Time Equivalent (FTE) terms.

\*\* Figures referring to the Parent Company Poste Italiane SpA and the Group Companies SDA and Poste Air Cargo.

### Trend of employee involvement by gender\*

Trend of employee involvement	2021			2022		
	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>
Total number of Group employees	55,414	63,555	<b>118,969</b>	56,765	64,269	<b>121,033</b>
Percentage of employees involved in engagement activities (%)	26	25	<b>26</b>	18	18	<b>18**</b>

\* The figures refer to the Headcount.

\*\* The trend of involvement shows a decline in 2022 as the 'InEvidenza' survey, a listening programme on internal communication aimed at the entire corporate population, was not carried out. The survey was not carried out as it is periodic and not annual. Therefore, net of this survey the trend is in positive variance.

\*\* The target set for 2022 is 16%.

### Trend of employee involvement by gender and age

Trend of employee involvement	2022		
	Men	Women	Total
Number of employees involved in engagement activities by age group			
< 30 years old	952	1,043	<b>1,995</b>
30 – 50 years old	4,971	5,446	<b>10,417</b>
> 50 years old	4,422	4,845	<b>9,268</b>
Percentage of employees involved in engagement activities by age group (%)			
< 30 years old	9	9	<b>9</b>
30 – 50 years old	48	48	<b>48</b>
> 50 years old	43	43	<b>43</b>

### [401-2] Benefits provided to full-time employees that are not provided to temporary or part-time employees

Benefits for full-time employees	2020				2021				2022			
	Permanent contracts		Flexible contracts		Permanent contracts		Flexible contracts		Permanent contracts		Flexible 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
Financial benefits												
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 (%)	2020	2021	2022
Management by objectives (MBO)*	94	96	96
Multidimensional performance assessment**	91.1	96.2	97.4
Comparison of employees in the same category***	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 the resources excluded from the calculation are those that cannot be assessed due to long absence (for 2022 with reference to the assessment year 2021 the number of N.A. is approximately 3,800 resources, while, for the 2021 evaluation year, 3 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 assessable (for 2022 with reference to the 2021 evaluation year, 1,296 employees evaluated by colleagues out of 1,330 assessable). For 2022 (performance 2021), the multidimensional evaluation is not only the 180° process (assessment of the boss and colleagues) but for about 179 managers, the overall assessment is the contribution of the direct boss, colleagues and co-workers (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

Workforce trends	2020	2021	2022
Total turnover rate (%)*	6.90	7.90	6.30
Voluntary turnover rate (%)*	6.30	7.20	5.50
Average cost of FTEs hired (€)**	36,200	36,000	35,700

\* 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 or year n as a proportion of the total workforce for year n-1.

\*\* 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.

## Turnover rate of employees by gender and age

Turnover rate of employees	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Total turnover rate (%)*</b>	<b>3.5</b>	<b>3.8</b>	<b>7.2</b>	<b>3.9</b>	<b>4.3</b>	<b>8.2</b>	<b>3.0</b>	<b>3.2</b>	<b>6.2</b>
of which:									
< 30 years old	0.0	0.1	<b>0.1</b>	0.1	0.1	<b>0.2</b>	0.2	0.1	<b>0.3</b>
30 – 50 years old	0.1	0.1	<b>0.3</b>	0.2	0.2	<b>0.4</b>	0.3	0.2	<b>0.5</b>
> 50 years old	3.4	3.6	<b>7</b>	3.6	4.0	<b>7.6</b>	2.5	2.9	<b>5.4</b>
<b>Voluntary turnover rate (%)*</b>	<b>3.2</b>	<b>3.4</b>	<b>6.6</b>	<b>3.6</b>	<b>3.9</b>	<b>7.5</b>	<b>2.5</b>	<b>2.9</b>	<b>5.4</b>
of which:									
< 30 years old	0.0	0.0	<b>0.1</b>	0.1	0.1	<b>0.2</b>	0.2	0.1	<b>0.3</b>
30 – 50 years old	0.1	0.1	<b>0.2</b>	0.1	0.1	<b>0.2</b>	0.2	0.2	<b>0.4</b>
> 50 years old	3.1	3.3	<b>6.5</b>	3.4	3.7	<b>7.1</b>	2.1	2.6	<b>4.7</b>

\* 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	2020	2021	2022
Disputes with employees	533	700	601*

\* The periodic trends show a significant decrease in the Group's litigation compared to the same period last year. In fact, 601 new cases were registered in the reporting period compared to 700 cases in 2021, a decrease of about 14%. On the "establishment of the employment relationship" front, there has been an appreciable increase of about 37%. There were 136 new disputes (there were 85 in 2021), of which 41 were CTD, 60 Labour Administration and 35 Recruitment by Contract. With regard to the 'conduct of the employment relationship', it is noted that the number of disputes filed in 2022 is 390 (those in 2021 were 556), showing a significant decrease of about 30%, limited only to cases concerning transfer/mobility, updating of contribution positions and conservative disciplinary sanctions. Finally, with regard to 'termination of employment', there were 75 new disputes (there were 59 in 2021), a slight increase of about 21%.

## [GRI 403-8] Workers covered by an occupational health and safety management system

Employees covered by the system*	2020**			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number employees covered by the system	58,088	68,793	<b>126,881</b>	56,303	66,076	<b>122,379</b>	57,257	66,352	<b>123,609</b>
% employees covered by the system	99	99	<b>99</b>	100	100	<b>100</b>	100	100	<b>100</b>

\* Total number of employees covered by an occupational health and safety management system.

\*\* The figures for 2020 show a slight change due to the refinement of the reporting.

Employees covered by the system*	2020**			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
% employees covered by the system	57,983	68,732	<b>126,715</b>	56,303	66,076	<b>122,379</b>	57,257	66,352	<b>123,609</b>
% dipendenti coperti dal sistema	99	99	<b>99</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.

\*\* The figures for 2020 show a slight change due to the refinement of the reporting.

Employees covered by the system*	2020**			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number employees covered by the system	57,973	68,727	<b>126,700</b>	56,207	65,989	<b>122,196</b>	57,167	66,276	<b>123,443</b>
% employees covered by the system	99	99	<b>99</b>	99	99	<b>99</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).

\*\* The figures for 2020 show a slight change due to the refinement of the reporting.

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Non-employees covered by the system*</b>									
Number of non-employees covered by the system	1,461	297	<b>1,758</b>	3,021	831	<b>3,852</b>	3,465	256	<b>3,721</b>
% of non-employees covered by the system	100	100	<b>100</b>	100	100	<b>100</b>	100	90	<b>99</b>

\* Total number of non-employees covered by an occupational health and safety management system.

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Non-employees covered by the system*</b>									
Number of non-employees covered by the system	533	255	<b>788</b>	1,797	336	<b>2,133</b>	3,011	242	<b>3,253</b>
% of non-employees covered by the system	36	86	<b>45</b>	59	40	<b>55</b>	87	85	<b>87</b>

\* Total number of employees covered by an occupational health and safety management system that is internally audited.

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Non-employees covered by the system*</b>									
Number of non-employees covered by the system	678	247	<b>925</b>	2,094	533	<b>2,627</b>	2,936	212	<b>3,148</b>
% of non-employees covered by the system	46	83	<b>53</b>	69	64	<b>68</b>	85	74	<b>84</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).

## [GRI 403-9] Occupational accidents

### Occupational accidents including Covid-19 cases

Employees	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Rate of occupational accidents recordable*	38.55	36.51	37.48	63.26	62.51	62.87	136.70	164.12	150.96
Rate of occupational accidents with severe consequences**	10.14	9.56	9.84	10.48	11.48	11.01	7.27	6.98	7.12
Rate of deaths resulting from accidents at work	0.22	0.02	0.12	0.07	0.02	0.04	0.07	0.01	0.04
Average mobile injuries at work***			6,661			8,109			14,663
Injuries****	3,547	3,851	7,398	5,759	6,453	12,212	11,841	15,461	27,302
of which:									
at work	3,185	3,325	6,510	5,346	5,868	11,214	11,410	14,850	26,260
whilst travelling*****	362	526	888	413	585	998	431	611	1,042
Fatalities	19	3	22	6	4	10	7	1	8
of which:									
at work	18	2	20	6	2	8	6	1	7
whilst travelling*****	1	1	2	0	2	2	1	0	1
Occupational accidents with severe consequences	965	1,072	2,037	1,032	1,257	2,289	742	828	1,570
of which:									
at work	838	871	1,709	886	1,078	1,964	607	632	1,239
whilst travelling*****	127	201	328	146	179	325	135	196	331
Total number of worked hours	82,616,388	91,067,228	173,683,616	84,510,522	93,871,311	178,381,833	83,468,272	90,480,504	173,948,776

\* 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.

\*\* 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.

\*\*\* 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 2018 to 2022. 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 (2018 - 2022) and the average of three consecutive three-year periods (18-19-20 / 19-20-21 / 20-21-22), comparing quarterly data and the cumulative since the beginning of the year. FY 2020, 2021 and 2022 are thus to be understood correspondingly as FY 18-19-20, FY 19-20-21 and FY 20-21-22.

\*\*\*\* With reference to 2022, the total number of injuries is influenced by employees who contracted the Covid-19 virus, to the extent of 8,874 men and 12,548 women, for a total of 21,422 events considered as occupational injuries. In this regard, as can be seen through the indicator 'Occupational accidents net of Covid-19 cases', the figure for accidents recorded in 2022 shows an increase compared to 2021 due to the predominant impact of Covid-19 cases (out of 27,302 accidents, 21,422 are related to Covid infection).

\*\*\*\*\* 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	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Illness	812,284	1,181,694	1,993,978	731,341	1,032,274	1,763,615	739,850	1,056,700	1,796,550
Injury	123,111	134,636	257,747	159,888	187,179	347,067	181,770	232,840	414,610
Stress	0	0	0	0	0	0	0	0	0
Other (specify) Hospitalisation/ Convalescence	0	0	0	0	0	0	0	0	0
Absenteeism rate*	5.45	6.48	6.00	5.29	6.18	5.77	5.53	6.73	6.17**

\* 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 2022 is 6.20%.

## Rate of occupational illnesses

Employees	2020	2021	2022
Number of recordable cases of occupational illnesses	13	8	5
Rate of recordable occupational illnesses (%)	0.07	0.04	0.03

## Occupational accidents net of Covid-19 cases

Employees	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Rate of occupational accidents recordable*</b>	<b>27.02</b>	<b>24.55</b>	<b>25.72</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>Rate of occupational accidents with severe consequences**</b>	7.64	6.94	<b>7.27</b>	7.56	7.29	<b>7.42</b>	7.01	6.71	<b>6.85</b>
<b>Rate of deaths resulting from accidents at work</b>	0.02	0.01	<b>0.02</b>	0.04	0.00	<b>0.02</b>	0.07	0.01	<b>0.04</b>
<b>Average mobile injuries at work***</b>			<b>5,949</b>			<b>5,351</b>			<b>4,753</b>
<b>Injuries****</b>	<b>2,594</b>	<b>2,762</b>	<b>5,356</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>
of which:									
at work	2,232	2,236	<b>4,468</b>	2,612	2,465	<b>5,077</b>	2,536	2,302	<b>4,838</b>
whilst travelling*****	362	526	<b>888</b>	413	585	<b>998</b>	431	611	<b>1,042</b>
<b>Fatalities</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>8</b>
of which:									
at work	2	1	<b>3</b>	3	0	<b>3</b>	6	1	<b>7</b>
whilst travelling*****	1	1	<b>2</b>	0	2	<b>2</b>	1	0	<b>1</b>
<b>Occupational accidents with severe consequences</b>	<b>758</b>	<b>833</b>	<b>1,591</b>	<b>785</b>	<b>863</b>	<b>1,648</b>	<b>720</b>	<b>803</b>	<b>1,523</b>
of which:									
at work	631	632	<b>1,263</b>	639	684	<b>1,323</b>	585	607	<b>1,192</b>
whilst travelling*****	127	201	<b>328</b>	146	179	<b>325</b>	135	196	<b>331</b>
<b>Total number of worked hours</b>	82,616,388	91,067,228	<b>173,683,616</b>	84,510,522	93,871,311	<b>178,381,833</b>	83,468,272	90,480,504	<b>173,948,776</b>

\* 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.

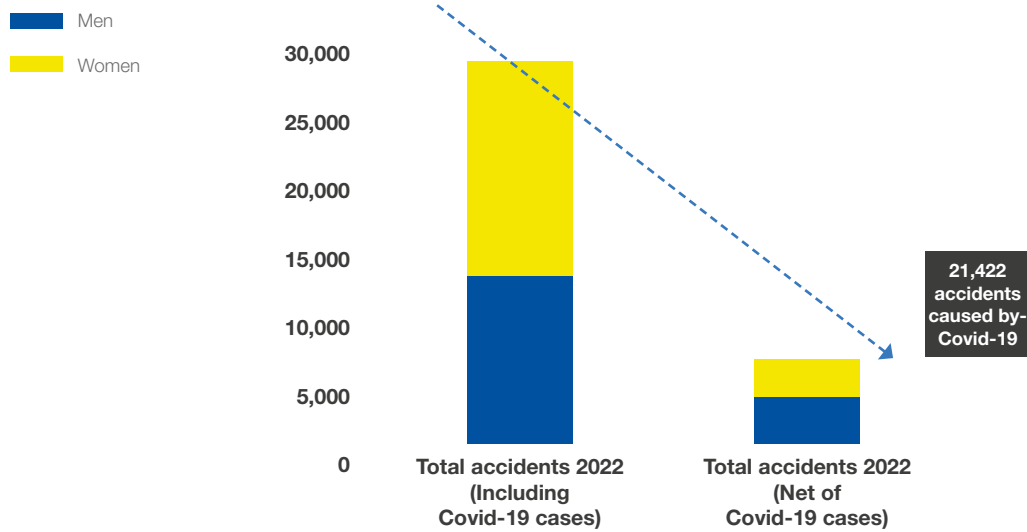
\*\* A work-related accident that involves absence from work greater than or equal to 40 days and leads to an injury from which the worker cannot recover, does not recover or cannot realistically be expected to recover fully and return to the pre-accident state of health. It excludes deaths.

\*\*\* 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 2018 to 2022. 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 (2018 - 2022) and the average of three consecutive three-year periods (18-19-20 / 19-20-21 / 20-21-22), comparing quarterly data and the cumulative since the beginning of the year. FY 2020, 2021 and 2022 are thus to be understood correspondingly as FY 18-19-20, FY 19-20-21, FY 20-21-22.

\*\*\*\* With reference to 2022, the total number of injuries does not take into consideration employees who contracted the Covid-19 virus, to the extent of 8,874 men and 12,548 women, for a total of 21,422 events considered as occupational injuries. In this regard, the figure for accidents recorded in 2022 shows a decrease compared to 2021, highlighting the effectiveness of the initiatives undertaken by the Company in the field of occupational health and safety.

\*\*\*\*\* 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.

## Total accidents 2022



## Absenteeism rate net of Covid-19 cases

### Number of employee absences by type

Employees	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Illness</b>	710,757	1,033,470	<b>1,744,228</b>	618,268	878,353	<b>1,496,621</b>	587,940	846,066	<b>1,434,006</b>
<b>Injury</b>	91,373	98,251	<b>189,624</b>	93,717	101,377	<b>195,094</b>	87,689	93,592	<b>181,281</b>
<b>Stress</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
<b>Other (specify) Hospitalisation/Convalescence</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
<b>Absenteeism rate*</b>	4.67	5.57	<b>5.16</b>	4.23	4.97	<b>4.63</b>	4.05	4.90	<b>4.51</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.



## Occupational accidents involving non-employees including Covid-19 cases

Non-employees	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Rate of occupational accidents recordable</b>	<b>12.55</b>	<b>17.54</b>	<b>13.07</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>Rate of occupational accidents with severe consequences</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.88</b>	<b>2.45</b>	<b>1.18</b>	<b>0.61</b>	<b>0.00</b>	<b>0.53</b>
<b>Rate of deaths resulting from accidents at work</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Injuries</b>	<b>87</b>	<b>23</b>	<b>110</b>	<b>78</b>	<b>34</b>	<b>112</b>	<b>93</b>	<b>12</b>	<b>105</b>
of which:									
at work	85	14	99	68	22	90	86	10	96
whilst travelling	2	9	11	10	12	22	7	2	9
<b>Fatalities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
of which:									
at work	0	0	0	0	0	0	0	0	0
whilst travelling	0	0	0	0	0	0	0	0	0
<b>Occupational accidents with severe consequences</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>5</b>	<b>0</b>	<b>5</b>
of which:									
at work	0	0	0	3	2	5	4	0	4
whilst travelling	0	0	0	2	0	2	1	0	1
<b>Total number of worked hours</b>	<b>677,397</b>	<b>798,146</b>	<b>7,572,124</b>	<b>3,418,572</b>	<b>817,660</b>	<b>4,236,232</b>	<b>6,545,201</b>	<b>974,791</b>	<b>7,519,992</b>

## Accident severity rate including Covid-19 cases

Non-employees	2021	2022
Number of days lost due to injuries	3,068	3,267
Total hours worked	4,236,233	7,519,992
Accident severity rate (%)	0.001	0

## Accidents by type including Covid-19 cases

Employees	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Accident by type</b>									
Fall from a motorcycle	741	412	1,153	804	411	1,215	851	405	1,256
Accident with company vehicle	296	237	533	481	349	830	351	243	594
Hit by a car	9	7	16	14	18	32	8	10	18
Accident with company vehicle	16	21	37	11	28	39	24	34	58
Fall and/or awkward movement	593	958	1,551	620	1,001	1,621	617	913	1,530
Physical attacks	186	212	398	207	240	447	200	222	422
Handling manual load	91	73	164	107	70	177	111	78	189
Robbery	21	53	74	28	49	77	28	49	77
Crushing contusion	249	231	480	279	254	533	300	304	604
Other causes*	983	1,121	2,104	2,795	3,448	6,243	8,920	12,592	21,512
<b>Total</b>	<b>3,185</b>	<b>3,325</b>	<b>6,510</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>

\* With reference to 2022, the figure considers employees who contracted the Covid-19 virus, to the extent of 8,874 men and 12,548 women, for a total of 21,422 events considered as occupational injuries.

## Accidents by type net of Covid-19 cases

Employees	2020			2021			2022		
Accident by type	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fall from a motorcycle	741	412	1,153	804	411	1,215	851	405	1,256
Accident with company vehicle	296	237	533	481	349	830	351	243	594
Hit by a car	9	7	16	14	18	32	8	10	18
Accident with company vehicle	16	21	37	11	28	39	24	34	58
Fall and/or awkward movement	593	958	1,551	620	1,001	1,621	617	913	1,530
Physical attacks	186	212	398	207	240	447	200	222	422
Handling manual load	91	73	164	107	70	177	111	78	189
Robbery	21	53	74	28	49	77	28	49	77
Crushing contusion	249	231	480	279	254	533	300	304	604
Other causes*	30	32	62	61	45	106	46	44	90
<b>Total</b>	<b>2,232</b>	<b>2,236</b>	<b>4,468</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>

\* With reference to 2022, the figure considers employees who contracted the Covid-19 virus, to the extent of 8,874 men and 12,548 women, for a total of 21,422 events considered as occupational injuries.

Non-employees	2020			2021			2022		
Accident by type	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fall from a motorcycle	3	0	3	13	6	19	4	1	5
Accident with company vehicle	39	1	40	19	2	21	6	0	6
Hit by a car	0	0	0	1	1	2	0	0	0
Accident with company vehicle	3	0	3	4	1	5	4	1	5
Fall and/or awkward movement	5	0	5	12	3	15	39	5	44
Physical attacks	0	0	0	0	0	0	6	1	7
Handling manual load	6	9	15	7	7	14	10	1	11
Robbery	0	0	0	0	0	0	0	0	0
Crushing contusion	6	0	6	4	1	5	3	1	4
Other causes	23	4	27	4	0	4	14	0	14
<b>Total</b>	<b>85</b>	<b>14</b>	<b>99</b>	<b>64</b>	<b>21</b>	<b>85</b>	<b>86</b>	<b>10</b>	<b>96</b>

## Employees trained on Health and Safety issues

	2020	2021	2022
Total employees trained on Health and Safety issues	39,315	49,632	68,930

## Number of cases of non-compliance with labour standards

	2020	2021	2022
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\*

Composition and breakdown of the Board of Directors	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Board of Directors</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	1	1	0	0	0	0	0	0
> 50 years old	5	3	8	5	4	9	5	4	9
<b>Board of Directors (%)</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	25	11	0	0	0	0	0	0
> 50 years old	100	75	89	100	100	100	100	100	100

\* Figures expressed as Headcount.

### [GRI 405-1] Classification of employee by category, gender and age group\*

Level of professionalism of employees	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executives</b>	<b>519</b>	<b>159</b>	<b>678</b>	<b>481</b>	<b>146</b>	<b>627</b>	<b>512</b>	<b>167</b>	<b>679</b>
< 30 years old (%)	0.2	0	0.2	0	0	0	0	0	0
30 – 50 years old (%)	35	40	36	36	42	38	35	43	37
> 50 years old (%)	65	60	64	64	58	62	65	57	63
<b>Middle managers</b>	<b>7,763</b>	<b>6,945</b>	<b>14,708</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>
< 30 years old (%)	0.3	0.2	0.2	0.3	0.2	0.2	0.4	0.2	0.3
30 – 50 years old (%)	45	44	44	49	47	48	51	49	50
> 50 years old (%)	55	56	55	51	53	52	49	50	50
<b>Operational staff</b>	<b>48,982</b>	<b>59,215</b>	<b>108,197</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>
< 30 years old (%)	11	6	8	12	6	9	14	8	11
30 – 50 years old (%)	46	46	46	48	46	47	49	47	48
> 50 years old (%)	42	48	46	40	47	44	37	46	42
<b>Total</b>	<b>57,264</b>	<b>66,319</b>	<b>123,583</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>

\* 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	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees with disabilities	3,383	2,202	<b>5,585</b>	3,123	2,171	<b>5,294</b>	2,934	2,239	<b>5,173</b>

## Workforce diversity by gender

Women in the workforce by category (%)*	2020	2021	2022
Management positions	31.9	31.5	32.4
Top management**	17.3	17.9	16.3
Junior management***	33.6	33.4	34.3
Revenue-generating functions****	32	31.3	29.4
STEM positions*****	20	21	20.8

\* The percentages regard the presence of women in formally designated organisational roles within Poste Italiane and Group Companies.

\*\* 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.

\*\*\* Includes managers other than Top Management. The target set for 2022 is 34%.

\*\*\*\* Includes organisational roles within the Post Office Network (MP) and Business and Public Administration functions (MIPA).

\*\*\*\*\* Science, technology, engineering and mathematics. This may include, for example, the following professions: computer programmer, web developer, statistician, logistics manager, engineer, physicist, scientist.

## Workforce diversity by country of origin\*

Workforce diversity by country of origin	2021						2022					
	Italian	Switzerland	German	French	Libyan	Venezuelan	Italian	Switzerland	German	French	Libyan	Venezuelan
Number of employees by country of origin	116,234	589	414	180	116	127	117,976	569	243	168	101	122
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
Number employees in management positions by country of origin**	1,298	5	3	2	0	0	1,248	5	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

\* Figures expressed in full-time equivalent (FTE). The survey refers to the country of birth with the exception of SDA, which handles data on 'citizenship'.

\*\* Includes the positions of junior, middle and senior management.

## [GRI 404-3] Percentage of employees who receive regular performance appraisals, by gender and category\*

Category (%)	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	96	100	97	92	97	94	100	100	100
Middle managers	99	98	99	96	98	97	98	99	98
Operational staff	83	89	86	81	86	84	80	87	84
<b>Totale</b>	<b>85</b>	<b>90</b>	<b>88</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 2022 figures also do not include approximately 3,800 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	2020	2021	2022
CEO/Employee remuneration ratio*	59	75	77

\* It is specified that: (i) the calculation was made by reference to the average value of the employees' remuneration. The figure calculated using the median will be supplemented from next year; (ii) the remuneration for the numerator and denominator includes the total annual remuneration (for the CEO the fixed remuneration, the monetary part of the short-term variable incentive system (MBO) up-front and deferred and the fair value of equity compensation, for employees fixed remuneration and variable remuneration). Compared to the provisions of point b, taking into account the first year of reporting of the indicator and the integration within the consolidation process, the comparison will be provided starting from the 2023 Integrated Report.

**Gender pay gap**

	2020	2021	2022
Gender pay gap (RAL) (%)	-0.9	-0.7	-0.7

**Operations subject to human rights assessment\***

	2020	2021	2022
<b>Group companies**</b>			
Number of Group companies subject to assessment of respect of human rights	24	29	39
Total number of Group companies	24	29	39
Total percentage of Group companies subject to assessment of respect of human rights (%)	100	100	100

\* 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 2022 and therefore, no corrective action was necessary.

\*\* 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
Number of incidents	0	0



## Creating value for the country

### [GRI 201-1] Economic value generated, distributed and retained

Economic value generated (€m)	2020	2021	2022
Economic value generated by the Group	10,628	11,619	11,985

Economic value distributed (€m)	2020	2021	2022
Economic value distributed to stakeholders	9,382	9,917	10,109
- Suppliers	2,994	3,117	3,024
- Personnel	5,249	5,303	5,221
- Lenders	53	55	102
- Public Administration	447	671	916
- Community	7	4	2
- Shareholders	632	768	844

Economic value retained (€m)	2020	2021	2022
Economic value retained within the Group	1,246	1,702	1,876

### [GRI 203-1] Corporate giving and/or corporate citizenship initiatives<sup>\*115</sup>

Type of service (€000)	2020	%	2021	%	2022	%
Donations**	213	5	274	6	351	18
Investments in communities***	760.8	20	954.9	23	1,547.5	79
Commercial initiatives****	2,938.9	75	2,994.5	71	55.5	3
<b>Total</b>	<b>3,912.7</b>	<b>100</b>	<b>4,223.5</b>	<b>100</b>	<b>1,954</b>	<b>100</b>
<b>Breakdown by purpose (€000)</b>						
Sales initiatives	2,938.9	75	2,994.5	71	55.5	3
Social-cultural initiatives	973.8	25	1,229	29	1,898.5	97
of which:						
Art, culture and education	180.2	4	271.7	6	597.5	31
Well-being and social inclusion	532.4	14	537.9	13	818.1	42
Knowledge training and development	261.2	7	419.4	10	482.9	26

\* With regard to voluntary activities during paid working hours, the figure is zero since all the initiatives organized by Poste Italiane in this regard 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).

115. Expenditure on corporate giving and corporate citizenship in 2022 amounted to €376,803.23.

## Contributions and other expenses to organisations/individuals able to influence political campaigns and legislative activities\*

Contributions by category (€)	2019	2020	2021	2022
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.)	3,537,885	3,263,286	3,263,286	3,263,286
Other	0	0	0	0
<b>Total contributions and other expenses</b>	<b>3,537,885</b>	<b>3,263,286</b>	<b>3,263,286</b>	<b>3,263,286</b>

\* 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 for the three-year period 2020-2022 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 membership fee, which stands at €3,263,286 for 2022, is the only contribution made by the Group in 2022.

## Settlements

	2020	2021	2022*
<b>Settlements discussed regarding retail postal products</b>	<b>753</b>	<b>1,476</b>	<b>983</b>
of which settled (%)	88.45	90.11	87.18
<b>Settlements discussed regarding business postal products</b>	<b>387</b>	<b>925</b>	<b>1,148</b>
of which settled (%)	93	92.54	90.24
<b>Settlements discussed regarding BancoPosta products</b>	<b>166</b>	<b>250</b>	<b>280</b>
of which settled (%)	72.9	69.2	65.71
<b>Settlements discussed regarding PosteMobile products</b>	<b>43</b>	<b>63</b>	<b>39</b>
of which settled (%)	86	88.89	97.44
<b>Settlements Discussed regarding PostePay cards</b>	<b>325</b>	<b>400</b>	<b>355</b>
of which settled (%)	72.6	79	76.1
<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>1,709</b>	<b>3,114</b>	<b>2,805</b>
of which settled (%)	85.14	87.70	85.03

\* In 2022, the procedure will be distinguished on Retail Postal products and on Business Postal products with a percentage above 50% of cases discussed compared to 2020. There was also a minimal decrease in applications on the PostePay procedure (-11%), and a minimal increase on the BancoPosta procedure (+12%).

## [FS14] ATMs for inclusion

ATM	2020	2021	2022
ATMs equipped with touchpads for the visually impaired and the blind	7,958	8,107	8,118
of which:			
ATM with voice guidance	7,384	7,691	7,809
<b>Total</b>	<b>7,958</b>	<b>8,107</b>	<b>8,118</b>

## [FS14] Post offices for cultural integration

Post offices	2020	2021	2022
Mono-ethnic	2	2	4
Multi-ethnic	27	30	31
Number of customers served	2,322,361	2,449,059	2,379,475
<b>Total transactions carried out</b>	<b>3,514,631</b>	<b>4,102,071</b>	<b>4,073,335</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>2020</b>	<b>2021</b>	<b>2022</b>
Percentage of young current account holders (under 35)	27	25.2	26
Percentage of senior current account holders (over 65)	24.7	23.8	23.4
Percentage of current account holders who are "new Italians"	16.4	12.2	15
<b>New standard Postepay cards*</b>			
Percentage of young current account holders (under 35)	23.6	27.4	26.7
Percentage of senior current account holders (over 65)	11.6	13.4	15.7
Percentage of current account holders who are "new Italians"	8.4	11.9	12.4
<b>New Postepay Evolution cards*</b>			
Percentage of young current account holders (under 35)	37.4	40.2	41
Percentage of senior current account holders (over 65)	9.4	10.5	11.5
Percentage of current account holders who are "new Italians"	20.7	22.2	25.3

\* For Postepay Standard and Evolution cards, renewals during the year are excluded.

### Contributions to philanthropic and/or corporate citizenship activities

<b>Type of contribution (thousands €)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Cash contributions	3,912.67	4,223.54	1,953.95
Total amount of donations of products or services, projects/partnerships	0	0	0
General operating expenses	1,500	319	376.80
<b>Total</b>	<b>5,412.67</b>	<b>4,542.54</b>	<b>2,330.75</b>



## Green transition

### [GRI 302-1] Internal Group energy consumption\*

Internal energy consumption	2020	2021	2022**
<b>Consumption of fuel from non-renewable sources (GJ)</b>	<b>2,417,825</b>	<b>2,516,482</b>	<b>2,314,922</b>
of which:			
LPG	28,578	29,264	13,692
Diesel	774,974	720,765	450,907
Natural gas	828,820	831,068	723,860
Jet fuel	543,464	664,375	682,129
Petrol	241,990	271,011	444,335
<b>Consumption of energy from non-renewable sources (GJ)</b>	<b>80,411</b>	<b>53,140</b>	<b>30,037</b>
of which:			
Thermal energy (district heating)	27,164	25,677	23,308
Electricity supplied by the National Grid	53,247	27,464	6,729
<b>Consumption of energy from renewable sources (GJ)</b>	<b>1,536,576</b>	<b>1,588,317</b>	<b>1,570,291</b>
of which:			
Self-produced photovoltaic electricity	6,213	7,145	9,032
Certified guarantee of origin electricity	1,530,362	1,581,172	1,561,258
<b>Total energy consumption (GJ)</b>	<b>4,034,811</b>	<b>4,157,939</b>	<b>3,915,250</b>
of which:			
from renewable sources	1,536,576	1,588,317	1,570,291
from non-renewable sources	2,498,235	2,569,623	2,344,959

\* 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 2022 Guidelines.

### [GRI 302-2] External Group energy consumption\*

External energy consumption	2020	2021	2022**
<b>Total external Group energy consumption (GJ)</b>	<b>2,384,452</b>	<b>2,548,699</b>	<b>3,616,077</b>
of which:			
Diesel	2,168,237	2,323,096	3,347,986
Petrol	29	0	0
Natural gas	64	70	718
LPG	174	127	161
Jet fuel	215,948	225,406	267,213

\* The 2022 reporting boundary includes the Parent Company and Group companies.

\*\* The target set for 2022 is 1,580,274 GJ (439,000 MWh) for total energy from renewable sources to the organization and 6,479,482 GJ (1,800,000 MWh) for total energy from non-renewable sources to the organization. In this regard, the Group's priority in 2022 was to limit the natural increase in consumption compared to 2020-2021, dictated by the resumption of business following the lifting of the restrictions related to the Covid-19 pandemic and which had limited operations in several respects in the previous two years.

### [GRI 302-3] Energy intensity

Energy intensity	2020	2021	2022
Consumption of fuel from non-renewable sources (GJ)	2,417,825	2,516,482	2,314,922
Consumption of energy from non-renewable sources (GJ)	80,411	53,140	30,037
Consumption of energy from renewable sources (GJ)	1,536,576	1,588,317	1,570,291
<b>Total energy consumption (GJ)</b>	<b>4,034,811</b>	<b>4,157,939</b>	<b>3,915,250</b>
Total number of employees	123,583	118,969	121,033
<b>Energy intensity (GJ/P)*</b>	<b>32.6</b>	<b>34.9</b>	<b>32.3</b>

\* P = amount of personnel employed on site.

### [GRI 303-3] Water withdrawal\*

Water withdrawal	2020	2021	2022**
<b>Total water withdrawals (MI)</b>	<b>1,824.983</b>	<b>1,756.076</b>	<b>1,585.905</b>
of which:			
Surface water	0	0	0
Groundwater	3.963	3.934	3.821
Sea water	0	0	0
Produced water	0	0	0
Third-party water resources	1,821.019	1,752.142	1,582.084

\* 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 2022 is 1,600 mega litres.

Water withdrawal	2020		2021		2022	
	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>1,824.983</b>	<b>0</b>	<b>1,756.076</b>	<b>0</b>	<b>1,585.905</b>	<b>0</b>
of which:						
Surface water	0	0	0	0	0	0
Groundwater	3.963	0	3.934	0	3.821	0
Sea water	0	0	0	0		0
Produced water	0	0	0	0		0
Third-party water resources	1,821.019	0	1,752.142	0	1,582.084	0

\* Water with a total dissolved solids concentration of 1,000 mg/l or less.

### Wastewater reporting

Water discharges (m³)	2020	2021	2022
Total wastewater	1,824,983	1,756,076	1,585,905

**[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)\***

GHG emissions	2020	2021	2022
<b>Direct emissions – Scope 1 (tCO<sub>2</sub>e)**</b>	<b>159,308</b>	<b>165,508</b>	<b>152,703</b>
of which:			
LPG	1,828	1,872	876
Diesel	55,044	50,384	32,102
Natural gas	46,817	46,872	40,661
Jet fuel	39,376	48,142	49,489
Petrol	16,243	18,238	29,575
<b>Indirect emissions – Scope 2 (tCO<sub>2</sub>e)***</b>	<b>9,257</b>	<b>5,709</b>	<b>2,860</b>
of which:			
Thermal energy	2,365	2,211	2,007
Electricity	6,892	3,498	853
<b>Indirect emissions – Scope 3 (tCO<sub>2</sub>e)****</b>	<b>169,656</b>	<b>178,737</b>	<b>257,796</b>
of which:			
Diesel	153,993	162,392	238,359
Natural gas	4	4	40
Petrol	2	0	0
LPG	11.1	8.1	10.3
Jet fuel	15,646	16,333	19,387

\* The 2022 reporting boundary includes the Parent Company and Group companies.

\*\* Emission factors used for conversion of fuels to CO<sub>2</sub>e: LPG for 2020 1.56 kg CO<sub>2</sub>e/l (source DEFRA 2020), for 2021 1.56 kg CO<sub>2</sub>e/l (source DEFRA 2021) and for 2022 1.56 kg CO<sub>2</sub>e/l (source DEFRA 2022). Diesel for 2020 2.54 kg CO<sub>2</sub>e/l (source DEFRA 2020), for 2021 2.51 kg CO<sub>2</sub>e/l (source DEFRA 2021) and for 2022 2.56 kg CO<sub>2</sub>e/l (source DEFRA 2022). Natural gas for 2020 2.02 kg CO<sub>2</sub>e/m<sup>3</sup> (source DEFRA 2020), for 2021 2.02 kg CO<sub>2</sub>e/m<sup>3</sup> (source DEFRA 2021) and for 2022 2.02 kg CO<sub>2</sub>e/m<sup>3</sup> (source DEFRA 2022). Petrol for 2020 2.17 kg CO<sub>2</sub>e/l (source DEFRA 2020), for 2021 2.19 kg CO<sub>2</sub>e/l (source DEFRA 2021) and for 2022 2.16 kg CO<sub>2</sub>e/l (source DEFRA 2022). The target expected for the year 2022 is 155,000 tCO<sub>2</sub>e. In this regard, the Group's priority in 2022 was to limit the natural increase in emissions compared to the two-year period 2020-2021, dictated by the resumption of activities following the lifting of restrictions related to the Covid-19 pandemic and which had limited operations in several respects in the previous two years.

\*\*\* 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: 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, for 2020 0.466 kg CO<sub>2</sub>e/kWh, source European Residual Mixes 2019). Conversion factors used to convert thermal energy into CO<sub>2</sub>e: for 2020, 0.17 Kg CO<sub>2</sub>e/kWh, for 2021, 0.17 Kg CO<sub>2</sub>e/kWh and for 2022, 0.17 Kg CO<sub>2</sub>e/kWh. The target set for 2022 is 3,000 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 method the total Group emissions of Scope 2 in 2020 150,168 tCO<sub>2</sub>e, in 2021 142,966 tCO<sub>2</sub>e and in 2022 139,206 tCO<sub>2</sub>e (emission factor for the calculation of the Location-based method 0.315 kg CO<sub>2</sub>e/kWh, source: ISPRA 2022).

\*\*\*\* Emission factors used for conversion of fuels to CO<sub>2</sub>e: Jet fuel for 2020 2.54 kg CO<sub>2</sub>e/l (source DEFRA 2020), for 2021 2.55 kg CO<sub>2</sub>e/l (source DEFRA 2021) and for 2022 2.55 kg CO<sub>2</sub>e/l (source DEFRA 2022). The target expected for the year 2022 is 280,000 tCO<sub>2</sub>e, an increase compared to 2021 as a result of a gradual outsourcing of transport. The increase recorded, however, is small compared to the target set.

**[GRI 306-3] Waste generated [GRI 306-4] Waste recovered [GRI 306-5] Waste disposed of\***

Waste by type (t)	2020**			2021**			2022		
	Waste generated	Waste recovered	Waste disposed of	Waste generated	Waste recovered	Waste disposed of	Waste generated	Waste recovered***	Waste disposed of ****
<b>Total waste</b>	<b>29,240.6</b>	<b>28,738.7</b>	<b>501.9</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>
of which:									
Paper/cardboard	12,642	12,636.6	5.4	13,584.9	13,539.2	45.8	15,588.5	15,467.8	120.7
Plastic	1,080	1,080	0	1,359.3	1,359.3	0	1,282.4	1,282.4	0
Wood	8,617.7	8,617.7	0	10,481.8	10,478.2	3.6	10,097.9	10,097.9	0
Other	6,901	6,404.4	496.6	9,045.8	7,825.9	1,219.8	10,276.5	9,595.2	676.9

\* The figures for the quantity of waste produced are provided by the companies that provide waste management services.

\*\* The 2020 and 2021 values have been updated following a refinement of the reporting system.

\*\*\* The target expected for 2022 with respect to recovered waste is 35,000 tonnes.

\*\*\*\* The target set for 2022 in relation to waste sent to disposal (landfill, incinerated and other types of disposal) is 1,000 tonnes.

Total weight of hazardous waste recovered (t)	2020*		2021*		2022	
	On site	Off site	On site	Off site	On site	Off site
Preparation for reuse	0	0	0	0	0	0
Recycling	0	268.4	0	364.4	0	924.8
Other operations of recovery	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>268.4</b>	<b>0</b>	<b>364.4</b>	<b>0</b>	<b>924.8</b>
<b>Total hazardous waste recovered</b>	<b>268.4</b>		<b>364.4</b>		<b>924.8</b>	

\* The 2020 and 2021 values have been updated following a refinement of the reporting system.

Total weight of non-hazardous waste recovered (t)	2020*		2021*		2022	
	On site	Off site	On site	Off site	On site	Off site
Preparation for reuse	0	0	0	0	0	0
Recycling	0	28,470.3	0	32,838.2	0	35,518.4
Other operations of recovery	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>28,470.3</b>	<b>0</b>	<b>32,838.2</b>	<b>0</b>	<b>35,518.4</b>
<b>Total non-hazardous waste recovered</b>	<b>28,470.3</b>		<b>32,838.2</b>		<b>35,518.4</b>	

\* The 2020 and 2021 values have been updated following a refinement of the reporting system.

Total weight of hazardous waste recovered (t)	2020 ****		2021 ****		2022	
	On site	Off site	On site	Off site	On site	Off site
Disposal in landfill*	0	0.5	0	99.3	0	3.0
Incinerated**	0	0.1	0	0.3	0	0
Other type of disposal***	0	23.7	0	36.1	0	41.3
<b>Total</b>	<b>0</b>	<b>24.3</b>	<b>0</b>	<b>135.8</b>	<b>0</b>	<b>44.3</b>
<b>Total hazardous waste disposed</b>	<b>24.3</b>		<b>135.8</b>		<b>44.3</b>	

Total weight of non-hazardous waste disposed (t)	2020 ****		2021 ****		2022	
	On site	Off site	On site	Off site	On site	Off site
Disposal in landfill*	0	101.9	0	616.6	0	358.6
Incinerated**	0	1.8	0	0.01	0	0
Other type of disposal***	0	373.9	0	516.8	0	399.2
<b>Total</b>	<b>0</b>	<b>477.6</b>	<b>0</b>	<b>1,133.4</b>	<b>0</b>	<b>757.8</b>
<b>Total non-hazardous waste disposed</b>	<b>477.6</b>		<b>1,133.4</b>		<b>757.8</b>	

\* The target expected for 2022 with respect to the total amount of waste for disposal (hazardous and non-hazardous) is 500 tonnes.

\*\* The target expected for 2022 with respect to the total amount of waste for disposal by incineration (hazardous and non-hazardous) is 0.3 tonnes.

\*\*\* The target expected for 2022 with respect to the total amount of waste for disposal through forms other than landfilling and incineration (hazardous and non-hazardous) is 500 tonnes.

\*\*\*\* The 2020 and 2021 values have been updated following a refinement of the reporting system.

## Waste disposal

Waste disposal (t)	2020	2021	2022
Total recycled/reused waste	28,738.69	33,202.54	36,443.16
Total waste disposed	501.92	1,269.20	802.11
of which:			
in landfill	102.38	715.94	361.65
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	397.63	552.91	440.46

**[GRI 302-1] Internal energy consumption relating to real estate facilities by source**

Internal energy consumption	2020	2021	2022
<b>Consumption of fuel from non-renewable sources (GJ)</b>	<b>871,256</b>	<b>897,844</b>	<b>765,154</b>
of which:			
LPG	10,314	13,234	8,482
Diesel	78,693	78,654	48,046
Natural gas	782,249	805,955	708,626
<b>Consumption of energy from non-renewable sources (GJ)</b>	<b>80,411</b>	<b>53,140</b>	<b>30,037</b>
of which:			
Thermal energy (district heating)	27,164	25,677	23,308
Electricity supplied by the National Grid	53,247	27,464	6,729
<b>Consumption of energy from renewable sources (GJ)</b>	<b>1,535,358</b>	<b>1,586,985</b>	<b>1,563,952</b>
of which:			
Self-produced photovoltaic electricity	6,213	7,145	9,032
Certified guarantee of origin electricity	1,529,145	1,579,840	1,554,920
<b>Total energy consumption (GJ)</b>	<b>2,487,024</b>	<b>2,537,969</b>	<b>2,359,143</b>
of which:			
from renewable sources	1,535,358	1,586,985	1,563,952
from non-renewable sources	951,666	950,984	795,191

**[GRI 305-1; GRI 305-2] Direct and indirect CO<sub>2</sub>e emissions relating to real estate facilities**

Emissions	2020	2021	2022
<b>Direct emissions – Scope 1 (tCO<sub>2</sub>e)</b>	<b>50,435</b>	<b>51,800</b>	<b>43,769</b>
of which:			
LPG	660	847	543
Diesel	5,589	5,498	3,421
Natural gas	44,186	45,455	39,805
<b>Indirect emissions – Scope 2 (market-based) (tCO<sub>2</sub>e)*</b>	<b>9,257</b>	<b>5,709</b>	<b>2,860</b>
of which:			
Electricity	6,892	3,498	853
Thermal energy	2,365	2,211	2,007

\* Applying the Location-based method, the total emissions attributable to the Scope 2 in 2020 150,054 tCO<sub>2</sub>e, in 2021 142,850 tCO<sub>2</sub>e and in 2022 138,651 tCO<sub>2</sub>e.

**[GRI 302-2; GRI 305-3] External energy consumption and CO<sub>2</sub>e emissions relating to real estate facilities**

External energy consumption and emissions	2020	2021	2022
<b>Total external Group energy consumption (GJ)</b>	<b>159</b>	<b>127</b>	<b>161</b>
<b>Indirect emissions – Scope 2 (tCO<sub>2</sub>e)</b>	<b>10.2</b>	<b>8.1</b>	<b>10.3</b>

#### [GRI 305-4] Intensity of GHG emissions related to real estate facilities

Emission intensity	2020	2021	2022
Total GHG emissions Scope 1 (Kg CO <sub>2</sub> e)	50,435,444	51,800,253	43,768,581
Total GHG emissions Scope 2 (Kg CO <sub>2</sub> e)	9,257,089	5,709,145	2,860,232
Total GHG emissions Scope 3 (Kg CO <sub>2</sub> e)	10,200	8,130	10,274
Square metres of the Group's properties (m <sup>2</sup> )	5,469,439	5,583,325	5,580,793
<b>Intensity of direct and indirect emissions GHG Scope 1 and Scope 2</b>	<b>10.914</b>	<b>10.300</b>	<b>8.355</b>
<b>Intensity of other indirect GHG emissions Scope 3</b>	<b>0.002</b>	<b>0.001</b>	<b>0.002</b>

#### [GRI 302-4; GRI 305-5] Reduction in energy consumption and CO<sub>2</sub>e emissions relating to real estate facilities

Initiatives implemented	2022			
	Initiative 1*	Initiative 2**	Initiative 3***	Initiative 4****
<b>tCO<sub>2</sub>e saved</b>	1,133	475	10,400	622
<b>Reducing the consumption of energy (GJ)</b>	8,895	3,729	81,645	4,883

\* LED project.

\*\* Energy efficiency project.

\*\*\* Photovoltaic project.

\*\*\*\* Smart Building Project.

#### Weight of electricity consumption relating to real estate facilities by type of business\*

Electricity consumption	2020	2021	2022
Post offices (%)	47	47	55
Head offices (%)	16	16	15
Operational sites (sorting centres) (%)	14	14	14
Delivery logistics centres (%)	12	12	7
Data Centres (%)	11	11	9

\* As of 2020, the indicator considers values for the entire Group and classifies buildings by functionality similar to those of Poste Italiane (e.g. industrial plants not only CMP, but also Postel printing works).

#### Total cost of energy purchased for real estate facilities

Total costs of purchased energy	2020	2021	2022*
Total expenditure on energy (€)	85,717,548	83,196,736	62,155,518

\* The target set for 2022 is 65,000,000 mega litres.

#### Total savings or overall profits from energy saving programmes

Programmes that generated savings (€)	2020	2021	2022
LED project	2,551,886	1,739,793	640,000
Energy efficiency programme	724,996	735,273	600,000
Smart Buildings	148,153	124,547	340,000
Programmes that generated a profit (€)	2020	2021	2022
Photovoltaic plants	194,934	170,000	1,200,000



## Corporate fleet data

Corporate fleet data	2020	2021	2022
<b>Total km travelled</b>	<b>336,266,255</b>	<b>321,599,897</b>	<b>320,472,162</b>
Total vehicles (no.)	32,791	31,645	30,850
of which:			
traditional vehicles	28,133	26,747	19,441
alternative vehicles	4,658	4,898	11,409
of which:			
bicycles	324	324	333
electric vehicles	1,448	1,805	3,654
hybrid motor vehicles	79	79	5,782
petrol-natural gas fuelled vehicles	1,727	1,615	1,410
petrol-LPG fuelled vehicles	1,080	1,075	230
diesel-natural gas fuelled vehicles	0	0	0
LPG fuelled vehicles	0	0	0
Percentage of alternative vehicles (%)	14.2	15.5	37

## [GRI 302-1; GRI 305-1; GRI 305-2] Energy consumption and CO<sub>2</sub>e emissions to the company road fleet

Energy consumption and emissions	2020	2021	2022
<b>Total energy consumed (GJ)</b>	<b>1,004,322</b>	<b>955,596</b>	<b>873,978</b>
of which:			
Diesel	696,281	642,111	402,861*
Natural gas	46,570	25,112	15,234*
LPG	18,264	16,029	5,210*
Petrol	241,990	271,011	444,335*
Certified guarantee of origin electricity	1,217	1,332	6,338
<b>Direct emissions – Scope 1 (t CO<sub>2</sub>e)</b>	<b>69,497</b>	<b>65,566</b>	<b>59,445</b>
<b>Indirect emissions – Scope 2 (t CO<sub>2</sub>e)</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* The decrease in consumption of Diesel, LPG, Natural Gas and the increase in consumption of Petrol are due to several factors. As far as natural gas is concerned, due to the high price increase at the pump for Bifuel vehicles, the use of the petrol tank was favoured over that of gas. In addition, the fleet renewal plan includes the replacement of all LPG vehicles and all Diesel vans and sedans (no longer on the market) with the more powerful Hybrid engines. Finally, the reduction in the number of vans and trucks for transport services continues due to the increasing outsourcing of these services. Applying the Location-based the total emissions attributable to the corporate road fleet of Scope 2 in 2020 114 tCO<sub>2</sub>e, in 2021 117 tCO<sub>2</sub>e and in 2022 555 tCO<sub>2</sub>e.

## [GRI 302-2; GRI 305-3] Energy consumption and emissions by mail and charter transport\*

Energy consumption and emissions	2020	2021	2022
<b>Total external Group energy consumption (GJ)**</b>	<b>2,168,345</b>	<b>2,323,166</b>	<b>3,348,703</b>
<b>Indirect emissions – Scope 3 (tCO<sub>2</sub>e)</b>	<b>154,000</b>	<b>162,396</b>	<b>238,399</b>

\* The 2022 reporting boundary includes the Parent Company and Group companies.

\*\* Road vehicles used by logistics contractors are almost entirely diesel-fuelled. For 2022, the increase in consumption (mainly diesel) is attributable to greater outsourcing of transport services.

## Air transport fleet data

Air transport data	2020	2021	2022
Number of aircraft	13	16	16
AirMail (hours)	8,644	8,386	8,635
Charter (hours)	21	87	193

## [GRI 302-1; GRI 305-1] Energy consumption and emissions by the mail and charter flee

Energy consumption and emissions*	2020	2021	2022
<b>Total internal Group energy consumption (GJ)</b>	543,464	664,375	682,129
<b>Direct emissions – Scope 1 (tCO<sub>2</sub>e)</b>	39,376	48,142	49,489

\* It is specified that for the flight in the European field the values communicated and certified by the third party have been used in the framework of the ETS regulation referred to in the "Emission Trading" Directive (Directive 2003/87/EC), establishing a scheme for greenhouse gas emission allowance trading in the European Community. The flown in European certified field is equal to 42,063 tCO<sub>2</sub>.

## [GRI 302-2; GRI 305-3] Energy consumption and emissions by mail and charter transport

Energy consumption and emissions	2020	2021	2022
<b>Total external Group energy consumption (GJ)</b>	215,948	225,406	267,213
<b>Indirect emissions – Scope 2 (tCO<sub>2</sub>e)</b>	15,646	16,333	19,387

## Other direct emissions from logistics activities

Direct emissions	2020	2021	2022
<b>Total Fuel emissions from non-renewable sources – Scope 1 (tNO<sub>x</sub>)*</b>	<b>222.21</b>	<b>175.33</b>	<b>120.55</b>
Natural gas	1.27	0.66	0.24
LPG	0.57	0.44	0.14
Diesel	199.37	157.27	93.79
Petrol	21.00	16.96	26.38

\* The emission factors used to convert fuels into NO<sub>x</sub> are as follows: natural gas 0.0155 t NO<sub>x</sub>/TJ. LPG 0.0271 t NO<sub>x</sub>/TJ. Diesel for cars 0.2142 t NO<sub>x</sub>/TJ, for light commercial vehicles 0.29 t NO<sub>x</sub>/TJ, for heavy trucks 0.2872 t NO<sub>x</sub>/TJ. Petrol for cars 0.0577 t NO<sub>x</sub>/TJ, for light commercial vehicles 0.05 t NO<sub>x</sub>/TJ, for motorcycles 0.0671 t NO<sub>x</sub>/TJ. Source: ISPRA, database of average emission factors of road transport in Italy.

Direct emissions	2020	2021	2022
<b>Total Fuel emissions from non-renewable sources – Scope 1 (tSO<sub>2</sub>)*</b>	<b>0.30</b>	<b>0.25</b>	<b>0.23</b>
Diesel	0.24	0.18	0.13
Petrol	0.06	0.07	0.10

\* 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.

Direct emissions	2020	2021	2022
<b>Total Fuel emissions from non-renewable sources – Scope 1 (VOC)*</b>	<b>117.66</b>	<b>100.70</b>	<b>147.85</b>
Natural gas	2.65	1.44	0.37
LPG	0.71	0.64	0.19
Diesel	5.58	3.61	1.96
Petrol	108.72	95.01	145.33

\* The emission factors used to convert fuels into VOC are as follows: natural gas 0.0243 t VOC/TJ. LPG 0.0361 t VOC/TJ. Diesel for cars 0.0031 t VOC/TJ, for light commercial vehicles 0.0050 t VOC/TJ, for heavy trucks 0.0105 t VOC/TJ. Petrol for cars 0.2473 t VOC/TJ, for light commercial vehicles 0.1403 t VOC/TJ, for motorcycles 0.6886 t VOC/TJ. Source: ISPRA, database of average emission factors of road transport in Italy.

Direct emissions	2020	2021	2022
<b>Total Fuel emissions from non-renewable sources – Scope 1 (PM10)*</b>	<b>14.09</b>	<b>18.46</b>	<b>14.40</b>
Natural gas	0.47	0.24	0.16
LPG	0.32	0.24	2.95
Diesel	10.40	7.40	6.07
Petrol	2.89	10.58	5.21

\* The emission factors used to convert fuels into PM10 are as follows: natural gas 0.0102 t PM10/TJ. LPG 0.0095 t PM10/TJ. Diesel for cars 0.0150 t PM10/TJ, for light commercial vehicles 0.0146 t PM10/TJ, for heavy trucks 0.0154 t PM10/TJ. Petrol for cars 0.0103 t PM10/TJ, for light commercial vehicles 0.0092 t PM10/TJ, for motorcycles 0.0182 t PM10/TJ. Source: ISPRA, database of average emission factors of road transport in Italy.

## Other indirect emissions from logistics activities

Indirect emissions	2020	2021	2022
<b>Total Fuel emissions from non-renewable sources – Scope 3 (tNO<sub>x</sub>)*</b>	<b>725.69</b>	<b>708.75</b>	<b>949.12</b>
Diesel	725.68	708.75	949.12
Natural gas	≈0*	≈0*	0.01
LPG	≈0*	0	0
Petrol	≈0*	0	0

\* The figure is close to 0, but still contributes to the total.

Indirect emissions	2020	2021	2022
<b>Total Fuel emissions from non-renewable sources – Scope 3 (tSO<sub>2</sub>)*</b>	<b>0.75</b>	<b>0.66</b>	<b>1.12</b>
Diesel	0.75	0.66	1.12
Petrol	≈0*	0	0

\* The figure is close to 0, but still contributes to the total.

Indirect emissions	2020	2021	2022
<b>Total Fuel emissions from non-renewable sources – Scope 3 (VOC)</b>	<b>26.27</b>	<b>21.55</b>	<b>29.25</b>
Diesel	26.26	21.55	29.24
Natural gas	≈0*	≈0*	0.02
LPG	≈0*	0	0
Petrol	≈0*	0	0

\* The figure is close to 0, but still contributes to the total.

Indirect emissions	2020	2021	2022
<b>Total Fuel emissions from non-renewable sources – Scope 3 (PM10)</b>	<b>0.75</b>	<b>0.66</b>	<b>51.16</b>
Diesel	≈0*	0.07	51.15
Natural gas	≈0*	0	0.01
LPG	24.30	26.45	0
Petrol	≈0*	0	0

\* The figure is close to 0, but still contributes to the total.

## Business Travel

Business Travel	2020	2021	2022*
<b>Total emissions tCO<sub>2</sub>e</b>	<b>6,569</b>	<b>8,700</b>	<b>10,446</b>
Automotive	5,965	8,036	9,205
Petrol	2,214	3,350	5,998
Diesel	3,751	4,686	3,207
Train	92	96	157
Plane	512	568	1,084
International - short haul	94	79	124
International - long haul	7	27	91
National (domestic)	411	462	869

\* The target set for 2022 is 12,000 tCO<sub>2</sub>e. In this regard, in 2022, as in 2021, the Group's priority was to contain the natural increase in emissions due to business travel compared to 2020-2021, dictated by the regular resumption of business following the lifting of the Covid-19 pandemic-related restrictions, which had limited business travel in the previous two years.

## Employee commuting

Employee commuting	2020	2021	2022
<b>Total emissions tCO<sub>2</sub>e</b>	13,929*	32,940**	28,370***

\* The value indicated refers to the estimate of the polluting emissions generated by the home-work travel of Poste Italiane employees applied in the offices of more than 300 resources which, at present, amount to 38 located in 18 cities in Italy, for a sample of 24,316 total resources.

\*\* 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.

\*\*\* 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 the 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.

## Emissions financed Scope 3\*

Emissions financed Scope 3	2021	2022
<b>Total absolute issues financed Scope 3 (tCO<sub>2</sub>e)**</b>	6,641,823.42	8,541,519.64
<b>Weighted Average Carbon Intensity (WACI) (tCO<sub>2</sub>e/€ million in revenues)***</b>	153.41	155.53

\* 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 2022 considered an amount of Assets under Management (AuM - corporate issuers) amounting to €63,107,022,142.85 corresponding to 90.21% of the Group's total AuM (corporate issuers).

\*\* 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.

\*\*\* 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

Emissions financed Scope 3	2021		2022	
	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)
Asia Pacific	252,081.79	12.97	60,643.85	5.21
Europe	4,671,440.57	81.99	6,045,701.57	95.81
Middle East Africa	111.58	0.10	37,248.02	0.38
North America	1,025,890.23	30.46	1,243,038.83	31.10
Rest of the world	692,299.25	27.89	1,154,887.37	23.02
<b>Total</b>	<b>6,641,823.42</b>	<b>153.41</b>	<b>8,541,519.64</b>	<b>155.53</b>

## Scope 3 financed issues by asset class

	2021		2022	
	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)
Emissions financed Scope 3				
Corporate bonds	5,645,549.91	130.40	7,260,291.70	132.20
Equity	996,273.51	23.01	1,281,277.95	23.33
<b>Total</b>	<b>6,641,823.42</b>	<b>153.41</b>	<b>8,541,519.64</b>	<b>155.53</b>

### Scope 3 financed emissions by sector/industry

Emissions financed Scope 3	2021		2022	
	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
Vehicles	149,376.92	1.36	148,764.63	1.26
Drinks	18,442.14	1.00	30,608.39	1.07
Broadcasting and advertising	7,783.35	0.08	6,624.62	0.26
Building materials	382,375.95	9.63	1,402,793.80	20.46
Business support services	13,252.31	0.24	10,888.61	0.42
Chemicals	153,463.03	7.22	308,910.19	7.64
Banks for development	0(*)	0.03	0(*)	0.07
Diversified banks	65,109.01	3.15	40,505.42	2.51
Electricity and gas companies	2,748,944.62	59.37	3,208,045.28	58.42
Components and electrical equipment	3,905.16	0.16	2,488.58	0.15
Energy	1,729,556.19	27.84	1,672,150.10	22.45
Financial Services - General	63,989.05	0.46	12,389.75	0.64
Financial Services - Real Estate	17,057.29	3.67	21,899.28	3.55
Food products	25,405.53	0.56	27,654.61	1.26
Forest products and paper	55,153.93	1.25	48,998.53	1.09
Sanitary equipment and services	7,453.21	0.32	9,099.46	0.31
Heavy construction	12,989.40	0.18	16,049.10	0.19
Home construction	476.76	0.01	33.72	0.00
Hotels, goods and services for leisure time	19,183.07	1.76	64,624.04	3.34
Industrial goods and services	48,126.29	0.58	41,952.74	0.70
Insurance	23,818.20	0.06	24,565.34	0.97
Local authorities	0(*)	3.97	0(*)	4.26
Luxury goods and cosmetics	3,808.25	0.17	3,081.19	0.24
Components and mechanical equipment	3,363.71	0.48	95,378.57	0.68
Mining and metals	362,885.73	13.58	326,478.03	7.23
Oil equipment and services	64,448.87	2.23	110,190.18	2.73
Pharmaceuticals and biotechnology	13,045.37	0.75	21,179.70	0.74
Publishing	84.72	0.01	84.59	0.00
Retail and specialised banks	2,946.01	0.55	9,140.55	0.62
Software and IT services	5,659.01	0.55	1,946.88	0.49
Specialised retail trade	9,610.11	0.23	3,759.29	0.20
Banks and agencies for specific purposes	0.04	0.07	0.60	0.07
Supermarkets	28,856.52	0.13	4,335.08	0.14
Technology-Hardware	26,502.77	1.58	10,218.49	1.06
Telecommunications	99,666.46	1.48	116,766.88	1.94
Tobacco	6,138.19	0.21	6,339.14	0.30
Transport and logistics	48,245.96	3.35	17,278.18	2.52
Travel and tourism	175,989.23	2.64	543,356.50	3.12
Waste and water	241,556.26	2.43	170,565.29	2.38
<b>Total</b>	<b>6,641,823.42</b>	<b>153.41</b>	<b>8,541,519.64</b>	<b>155.53</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

Customer experience in Post Offices	2020	2021	2022
Average waiting time in Post Offices (minutes)	8.3	9.20	10.20
Customer served within 15 minutes (%)	84.35	81.27	78.30
Customer satisfaction with waiting times (1-10)	7.8	7.7	7.8
Customer satisfaction with overall post office experience	8.4	8	8.2

### Customer complaints by type\*

Post Offices	2020	2021	2022
Complaints received	9,176	6,476	10,336
Average response time (days)	14	16	40
<b>Mail</b>			
Complaints received	54,188	46,054	36,042
Average response time (days)	22	17	29
<b>Parcels</b>			
Complaints received	123,571	102,630	64,217
Average response time (days)	19	16	15
<b>Financial Services</b>			
Complaints received	136,217	198,878	154,310
Average response time (days)	6	8	11
<b>Insurance Services</b>			
Complaints received	7,056	5,102	5,065
Average response time (days)	28	30	23
Investigations initiated by the Insurance Regulator	300	307	293
<b>PosteMobile</b>			
Mobile telephone complaints received	8,430	5,922	1,934
Average response time (days)	2	2	3
Fixed line complaints received	1,191	1,767	515
Average response time (days)	4	4	5

\* The figures on complaints relate to open cases requiring back-office intervention.

### Number of contacts handled\*

Contact Centre	2020	2021	2022
Number of contacts handled (mln)	33	37	41

\* Overall, the number of contacts handled in 2022 shows an increase of +10% compared to 2021. This increase is mainly due to the AI component, which accounts for 39% of total assets under management (vs. 33% in 2021).



## Customer satisfaction \*

Satisfied customers (%)	2020	2021	2022**
Satisfied customers following Customer Experience surveys	82.1	82.2	83
Data coverage	100	100	100

\* The customer experience of Business Units is measured every six months through surveys which measure the advisability of Poste Italiane's products and services based on the metrics of Net Promoter Score (NPS).  
In terms of channels, the indicator used is the Customer Effort Score (CES), which records the ease of access to services.

The customer samples involved in the customer experience surveys represent the related universe.

The Business Units involved in the customer experience surveys are: BancoPosta (Retail, SME and Large Customers); Mail, Communication and Logistics (SMEs and Large Customers); Poste Vita (Retail). The sales and customer care channels involved regard respectively the post office channel and the Contact Centre.

With reference to the method used to measure customer satisfaction, the surveys use a scale of 1 to 10 to measure satisfaction. The percentages shown include customers who have answered 7-8 and 9-10 in the surveys carried out. Scores of 9-10 in the NPS/CES surveys reflect customers who are "promoters" (NPS) and "enthusiasts" (CES).

\*\* The target set for 2022 is 82.60%.

## Monthly complaints

Complaints	2020	2021	2022
Monthly complaints received	28,319	30,568	23,035

## Business continuity plan resources\*

Business continuity plan resources	2020	2021	2022
Investments (€mln)	2	1.3	1.6
Drills	3	4	4
People involved	162	240	269
Mainframe services (open services being processed) covered by plans of disaster recovery (%)	100	100	100

\* The figures refer to Poste Italiane SpA, PostePay SpA, BancoPosta Fondi SpA SGR, Poste Vita SpA.

## [GRI 418-1] Privacy violations and data leaks

Violations and data leaks	2020	2021	2022*
Complaints received regarding violations of privacy	57	41	29
of which:			
complaints received from third parties and recognised by the organisation	57	41	29
complaints received from regulatory bodies	0	0	0
Breaches, data theft and leaks of customer data identified	468	304	371

\* In 2022, with respect to detected incidents of violation of privacy, in 26 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

IT incidents and breaches	2020	2021	2022*
Total number of IT security breaches/cyber security incidents	74	195	83
Total number of IT security breaches involving the security of consumers	6	3	1
Total amount of fines /penalties paid in relation to IT security breaches and other IT security incidents (€)	0	0	0

\* The number of incidents is lower than in the previous year. In connection with the Russia-Ukraine crisis, levels of monitoring and attention to security events were raised and cyber intelligence activities strengthened in order to prevent or promptly intercept potential attacks cyber against the Poste Italiane group. Specific measures were also put in place to minimise the attack surface and the impact of a possible attack on Poste Italiane's customer base. Timely and effective business continuity and crisis management is ensured by the application of a Business Continuity Plan and a Crisis Management Plan, which are an integral part of a framework that also includes a Disaster Recovery Plan, a Communication Plan, a Test Plan, and operational procedures and instructions.

The underlying causes of IT incidents and breaches that occurred during 2022 are mainly attributable to external attacks. In particular, the attack was aimed at Poste Italiane employees with the objective of carrying out identity theft and consequently accessing company systems. In this regard, it should be pointed out that since they are not attributable to negligence on the part of the staff of Poste Italiane, no disciplinary measures have been taken against the employees. However, in the course of the year, the Group launched a series of initiatives 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**

Customers whose data were used for secondary purposes (%)	2020	2021	2022
Percentage of customers whose data were used for secondary purposes (%)	1	0	0

**Number of customers involved in IT security breaches**

Customers involved in IT security breaches	2020	2021	2022
Number of customers involved in IT security breaches	3,789	175	17



## Innovation

### Number of digital services offered (figures in millions)

Digital offer	2020	2021	2022
Customers registered on Poste Italiane's digital channels (websites and apps)	27.1	33.8	36.8
Digital identities issued	12.2	21.2	23.8
Postepay apps downloaded	14.4	18.4	21.7
BancoPosta apps downloaded	8.3	10.8	13.2
Post Office apps downloaded	6.8	12.2	14.7
PosteID apps downloaded	13.8	24.1	30.2
Transactions carried out via consumer digital channels (websites and apps)	90.3	124.7	152.6

### Dematerialisation of procedures and corresponding transactions

Type of procedures*	2020		2021		2022	
	No. Procedures	% dematerialisation	No. Procedures	% dematerialisation	No. Procedures	% dematerialisation
Certificates	1,828	96	1,584	94	1,811	97
Current accounts	376	94	586	96	535	96
Savings Books	629	95	746	92	687	96
Postepay Evolution	2,129	97	2,137	98	1,749	99
Full Acquiring	17	4	11	9	14	100
Life insurance policies	592	93	520	97	726	67
Non-life policies	147	88	250	93	256	96
MiFID	1,909	92	2,175	94	1,803	96
PosteMobile	857	82	832	87	764	95
Guided consultation	1,214	89	1,512	94	1,388	89
Borrowings	391	88	417	91	460	96
Funds	119	85	262	94	144	96
<b>Total procedures**</b>	<b>10,209</b>	<b>92</b>	<b>11,030</b>	<b>94</b>	<b>10,336</b>	<b>96</b>

\* Figures in thousands.

\*\* The absolute total volume of files decreased by 6.2% compared to last year. In particular, there were significant decreases in dematerialised practices, especially for Postepay Evolution, MiFID and Funds.

Corresponding transactions	2020	2021	2022
Total transactions (€m)	29.9	27.7	26.9
Total electronic transactions (€m)	29.1	26.9	25.8
Dematerialised transactions (%)	97.4	96.9	95.9



## Sustainable finance

### ESG products and services related to Asset Management\*

Categories of sustainable investment products and services offered (€)	2021	2022
Products/services incorporating ESG criteria**	73,853,542.92	244,029,168.87
Products/services that apply best-in-class***	3,373,416,622.23	6,704,015,404.05
Products/services with thematic investments****	81,007,675.68	118,464,735.57
Products/services related to impact investing*****	0	0
Other*****	1,028,285,424.05	2,125,849,651.51
<b>Total AuM of sustainable investment products</b>	<b>4,556,563,264.88</b>	<b>9,192,358,960.00</b>
Total AuM in the asset management segment*****	114,962,750,522.64	100,621,409,143.26
<b>Sustainable investment products as a percentage of total AuM in the asset management segment (%)</b>	<b>4</b>	<b>9.1</b>

\* Performance to 2022 is in line with the Group's objective of increasing BancoPosta Fondi SGR's investments that incorporate ESG criteria. Considering as perimeter the funds retail funds under placement, the percentage of assets under management by funds with ESG characteristics was 88% as at 30/12/22.

\*\* The category comprises products for which ESG information is structurally integrated, together with financial considerations, into the investment decision-making process. In 2022, the products "BP UNIVERSO 60" e "BP UNIVERSO 40", and "BPF GPM Sostenibilità Equilibrato", "BPF GPM Sostenibilità Dinamico" were included in the category.

\*\*\* The category includes products whose targets investment targets are companies with the performance ESG performance within their respective sectors of operation. In 2022, the following products were included in the category: "BP Orizzonte Reddito", "BP Azionario Flessibile", "BP Azionario Internazionale", "BP Azionario Euro", "BP Selezione Attiva" e "Poste Investo Sostenibile", "BP Mix 1", "BP Mix 2", "BP Mix 3".

\*\*\*\* This category includes products whose investments are focused on companies that contribute positively to certain social or environmental issues (e.g. climate change, growth in underdeveloped countries, etc.). In 2022, the products "BP Focus Ambiente 2027" and "BP Focus Ambiente Marzo 2028" were included in the category.

\*\*\*\*\* The category includes products whose investments are made in companies that offer products and/or services that create positive social or environmental impact and fulfil the dual objective of creating socio-environmental value and economic return.

\*\*\*\*\* Within the category "Other", mandates with benchmarks ESG have been included.

\*\*\*\*\* The value reported is the sum of the NAVs of the managed funds.

## 8. Summary of the resolutions of the ordinary Shareholders' Meeting and other information

- Summary of the resolutions of the ordinary Shareholders' Meeting
- Other information

### 8.1 Summary of the resolutions of the ordinary Shareholders' Meeting

The ordinary Shareholders' Meeting of Poste Italiane S.p.A. held in Rome in single call on 8 May 2023 at the premises of the Company located in viale Europa n. 175, adopted the following resolutions:

1. approved the financial statements of Poste Italiane S.p.A. for the year ended 31 December 2022; and took note of the results of the consolidated financial statements of the Poste Italiane Group, also for the year ended 31 December 2022, which closed with net income for the year pertaining to the Group of euro 1,506 million;
2. resolved:
  - i. to allocate the net income of BancoPosta's Ring-fenced Capital, amounting to 602,311,327 euro to the disposal of the Company;
  - ii. to allocate Poste Italiane SpA's net income for 2022, amounting to 847,112,738 euro, as follows:
    - to the reserve named "Results carried forward", not available for distribution, for 877,653 euro<sup>116</sup>;
    - to the distribution to the Shareholders, as dividend of the year, the amount of 0.650 euro for each ordinary shares in circulation on the ex-dividend dates below indicated, excluding treasury shares on those dates;
    - what will remain following the aforementioned distribution in favor of the Shareholders, to the available reserve called "Results carried forward";
  - iii. to distribute the aforementioned dividend of 0.650 euro per share as follows:
    - the amount of 0.210 euro for each ordinary shares in circulation on the ex-dividend date, excluding treasury shares on that date to cover the interim dividend payable from 23 November 2022, with the ex-dividend date of coupon no. 11 having fallen on 21 November 2022 and the "record date" (i.e. the date of the title to the payment of the dividend, pursuant to Article 83-terdecies of the Legislative Decree no. 58 of February 24, 1998 and to Article 2.6.6, paragraph 2, of the Rules of the Markets organized and managed by Borsa Italiana SpA) falling on 22 November 2022, for an overall amount of 272,700,542 euro;
    - the amount of 0.440 euro for each ordinary shares in circulation on 19 June 2023, the day scheduled as the ex-dividend date, excluding treasury shares on that date, as the balance of the dividend;
  - iv. to pay the aforesaid balance of the dividend for 2022 of 0.440 euro per ordinary share – before withholding tax, if any – from 21 June 2023, with the "ex-dividend" date of coupon n. 12 falling on 19 June 2023 and the record date (i.e., the date of entitlement to the payment of the aforesaid dividend pursuant to article 83-terdecies of Legislative Decree n. 58 of 24 February 1998 and article 2.6.6, paragraph 2, of the Regulations of the markets organized and managed by Borsa Italiana SpA) falling on 20 June 2023;

<sup>116</sup> The amount of 877,653 euro 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.

3. appointed the new board of directors, which will remain in office until the approval of the financial statements for 2025, in the persons of:
  - Silvia Maria Rovere, Chairwoman;
  - Matteo Del Fante, Director;
  - Carlo D'Asaro Biondo, Director;
  - Valentina Gemignani, Director;
  - Paolo Marchioni, Director;
  - Matteo Petrella, Director;
  - Armando Ponzini, Director;
  - Vincenza Patrizia Rutigliano, Director;
  - Vanda Ternau, Director;

setting the related gross annual compensation at euro 60,000 for the Chairwoman and euro 40,000 for the other Directors;
4. approved the Report on the policy regarding remuneration for the year 2023 – including the guidelines on the policies of remuneration and incentive plans of BancoPosta's Ring-Fenced Capital, which are attached to the Report on the policy regarding remuneration – which explains (i) the Company's policy regarding the remuneration for members of the Board of Directors, the general manager and other executives with strategic responsibilities, and the members of control body, as well as (ii) the procedures used for the adoption and implementation of such policy;
5. resolved in favor of the Report on amounts paid in the year 2022, which are provided (i) by name, for the members of the administrative and auditing bodies, and the general manager, and (ii) in aggregate form, for executives with strategic responsibilities;
6. approved the equity-based Incentive Plans, whose features are described in a document prepared pursuant to article 84-bis, paragraph 1, of Consob Resolution n. 11971 of May 14, 1999, attributing to the board of directors all the powers necessary to concretely implement such Incentive plans;
7. granted the Board of Directors authorisation for the acquisition and subsequent disposal of up to a maximum of 3.5 million of Poste Italiane's shares – serving the equity-based Incentive Plans – representing about 0.27% of the share capital, for a total outlay of up to 52.5 million euros. The acquisition of the company's own shares has been authorised for 18 months from today's shareholders' meeting resolution. On the other hand, no time limit has been set for the disposal of the shares purchased. The Shareholders' Meeting also defined purposes, terms and conditions of the acquisition and disposal of the company's own shares.

## 8.2 Other information

### Events after 31 December 2022

Events after the end of the reporting period to which the 2022 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 2022.

### 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 2022.

### Transactions of greater importance

The Board of Directors of Poste Italiane SpA, in its meeting of 19 October 2022, having obtained the favourable opinion of the Related Parties and Connected Persons Committee issued on 18 October 2022, authorised the potential subscription by Poste Italiane SpA of the possible capital increase of the subsidiary Poste Vita SpA aimed at strengthening the capital of the subsidiary in accordance with the guidelines contained in the Strategic Plan, in support of the growth of the insurance business.

In relation to the amount of the potential capital increase, amounting to a maximum of €1 billion, the Transaction qualifies as a 'significant related party transaction' under CONSOB regulations. On 26 October 2022, 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".

At present, the capital increase has not been subscribed.

At its meeting of 14 December 2022, the Board of Directors of Poste Italiane SpA, having obtained the favourable opinion of the Related Parties and Connected Persons 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, 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.

At its meeting of 14 December 2022, the Board of Directors of Poste Italiane SpA, having obtained the favourable opinion of the Related Parties and Connected Persons Committee issued on 13 December 2022, passed the Framework Resolution authorising financial transactions with the counterparty MPS Capital Services Banca per le Imprese 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.

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 million 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.

Within the scope of the transactions with Monte dei Paschi di Siena Capital Services Banca per le Imprese SpA authorised by the Board of Directors on 27 June 2019, having obtained the consent of the Related and Connected Parties Committee, 13 Interest Rate Swaps for interest rate risk hedging purposes, and 23 trades in government securities were carried out from 1 January to 31 December 2022.

## 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 2022, compared with the statement at 31 December 2021, is included in Poste Italiane Financial Statements for the year ended 31 December 2022 (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>117</sup> in 2022.

<sup>117</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.



## 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.

As part of the transition to the new accounting standard IFRS 17, the Poste Italiane Group is currently evaluating adjustments to certain alternative performance indicators used for the representation and communication of results, as well as the integration of new indicators starting from the Interim Report at 31 March 2023

The following alternative performance indicators are used:

**ALLOCATED CAPITAL:** an equity indicator represented by the sum of Group equity net of fair value and cash flow hedge reserves. The indicator includes coupons accrued on the hybrid perpetual bond and dividends to shareholders accrued in the current year.

**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 employee termination benefits. 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:** this ratio measures the adequacy of Tier 1 capital with respect to the weighted exposure to Pillar 1 risks (operational, credit, counterparty and foreign exchange). It is the ratio of CET1 Capital to total Risk Weighted Assets (RWA).

**COMBINED RATIO (net reinsurance):** technical indicator of non-life business, determined as the ratio of claims and operating expenses (acquisition, collection and administrative expenses and reinsurance balance) to earned premiums, i.e. equal to the sum of loss ratio and expense ratio.

**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.

**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.

**EXPENSE RATIO:** a technical indicator of non-life business, determined by the ratio of operating expenses (acquisition, collection, administrative expenses and reinsurance balance) to earned premiums.

**FUND FROM OPERATIONS (FFO):** financial indicator represented by the Group's net result, adjusted for non-monetary costs and revenues (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 surrenders during the period as a percentage of average mathematical provisions of the period.

It is calculated as a percentage of Surrenders/Average mathematical reserves (linearised over 12 months in the intermediate periodic situations).

**LEVERAGE RATIO:** this is the ratio between Total Capital (Own Funds) and total balance sheet assets, the latter including adjustments for derivatives and off-balance sheet exposures.

**LOSS RATIO:** A technical indicator of non-life business, which measures the percentage incidence, with respect to earned premiums, of amounts paid and reserved for claims incurred in the year and in previous years, including related direct expenses and settlement costs.

**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, technical provisions for the insurance business (shown net of technical provisions attributable to reinsurers) 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).

**RWA - Risk Weighted Assets:** is the indicator that measures the risk exposure of assets in accordance with Basel 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.

**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. The calculation of the indicator for 2021 did not take into account the non-recurring financial income related to the SIA-NEXI merger of €221 million.

**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:** is the portion of a listed company's net income granted to each of its outstanding common shares. It is calculated as the ratio of the Group's net profit to the number of outstanding shares.

# Appendix

## Reclassified consolidated statement of profit or loss

(€m)	2022	2021	CHANGES		4Q 2022	4Q 2021	CHANGES	
<b>Revenue</b>	<b>11,889</b>	<b>11,220</b>	<b>+669</b>	<b>+6.0%</b>	<b>3,144</b>	<b>2,775</b>	<b>+369</b>	<b>+13.3%</b>
<i>of which:</i>								
Mail, Parcels and Distribution	3,651	3,695	(44)	-1.2%	1,003	1,013	(10)	-1.0%
Financial Services	4,939	4,783	+156	+3.3%	1,194	1,088	+106	+9.7%
<i>of which pro-active management of the securities portfolio</i>	335	407	(72)	-17.8%	(0)	2	(2)	-101.2%
Insurance Services	2,153	1,861	+292	+15.7%	580	413	+167	+40.5%
Payments and Mobile	1,147	882	+265	+30.0%	368	263	+105	+40.2%
<b>Costs</b>	<b>8,768</b>	<b>8,584</b>	<b>+184</b>	<b>2.1%</b>	<b>2,690</b>	<b>2,352</b>	<b>+339</b>	<b>+14.4%</b>
<i>of which:</i>								
Total personnel expenses	5,226	5,467	(241)	-4.4%	1,383	1,533	(150)	-9.8%
<i>of which ordinary personnel expenses</i>	5,157	5,236	(79)	-1.5%	1,323	1,322	+1	+0.1%
<i>of which early retirement incentives</i>	77	235	(158)	-67.2%	60	210	(150)	-71.4%
<i>of which disputes and other extraordinary items</i>	(7)	(3)	(4)	-124.3%	(1)	1	(2)	-137.2%
Other operating expenses	3,541	3,117	+425	+13.6%	1,308	819	+489	+59.8%
<b>EBITDA</b>	<b>3,121</b>	<b>2,636</b>	<b>+485</b>	<b>+18.4%</b>	<b>453</b>	<b>424</b>	<b>+30</b>	<b>+7.0%</b>
Depreciation, amortisation and impairments	830	790	+39	+5.0%	216	193	+23	+11.9%
<b>EBIT</b>	<b>2,291</b>	<b>1,846</b>	<b>+446</b>	<b>+24.1%</b>	<b>237</b>	<b>230</b>	<b>+7</b>	<b>+2.9%</b>
<b>EBIT margin %</b>	<b>19.3%</b>	<b>16.5%</b>			<b>7.5%</b>	<b>8.3%</b>		
Finance income/(costs)	37	322	(285)	-88.4%	26	263	(237)	-90.1%
<b>Gross profit</b>	<b>2,328</b>	<b>2,168</b>	<b>+161</b>	<b>+7.4%</b>	<b>263</b>	<b>493</b>	<b>(230)</b>	<b>-46.7%</b>
Taxes	818	588	+229	+39.0%	177	88	+89	+101.6%
<b>Net profit</b>	<b>1,511</b>	<b>1,580</b>	<b>(69)</b>	<b>-4.3%</b>	<b>86</b>	<b>405</b>	<b>(319)</b>	<b>-78.8%</b>
<b>Net earnings per share (€)</b>	<b>1.16</b>	<b>1.21</b>	<b>(0.05)</b>	<b>-4.2%</b>	<b>0.07</b>	<b>0.31</b>	<b>(0.25)</b>	<b>-78.7%</b>

## Contribution of strategic business units to the consolidated statement of profit or loss

2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
<b>Total revenue</b>	<b>8,512</b>	<b>5,759</b>	<b>2,156</b>	<b>1,410</b>	<b>(5,948)</b>	<b>11,889</b>
Revenue from third parties	3,651	4,939	2,153	1,147		11,889
Intersegment revenue	4,862	820	3	264	(5,948)	0
<b>Total costs</b>	<b>8,838</b>	<b>4,872</b>	<b>805</b>	<b>1,031</b>	<b>(5,948)</b>	<b>9,598</b>
Total personnel expenses	5,114	41	36	35		5,226
<i>of which ordinary personnel expenses</i>	5,046	40	36	34		5,157
<i>of which early retirement incentives</i>	76	1	0	0		77
<i>of which disputes and other extraordinary items</i>	(7)	1	0	0		(7)
Other operating expenses	2,880	73	97	491		3,541
Depreciation, amortisation and impairments	805	0	3	23	(2)	830
Intersegment costs	39	4,757	668	482	(5,946)	(0)
<b>EBIT</b>	<b>(326)</b>	<b>887</b>	<b>1,350</b>	<b>379</b>		<b>2,291</b>
<b>EBIT MARGIN %</b>	<b>-3.8%</b>	<b>15.4%</b>	<b>62.6%</b>	<b>26.9%</b>		<b>19.3%</b>
Finance income/(costs)	17	(22)	41	1		37
<b>Gross profit</b>	<b>(309)</b>	<b>865</b>	<b>1,392</b>	<b>380</b>		<b>2,328</b>
Taxes	52	243	413	110		818
<b>Net profit</b>	<b>(361)</b>	<b>622</b>	<b>979</b>	<b>270</b>		<b>1,511</b>

## Statements of profit or loss by strategic business unit

### Mail, parcels and distribution Strategic Business Unit

(€m)	2022	2021	CHANGES		4Q 2022	4Q 2021	CHANGES	
<b>Revenue</b>	<b>8,512</b>	<b>8,391</b>	<b>+122</b>	<b>+1.5%</b>	<b>2,189</b>	<b>2,125</b>	<b>+65</b>	<b>+3.0%</b>
Mail	2,066	2,082	(17)	-0.8%	556	564	(8)	-1.3%
Parcels	1,395	1,403	(8)	-0.5%	404	384	+19	+5.0%
Other revenue	190	210	(19)	-9.3%	43	64	(22)	-33.7%
Intersegment revenue	4,862	4,696	+165	+3.5%	1,187	1,112	+75	+6.7%
<b>Costs</b>	<b>8,033</b>	<b>7,921</b>	<b>112</b>	<b>1.4%</b>	<b>2,464</b>	<b>2,215</b>	<b>+249</b>	<b>+11.2%</b>
<i>of which:</i>								
Total personnel expenses	5,114	5,366	(252)	-4.7%	1,351	1,508	(157)	-10.4%
<i>of which ordinary personnel expenses</i>	5,046	5,136	(91)	-1.8%	1,292	1,297	(5)	-0.4%
<i>of which early retirement incentives</i>	76	233	(157)	-67.5%	59	210	(150)	-71.7%
<i>of which disputes and other extraordinary items</i>	(7)	(3)	(4)	-133.9%	(0)	1	(2)	-129.7%
Other operating expenses	2,880	2,476	+404	+16.3%	1,104	689	+415	+60.3%
Intersegment costs	39	78	(40)	-50.5%	9	18	(9)	-49.0%
<b>EBITDA</b>	<b>480</b>	<b>470</b>	<b>+10</b>	<b>+2.1%</b>	<b>(275)</b>	<b>(91)</b>	<b>(184)</b>	<b>n/s</b>
Depreciation, amortisation and impairments	805	771	+34	+4.5%	206	189	+17	+9.1%
<b>EBIT</b>	<b>(326)</b>	<b>(301)</b>	<b>(25)</b>	<b>-8.2%</b>	<b>(481)</b>	<b>(280)</b>	<b>(201)</b>	<b>-72.0%</b>
<b>EBIT margin %</b>	<b>-3.8%</b>	<b>-3.6%</b>			<b>-22.0%</b>	<b>-13.2%</b>		
Finance income/(costs)	17	29	(12)	-43.1%	19	22	(3)	-14.3%
<b>Gross profit</b>	<b>(309)</b>	<b>(272)</b>	<b>(37)</b>	<b>-13.7%</b>	<b>(462)</b>	<b>(257)</b>	<b>(205)</b>	<b>-79.5%</b>
Taxes	52	(46)	+97	n/s	(17)	(53)	+36	+68.3%
<b>Net profit</b>	<b>(361)</b>	<b>(226)</b>	<b>(134)</b>	<b>-59.4%</b>	<b>(445)</b>	<b>(204)</b>	<b>(241)</b>	<b>-118.1%</b>

n/s: not significant

## Financial services Strategic Business Unit

(€m)	2022	2021	CHANGES		4Q 2022	4Q 2021	CHANGES	
<b>Revenue</b>	<b>5,759</b>	<b>5,542</b>	<b>+217</b>	<b>+3.9%</b>	<b>1,411</b>	<b>1,287</b>	<b>+124</b>	<b>+9.7%</b>
Pro-active management of the securities portfolio	335	407	(72)	-17.8%	(0)	2	(2)	-101.2%
Net interest income	1,910	1,485	+425	+28.6%	528	375	+153	+40.8%
Postal savings deposits	1,600	1,753	(153)	-8.7%	400	441	(41)	-9.3%
Collection and payment services	763	796	(33)	-4.2%	209	205	+4	+2.0%
Distribution of third-party products	213	221	(8)	-3.7%	27	33	(5)	-15.9%
Asset management	119	120	(2)	-1.3%	29	32	(3)	-10.6%
Intersegment revenue	820	759	+61	+8.1%	218	199	+18	+9.3%
<b>Costs</b>	<b>4,872</b>	<b>4,796</b>	<b>+76</b>	<b>+1.6%</b>	<b>1,173</b>	<b>1,082</b>	<b>+90</b>	<b>+8.3%</b>
of which:								
<i>Total personnel expenses</i>	41	42	(1)	-1.5%	10	10	(0)	-3.5%
<i>of which ordinary personnel expenses</i>	40	41	(1)	-2.3%	10	10	(0)	-3.5%
<i>of which early retirement incentives</i>	1	0	0	+45.1%	0	0	0	+86.4%
<i>of which disputes and other extraordinary items</i>	1	0	0	+129.2%	0	0	0	n/s
Other operating expenses	73	119	(46)	-38.8%	7	(6)	+13	n/s
Intersegment costs	4,757	4,634	+123	+2.7%	1,156	1,078	+78	+7.2%
<b>EBITDA</b>	<b>888</b>	<b>747</b>	<b>+141</b>	<b>+18.9%</b>	<b>239</b>	<b>205</b>	<b>+34</b>	<b>+16.5%</b>
Depreciation, amortisation and impairments	0.4	0.5	0.0	-5.7%	(0.1)	0.1	(0.2)	n/s
<b>EBIT</b>	<b>887</b>	<b>747</b>	<b>+141</b>	<b>+18.9%</b>	<b>239</b>	<b>205</b>	<b>+34</b>	<b>+16.7%</b>
<b>EBIT margin %</b>	<b>15.4%</b>	<b>13.5%</b>			<b>16.9%</b>	<b>15.9%</b>		
Finance income/(costs)	(22)	10	(32)	n/s	0	1	(1)	-61.3%
<b>Gross profit</b>	<b>865</b>	<b>757</b>	<b>+109</b>	<b>+14.4%</b>	<b>239</b>	<b>206</b>	<b>+33</b>	<b>+16.2%</b>
Taxes	243	200	+43	+21.3%	63	43	+20	+48.0%
<b>Net profit</b>	<b>622</b>	<b>556</b>	<b>+66</b>	<b>+11.9%</b>	<b>176</b>	<b>163</b>	<b>+13</b>	<b>+7.9%</b>

n/s: not significant

## Insurance services Strategic Business Unit

(€m)	2022	2021	CHANGES		4Q 2022	4Q 2021	CHANGES	
<b>Revenue</b>	<b>2,156</b>	<b>1,864</b>	<b>+292</b>	<b>+15.7%</b>	<b>580</b>	<b>413</b>	<b>+167</b>	<b>+40.4%</b>
Up Front - Life	285	289	(3)	-1.1%	73	62	+11	+18.5%
Financial margin - Life	1,670	1,455	+215	+14.8%	434	357	+77	+21.5%
Protection margin - Life	17	17	(1)	-3.3%	12	5	+8	n/s
Change to other technical provisions and other technical income/expenses	29	(21)	+51	n/s	25	(34)	+59	n/s
<b>Life net revenue</b>	<b>2,002</b>	<b>1,740</b>	<b>+262</b>	<b>+15.0%</b>	<b>545</b>	<b>389</b>	<b>+155</b>	<b>+39.9%</b>
Insurance premium revenue	358	295	+63	+21.5%	92	77	+15	+19.5%
Change in technical provisions and claim expenses	(206)	(169)	(37)	-21.9%	(57)	(51)	(6)	-11.7%
Reinsurance results	(12)	(11)	(1)	-10.8%	(5)	(7)	+2	+33.9%
P&C net income	8	4	+5	+118.5%	4	3	+1	+15.7%
<b>P&amp;C net revenue</b>	<b>148</b>	<b>119</b>	<b>+30</b>	<b>+24.9%</b>	<b>35</b>	<b>22</b>	<b>+12</b>	<b>+53.7%</b>
Other operating income	3	2	+1	+36.4%	0	1	(0)	-33.8%
Intersegment revenue	3	3	(0)	-9.8%	1	1	(0)	-8.3%
<b>Costs</b>	<b>802</b>	<b>741</b>	<b>+61</b>	<b>+8.2%</b>	<b>210</b>	<b>184</b>	<b>+26</b>	<b>+14.3%</b>
<i>of which:</i>								
Total personnel expenses	36	34	+2	+6.7%	10	9	+1	+14.6%
<i>of which ordinary personnel expenses</i>	36	33	+3	+9.8%	10	9	+1	+12.3%
Other operating expenses	97	102	(4)	-4.3%	28	27	1	+3.9%
Intersegment costs	668	605	+63	+10.4%	172	148	+24	+16.2%
<i>of which commissions</i>	572	520	+51	+9.9%	148	124	+24	+19.2%
<b>EBITDA</b>	<b>1,354</b>	<b>1,123</b>	<b>+231</b>	<b>+20.6%</b>	<b>370</b>	<b>230</b>	<b>+141</b>	<b>+61.3%</b>
Depreciation, amortisation and impairments	3	4	(1)	-18.3%	0	1	(1)	-63.4%
<b>EBIT</b>	<b>1,350</b>	<b>1,119</b>	<b>+232</b>	<b>+20.7%</b>	<b>370</b>	<b>229</b>	<b>+141</b>	<b>+61.9%</b>
<b>EBIT margin %</b>	<b>62.6%</b>	<b>60.0%</b>			<b>63.8%</b>	<b>55.3%</b>		
Finance income/(costs)	41	54	(13)	-23.3%	5	14	(8)	-61.8%
<b>Gross profit</b>	<b>1,392</b>	<b>1,173</b>	<b>+219</b>	<b>+18.7%</b>	<b>375</b>	<b>242</b>	<b>+133</b>	<b>+54.9%</b>
Taxes	413	349	+64	+18.4%	97	71	+27	+37.8%
<b>Net profit</b>	<b>979</b>	<b>824</b>	<b>+155</b>	<b>+18.8%</b>	<b>278</b>	<b>172</b>	<b>+106</b>	<b>+61.9%</b>

n/s: not significant

## Payments and mobile Strategic Business Unit

(€m)	2022	2021	CHANGES		4Q 2022	4Q 2021	CHANGES	
<b>Revenue</b>	<b>1,410</b>	<b>1,201</b>	<b>+209</b>	<b>+17.4%</b>	<b>430</b>	<b>336</b>	<b>+94</b>	<b>+28.1%</b>
Electronic money	582	457	+124	+27.2%	178	136	+42	+30.6%
Other payments	233	115	+118	+102.7%	99	48	+50	+104.5%
TLC	319	309	+10	+3.2%	82	78	+4	+5.4%
Energy	12	0	+12	n/s	9	0	+9	n/s
Intersegment revenue	264	319	(56)	-17.5%	62	73	(11)	-14.9%
<b>Costs</b>	<b>1,008</b>	<b>904</b>	<b>+104</b>	<b>+11.5%</b>	<b>310</b>	<b>255</b>	<b>+55</b>	<b>+21.5%</b>
<i>of which:</i>								
Total personnel expenses	35	25	+9	+36.8%	12	6	+6	+96.2%
<i>of which ordinary personnel expenses</i>	34	25	+9	+35.4%	12	6	+6	+90.6%
Other operating expenses	491	420	+72	+17.1%	169	109	+60	+55.4%
Intersegment costs	482	459	+23	+5.1%	129	141	(11)	-8.0%
<b>EBITDA</b>	<b>402</b>	<b>298</b>	<b>+104</b>	<b>+35.1%</b>	<b>120</b>	<b>80</b>	<b>+40</b>	<b>+49.3%</b>
Depreciation, amortisation and impairments	23	16	+7	+40.9%	10	4	+7	n/s
<b>EBIT</b>	<b>379</b>	<b>282</b>	<b>+98</b>	<b>+34.8%</b>	<b>109</b>	<b>77</b>	<b>+33</b>	<b>+42.7%</b>
<b>EBIT margin %</b>	<b>26.9%</b>	<b>23.4%</b>			<b>25.4%</b>	<b>22.8%</b>		
Finance income/(costs)	0.9	229	(228)	-99.6%	1	226	(225)	-99.5%
<b>Gross profit</b>	<b>380</b>	<b>510</b>	<b>(130)</b>	<b>-25.5%</b>	<b>111</b>	<b>303</b>	<b>(192)</b>	<b>-63.4%</b>
Taxes	110	85	25	+30.0%	33	28	+6	+20.1%
<b>Net profit</b>	<b>270</b>	<b>425</b>	<b>(155)</b>	<b>-36.6%</b>	<b>77</b>	<b>275</b>	<b>(198)</b>	<b>-71.9%</b>

n/s: not significant



# Financial position

## Net invested capital and related funding

(€m)	31 December 2022	31 December 2021	CHANGES	
Tangible fixed assets	2,434	2,299	+135	+5.9%
Intangible fixed assets	1,817	873	+944	n/s
Right-of-use assets	1,334	1,116	+218	+19.5%
Investments	267	277	(10)	-3.7%
<b>Non-current assets</b>	<b>5,852</b>	<b>4,565</b>	<b>+1,287</b>	<b>+28.2%</b>
Trade receivables, Other receivables and assets and Inventories	7,554	7,824	(270)	-3.4%
Trade payables and Other liabilities	(6,238)	(5,638)	(600)	-10.6%
Current tax assets/(liabilities)	80	99	(19)	-19.2%
<b>Net working capital</b>	<b>1,396</b>	<b>2,285</b>	<b>(889)</b>	<b>-38.9%</b>
<b>Gross invested capital</b>	<b>7,248</b>	<b>6,850</b>	<b>+398</b>	<b>+5.8%</b>
Provisions for risks and charges	(1,355)	(1,268)	(87)	-6.9%
Employee termination benefits	(705)	(922)	+217	+23.5%
Prepaid/deferred tax assets/(liabilities)	1,344	292	+1,052	n.s
<b>Net invested capital</b>	<b>6,531</b>	<b>4,952</b>	<b>+1,579</b>	<b>+31.9%</b>
<b>Equity</b>	<b>8,937</b>	<b>12,110</b>	<b>(3,173)</b>	<b>-26.2%</b>
<i>of which profit for the period</i>	1,511	1,580	(69)	-4.4%
<i>of which fair value reserve</i>	(2,558)	1,307	(3,865)	n/s
Financial liabilities	103,644	104,732	(1,088)	-1.0%
Net technical provisions for insurance business	139,942	159,039	(19,097)	-12.0%
Financial assets	(226,141)	(248,856)	+22,715	+9.1%
Tax credits Law no. 77/2020	(9,021)	(6,456)	(2,565)	-39.7%
Cash and deposits attributable to BancoPosta	(5,848)	(7,659)	+1,811	+23.6%
Cash and cash equivalents	(4,983)	(7,958)	+2,975	+37.4%
<b>Net debt/(funds)</b>	<b>(2,406)</b>	<b>(7,158)</b>	<b>+4,752</b>	<b>+66.4%</b>

n/s: not significant

31 December 2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
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	2,671	291	(1,048)	7,554
Trade payables and Other liabilities	(3,513)	(2,048)	(1,036)	(686)	1,046	(6,238)
Current tax assets/(liabilities)	58	0	30	(9)	-	80
<b>Net working capital</b>	<b>(969)</b>	<b>1,105</b>	<b>1,665</b>	<b>(404)</b>	<b>(2)</b>	<b>1,396</b>
<b>Gross invested capital</b>	<b>6,893</b>	<b>1,370</b>	<b>1,833</b>	<b>311</b>	<b>(3,158)</b>	<b>7,248</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	167	(41)	-	1,344
<b>Net invested capital</b>	<b>5,349</b>	<b>2,112</b>	<b>1,979</b>	<b>251</b>	<b>(3,158)</b>	<b>6,531</b>
<b>Equity</b>	<b>2,510</b>	<b>1,338</b>	<b>6,816</b>	<b>1,412</b>	<b>(3,138)</b>	<b>8,937</b>
<i>of which profit for the period</i>	(361)	622	979	270	0	1,511
<i>of which fair value reserve</i>	(282)	(2,094)	(185)	3	-	(2,558)
Financial liabilities	4,918	100,941	303	9,557	(12,074)	103,644
Net technical provisions for insurance business	-	-	139,942	-	-	139,942
Financial assets	(1,083)	(83,701)	(142,351)	(10,545)	11,539	(226,141)
Tax credits Law no. 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>(4,837)</b>	<b>(1,161)</b>	<b>(21)</b>	<b>(2,406)</b>

31 December 2021 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
Tangible fixed assets	2,275	1	1	22	-	2,299
Intangible fixed assets	872	-	-	1	-	873
Right-of-use assets	1,113	2	2	6	(7)	1,116
Investments	1,736	274	178	-	(1,911)	277
<b>Non-current assets</b>	<b>5,996</b>	<b>277</b>	<b>181</b>	<b>29</b>	<b>(1,918)</b>	<b>4,565</b>
Trade receivables, Other receivables and assets and Inventories	2,784	3,167	2,491	332	(950)	7,824
Trade payables and Other liabilities	(3,306)	(1,895)	(823)	(562)	948	(5,638)
Current tax assets/(liabilities)	103	(1)	(2)	(1)	-	99
<b>Net working capital</b>	<b>(419)</b>	<b>1,271</b>	<b>1,666</b>	<b>(231)</b>	<b>(2)</b>	<b>2,285</b>
<b>Gross invested capital</b>	<b>5,577</b>	<b>1,548</b>	<b>1,847</b>	<b>(202)</b>	<b>(1,920)</b>	<b>6,850</b>
Provisions for risks and charges	(1,004)	(229)	(20)	(15)	-	(1,268)
Employee termination benefits	(915)	(3)	(1)	(3)	-	(922)
Prepaid/deferred tax assets/(liabilities)	404	(387)	264	11	-	292
<b>Net invested capital</b>	<b>4,062</b>	<b>929</b>	<b>2,090</b>	<b>(209)</b>	<b>(1,920)</b>	<b>4,952</b>
<b>Equity</b>	<b>2,778</b>	<b>4,414</b>	<b>5,938</b>	<b>890</b>	<b>(1,910)</b>	<b>12,110</b>
<i>of which profit for the period</i>	(226)	556	824	425	-	1,580
<i>of which fair value reserve</i>	35	1,157	58	57	-	1,307
Financial liabilities	4,795	102,198	284	8,716	(11,261)	104,732
Net technical provisions for insurance business	-	-	159,039	-	-	159,039
Financial assets	(942)	(89,995)	(158,587)	(9,783)	10,451	(248,856)
Tax credits Law no. 77/2020	(448)	(6,008)	-	-	-	(6,456)
Cash and deposits attributable to BancoPosta	-	(7,659)	-	-	-	(7,659)
Cash and cash equivalents	(2,121)	(2,021)	(4,584)	(32)	800	(7,958)
<b>Net debt/(funds)</b>	<b>1,284</b>	<b>(3,485)</b>	<b>(3,848)</b>	<b>(1,099)</b>	<b>(10)</b>	<b>(7,158)</b>

**Annual Report 2022**  
Poste Italiane Group

Changes 31.12.2022 vs 31.12.2021 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
Tangible fixed assets	117	(0)	(1)	19	-	135
Intangible fixed assets	285	-	-	658	-	944
Right-of-use assets	213	(0)	9	8	(11)	218
Investments	1,250	(12)	(21)	-	(1,227)	(10)
<b>Non-current assets</b>	<b>1,865</b>	<b>(12)</b>	<b>(13)</b>	<b>686</b>	<b>(1,238)</b>	<b>1,287</b>
Trade receivables, Other receivables and assets and Inventories	(298)	(14)	180	(41)	(98)	(270)
Trade payables and Other liabilities	(207)	(153)	(213)	(124)	98	(600)
Current tax assets/(liabilities)	(45)	1	32	(8)	-	(19)
<b>Net working capital</b>	<b>(550)</b>	<b>(166)</b>	<b>(1)</b>	<b>(173)</b>	<b>0</b>	<b>(889)</b>
<b>Gross invested capital</b>	<b>1,316</b>	<b>(178)</b>	<b>(14)</b>	<b>513</b>	<b>(1,238)</b>	<b>398</b>
Provisions for risks and charges	(127)	40	(1)	(0)	-	(87)
Employee termination benefits	216	1	0	(0)	-	217
Prepaid/deferred tax assets/(liabilities)	(119)	1,320	(97)	(52)	-	1,052
<b>Net invested capital</b>	<b>1,287</b>	<b>1,183</b>	<b>(111)</b>	<b>460</b>	<b>(1,238)</b>	<b>1,579</b>
<b>Equity</b>	<b>(268)</b>	<b>(3,076)</b>	<b>878</b>	<b>522</b>	<b>(1,228)</b>	<b>(3,173)</b>
<i>of which fair value reserve</i>	<i>(317)</i>	<i>(3,251)</i>	<i>(243)</i>	<i>(54)</i>	<i>-</i>	<i>(3,865)</i>
<b>Financial liabilities</b>	<b>123</b>	<b>(1,257)</b>	<b>19</b>	<b>841</b>	<b>(813)</b>	<b>(1,088)</b>
Net technical provisions for insurance business	-	-	(19,097)	-	-	(19,097)
Financial assets	(141)	6,294	16,236	(762)	1,088	22,715
Tax credits Law no. 77/2020	28	(2,593)	-	-	-	(2,565)
Cash and deposits attributable to BancoPosta	-	1,811	-	-	-	1,811
Cash and cash equivalents	1,546	3	1,852	(140)	(285)	2,975
<b>Net debt/(funds)</b>	<b>1,555</b>	<b>4,258</b>	<b>(989)</b>	<b>(62)</b>	<b>(11)</b>	<b>4,752</b>

## Key performance indicators for principal Poste Italiane Group companies

### Poste Italiane SpA

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	10,052,886	9,691,221	+361,665	+3.7
Operating profit	1,076,180	884,504	+191,676	+21.7
Net result	847,113	797,192	+49,921	+6.3
Investments	750,722	707,984	+42,738	+6.0
Equity	3,807,509	7,034,372	(3,226,863)	-45.9
Permanent workforce - average	108,405	110,173	(1,768)	-1.6
Flexible workforce - average	7,403	7,216	+187	+2.6

### Postel SpA

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	186,299	184,385	+1,914	+1.0
Operating profit	(4,389)	4,800	(9,189)	n/s
Net result	(3,810)	3,012	(6,822)	n/s
Capital expenditure	2,181	5,084	(2,903)	-57.1
Equity	81,640	87,250	(5,610)	-6.4
Permanent workforce - average	721	855	(134)	-15.7
Flexible workforce - average	64	45	+19	+42.2

n/s: not significant

At 31 December 2022, the company declared dividends totalling €3 million.

### SDA Express Courier SpA

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	1,072,384	1,126,452	(54,068)	-4.8
Operating profit	52,285	129,496	(77,211)	-59.6
Net result	34,963	90,916	(55,953)	-61.5
Investments	30,262	23,228	+7,034	+30.3
Equity	59,556	114,397	(54,841)	-47.9
Permanent workforce - average	1,113	1,065	+48	+4.5
Flexible workforce - average	63	80	(17)	-21.3

At 31 December 2022, the company declared dividends totalling €91 million.

**Annual Report 2022**  
Poste Italiane Group

**Europa Gestioni Immobiliari SpA**

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	33,228	29,175	+4,053	+13.9
Operating profit	7,244	6,071	+1,173	+19.3
Net result	4,315	3,135	+1,180	+37.6
Investments	882	592	+290	+49.0
Equity	243,014	241,796	+1,218	+0.5
Permanent workforce - average	24	25	(1)	-4.0
Flexible workforce - average	-	-	-	-

At 31 December 2022, the company declared dividends totalling €3 million.

**Poste Air Cargo Srl**

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	80,867	74,574	+6,293	+8.4
Operating profit	4,671	5,483	(812)	-14.8
Net result	2,244	3,300	(1,056)	-32.0
Investments	-	-	-	-
Equity	7,040	6,242	+798	+12.8
Permanent workforce - average	93	97	(4)	-4.1
Flexible workforce - average	4	6	(2)	-33.3

At 31 December 2022, the company declared dividends totalling €2 million.

**BancoPosta Fondi SpA SGR**

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	144,415	143,626	+789	+0.5
Operating profit	64,102	60,431	+3,671	+6.1
Net result	26,884	26,057	+827	+3.2
Investments	68,949	77,523	(8,574)	-11.1
Equity	55,816	57,074	(1,258)	-2.2
Permanent workforce - average	77	69	+7	+10.3
Flexible workforce - average	-	-	-	-

At 31 December 2022, the company declared dividends totalling €26 million.

**Poste Vita SpA\***

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Insurance premium revenue**	17,179,478	17,574,114	(394,636)	-2.2
Net result	935,538	794,679	+140,859	+17.7
Financial assets	141,776,300	158,087,053	(16,310,753)	-10.3
Technical provisions for insurance business	139,627,593	158,794,616	(19,167,023)	-12.1
Equity	6,575,971	5,718,521	+857,450	+15.0
Permanent workforce - average	350	341	+9	+2.6
Flexible workforce - average	3	2	+1	+50.0

\* The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the Interim Report prepared in accordance with the Italian Civil Code and under Italian GAAP.

\*\* Insurance premium revenue is reported gross of outward reinsurance premiums.

At 31 December 2022, the company declared dividends totalling €397 million.

**Poste Assicura SpA\***

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Insurance premium revenue**	374,683	304,614	+70,069	+23.0
Net result	41,531	25,033	+16,498	+65.9
Financial assets	572,627	499,875	+72,752	+14.6
Technical provisions for insurance business	358,248	294,106	+64,142	+21.8
Equity	276,411	259,536	+16,875	+6.5
Permanent workforce - average	91	73	+18	+24.7
Flexible workforce - average	-	-	-	-

\* The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the Interim Report prepared in accordance with the Italian Civil Code and under Italian GAAP.

\*\* Insurance premium revenue is reported gross of outward reinsurance premiums.

**PostePay SpA**

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	1,315,962	1,201,695	+114,267	+9.5
Operating profit	366,502	281,682	+84,820	+30.1
Net result	261,220	201,987	+59,233	+29.3
Investments	20,181	17,343	+2,838	+16.4
Equity	1,403,594	560,275	+843,319	n/s
Permanent workforce - average	315	285	+30	+10.5
Flexible workforce - average	2	-	+2	n/s

n/s: not significant

At 31 December 2022, the company declared dividends totalling €119 million.

### sennder Italia Srl

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	229,395	202,540	+26,855	+13.3
Operating profit	4,317	2,859	+1,458	+51.0
Net result	3,164	2,006	+1,158	+57.7
Investments	570	434	+136	+31.3
Equity	10,514	7,159	+3,355	+46.9
Permanent workforce - average	77	66	+11	+16.7
Flexible workforce - average	18	20	(2)	-10.0

### MLK Deliveries SpA

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	43,771	32,774	+10,997	+33.6
Operating profit	975	(1,507)	+2,482	n/s
Net result	663	(1,235)	+1,898	n/s
Capital expenditure	334	981	(647)	-66.0
Equity	13,308	11,964	+1,344	+11.2
Permanent workforce - average	34	35	(1)	-2.9
Flexible workforce - average	-	-	-	-

n/s: not significant

### Plurima SpA\*

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	40,598	-	n/s	n/s
Operating profit	4,086	-	n/s	n/s
Net result	1,735	-	n/s	n/s
Capital expenditure	1,728	-	n/s	n/s
Equity	19,664	-	n/s	n/s
Permanent workforce - average	425	-	n/s	n/s
Flexible workforce - average	153	-	n/s	n/s

n/s: not significant

\* The figures shown refer to the period of consolidation of the company within the Poste Italiane Group (01/04/2022 - 31/12/2022) and are prepared in accordance with IFRS.



**Nexive Network Srl**

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	80,016	123,529	(43,513)	-35.2
Operating profit	1,134	(12,144)	+13,278	n/s
Net result	225	(9,576)	+9,801	n/s
Investments	-	10	(10)	-100.0
Equity	8,242	7,917	+325	+4.1
Permanent workforce - average	84	742	(658)	-88.7
Flexible workforce - average	-	16	(16)	-100.0

n/s: not significant

**LIS Holding SpA\***

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	21,852	-	n/s	n/s
Operating profit	4,229	-	n/s	n/s
Net result	15,600	-	n/s	n/s
Investments	4,936	-	n/s	n/s
Equity	163,388	-	n/s	n/s
Permanent workforce - average	47	-	n/s	n/s
Flexible workforce - average	2	-	n/s	n/s

n/s: not significant

\* The figures shown refer to the period of consolidation of the company within the Poste Italiane Group (01/09/2022 - 31/12/2022).

**LIS Pay SpA\***

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	76,205	-	n/s	n/s
Operating profit	12,453	-	n/s	n/s
Net result	7,791	-	n/s	n/s
Investments	345	-	n/s	n/s
Equity	104,695	-	n/s	n/s
Permanent workforce - average	27	-	n/s	n/s
Flexible workforce - average	2	-	n/s	n/s

n/s: not significant

\* The figures shown refer to the period of consolidation of the company within the Poste Italiane Group (01/09/2022 - 31/12/2022).

**Annual Report 2022**  
Poste Italiane Group

**Sourcesense SpA\***

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	6,347	-	n/s	n/s
Operating profit	297	-	n/s	n/s
Net result	112	-	n/s	n/s
Capital expenditure	244	-	n/s	n/s
Equity	7,010	-	n/s	n/s
Permanent workforce - average	14	-	n/s	n/s
Flexible workforce - average	-	-	n/s	n/s

n/s: not significant

\* The figures shown refer to the period of consolidation of the company within the Poste Italiane Group (01/10/2022 - 31/12/2022) and are prepared in accordance with IFRS.

**Sengi Express Limited\***

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	115,175	77,285	+37,890	+49.0
Operating profit	6,933	5,428	+1,505	+27.7
Net result	6,987	3,283	+3,704	n/s
Capital expenditure	-	-	-	-
Equity	6,256	3,931	+2,325	+59.1
Permanent workforce - average	-	-	-	-
Flexible workforce - average	-	-	-	-

n/s: not significant

\* The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the Interim Report of the company prepared in accordance with local GAAP.

At 31 December 2022, the company declared dividends totalling €2 million.

**Agile LAB Srl\***

(€k)	FY 2022	FY 2021	CHANGES	
			Values	%
Revenue from sales and services	1,613	-	n/s	n/s
Operating profit	(1,589)	-	n/s	n/s
Net result	(1,189)	-	n/s	n/s
Capital expenditure	700	-	n/s	n/s
Equity	4,355	-	n/s	n/s
Permanent workforce - average	18	-	n/s	n/s
Flexible workforce - average	-	-	n/s	n/s

n/s: not significant

\* The figures shown refer to the period of consolidation of the company within the Poste Italiane Group (01/10/2022 - 31/12/2022) and are prepared in accordance with IFRS.

# 9. Consolidated non-financial statement

NFS

PRINCIPALI  
CAPITALI COLLEGATI

## Introduction

Poste Italiane's Consolidated Non-Financial Statement (NFS or "Statement") for 2022 has been drafted on the basis of the 8 key sustainability pillars of the Group's ESG Strategic Plan which covers environment (E), social (S) and governance (G) issues 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 "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 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" which sets out the general 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.

## 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 2022 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.

The Statement is included in the Report on Operations, which in turn is contained in the 2022 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 29 March 2023, pursuant to art. 3, paragraph 10 of the Decree. The NFS was approved by Poste Italiane SpA's Board of Directors on 29 March 2022, 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 the disclosure related 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 scope of making an exercise of applying the concept of double materiality (as defined in Chapter 5 "Strategy"), has been subjected to a limited assurance engagement in accordance with 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 in a special "Report of the Independent Auditors" contained 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 revised and refined its materiality analysis methodology, aligning it to the provisions contained in the 2021 update of the GRI standards and taking into account the provisions of the EFRAG, albeit still in draft form. 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 2022, and where available to the 2020-2022 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.

All GRI Standards indicators reported are shown in the GRI Content Index of this section starting on page 465.

All the data refer only to the companies consolidated using the line-by-line method for financial reporting, as indicated in the table "Scope of consolidation and highlights of investments" (Note 13 - pages 780-782). 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**

### MAIN RELATED TYPES OF CAPITAL



## 9.2 European Taxonomy Regulation

Due to the European Union's increasing focus on environmental and social sustainability issues, on 22 June 2020, published in the Official Journal of the European Union was EU Regulation No. 852/2020 (so-called Taxonomy Regulation), which establishes the criteria for an economic activity to be considered environmentally sustainable. Renewing its commitment to a rapid transition to a modern, competitive, climate-resilient, resource-efficient and resource-efficient economy in line with the UN Sustainable Development Goals (SDGs) and the European Green Deal, the European Commission introduced the Taxonomy Regulation with the aim of establishing a unified classification system for sustainable activities and, at the same time, using a common language to establish a clear definition of what is 'green'.

The identification of a unified classification system based on harmonised criteria at EU level to define an environmentally sustainable activity is the most important action within the Action Plan to finance sustainable growth. To this end, the Taxonomy Regulation is set in a challenging context undertaken by the European Union to boost the contribution of the financial sector in supporting the European Union's climate and sustainable development agenda.

EU Regulation No. 852/2020 establishes the basis for the Taxonomy, the environmental objectives and the ways in which an economic activity can be defined as environmentally sustainable, and identifies itself at European level as a tool that can help:

- companies to evaluate their activities, to adopt corporate policies aimed at greater environmental sustainability and to report more comprehensively and comparably to their stakeholders;
- investors in the integration of sustainability issues within investment policies and to understand the environmental impact of the economic activities in which they invest or want to invest;
- public institutions to define and improve their ecological transition policies.

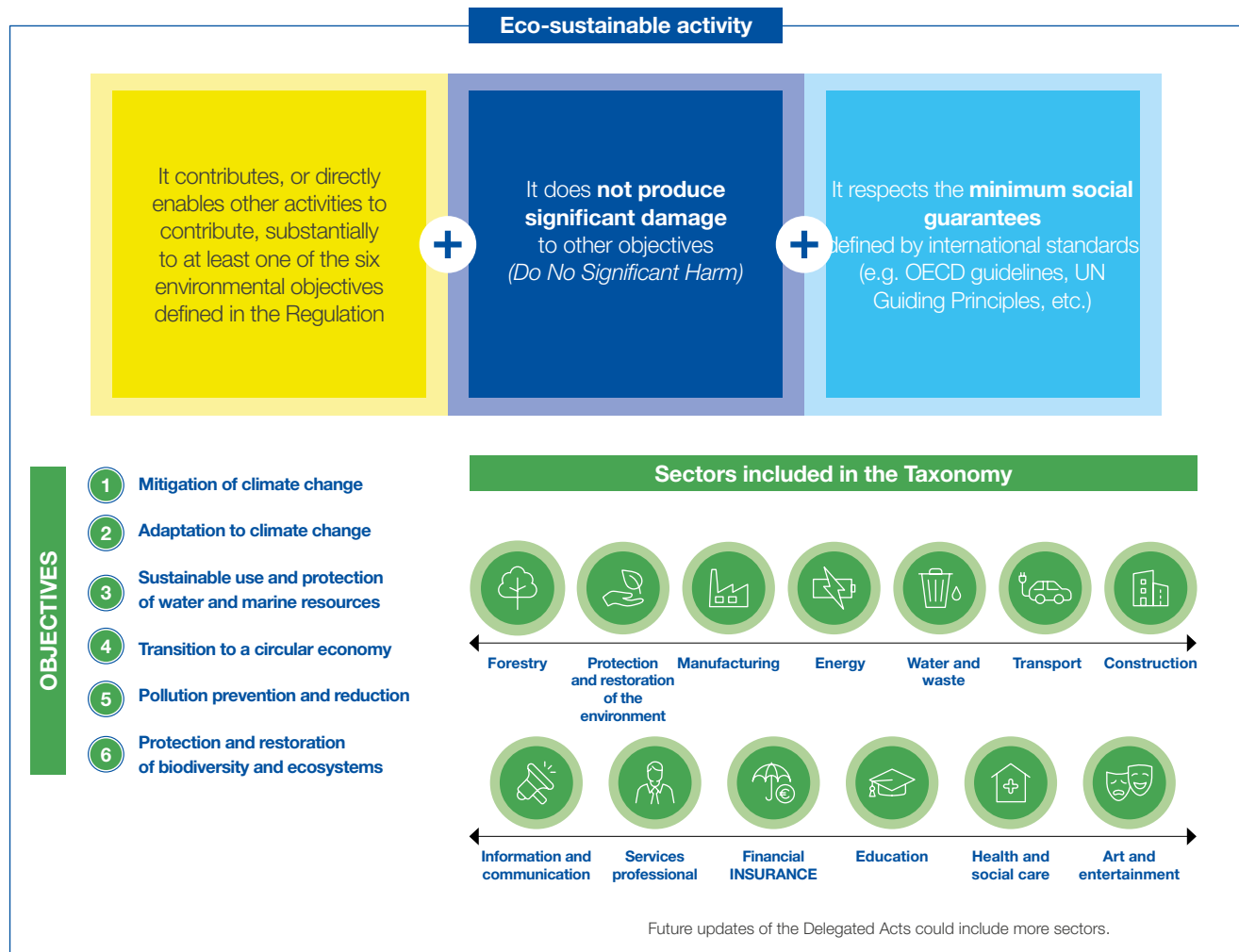
Furthermore, the Taxonomy Regulation allows market participants to have an unambiguous definition of sustainable assets to use in their decision-making processes and at the same time promotes the transparency of financial markets with respect to sustainability issues in terms of investment choices, providing 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'.

According to the Taxonomy Regulation, an economic activity can be defined as environmentally sustainable (aligned to the EU Taxonomy) if it fulfils 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.

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 objectives defined by the Taxonomy.



In relation to the way in which the environmental sustainability information that financial and non-financial companies are required to provide is presented, EU Delegated Regulation No. 2178/2021, which incorporates the provisions set out in the Taxonomy Regulation, specifies the content, methodology and presentation methods of the so-called 'key performance indicators' or 'KPIs' to be reported and the qualitative information that must accompany them. The delegated act specifies in particular that:

- Non Financial Undertakings are required to report the percentage of their turnover, capital expenditure (Capex) and operating expenditure (Opex) associated with economic activities aligned with the EU Taxonomy;
- Financial Undertakings must report the share of investments/financing associated with economic activities aligned with the EU Taxonomy<sup>118</sup>.

Pursuant to Art. 10 of the Delegated Regulation, for the second year of reporting there is a differentiation in the presentation of key performance indicators between Non-Financial Undertakings and Financial Undertakings; in fact, as of 1 January 2023, Non-Financial Undertakings must disclose the share of their turnover, capital expenditure (Capex) and operating expenditure (Opex) associated with economic activities aligned with the Taxonomy, i.e. included in the list of activities that comply with all the general conditions defined by the Taxonomy, including the assessment of the technical screening criteria defined, for this reporting year, in Annex I and Annex II of the Technical Delegated Acts to the Taxonomy Regulation - substantial contribution to Climate Change Mitigation and Adaptation. On the other hand, for Financial Undertakings, the process of aligning their business activities will come into effect as of 1 January 2024; thus, for another year of reporting, Financial Undertakings will have to show the share of investments/financing eligible to the Taxonomy, i.e. included in the list of activities considered to date by the Taxonomy as potentially environmentally sustainable with reference to the first two objectives defined by the European Commission.

<sup>118</sup>. It should be noted that the legislation qualifies financial companies by distinguishing between credit institutions, asset managers, investment firms and insurance/reinsurance companies, providing different metrics and reporting methods for each category.

## European Taxonomy: methodological Approach to the Reporting Process

The Poste Italiane Group has adopted a methodological approach that provides an adequate and representative disclosure of its business profile. In particular, this approach was introduced following a careful analysis of the economic activities as well as of the regulatory framework of reference, as part of the commitment to play an active part in achieving the European Union's Sustainable Development Goals.

In line with the principle of transparency towards the market that has always been followed, Poste Italiane has provided for a reporting method capable of providing evidence of both industrial operations (Non Financial Undertakings) and financial operations (Financial Undertakings). In particular, pursuant to the regulations in force relating to the reporting methods of mixed groups, Poste Italiane has decided to pursue a dual reporting method: within this document, in fact, disclosure is made on a consolidated basis of the KPIs envisaged for the Non Financial Undertakings<sup>119</sup>, as well as 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 choice was guided by the conviction that this method of reporting can contribute to completing the information framework for both investors and, more generally, Poste Italiane's stakeholders, enabling them to have information consistent with the regulatory provisions in force, which are still being completed.

The process of reporting on the information requirements outlined in the Taxonomy Regulation involved a careful analysis of the regulations and related developments, in order to identify, assess and consolidate the qualitative and management and/or accounting information necessary for the relative calculation of the indicators representing alignment for Non-Financial Undertakings and eligibility for Financial Undertakings. This process, therefore, involved numerous functions of the Group that own the data, requiring the participation of the main business structures to identify the activities aligned with and eligible for the Taxonomy, in compliance with the related eco-sustainability criteria associated with the individual economic activities being assessed, as well as the related management of the data collection process.

Finally, in line with the previous year, it was deemed appropriate and efficient to request the support of the external provider Moody's in order to process certain data necessary for the calculation of the KPIs of the Financial Undertaking. At the same time, also for this year, with the aim of guaranteeing a correct reconciliation with the economic and financial figures shown in the financial reporting, the eligibility analyses carried out by the external provider Moody's on potentially eco-sustainable investments were accompanied by the constant monitoring by the Administration, Finance and Control function.

## Eco-sustainable business activities of Poste Italiane

The indicators required by the regulations for Non-Financial Undertakings are shown below, which, as previously outlined, 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.

In connection with the taxonomy alignment analyses performed for this financial year, pursuant to Article 3 (c) of Regulation 852/2020, the Group conducted its business activities in compliance with the minimum safeguards<sup>120</sup>, i.e. in line with the OECD Guidelines, the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set forth in the eight core conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Furthermore, it should be noted that, with reference to the disclosure pursuant to Article 8 paragraphs 6 and 7 of EU Delegated Regulation No. 2178/2021, which provides for the use of the templates provided in Annex XII for the disclosure of nuclear and fossil gas activities, all the templates have been omitted as they are not representative of the company's activities.

119. Approach in line with the European Commission's FAQs published in December 2021 on how to report on mixed groups with industrial and financial operations.

120. For more details on compliance with the four pillars of the Platform on Sustainable Finance, see "Integrity and transparency".



Finally, in line with the latest FAQ published by the European Commission<sup>121</sup>, for the first year of alignment reporting, publication of comparative data with the previous year of disclosure is not required.

## Turnover KPIs

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 2022, the share of turnover derived from economic activities that are aligned, eligible but not aligned, and not eligible for the Taxonomy has been identified.

The share of turnover associated with economic activities aligned with the taxonomy is 0.7%, while the share of eligible but non-aligned economic activities is 8.9%; thus, the share of non-eligible turnover is equivalent to 90.4%.

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 activities and premiums on non-life policies for the underwriting of climate-related perils were taken into account, respectively.

In particular, with reference to the "Mail, Parcels and Distribution" SBU, the portion of revenues (Note C1 "Revenues from mail, parcels and other" Consolidated Financial Statements) referable to economic activities included in "6.6 - Road haulage services" - climate change mitigation objective, as it is more in line with the nature of the same economic activities; on the other hand, with reference to the "Insurance Services" SBU, revenues (Note C2 "Net revenues from Financial Services") from premiums on non-life policies pertaining to "10.1 - Non-life insurance: underwriting of climate-related perils" - climate change mitigation objective were evaluated.

In addition, in order to relate the Group's revenues to the revenue category subject to the alignment and eligibility analyses of road haulage services, a weighting driver was adopted based on the initial cost of the number of vehicles in the Group's corporate fleet, which therefore participate in the formation of the revenues of the "Mail, Parcels and Distribution" SBU.

Eligible revenues from the insurance business include premiums directly related to fire and other property damage policies.

In connection with the alignment analyses, by virtue of the individual technical screening criteria relating to the respective associated objectives for the economic activities under assessment, the alignment for the component of economic activities falling under "6.6 - Road haulage services" was reconciled. In fact, following a careful analysis of the management information covering the respective criteria of substantial contribution to the Climate Change Mitigation and DNSH objectives, the Group's corporate fleet vehicles, falling within the perimeter of delivery only, of category N1<sup>122</sup> were identified that have direct (tailpipe) CO<sub>2</sub> emissions of zero and do not significantly harm the objectives of Climate Change Adaptation, Transition to a Circular Economy and Pollution Prevention and Reduction.

Instead, with reference to the total turnover at the consolidated level, the total "Net revenues from ordinary operations" for the year 2022 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).

121. FAQs published in December 2022 by the European Commission on disclosure of KPIs required by the EU Delegated Regulation 2021/2178 for Non Financial Undertakings.

122. Vehicles intended for the carriage of goods and having a maximum mass not exceeding 3.5 t (Art. 47, New Highway Code).

**Table 1: Share of turnover derived from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2022<sup>123</sup>**

Economic activities (1)	Codes (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Substantial contribution criteria						DNSH criteria						Minimum safeguards (17)	Taxonomy-aligned proportion of Turnover year 2022 (18)	Taxonomy-aligned proportion of Turnover year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystem (16)					
	mln €		%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Freight transport services by road	6.6	83	0.7%	0.7%	0.0%				Y	Y		Y	Y		Y	0.7%				
Non-life insurance: underwriting of climate-related perils	10.1	0	0.0%	0.0%	0.0%				Y	N		0.0%								
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		83	0.7%	0.7%	0.0%							0.7%								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Freight transport services by road	6.6	1,051	8.8%	8.8%	0.0%															
Non-life insurance: underwriting of climate-related perils	10.1	11	0.1%	0.0%	0.1%															
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,062	8.9%	8.8%	0.1%															
Total ( A.1. + A.2. )		1,145	9.6%	9.5%	0.1%										0.7%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		10,744	90.4%																	
Total ( A + B )		11,889	100%																	

123. The data reported have been rounded to facilitate consultation of the same. For this reason, the amounts may differ slightly from the data reported.

## 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 from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2022), according to Annex II of Delegated Regulation No. 2178/2021. With regard, on the other hand, to the share of Capex associated with eligible but non-aligned economic activities, 17.8% was achieved in this year, thus, the share of non-eligible capital expenditure is 77.1%.

The indicators shown are capital expenditures associated with investments in the Group's corporate fleet, which are directly related to the revenues of the Strategic Business Unit 'Mail, Parcels and Distribution', and investments made in energy efficiency on the Group's buildings, which specifically refer to the installation of energy efficiency devices, electric vehicle charging stations, intelligent tools for the measurement, regulation and control of 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 - Road haulage services' that contribute to the environmental objective of Climate Change Mitigation;
- Capex linked to sector '7. Building and Real Estate Activities' - Climate Change Mitigation objective, with a focus on enabling activities under "7.3 Installation, maintenance and repair of energy efficiency devices", "7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings (and parking spaces in buildings)", "7.5 Installation, maintenance and repair of instruments and devices for the measurement, regulation and control of the energy performance of buildings" and "7.6 Installation, maintenance and repair of renewable energy technologies".

The alignment analyses performed underlined the conformity of the assessed economic activities to the eco-sustainability criteria of the Taxonomy Regulation and the associated technical screening criteria. In this regard, activities falling within the scope of investments in the Group's corporate fleet vehicles of category N1 delivery only, as well as capital expenditures related to energy efficiency, eco-sustainable mobility, smart building and photovoltaic plants, which, respectively, by their nature, contribute substantially to the Climate Change Mitigation objective and do not significantly harm the other environmental objectives, have been subject to compliance assessment and therefore defined as aligned with the Taxonomy.

Instead, in relation to the denominator of the Capex KPI, 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 from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2022<sup>124</sup>**

Economic activities (1)	Codes (2)	Substantial contribution criteria								DNSH criteria								Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx year 2022 (18)	Taxonomy-aligned proportion of CapEx year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
		Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystem (16)								
																mln €	%						%
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1. Environmentally sustainable activities (Taxonomy-aligned)																							
Freight transport services by road	6.6	28	2.3%	2.3%	0.0%					Y	Y		Y	Y		Y	2.3%						
Installation, maintenance and repair of energy efficiency equipment	7.3	9	0.8%	0.8%	0.0%					Y	Y		Y		Y	0.8%		E					
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	10	0.9%	0.9%	0.0%					Y	Y		Y	0.9%		E							
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	3	0.2%	0.2%	0.0%					Y	Y		Y	0.2%		E							
Installation, maintenance and repair of renewable energy technologies	7.6	11	0.9%	0.9%	0.0%					Y	Y		Y	0.9%		E							
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		61	5.1%	5.1%	0.0%											5.1%							
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
Freight transport services by road	6.6	213	17.8%	17.8%	0.0%																		
Installation, maintenance and repair of energy efficiency equipment	7.3	0	0.0%	0.0%	0.0%																		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0	0.0%	0.0%	0.0%																		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0	0.0%	0.0%	0.0%																		
Installation, maintenance and repair of renewable energy technologies	7.6	0	0.0%	0.0%	0.0%																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		213	17.8%	17.8%	0.0%																		
Total ( A.1. + A.2. )		273	22.9%	22.9%	0.0%											5.1%							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
CapEx of Taxonomy-non-eligible activities		923	77.1%																				
Total ( A + B )		1,196	100.0%																				

124. The data reported have been rounded to facilitate consultation of the same. For this reason, the amounts may differ slightly from the data reported.

## KPIs of operational expenditure

Pursuant to Article 10 paragraph 4 of Delegated Regulation No. 2178/2021, with reference to the present financial year, the Group has identified and reported in the following Table 3: Share of operating expenses arising from products or services associated with economic activities aligned with the Taxonomy - Disclosure for the year 2022, the share of operating expenses associated with economic activities that are aligned, eligible but not aligned and ineligible for Taxonomy.

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 2.3%, while the relevant non-eligible share is equivalent to 97.6%.

In relation to the respective alignment and eligibility analyses, the numerator of these KPIs mainly refers to direct costs strictly related to the economic activities of the Group's corporate fleet.

Therefore, in line with what was analysed for the Turnover KPI and the Capex KPI, given the nature of the same expenses achieved during the year, aligned and eligible operating expenses were assessed as directly associated with "6.6 Road Haulage Services", which are mainly relevant to Climate Change Mitigation objectives.

In particular, as explained in the section referring to the Turnover KPI, in order to trace the Opex analysed back to the book value of the operating expenses referring to N1 category vehicles, a weighting driver was adopted based on the opening cost of the number of vehicles included in the Group's corporate fleet that participate in the expenses similar to '6.6 - Road haulage services'. Therefore, the assessment of compliance with the criteria set forth in Article 3 of the Taxonomy Regulation and the technical screening criteria associated with the economic activities being analysed allowed for the identification of the alignment of the operating expenses related to the N1 category vehicles of the Group's corporate fleet, whose economic activities, 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.

The denominator of the Operating Expenses KPI, pursuant to Annex I of the Delegated Regulation No. 2178/2021, is defined by the non-capitalised direct costs related to research and development, building renovation, rents, maintenance, repairs and other direct expenses related to the day-to-day operation of assets incurred in this financial year.

**Table 3: Share of operating expenses arising from products or services associated with economic activities aligned with the taxonomy - Year 2022 disclosure<sup>125</sup>**

Economic activities (1)	Codes (2)	Absolute Turnover (3)	Substantial contribution criteria							DNSH criteria										Minimum safeguards (17)	Taxonomy-aligned proportion of Turnover year 2022 (18)	Taxonomy-aligned proportion of Turnover year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
			Proportion of Turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystem (16)									
	mln €	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T				
A. TAXONOMY-ELIGIBLE ACTIVITIES																								
A.1. Environmentally sustainable activities (Taxonomy-aligned)																								
Freight transport services by road	6.6	0.2	0.1%	0.1%	0.0%				Y	Y				Y	Y				Y	0.1%				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.2	0.1%	0.1%	0.0%	0.1%																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																								
Freight transport services by road	6.6	9	2.3%	2.3%	0.0%																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	9	2.3%	2.3%	0.0%																				
Total ( A.1. + A.2. )	9.2	2.4%	2.4%	0.0%											0.1%									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
Spese operative delle attività non ammissibili alla tassonomia (B)	378	97.6%																						
Total ( A + B )	387	100.0%																						

125. The data reported have been rounded to facilitate consultation of the same. For this reason, the amounts may differ slightly from the data reported.

## Eco-sustainable investments by the Poste Italiane Group

In order to ensure maximum transparency towards the market, the Group decided to also disclose the indicators provided for in the Taxonomy Regulation for Financial Undertakings. In fact, in relation to the financial operations of Asset Management and Insurance carried out by BancoPosta Fondi SGR and Poste Vita respectively, the respective KPIs governed by the regulations are reported below.

As mentioned above, for financial undertakings, a reduced information content has been envisaged for the first two years of reporting, with the share of eligible and ineligible exposures being published in the Taxonomy. For this year, however, it was possible to disclose KPIs on the share of eligible and non-eligible exposures performed on the basis of actual/reported Turnover and Capex percentages derived from the counterparties, i.e. timely data that allow mandatory reporting and no longer solely based on estimates and proxies.

In line with last year's reporting year, and with the aim of ensuring a higher level of data certification and methodologically robust processing, the Group considered it appropriate to involve the external provider Moody's ESG Solutions (MESG, formerly Vigeo Eiris), specialising in ESG solutions and mapping issuers according to Taxonomy criteria. In this regard, in fact, the methodology adopted by MESG has allowed it to analyse the assets falling within the scope of application of the Technical Delegated Acts referring to the first two environmental objectives of Mitigation and Adaptation to Climate Change, and to use punctual eligibility data on a Turnover and Capex basis in the calculation of KPIs.

**MOODY'S** | **ESG Solutions** The provider's support in the analyses conducted for the purpose of reporting the various indicators enabled the screening necessary for the disclosure of the KPIs, which showed a coverage of 98.4% and 97.7% of the corporate assets held directly and indirectly by Poste Vita and BancoPosta Fondi<sup>126</sup>.

In relation to the methodology adopted by MESG, consistent with the relevant regulations, the numerator of the KPIs was defined as a function of the exposures held in the portfolio in terms of eligible economic activities to financial entities and non-financial entities subject to non-financial reporting requirements and covered by the MESG EU Taxonomy research. The denominator, on the other hand, is the sum of portfolio exposures held to counterparties within the scope of the MESG EU Taxonomy research, derivative exposures, liquidity and cash, net of sovereigns.

Therefore, with the exception of the "Share of exposures to central governments, central banks and supranational issuers", for which KPI the total Assets under Management has been adopted as the denominator, in accordance with the regulations, for the indicators shown below it is specified that the Total Assets, corresponding to the Assets under Management net of investments in central governments, central banks and supranational issuers (sovereigns), has been used as the denominator.

Finally, for BancoPosta Fondi SGR and Poste Vita, total assets represent 19% and 20% of total Assets Under Management, respectively.

## Asset Management KPIs

With a view to representing the results of the analyses conducted in an increasingly complete manner and in accordance with regulatory requirements, for the present financial year, accurate data referring to the percentages of Turnover and Capex obtained for the counterparties in the portfolio were used. Therefore, it was possible to calculate the share of eligible and ineligible Turnover-based and Capex-based investments, respectively, below:

- taxonomy-weighted eligible investments are 13.3%;
- the share of Capex-based eligible investments is equivalent to 6.3%.

It should also be noted that these eligibility percentages represent the results of analyses conducted on BancoPosta Fondi SGR's investments that potentially contribute to the environmental objectives of Climate Change Mitigation and Climate Change Adaptation.

Thus, the share of ineligible investments on a Turnover basis is 86.7%, while the share of ineligible investments on a Capex basis is 93.7%.

<sup>126</sup> Non-hedged assets constitute a very residual share and are mainly invested in mid- and small-capitalisation companies, which, to date, have not reported the necessary data for the taxonomy. It should also be noted that the Poste Vita assets subjected to screening were deducted of the assets managed by BancoPosta Fondi SGR, in order to avoid double counting.

## Insurance KPIs

As previously reported for the KPI relating to BancoPosta Fondi SGR's asset management operations, two percentages were derived for the Poste Vita Group's share of investments - Investment KPI - in eligible and non-eligible assets, respectively, as a result of weighting the exposures against the accurate data. Investments potentially contributing to the environmental objectives of Climate Change Mitigation and Adaptation, and therefore eligible on a Turnover and Capex basis are 11.2% and 5.7% of total assets.

Therefore, the share of investments not eligible for the Taxonomy, as a function of Turnover and Capex percentages, are equivalent to 88.8% and 94.3% respectively.

Furthermore, within the Group's insurance business, the Underwriting KPI, representative of non-life underwriting, was performed. In this regard, revenues related to the underwriting of fire and other property damage policies were identified, valued in relation to the activity '10.1 - Non-life insurance: underwriting of climate-related perils', in accordance with Annex II of the Climate Act. Therefore, following the alignment and eligibility analyses, as also reported in the section on turnover KPIs, it was only possible to identify the share of eligible business related to the underwriting of non-life insurance policies on climate-related perils, which is equivalent to 3.5% of the total revenue generated in the non-life insurance business; therefore, the share of non-eligible business represents 96.5%.

## Other KPIs

Lastly, with reference to the additional indicators required by the regulations for the categories of financial companies in which BancoPosta Fondi SGR and Poste Vita fall, the results for the current year are set out below:

- the "Share of exposures to central governments, central banks and supranational issuers" of BancoPosta Fondi SGR and Poste Vita is 81.5% and 79.8% respectively;
- the "Share of derivatives"<sup>127</sup> of BancoPosta Fondi SGR and Poste Vita is equal to 1.9% and 1.8% respectively;
- BancoPosta Fondi SGR's and Poste Vita's "Share of exposures in companies not subject to non-financial reporting requirements" is 39.6% and 48.2%, respectively.

<sup>127</sup>. In continuity with what was reported at 31.12.21, the absolute values of derivatives at mark-to-market for both BancoPosta Fondi SGR and Poste Vita were also considered for this year



### Table showing the link with the scope of the Decree and the corresponding sections within the Annual Report

The following table shows the link between the information disclosure required by the Decree and the corresponding sections within the Annual Report and other company documents required by law.

Scopes of legislative decree 254/2016	Chapters/paragraphs included in the nfs	Topics and additional information included in other 2022 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>	<b>Report on Corporate Governance</b>	<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>
Policies [Art. 3, paragraph 1, letter b]	<ul style="list-style-type: none"> <li>• The Group's sustainability policies</li> <li>• 2022 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>	<b>Report on Corporate Governance</b>	<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> <li>• Integration of ESG factors into investment policies</li> <li>• Integration of ESG factors into insurance policies</li> </ul>	<b>Report on Corporate Governance</b>	<ul style="list-style-type: none"> <li>• 9. Internal control and risk management system</li> </ul>
Personnel [Art. 3, paragraph 1]	<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 [Art. 3, paragraph 1]	<ul style="list-style-type: none"> <li>• Legality and incorporation of ESG criteria within the procurement processes</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 [Art. 3, paragraph 1]	<ul style="list-style-type: none"> <li>• Legality and incorporation of ESG criteria within the procurement processes</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 [Art. 3, paragraph 1]	<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> <li>• Quality and customer experience</li> <li>• Innovation and digitisation of products, services and processes</li> <li>• Cyber Security, IT Security and Privacy</li> <li>• Integration of ESG factors into investment policies</li> <li>• Integration of ESG factors into insurance policies</li> </ul>		

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 material topics and the GRI Standards.

Scopes of legislative decree 254/2016	Material topics	GRI Standards	Internal scope	External scope	Type of impact
<b>Efforts to combat active and passive corruption</b>	Work with transparency and integrity	<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>	Equal career development opportunities	<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
	Personnel training and development	<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
	<i>Staff welfare and well-being</i>	<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
	Relations with social partners	<ul style="list-style-type: none"> <li>GRI 402 Relations between employees and management</li> </ul>	Poste Italiane Group	<ul style="list-style-type: none"> <li>Entities and institutions</li> </ul>	Generated by the Group
	Occupational health and safety	<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
<b>Respect for human rights</b>	Protection of human rights	<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
<b>Environment</b>	Legality and incorporation of ESG criteria within the procurement processes	<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
<b>Social</b>	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	-	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 Initiatives to improve access to financial services for disadvantaged people</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
	Quality and customer experience	-	Poste Italiane Group	<ul style="list-style-type: none"> <li>Customers</li> </ul>	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>	Generato dal Gruppo e a cui il Gruppo contribuisce
	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>Statement of use</b>	Poste Italiane has reported in accordance with the GRI Standards for the period from the 1st of January 2022 to the 31th of December 2022.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	N/A

GRI STANDARD	INFORMATION	LOCATION	OMISSION
<b>General disclosures</b>			
<b>The organizations and its reporting practices</b>			
<b>GRI 2 - General Disclosures - Version 2021</b>	2-1 Organizational details	Report on Operations: Statement from the Chairwoman and the Chief Executive Office (p. 8-12) Annual Report: Introduction (p. 492-493) Report on Operations: Omni-channel Strategy (p. 59-71) Report on Operations: Business model (p. 35-105)	
	2-2 Entities included in the organization's sustainability reporting	Report on Operations: Chapter 9. Consolidated non-financial statement (p. 451-480)	
	2-3 Reporting period, frequency and contact point	Report on Operations: Chapter 9. Consolidated non-financial statement (p. 451-480) For further information and details regarding the topics and indicators covered in this Report, contact: Poste Italiane SpA Corporate Affairs – Group Sustainable Development, Risk and Compliance Viale Europa, 190 00144 Rome – Italy	
	2-4 Restatement of information	Report on Operations: Chapter 9. Consolidated non-financial statement (p. 451-480); Tables of indicators (p. 392-431). 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. 451-480)	
<b>Activities and workers</b>			
<b>GRI 2 - General Disclosures - Version 2021</b>	2-6 Activities, value chain and other business relationships	Report on Operations: Omni-channel approach and Group operating segments (p. 59-105); Omni-channel Strategy (p. 59-71) Report on Operations: Performance of Poste Italiane SpA and Report on Operations of BancoPosta RFC (p. 242-254); Tables of indicators (p. 392-431) - Report on Corporate Governance and the Ownership Structure: Section I: Governance and Ownership Structure (p.1-8) Report on Operations: Legality and incorporation of ESG criteria within procurement processes (p. 268-274) Report on Operations: Principal corporate actions (p. 55-58); Poste Italiane's ownership and organisational structure (p. 35-38) - Report on Corporate Governance and the Ownership Structure: Section I: Governance and Ownership Structure (p.1-8)	
	2-7 Employees	Report on Operations: Performance of Poste Italiane SpA and Report on Operations of BancoPosta RFC (p. 242-254); Tables of indicators (p. 392-431); Report on Corporate Governance and the Ownership Structure: Section I: Governance and Ownership Structure (p.1-8) Chapter 7. Value Creation - Tables of indicators (p. 397-398)	
	2-8 Workers who are not employees	Chapter 7. Value Creation - Tables of indicators (p. 398)	

GRI STANDARD	INFORMATION	LOCATION	OMISSION
<b>Governance</b>			
<b>GRI 2 - General Disclosures - Version 2021</b>	2-9 Governance structure and composition	Report on Corporate Governance and the Ownership Structure: 7.2 Control and Risk Committee (p.26-32); 7.3 Sustainability Committee (p.32-34)  Report on Operations: Poste Italiane's Corporate Governance (p. 136-140); Managing climate change related risks and opportunities (p. 158-168); Chapter 7. Tables of indicators (p. 392-431); Link: <a href="https://www.posteitaliane.it/it/consiglio-di-amministrazione.html">https://www.posteitaliane.it/it/consiglio-di-amministrazione.html</a>	
	2-10 Nomination and selection of the highest governance body	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, par 2, d), TUF (p.11); 6.8 Independent Directors (p.19-21); 6.10 Assessment of workings of the Board of Directors and Board Committees (p.22-23); 6.11 Diversity Policies (pursuant to art. 123-bis, par. 2, ld) -bis, TUF (p.23-24)	
	2-11 Chair of the highest governance body	Report on Corporate Governance and the Ownership Structure: 6.6 Chief Executive Officer (p.18-19)	
	2-12 Role of the highest governance body in overseeing the management of impacts	Report on Operations: The 2022 Multi-stakeholder Forum (p. 111-113); Poste Italiane's Corporate Governance (p. 136-140); Poste Italiane's Integrated Internal Control and Risk Management System (p. 141-146); Risk Management and Risk Assessment model (p. 143-146); Managing climate change related risks and opportunities (p. 158-168);  Report on Corporate Governance and the Ownership Structure: 6.3 Role and functions (former art. 123-bis, par. 2.d), Consolidated Law on Finance) (p.13-15); 6.6 Chief Executive Officer (p.18-19); 7.2 Control and Risk Committee (p.26-32); 7.3 Sustainability Committee (p.32-34); 14. Other corporate governance procedures (pursuant to art. 123-bis, paragraph 2.a), Consolidated Law on Finance) (p.59-64)	
	2-13 Delegation of responsibility for managing impacts	Report on Operations: Poste Italiane's Corporate Governance (p. 136-140); Risk Management and Risk Assessment model (p. 143-146); The 2022 Multi-stakeholder Forum (p. 111-113)  Report on Corporate Governance and the Ownership Structure: 7.3 Sustainability Committee (p.32-34)	
	2-14 Role of the highest governance body in sustainability reporting	Report on Corporate Governance and the Ownership Structure: 6.3 Role and functions (former art. 123-bis, par. 2.d), Consolidated Law on Finance) (p.14-16); 6.4 Board meetings and operating procedures (p.16-17); 7.3 Sustainability Committee (p.32-34)	
	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), Consolidated Law on Finance) (p.59-64)	
	2-16 Communication of critical concerns	Report on Operations: Poste Italiane's Integrated Internal Control and Risk Management System (p. 141-146) - Report on Corporate Governance and the Ownership Structure: 5.5 Equity participation by employees: rights mechanisms (pursuant to art. 123-bis, paragraph 1.e), Consolidated Law on Finance) (p.6); 7.2 Control and Risk Committee (p.26-32); 7.3 Sustainability Committee (p.32-34)	
	2-17 Collective knowledge of the highest governance body	Report on Operations: Poste Italiane's Integrated Internal Control and Risk Management System (p. 141-146) - Report on Corporate Governance and the Ownership Structure: 6.3 Role and functions (former art. 123-bis, par. 2.d), Consolidated Law on Finance) (p.14-16); 6.8 Independent Directors (p.19-21); 6.10 Assessment of workings of the Board of Directors and Board Committees (p.22-23)	
	2-18 Evaluation of the performance of the highest governance body	Report on Corporate Governance and the Ownership Structure: 6.10 Assessment of workings of the Board of Directors and Board Committees (p.22-23)	
	2-19 Remuneration policies	Report on the remuneration policy: 1st Section (p. 14-64)	

GRI STANDARD	INFORMATION	LOCATION	OMISSION
<b>GRI 2 - General Disclosures - Version 2021</b>	2-20 Process to determine remuneration	Report on Corporate Governance and the Ownership Structure: 6.12 Fees (p.25)	
	2-21 Annual total compensation ratio	Report on Operations: Tables of indicators (p. 411)	With respect to what is regulated in point b, taking into account the first year of indicator reporting and its integration within the process during its consolidation, the comparison will be provided starting with the 2023 Integrated Report.
<b>Strategy, policies and practices</b>			
<b>GRI 2 - General Disclosures - Version 2021</b>	2-22 Statement on sustainable development strategy	Report on Operations: Statement from the Chairwoman and the Chief Executive Office (p. 8-12)	
	2-23 Policy commitments	The precautionary approach required by principle 15 of the United Nations Rio Declaration is applied by Poste Italiane to protect the environment in the development, 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. 122-125); Risk Management and Risk Assessment model (p. 143-146); Managing climate change related risks and opportunities (p. 158-168); Poste Italiane's commitment to managing human rights risks (p. 154-157); Work with transparency and integrity (p. 261-267)	
	2-24 Embedding policy commitments	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. Report on Operations: Poste Italiane's Corporate Governance (p. 136-140); Chapter 7 (p. 260; 278; 308; 322; 338; 354; 368; 384); Staff training and development (p. 279-290)	
	2-25 Processes to remediate negative impacts	Report on Operations: Chapter 6. Risks and Opportunities (p. 136-187)	
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblowing Guidelines Report on Operations: Stakeholder engagement (p. 110-111); The 2022 Multistakeholder Forum (p. 111-113)	
	2-27 Compliance with laws and regulations	Report on Operations: Chapter 7. Environmental impacts of real estate facilities (p. 339); Table of indicators (p. 395, 402, 411)	
	2-28 Membership associations	Report on Operations: The Group's Environmental, Social and Governance (ESG) Strategic Plan (p. 122-125); Dialogue and transparency in relations with the authorities (p. 330-332)	
<b>Stakeholder engagement</b>			
<b>GRI 2 - General Disclosures - Version 2021</b>	2-29 Approach to stakeholder engagement	Report on Operations: Stakeholder engagement (p. 110-111)	
	2-30 Collective bargaining agreements	Report on Operations: Relations with social partners (p. 296-301)	

GRI STANDARD	INFORMATION	LOCATION	OMISSION
<b>MATERIAL TOPICS</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-1 Process to determine material topics	Report on Operations: Poste Italiane's Sustainability Strategy (p. 108-117)	
	3-2 List of material topics	Report on Operations: Poste Italiane's Sustainability Strategy (p. 109-110; 114-117)	
<b>Work with transparency and integrity</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Work with transparency and integrity (p. 261-267); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 205: Anti-corruption</b>	205-1 Operations assessed for risks related to corruption	Chapter 7. Tables of indicators (p. 393)	
	205-3 Confirmed incidents of corruption and actions taken	Chapter 7. Tables of indicators (p. 393)	
<b>GRI 207 (2019): Tax</b>	207-1 Approach to tax	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Fiscal transparency policy (p. 265-267); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
	207-2 Tax governance, control, and risk management		
	207-3 Stakeholder engagement and management of concerns related to tax		
	207-4 Country-by-country reporting	Chapter 7. Tables of indicators (p. 396)	
<b>GRI 415: Public policy</b>	415-1 Political contributions	In line with the provisions of the Group's Integrated Policy, in 2022, 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 procurement processes</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Legality and incorporation of ESG criteria within procurement processes (p. 268-274); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 301: Materials</b>	301-1 Materials used by weight or volume	Chapter 7. Tables of indicators (p. 395)	
	301-2 Recycled input materials used	Chapter 7. Tables of indicators (p. 395)	
<b>Staff training and development</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Staff training and development (p. 279-290); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 404: Training and education</b>	404-1 Average hours of training per year per employee	Chapter 7. Tables of indicators (p. 398)	

GRI STANDARD	INFORMATION	LOCATION	OMISSION
<b>Staff welfare and well-being</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Staff welfare and well-being (p. 291-296); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 401: Employment</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 7. Tables of indicators (p. 401)	
<b>Relations with social partners</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Relations with social partners (p. 296-301); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 402: Labor/management relations</b>	402-1 Minimum notice periods regarding operational changes	For Poste Italiane and Group companies signatories of 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.  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 no. 428 of 29 December 1990 raising the deadline for communication to the Labour Unions to 40 days if the transfer of business concerns more than 60 employees.	
<b>Occupational health and safety</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Occupational health and safety (p. 301-305); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 403 (2018): Occupational health and safety</b>	403-1 Occupational health and safety management system		
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system	Chapter 7. Tables of indicators (p. 402-403)	
	403-9 Work-related injuries	Chapter 7. Tables of indicators (p. 404-408)	



GRI STANDARD	INFORMATION	LOCATION	OMISSION
<b>Protection of human rights</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Protection of human rights (p. 309-314); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 405: Diversity and equal opportunity</b>	405-1 Diversity of governance bodies and employees	Chapter 7. Tables of indicators (p. 409-410)	
<b>Equal career development opportunities</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Equal career development opportunities (p. 314-319); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 404: Training and education</b>	404-3 Percentage of employees receiving regular performance and career development reviews	Chapter 7. Tables of indicators (p.410)	
<b>Support for the socio-economic development of local communities</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Support for the socio-economic development of local communities (p. 323-330); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 201: Economic performance</b>	201-1 Direct economic value generated and distributed	Report on Operations: Highlights (p. 24-25); Tables of indicators (p. 412)	
<b>GRI 203: Indirect economic impact</b>	203-1 Infrastructure investments and services supported	Chapter 7. Tables of indicators (p. 412)	
<b>Dialogue and transparency in relations with the authorities</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Dialogue and transparency in relations with the authorities (p. 330-332); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>Financial inclusion</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Financial inclusion (p. 332-335); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
	FS14 Initiatives to improve access to financial services for disadvantaged people	Chapter 7. Tables of indicators (p. 413)	

GRI STANDARD	INFORMATION	LOCATION	OMISSION
<b>Environmental impacts of real estate facilities</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Environmental impacts of real estate facilities (p. 339-347); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 302: Energy</b>	302-1 Energy consumption within the organization	Chapter 7. Tables of indicators (p. 415; 419)	
	302-2 Energy consumption outside of the organization	Chapter 7. Tables of indicators (p. 415; 419)	
	302-3 Energy intensity	Chapter 7. Tables of indicators (p. 416)	
	302-4 Reduction of energy consumption	Chapter 7. Tables of indicators (p. 420)	
<b>GRI 303 (2018): Water and effluents</b>	303-1 Interactions with water as a shared resource	Report on Operations: Environmental impacts of real estate facilities (p. 339-347); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
	303-2 Management of water discharge-related impacts		
	303-3 Water withdrawal	Chapter 7. Tables of indicators (p. 416) 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 (Scope 1) GHG emissions	Chapter 7. Tables of indicators (p. 417; 419)	
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter 7. Tables of indicators (p. 417; 419)	
	305-3 Other indirect (Scope 3) GHG emissions	Chapter 7. Tables of indicators (p. 417; 419)	
	305-4 GHG emissions intensity	Chapter 7. Tables of indicators (p. 420)	
	305-5 Reduction of GHG emissions	Chapter 7. Tables of indicators (p. 420)	
<b>GRI 306 (2020): Waste</b>	306-1 Waste generation and significant waste-related impacts	Report on Operations: Environmental impacts of real estate facilities (p. 339-347); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated	Chapter 7. Tables of indicators (p. 417-418)	
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		

GRI STANDARD	INFORMATION	LOCATION	OMISSION
<b>Environmental impacts of logistics</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Environmental impacts of logistics (p. 347-351); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 302: Energy</b>	302-1 Energy consumption within the organization	Chapter 7. Tables of indicators (p. 415; 421; 422)	
	302-2 Energy consumption outside of the organization	Chapter 7. Tables of indicators (p. 415; 421; 422)	
	302-3 Energy intensity	Chapter 7. Tables of indicators (p. 416)	
<b>GRI 305: Emissions</b>	305-1 Direct (Scope 1) GHG emissions	Chapter 7. Tables of indicators (p. 417; 421; 422)	
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter 7. Tables of indicators (p. 417; 421)	
	305-3 Other indirect (Scope 3) GHG emissions	Chapter 7. Tables of indicators (p. 417; 421; 422)	
<b>Quality and customer experience</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Quality and customer experience (p.355-360); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>Cybersecurity, IT Security and Privacy</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Cybersecurity, IT Security and Privacy (p. 360-365); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
<b>GRI 418: Customer privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 7. Tables of indicators (p. 428)	
<b>Innovation and digitisation of products, services and processes</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Innovation and digitisation of products, services and processes (p. 369-381); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	

GRI STANDARD	INFORMATION	LOCATION	OMISSION
<b>Integration of ESG factors into investment policies</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Integration of ESG factors into investment policies (p. 385-389); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
	FS11 Percentage of assets subject to positive and negative environmental or social screening	In 2022, 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 90% of BancoPosta Fondi SGR's corporate AuM and 98% of BancoPosta Fondi SGR's AuM in government bonds.	
<b>Integration of ESG factors into insurance policies</b>			
<b>GRI 3 - Material topics - Version 2021</b>	3-3 Management of material topics	Report on Operations: The materiality matrix (p. 113-115); Poste Italiane's Sustainability Strategy (p. 108-117); Integration of ESG factors into insurance policies (p. 389-391); Table showing the link with the scope of the Decree, Poste Italiane's material topics and the GRI Standards (p. 463-464)	
	FS11 Percentage of assets subject to positive and negative environmental or social screening	In 2022, 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 96% 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.

## MAIN RELATED TYPES OF CAPITAL



RECOMMENDATIONS	REFERENCE
Governance	
Organisational Governance Disclosure	
Board oversight of climate-related risks and opportunities	The Corporate Governance of Poste Italiane (p.136-140); The management of climate change risks and opportunities (p.158-168)
Management's role in assessing and managing climate-related risks and opportunities	
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	The European Taxonomy Regulation (p.453-464); Managing Climate Change Risks and Opportunities (p.158-168); Managing Emerging Risks and Related Opportunities (p.169-187); Green transition (p.339-351)
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	
Risk management	
Disclosure of how the organization identifies, assesses, and manages climate-related risks	
Describe the organisation's processes for identifying and assessing climate-related risks	The Materiality Matrix (p.113-115); The Group's Sustainability Policies (p.120-122); The Group's Environmental, Social and Governance (ESG) Strategic Plan (p.122-125); Managing Climate Change Risks and Opportunities (p.158-168); Managing Emerging Risks and Related Opportunities (p.169-187)
Describe the organization's processes for managing climate-related risks	
Climate-related risks and opportunities are integrated into current decision-making and strategy formulation	
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	The European Taxonomy Regulation (p.453-464); Poste Italiane's Integrated Internal Control and Risk Management System (p.141-146); Risks associated with material issues and how to manage them (p.147-153); The management of emerging risks and opportunities related to climate change (p.158-168); The management of emerging risks and related opportunities (p.169-187); Green transition (p.339-351); Tables of indicators (p.392-431)
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	

## 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”).

### MAIN RELATED TYPES OF CAPITAL



## 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 behavior</i>	Anti-corruption Public Contribution	GRI 205-3 GRI 415-1
	<i>Risk and opportunity oversight</i>	Integrating risks and opportunities into the business	GRI 3-3
Planet	<i>Climate change</i>	Greenhouse Gas Emissions (GHG)	GRI 305-1 GRI 305-2 GRI 305-3
People	<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
Prosperity	<i>Employment and wealth generation</i>	Economic contribution	GRI 201-1 GRI 203-1
	<i>Community and social vitality</i>	Total fees paid	GRI 201-1

## 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 2022 Integrated Report

SASB		INTEGRATED REPORT 2022
Topic	Indicator	Reference to paragraphs/indicators
<b>Sector – INSURANCE</b>		
Transparent Information & Fair Advice for Customers	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>
Incorporation of ESG Factors in Investment Management	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>
Policies Designed to Incentivize Responsible Behavior	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>
Environmental Risk exposure	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>
Systemic Risk Management	FN-IN-550a	<ul style="list-style-type: none"> <li>• Managing emerging risks and related opportunities</li> </ul>
<b>Sector – ASSET MANAGEMENT</b>		
Transparent Information & Fair Advice for Customers	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>
Employee Diversity & Inclusion	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>
Incorporation of ESG Factors in Investment Management & Advisory	FN-AC-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>
Business Ethics	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>













SASB		INTEGRATED REPORT 2022
Topic	Indicator	Reference to paragraphs/indicators
<b>Sector – AIR FREIGHT &amp; LOGISTICS</b>		
Greenhouse Gas Emissions	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>
Air Quality	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>
Labor Practices	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>
Employee Health & Safety	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>
Supply Chain Management	TR-AF-430a	<ul style="list-style-type: none"> <li>• Poste Italiane's sustainability strategy</li> <li>• Environmental impacts of logistics</li> <li>• Total other indirect GHG emissions (Scope 3)</li> </ul>
<b>Sector – COMMERCIAL BANKS</b>		
Data Security	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>
Financial Inclusion & Capacity Building	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>
Business Ethics	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> <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>
Systemic Risk Management	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

### MAIN RELATED TYPES OF CAPITAL



SDG	TOPIC	GRI INDICATOR
 <p><b>Goal 1 – No poverty</b></p> <p>End poverty in all its forms everywhere.</p>	<ul style="list-style-type: none"> <li>• Access to financial services</li> <li>• Access to financial services</li> </ul>	<ul style="list-style-type: none"> <li>• FS14</li> <li>• 207-1</li> <li>• 207-2</li> <li>• 207-3</li> <li>• 207-4</li> </ul>
 <p><b>Goal 3 – Good health and well-being</b></p> <p>Ensuring healthy living and promoting the well-being of everyone at all ages.</p>	<ul style="list-style-type: none"> <li>• Air quality</li> <li>• Waste management</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• 305-1</li> <li>• 305-2</li> <li>• 305-3</li> <li>• 306-1</li> <li>• 306-2</li> <li>• 306-3</li> <li>• 306-4</li> <li>• 306-5</li> <li>• 403-2</li> <li>• 403-3</li> <li>• 403-6</li> <li>• 403-9</li> </ul>
 <p><b>Goal 4 – Occupational health and safety</b></p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</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>
 <p><b>Goal 5 – Gender equality</b></p> <p>Achieve gender equality and empower all women and girls.</p>	<ul style="list-style-type: none"> <li>• Gender equality in governing bodies</li> <li>• Infrastructure investment</li> <li>• Gender equality in employee training</li> <li>• Gender equality</li> </ul>	<ul style="list-style-type: none"> <li>• 2-9</li> <li>• 2-10</li> <li>• 203-1</li> <li>• 401-2</li> <li>• 404-1</li> <li>• 404-3</li> <li>• 405-1</li> </ul>
 <p><b>Goal 6 – Clean water and sanitation</b></p> <p>Ensure availability and sustainable management of water and sanitation for all.</p>	<ul style="list-style-type: none"> <li>• Sustainable water withdrawals</li> <li>• Sustainable water withdrawals</li> </ul>	<ul style="list-style-type: none"> <li>• 303-1</li> <li>• 303-2</li> <li>• 303-3</li> <li>• 306-1</li> <li>• 306-2</li> <li>• 306-3</li> <li>• 306-4</li> <li>• 306-5</li> </ul>

SDG	TOPIC	GRI INDICATOR
 <b>Goal 7 – Affordable and clean energy</b> Ensure access to affordable, reliable, sustainable and modern energy for all.	<ul style="list-style-type: none"> <li>• Energy efficiency</li> <li>• Renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• 302-1</li> <li>• 302-2</li> <li>• 302-1</li> <li>• 302-2</li> </ul>
 <b>Goal 8 – Decent work and economic growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	<ul style="list-style-type: none"> <li>• Access to financial services</li> <li>• Information on employees and non-employees</li> <li>• Collective bargaining agreements</li> <li>• Infrastructure investment</li> <li>• Efficiency in materials used</li> <li>• Energy efficiency</li> <li>• Waste management</li> <li>• Earnings, wages and benefits</li> <li>• Relations between employees and management</li> <li>• Occupational health and safety</li> <li>• Employee training and education</li> <li>• Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• FS14</li> <li>• 2-7</li> <li>• 2-8</li> <li>• 2-30</li> <li>• 201-1</li> <li>• 301-1</li> <li>• 302-1</li> <li>• 302-2</li> <li>• 306-2</li> <li>• 401-2</li> <li>• 402-1</li> <li>• 403-1</li> <li>• 403-2</li> <li>• 403-3</li> <li>• 403-4</li> <li>• 403-5</li> <li>• 403-7</li> <li>• 403-8</li> <li>• 403-9</li> <li>• 404-1</li> <li>• 404-3</li> <li>• 405-1</li> </ul>
 <b>Goal 9 – Industry, innovation and infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	<ul style="list-style-type: none"> <li>• Infrastructure investment</li> </ul>	<ul style="list-style-type: none"> <li>• 201-1</li> <li>• 203-1</li> </ul>
 <b>Goal 10 – Reduced inequalities</b> Reduce inequalities within and among countries.	<ul style="list-style-type: none"> <li>• Information on employees and non-employees</li> <li>• Information on employees and non-employees</li> <li>• Fair training of employees</li> </ul>	<ul style="list-style-type: none"> <li>• 2-7</li> <li>• 2-8</li> <li>• 207-1</li> <li>• 207-2</li> <li>• 207-3</li> <li>• 207-4</li> <li>• 404-1</li> <li>• 404-3</li> </ul>
 <b>Goal 11 – Reduce inequalities within and among countries</b> Make cities and human settlements inclusive, safe, resilient and sustainable.	<ul style="list-style-type: none"> <li>• Infrastructure investment</li> <li>• Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• 203-1</li> <li>• 306-1</li> <li>• 306-2</li> <li>• 306-3</li> <li>• 306-4</li> <li>• 306-5</li> </ul>

SDG	TOPIC	GRI INDICATOR
 <b>Goal 12 – Responsible consumption and production</b>  Ensure sustainable consumption and production patterns.	• Materials efficiency/recycling	• 301-1
	• Materials efficiency/recycling	• 302-1 • 302-2
	• Water withdrawals by source	• 303-1 • 303-3
	• Air quality	• 305-1 • 305-2 • 305-3
	• Air quality	• 306-1 • 306-2 • 306-3 • 306-4 • 306-5
 <b>Goal 13 – Climate action</b>  Take urgent action to combat climate change and its impacts.	• Energy efficiency	• 302-1 • 302-2
	• GHG emissions	• 305-1 • 305-2 • 305-3 • 305-4
 <b>Goal 14 – Life Below water</b>  Store and use in a sustainable manner oceans, seas and marine resources	• Ocean acidification	• 305-1 • 305-2 • 305-3 • 305-4
 <b>Goal 15 – Life on land</b>  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.	• Forest degradation	• 305-1 • 305-2 • 305-3 • 305-4
	• Waste management	• 306-3 • 306-5
 <b>Goal 16 – Peace, justice and strong institutions</b>  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.	• Ethics and Integrity	• 2-10 • 2-23
	• Gender equality in governing bodies	• 2-9 • 2-10 • 2-11 • 2-12 • 2-15
	• Anti-corruption	• 205-1 • 205-3
	• Occupational health and safety	• 403-4 • 403-9
	• Public policy	• 415-1
	• Protection of privacy	• 418-1
 <b>Goal 17 – Partnership for the goals</b>  Strengthen the means of implementation and revitalize the global partnership for sustainable development	• Strengthen the means of implementation and revitalize the global partnership for sustainable development	• 207-1 • 207-2 • 207-3 • 207-4

# 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.

## < ASSET CLASS

Investment category, i.e. set of financial instruments with similar characteristics and similar behaviour in the markets, e.g. bond (short term, medium/long term, government, corporate, high yield, etc.), equity (Europe, America, emerging countries, etc.), real estate. The choice of asset classes is crucial for portfolio construction because it is the individual components that are evaluated in the asset allocation process.

## < SALARY-BACKED LOANS

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.

## < 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).

## < 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.

## < CAPITALISATION

With reference to a company, it represents the product of the number of outstanding shares and their unit price; with ref-

erence 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.

## < CONTAINERISATION

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.

## < 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).

## < CYBERSECURITY

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.


#### < 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.

#### < DEFERRED POLICYHOLDER LIABILITIES (DPL)

Accounting item arising from the application of shadow accounting, as defined below.

#### < 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, Post Office 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)

They 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  **duration** of the securities that make it up.

#### < 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.

#### < GROSS PREMIUM REVENUE

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 BONDS

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.

#### < HUB

In a logistical sense, it identifies a large freight hub, on which many traffic lines converge and from which they branch off.

#### < HYBRID POLICY - MULTI-CLASS

In multi-class products, a part of the premium is invested in separate asset management schemes 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.

#### < INFLATION LINKED

These are government bonds that provide investors with protection against rising price levels: both the principal repaid at maturity and the coupons paid are, in fact, revalued on the basis of inflation.

#### < INSURANCE CLASS

A class of insurance 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:

- Non-life insurance: covers policies that intervene to compensate the client in the event of material and physical damage, relating to personal property, assets, person;  
Non-life 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. Sickness: 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. Pecuniary 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 pecuniary losses; other pecuniary 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.

#### < **M2M (MACHINE-TO-MACHINE) SIM**

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.

#### < **MANAGEMENT COMMISSIONS**

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.

#### < **MIFID (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE)**

Directive 2004/39/EC, in force since 1 November 2007, has the main objective of standardising the rules of financial market participants at European level in order to protect investors by imposing an obligation on intermediaries to act honestly, fairly and professionally in order to serve their clients' best interests. The regulation introduced a classification of clients on the basis of different degrees of financial experience: retail clients (retail), professional clients (professional clients), and eligible counterparties. The purpose of this subdivision is to adopt protection measures consistent with each category of investor, respecting the different protection needs arising from the information gathered about its knowledge and experience in investment matters, its financial situation and its investment objectives, in order to verify the suitability or appropriateness of the investment service or financial instrument requested and/or proposed. In addition, intermediaries are obliged to provide correct, clear and not misleading information by describing the financial services and instruments offered, providing information on losses incurred, fees and costs related to the services provided and the presence of possible conflicts of interest. Entered into force on 3 January 2018 (replacing the so-called MiFID I, from which it takes principles and aims), the MiFID II Directive aims to increase the efficiency and transparency of the markets by raising the level of investor protection, by means of measures aimed at informing clients of the essential characteristics of the activity provided, including in terms of the risks and costs of the proposed transactions, and by reinforcing certain organisational requirements and rules of conduct in the phase of designing and offering products to clients, as well as in terms of training of investment advisors.

#### < **MOBILE HOST OPERATOR**

Reference operator for the provision of mobile network access services.

#### < **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 API (APPLICATION PROGRAMME 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 finance 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.

#### < 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.

#### < 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.


#### < POSTEPAY CODE

Innovative acceptance service that allows affiliated merchants to collect payments ordered by customers directly from their Postepay App, via the QR Code displayed by the merchant.

#### < PREMIUM RESERVE

It is equal to the sum of the reserve for unearned premiums, which comprises the amounts of gross premiums written pertaining to subsequent years, and the reserve for unexpired risks, which comprises the provisions to cover claims and expenses that exceed the reserve for unearned premiums.

#### < EARNED PREMIUMS

Gross premiums written net of change in the [premium reserve](#) .

#### < 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.

#### < PSPS (PAYMENT SERVICE PROVIDERS)

Persons authorised to offer payment services: Banks, Poste Italiane (BancoPosta), payment institutions and electronic money institutions (PostePay SpA).

#### < 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.

#### < 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).

#### < 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.

#### < SCT (SEPA CREDIT TRANSFER)

Payment instrument enabling a debtor to arrange, by means of an order given to its bank, a payment in Euro in favour of one of its creditors in the event that the credit institutions or branches where the accounts of the originator and beneficiary of the credit transfer (originator's bank and beneficiary's bank) are both located in a SEPA country and have adhered to the service.

#### < SEPARATELY MANAGED ACCOUNTS

In life insurance, a fund specifically created by the insurance undertaking and managed separately from the overall business of the undertaking. Segregated accounts are used in

Class I contracts and are characterised by a typically conservative investment composition. The return obtained by the segregated fund and relegated to the members is used to revalue the benefits under the contract.

#### < **SHADOW ACCOUNTING**

Accounting Practice (IFRS 4), which allows for the mitigation of valuation asymmetries existing between financial assets included in segregated accounts valued according to IFRS 9 and mathematical reserves valued according to local accounting standards. Shadow accounting allows an insurer to change the accounting policies applied to insurance liabilities (i.e. its statutory technical provisions) so that a recognised but unrealised gain or loss on an asset affects the measurement of insurance liabilities in the same way that a realised gain or loss does.

#### < **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).

#### < **TRANSITIONAL MEASURES**

The transitional measures on technical provisions (MTRT) were introduced by Directive 2014/51/EU (the so-called Omnibus II) to allow for a gradual transition from the previous prudential regime (so-called Solvency I) to the Solvency II regime, preventing the new requirements from having undesirable effects on companies and the market.

The rules provide that insurance companies, as of 1 January 2016 and until 31 December 2031, may, subject to authorisation by the Institute, apply a transitional deduction to the technical provisions calculated at the end of each financial year, determined as a share of the (positive) difference between the amount of technical provisions calculated in accordance with Solvency II on 1 January 2016 and those recorded in the balance sheet as at 31 December 2015 (Solvency I).

#### < **ULTRABROADBAND**

A technology, device or telecommunications line that allows access to the Internet at speeds above 30 Mbps, both download and upload. The use of the term tends to refer to the peak speed and not to the average speed actually available.

#### < **UNITLINKED 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.



# POSTA TELEGRAFO

**VELOCITÀ**  
**PREMURA**  
**DIALOGO**  
**EMPATIA**  
**GO**  
**RISPETTO**  
**PUNTUALE**  
**CORTESIA**  
**FAMILIARITÀ**  
**ASCOLTO**  
**APERTURA**  
**PRECISIONE**  
**VIGILANZA**  
**RICERCA**  
**ESPERIENZA**







artigianato

ASCOLTARE

RISPOSTE

SOLUZIONI

# POSTE ITALIANE'S FINANCIAL STATEMENTS

AT 31 DECEMBER **2022**



2

# POSTE ITALIANE'S FINANCIAL STATEMENTS

AT 31 DECEMBER **2022**

## Table of contents

1. Introduction	492
2. Basis of preparation and significant accounting policies	494
3. Material events during the year	533
4. Poste Italiane Group Financial Statements at 31 December 2022	536
5. Poste Italiane SpA Financial Statements at 31 December 2022	614
6. Risk Management	702
7. Fair value of financial instruments	745



8. Hedging transactions	752
.....	
9. Proceedings pending and principal relations with the Authorities	758
.....	
10. Material non-recurring events and/or transactions	765
.....	
11. Exceptional and/or unusual transactions	765
.....	
12. Material events after the end of the reporting period	766
.....	
13. Additional information	767
.....	
14. BancoPosta RFC separate Report for the year ended at 31 December 2022	788

# 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 2022, 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 2022, the Parent Company holds 7,535,991 treasury shares (equal to around 0.58% 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 SpA 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 regards primarily the activities of Poste Vita SpA, which operates in ministerial life assurance Classes I, III and V, and of its direct subsidiary, Poste Assicura SpA, which operates in P&C insurance.

In addition, it should be noted that in the first half of 2022 the company Poste Welfare Servizi, previously allocated to the Insurance Services Strategic Business Unit, is represented in the Mail, Parcels and Distribution Strategic Business Unit. The comparative statement of profit or loss and statement of financial position figures have therefore been reclassified to reflect this organisational change.

This section of the Annual Report (*Poste Italiane's Financial Statements*) at 31 December 2022 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 basis of presentation used and accounting standards adopted;
- disclosure of the sources and the procedures used in determining fair value;
- financial risk disclosures;
- 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 net debt, key performance indicators for investee companies, 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.

## 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 2022, 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. The companies of the Poste Italiane Group, as a going concern, prepare their financial statements on a **going concern** basis, also taking into account the Group's economic and financial outlook derived from the Strategic Plan approved on 18 March 2021 (and the related updates approved by the Board of Directors on 22 March 2022) and the 2023 Budget approved by the Board of Directors on 29 March 2023.

The statement of financial position has been prepared on the basis of the **"current/non-current distinction"**<sup>128</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* 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>129</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 2.5 - *New accounting standards and interpretations*.

The disclosures provided in these annual financial statements take into account the guidelines and recommendations of the European regulatory and supervisory bodies (ESMA)<sup>130</sup> published during the year in order to provide a guideline in the current economic context, which is heavily influenced by the Russia/Ukraine conflict. The accounting implications of complying with these recommendations are described in section 2.4 - *Use of estimates*.

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.

128. 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).

129. 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.

130. Public statement ESMA32-63-1320 of 28 October 2022 "European common enforcement priorities for 2022 annual financial reports".

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 data referring to the year under comparison have also been reclassified to take into account the new representation of Poste Welfare Servizi within the Mail, Parcels and Distribution segment.

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>131</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.

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. Therefore, it is envisaged that the Annual Financial Report be prepared in XHTML format and that, for financial years commencing on or after 1 January 2022, the Notes to the Consolidated Financial Statements, in addition to the Notes to the Financial Statements, be prepared using the ESMA-IFRS taxonomy and the integrated computer language (iXBRL).

## 2.3 Summary of significant accounting policies and measurement criteria

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.

The accounting policies adopted by the Poste Italiane Group are described below.

### 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

131. 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).

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. For details of the useful life of the main classes of property, plant and equipment of the Group, reference should be made to Note 2.4 - *Use of estimates*.

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.

## Investment property

Investment property 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 on the useful life of the Group's investment property, please refer to Note 2.4 - *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 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 that will generate future economic benefits with a time horizon of more than one year. 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".



## Lease arrangements

At the conclusion of the contract, the actual existence of a lease component is assessed. The contract is, or contains, a lease if in return for consideration it confers the right to control the use of a specified asset for a period of time. The activity is usually specified as explicitly stated in the contract or when it is available for use by the customer. The right of control is evaluated on the basis of the right to obtain substantially all the economic benefits deriving from the use of the asset and the right to decide on its use. The initial assessment is only reviewed during the term of the contract if there are modifications to the contract conditions with substantial impact on the right to control the underlying asset.

If the lease contract also contains a non-lease component, the latter is separated and treated in accordance with the relevant accounting standard. However, if separation cannot be achieved on the basis of objective criteria, the lease and non-lease component are submitted jointly to the accounting rules of the lease.

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.

The lease liability is initially recorded at the present value of the lease instalments not paid on the date the contract commences<sup>132</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);
- 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, the remaining lease liability is remeasured with reference to the incremental borrowing rate at the date of the modification; in all other cases, the lease liability is remeasured using the initial discount rate.

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 Group avails itself of the option granted by the principle of non-application of the provisions provided in the standard to short-term contracts (with a duration of no more than twelve months) and to contracts in which the individual underlying asset is of low value (up to €5,000); 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 (as defined by IAS 36). 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.

132. 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 as 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.



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>133</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 subsidiaries that are not significant (individually or in the aggregate) and are not consolidated, and those in companies over which the Group exerts significant influence ("associates") and in joint ventures, are accounted for using the equity method. See note 2.6 – *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 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

In accordance with IFRS 9 - *Financial instruments*, the classification of financial assets and liabilities is determined at the time of initial recognition and at the relative fair value, according to the 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>134</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

133. 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.

134. This is possible for transactions carried out on organised markets (the "regular way").

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.

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 as 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.

In determining whether credit risk has increased significantly, it is necessary to compare the risk of default of the financial instrument as 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. Regarding trade receivables, a simplified approach is applied to measure the expected credit loss, if these receivables do not contain a significant financing component pursuant to IFRS 15. The simplified approach is based on a matrix of observed historical losses.

In the extremely rare event of the entity deciding to change its business model, previously recognised financial assets are reclassified to the new accounting category; the effects of the reclassification are recognised only prospectively, and therefore, the previously recognised gains/losses and interest must not be restated. The effects of the reclassification are as follows:

- if the financial asset is reclassified from amortised cost to fair value through profit or loss, the fair value of the asset is determined on the reclassification date. Gains and losses resulting from the difference between the previous amortised cost and fair value are recognised through profit or loss;
- if the financial asset is reclassified from fair value through profit or loss to amortised cost, the fair value on the reclassification date becomes the new gross carrying amount;
- if the financial asset is reclassified from amortised cost to fair value through other comprehensive income, the fair value of the asset is determined on the reclassification date. Gains and losses resulting from the difference between the previous amortised cost and fair value are recognised through other comprehensive income. The effective interest rate and the expected credit loss are not adjusted following reclassification;
- if the financial asset is reclassified from fair value through other comprehensive income to amortised cost, the cumulative gain (loss) recognised previously through other comprehensive income is derecognised from equity through an adjustment to the fair value of the financial asset on the reclassification date. Consequently, the financial asset is reported as though it had always been reported at amortised cost, by not changing the effective interest rate and the expected credit loss;

- if the financial asset is reclassified from fair value through profit or loss to fair value through other comprehensive income, the financial asset continues to be measured at fair value;
- if the financial asset is reclassified from fair value through other comprehensive income to fair value through profit or loss, the financial asset continues to be measured at fair value. The cumulative gain (loss) recognised previously through other comprehensive income is recycled to profit or loss on the reclassification date.

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>135</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.

IAS 39 allows, in addition to individual financial assets and liabilities, the designation of a cash amount, representing a group of financial assets and liabilities (or portions thereof) as the hedged item in such a way that a group of derivative instruments may be used to reduce exposure to fair value interest rate risk (a so-called macro hedge). Macro hedges cannot be used for net amounts deriving from differences between assets and liabilities. Like micro hedges, macro hedges are deemed highly effective if, at their inception and throughout the term of the hedge, changes in the fair value of the cash amount are offset by changes in the fair value of the hedges, and if the effective results fall within the interval required by IAS 39.

135. 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.

- Cash flow hedges<sup>136</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.

## 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.

## 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

136. 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.

published by the main Italian supervisory bodies (Joint Document of the Bank of Italy, IVASS and CONSOB<sup>137</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).

At the date of purchase, these receivables are recorded at their fair value (coinciding with the price paid) and subsequently measured:

- at amortised cost, if acquired for use in offsetting tax or social security payables by Poste Italiane SpA, based on the provisions of the relevant regulations ("Hold to Collect" business model);
- at fair value with impact on overall profitability, if also purchased for eventual sale to third parties ("Hold to Collect and Sell" business model).

It should be noted that during the year, tax credits previously measured at fair value through other comprehensive income were reclassified to the category tax credits at amortised cost. The reclassification, effective as of 1 October 2022, became necessary as a result of the lack of development in the market for second sales between financial intermediaries, which therefore required BancoPosta RFC to revise its business model for these loans.

## Classification of receivables and payables attributable to BancoPosta 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.

## 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".

137. 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".

## 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 and Nexive Network Srl. 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>138</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>139</sup>.

Environmental certificates not used in the reporting period are recognised in inventories.

<sup>138</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>139</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.



## Environmental certificates

Within the Poste Italiane Group, environmental certificates refer to:

- Emission allowances held by the company Poste Air Cargo Srl as an incentive to reduce greenhouse gas emissions<sup>140</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 Directive 2009/28/EC. 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 de-carbonisation.

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, as well as guarantees of origin and carbon credits to the extent that they are similar, is carried out in accordance with the provisions of the OIC "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 are accounted for in closing inventory at the lower of cost and net realisable value<sup>141</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, and any interest issued by the acquirer. Costs directly attributable to the transaction are recognised in the Statement of profit or loss.

<sup>140</sup>. Introduced into the Italian and European regulatory system by the Kyoto Protocol.

<sup>141</sup>. Any surplus emission allowances allocated free of charge are not accounted for in closing inventory.



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 2022 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

In compliance with IFRS 5, 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.

Non-current assets and net assets in a disposal group held for sale are recognised as discontinued operations if one of the following conditions is met: i) they represent a major line of business or geographical area of operation, ii) they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation, or, iii) they are subsidiaries acquired exclusively with a view to resale. The profit or loss from discontinued operations, and any gains or losses following the sale, are presented separately in a specific item in profit or loss, after the related taxation. The economic values of discontinued operations are also shown for the years under comparison.

If the commitment to a plan to sell is assumed after the end of the reporting period, and/or the asset or disposal group can only be included in the transaction under conditions that are different from the current conditions, the Group does not proceed with reclassification and discloses the necessary information.

If, after the date of preparation of the financial statements, an asset (or disposal group) no longer meets the conditions for classification as held for sale, it must be reclassified following measurement at the lower of:

- the carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation, impairments or reversals of impairments that would have been recognised if the asset (or disposal group) had not been classified as held for sale;
- the recoverable amount, calculated at the date on which the decision not to sell was made.

Any adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale is included in "Profit/(Loss) for the year from continuing operations" in the period in which it no longer meets the conditions for classification as held for sale. If an individual asset or liability is removed from the disposal group classified as held for sale, the remaining assets and liabilities in the disposal group continue to be measured as a single group only if they continue to meet the conditions for classification as held for sale.

## 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 following policies and classification and measurement criteria refer specifically to the operations of the Poste Italiane Group's insurance companies, in application of the provisions of IFRS 4, replaced in its entirety as of 1 January 2023 by the new accounting standard **IFRS 17 - Insurance Contracts**, for the discussion of which reference should be made to *Note 2.5 New accounting standards and interpretations and those soon to be effective*.

Insurance contracts are classified and measured as insurance contracts or finance contracts, based on their prevalent features. Contracts issued by Poste Vita SpA primarily relate to life assurance. In 2010 Poste Assicura SpA began operating in the P&C sector.

Under IFRS 4, contracts that transfer significant insurance risk are considered insurance contracts. These contracts are accounted for and valued in accordance with the principles used to prepare the separate financial statements, observing the applicable laws and regulations<sup>142</sup>.

Insurance risk is significant if, and only if, an insured event could cause the insurer to pay significant additional economic benefits under any circumstances, other than those that have no identifiable effect on the economic aspect of the transaction, even if the insured event is highly unlikely. The reference accounting standard does not provide a specific indication of the level of significance. Therefore, it is up to the Group insurance companies to define a threshold beyond which the additional payment in the event of the insured event may generate the transfer of a significant insurance risk<sup>143</sup>.

The separation of a contract, classified as insurance, into deposit component and insurance component is mandatory in some circumstances and optional in others. In the case of separation, which can only occur under certain conditions, the deposit component falls under IFRS 9, while the insurance component falls under IFRS 4. Group insurance companies do not perform this breakdown.

The Group applies the following bases for classification and measurement of these contracts.

**Contracts classified as insurance contracts in accordance with IFRS 4:** include Class I and Class V life insurance policies, Class III policies that qualify as insurance contracts and P&C insurance contracts. These products are accounted for as follows:

- insurance premiums are accounted for when the policies are written, recognised as income and classified in revenue; they include annual or single premiums accruing during the period and deriving from insurance contracts outstanding at the end of the reporting period, net of cancellations;
- technical provisions are made in respect of earned premiums to cover obligations to policyholders; such provisions are calculated on an analytical basis for each contract using the prospective method, based on actuarial assumptions appropriate to cover all outstanding obligations. The technical provisions and charges relating to the claims are recognised with the relevant sign as positive income components.

**In the case of contracts for separately managed accounts with discretionary participation features<sup>144</sup>** (DPF, as defined in Appendix A of IFRS 4), IFRS 4 makes reference, as illustrated above, to national GAAP. The contracts are classified as "financial", but accounted for as "insurance" as follows:

- premiums, changes in technical provisions and other claim expenses are recognised in the same way as the insurance contracts described above;
- unrealised gains and losses attributable to policyholders are assigned to them and recognised in technical provisions (deferred liabilities payable to policyholders) under the shadow accounting method.

142. In detail, reference is made to the provisions of Legislative Decrees no. 173/2997 and no. 209/2005 as well as ISVAP Regulations no. 16, no. 21 and no. 22 (as amended and supplemented by ISVAP measure no. 2771 of 29 January 2010, ISVAP measure no. 2845 of 17 November 2010 and IVASS measure no. 53 of 6 December 2016).

143. This threshold, defined by aggregating individual contracts into homogeneous categories based on the nature of the risk transferred to the Company, has been set by Poste Vita SpA's Board of Directors at 5%.

144. A contractual right of investors to receive returns on the separately managed account. This category includes contracts relating to the life business and referring to Class I and Class V products that envisage clauses for the revaluation of the insured benefit based on the returns achieved by a separately managed account.

The calculation technique used in applying the shadow accounting method is based on the prospective yield on each separately managed account, considering a hypothetical realisation of unrealised gains and losses over a period which is consistent with the characteristics of the assets and liabilities held in the portfolio. The amount to be recognised as a deferred liability also takes account, for each separately managed account, of contractual obligations, the level of minimum returns guaranteed at the time of concluding the contract and any financial guarantees provided.

## 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 benefit**:

- **Defined benefit plans**  
Defined benefit plans include employee termination benefits payable to employees in accordance with article 2120 of the Italian Civil Code.  
As a result of the supplementary pension reform, for all companies with at least 50 employees, from 1 January 2007 vesting employee termination benefits (TFR) must be paid into a supplementary pension fund or into a Treasury Fund set up by INPS. Accordingly, the company's defined benefit liability is applicable only to the provisions made up to 31 December 2006<sup>145</sup>. In the case of companies with less than 50 employees, vested employee termination benefits continue to fully increase the accumulated liability for the company.  
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 compliance with IAS 19. 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 the employee termination benefits accrued for work already performed and is based on actuarial assumptions that mainly concern: demographic assumptions (such as employee turnover and mortality) and financial assumptions (such as rate of inflation and a discount rate consistent with that of the liability). In the case of companies with at least 50 employees, as the company is not liable for employee termination benefits accruing after 31 December 2006, the actuarial calculation of employee termination benefits no longer takes account of future salary increases. 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.

145. Where, following entry into effect of the new legislation, the employee has not exercised any option regarding the investment of vested employee termination benefits, the Group has remained liable to pay the benefits until 30 June 2007, or until the date, between 1 January 2007 and 30 June 2007, on which the employee exercised a specific option. Where no option was exercised, from 1 July 2007 vested employee termination benefits have been paid into a supplementary pension fund.

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.

## Translation of items denominated in currencies other than the euro

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.

## Revenue recognition

In accordance with IFRS 15 – *Revenue from Contracts with Customers*, revenue is recognised to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services (the transaction price).

Revenue is recognised on the basis of a 5-step framework, which consists of the following:

- identify the contract with the customer (sales contracts except lease contracts, insurance contracts, financial instruments and non-monetary exchanges);
- identify the performance obligations, which can be defined as the explicit or implicit promise to transfer a distinct good or service to the customer;
- determine the transaction price;
- in the case of bundles of goods or services involving different performance obligations, allocate the transaction price to the performance obligation; to that end, it is necessary to estimate the stand-alone selling price of each component;

- recognise revenue when or as the entity fulfils the performance obligation, that is upon delivery of the good or service to the customer. Performance obligations can be fulfilled:
  - “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).

Every single supplier obligation with the customer is considered, measured and recognised separately. This approach involves a preliminary accurate analysis of the contract to identify every “single product/service” or every “single component” of a product/service that the supplier promises to provide, attributing to each the relevant consideration, and to monitor each such obligation during the life of the contract (in terms both of manner and timing of fulfilment and the customer's level of satisfaction).

For revenue recognition purposes, the principle provides for the identification and quantification of the so-called 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 consideration, of particular importance are the penalties (other than those provided for compensation for damages): said negative income components are recorded as a direct decrease in revenue, instead of allocating them to a provision for risks and charges.

In the presence of multiple performance obligations, the total transaction price is allocated to each performance obligation to the extent of the consideration that the entity is entitled to receive for the transfer of the relevant goods and services to the customer. The transaction price will be allocated on the basis of the standalone selling price of the goods and services associated with the performance obligation. The standalone selling price is the price at which an entity would sell the goods and services separately to the customer, under similar circumstances and to similar customers. If the standalone selling price is not observable, the Company would need to estimate it considering all the information available (market conditions, information on the customer or the class of customers) and the estimation methods used in similar circumstances.

The incremental costs of obtaining a contract are capitalised and amortised over the useful life of the contract, if longer than 12 months, while any non-incremental costs of obtaining a contract are expensed as incurred. Costs incurred to fulfil performance obligations related to a contract that do not qualify for treatment under other standards (IAS 2 – *Inventories*, IAS 16 – *Property, Plant and Equipment* and IAS 38 – *Intangible Assets*) are capitalised only if the following conditions are met:

- the costs related directly to a contract (general and administrative costs are not capitalised);
- the costs generate or enhance resources;
- the costs are expected to be recovered.

The Group recognises the obligation to transfer to the customer goods or services for which payment has already been obtained (or for which the customer's consideration is due before the goods and services are provided) classified as liability deriving from the contract.

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 are invested.

For details on the distinction between revenue from contracts with customers recognised at a point in time or over time, see section “4.3 Notes to the Statement of profit or loss”.

## Government grants

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".

## 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>146</sup>.

## 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.

## 2.4 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 geopolitical uncertainty arising from the war between the European countries Russia-Ukraine and the unique characteristics of the macroeconomic environment of reference recorded during the year (in line with ESMA requirements<sup>147</sup>).

## Revenue and amounts due from the State

Revenue from activities carried out in favour of or on behalf of the State and Public Administration entities 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 instructions contained in legislation regarding the public finance. The legal framework of reference is still subject to change

146. 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.

147. Public statement ESMA 32-63-1320 of 28 October 2022.



and, as has at times been the case, circumstances were such that estimates made in relations to previous financial statements, with effects on the statement of profit or loss, had to be changed. The complex process associated with the determination of receivables, which has not been completed yet, may result in changes in the results for the accounting periods after the period ended 31 December 2022 to reflect variations in estimates, due to future regulatory enactments or following the finalisation of expired agreements to be renewed.

At 31 December 2022, Poste Italiane Group's receivables outstanding with central and local authorities amounted to roughly €958 million (€636 million at 31 December 2021), gross of provisions for doubtful debts.

The table below summarises amounts due from the State.

Receivables (€m)	31.12.2022	31.12.2021
Remuneration of current account deposits	227	17
Universal Service	31	31
Delegated services	30	30
Electoral subsidies	1	1
Other	1	2
<b>Trade receivables due from the MEF</b>	<b>290</b>	<b>81</b>
<b>Shareholder transactions:</b>		
Amounts due following cancellation of Decision EC 16/07/2008	39	39
<b>Total amounts due from the MEF</b>	<b>329</b>	<b>120</b>
Due from Ministries and Public Administration entities: Chair of the Cabinet Office for publisher tariff subsidies	173	120
Due from Ministries and Public Administration entities: MiMIT	50	49
Other trade receivables due from Public Administration entities	358	294
<b>Trade receivables due from Public Administration entities</b>	<b>581</b>	<b>463</b>
<b>Other receivables and assets:</b>		
Sundry receivables due from Public Administration entities	-	-
Amounts receivable for IRES refund	48	52
Amounts receivable for IRAP refund	1	1
<b>Current tax assets and related interest</b>	<b>49</b>	<b>53</b>
<b>Total amounts due from MEF and the Public Administration</b>	<b>958</b>	<b>636</b>

At 31 December 2022, provisions for doubtful debts reflect receivables for which no provision had been made in the state budget and uncertainty regarding past due amounts due from the Public Administration. For further details, see notes A8 - Trade receivables and A9 - Other receivables and assets.

## 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.

## 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 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 2.3 *Summary of significant accounting policies and measurement criteria* 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>148</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

For the purposes of calculating impairment and determining the stage allocation, the main factors estimated by the Poste Italiane Group 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 Note 6 - *Risk management*.

## 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

148. 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...".

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.

The current environment - which has resulted in highly volatile markets and great uncertainty with regard to economic projections, characterised by the increase in prices and inflation rates and geopolitical tensions arising from the conflict between Russia and Ukraine, and the decline of the postal market in which the Group operates, make it difficult to produce reliable economic/financial forecasts.

The most significant impairment tests performed at 31 December 2022 refer to:

	Amount (€m)	Method used	Explicit forecast period	Growth rate	Discount rate
Goodwill allocated to the Mail, Parcels and Distribution segment CGU	213	DCF	2023-2025	2.1%	6.19% (WACC)
Goodwill allocated to LIS (Payments and Mobile) CGU	459	DCF	2023-2025	2.1%	8.64% (WACC)
Investment in Anima Holding SpA	213	DDM	2023-2025	2.1%	8.34% (Ke)

DCF: Discounted Cash Flow

DDM: Dividend Discount Model

## Mail, Parcels and Distribution CGU

In view of the continuing negative economic results, the decline in the postal market and the current macroeconomic scenario characterised by the rise in prices and inflation rates, the Mail, Parcels and Distribution CGU was subjected to an impairment test in order to determine a value in use comparable with the overall carrying amount of net invested capital.

The impairment test of the Mail, Parcels and Distribution CGU was performed, consistent with the previous year and with what was presented to the market, at a consolidated level by including the companies within the same operating segment. Compared to previous years, the companies Plurima, Agile and Sourcesense are included in the explicit cash flows and net invested capital of the Mail, Parcels and Distribution CGU as a result of the acquisitions completed in the current year.

In order to estimate the value in use of the CGU, reference was made to the 2023 Budget approved by Poste Italiane SpA's Board of Directors on 29 March 2023 and to the best economic and financial forecasts for the two-year period 2024-2025 approved at the same meeting by the Board of Directors. 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. A long-term growth rate of 2.1% and a WACC (Weighted Average Cost of Capital) of 6.19% were used. The analysis made it possible to conclude positively on the appropriateness of the figures of the financial statements, as well as the related sensitivity analyses on the significant variables that have confirmed the carrying amounts.

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 Parent Company's 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 market value, without this having any impact on the cash flows or results 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.

## LIS (Payments and Mobile) CGU

Following the Purchase Price Allocation process, details of which are provided in Note 2.6 - *Basis of consolidation*, goodwill of €459 million emerged, equal to the residual difference between the consideration transferred for the acquisition of the LIS Group and the adjusted fair value of the net assets acquired.

In performing the impairment test, reference was made to the CGU consisting of LIS Holding and LIS Pay as the cash-generating unit.

In order to estimate the value in use of the CGU, reference was made to the 2023 Budget and the financial forecasts for the two-year period 2024-2025 approved by the Board of Directors of the respective companies; a long-term growth rate of 2.1% and a WACC of 8.64% were used.

Based on the test results, there was no need to make impairment adjustments at 31 December 2022.

## Investment in Anima Holding SpA

With reference to the impairment test of the investment in Anima Holding SpA, the value in use was determined taking into account available 2023-2025 forecasts, a long-term growth rate of 2.1% and a cost of equity (ke) of 8.34%.

At 31 December 2022, there was no need to make additional adjustments to the negative effect already recognised in the first half of 2022 of €21 million.

## Other equity investments in associates

With reference to the impairment tests of the equity investments in the other associates Financit, Replica Sim and Eurizon Capital Real Asset, no impairment adjustments were found to be necessary at 31 December 2022.

## 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 (normally 3 years, except for certain applications for which the useful life can be estimated up to a maximum of 5 years).

## La 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.

## Technical provisions for insurance business

The measurement of technical provisions for the insurance business is based on estimates made by actuaries employed by Poste Vita SpA, based on a series of material assumptions, including technical, actuarial, demographic and financial assumptions, as well as on projections of future cash flows from the insurance contracts entered into by Poste Vita and Poste Assicura and effective at the end of the year.

In order to verify the adequacy of the technical provisions, the Liability Adequacy Test (LAT) is performed periodically. It measures the ability of future cash flows from insurance contracts to cover liabilities to the policyholder<sup>149</sup>. The LAT is conducted on the basis of the present value of future cash flows, obtained by projecting expected future cash flows from the existing portfolio to the end of the reporting period, based on appropriate assumptions regarding the cause of termination (death, surrender, redemption, reduction) and the performance of claim expenses. If necessary, technical provisions are topped up and the related cost charged to profit or loss.

149. For example, with reference to the Life business, the approach adopted for the quantification of technical items useful for the implementation of the LAT consists in the development, for each product line, of a calculation model that replicates the (probable) economic commitments of the Group insurance company over the entire projection horizon coinciding with the residual duration of the contracts. The projections of future cash flows take into account the general and special policy conditions, with particular reference to the time structure of premiums, insured benefits, payments per claim, maturities or redemptions, as well as revaluation clauses and any other contractual options present. Future assumptions express reliable estimates of the probability of exit for the various causes, impacting future cash flows of investment returns, policyholder participation rates, and levels of acquisition and operating expenses.

## Share-based payments

As better described in more detail in Note 13 - *Additional information* - Share-based payment arrangements, an internal pricing tool was used to assess the Share-based payment arrangements in place within the Poste Italiane Group at the close of these financial statements, 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 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 2022, also based on the experience of each Group company and the reference best practice, are as follows:

### Economic and financial assumptions

	31.12.2022
Discount rate	3.63%
Inflation rate	2.30%
Annual rate of increase of employee termination benefits	3.225%

### Demographic assumptions

	31.12.2022
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 groups of contracts 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 groups of contracts 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 val-

uation 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>150</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*.

## Information on non-financial issues

### Climate change

Climate change and the transition to a low-carbon economy are becoming increasingly relevant to businesses, banks, governments, regulators, and investors.

During the year under review the process of identifying and assessing risks and environmental management methods continued, enabling the Poste Italiane Group to pursue the ambitious goal of contributing to the achievement of international carbon neutrality objectives, as specified in greater detail in the section of the Non-Financial Statement to which reference should be made for further details.

Risks related to climate change have been taken into account in the preparation of these financial statements. With particular regard to the accounting treatment reserved for greenhouse gas emission allowances relating to the Group's airline, Poste Air Cargo, as well as guarantees of origin and carbon credits held by the company Postepay and relating to the provision of Energy (electricity and gas) sales services, please refer to "Note 2.3 - Summary of significant accounting policies and measurement criteria".

### 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 2022 heavily impacted by a number of factors such as: pandemic effects, inflation, rising

<sup>150</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.



interest rates, deterioration of the economic climate, geopolitical risks and uncertainties on future developments. 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 6 - Risk management - Credit Risk"; while for a full discussion of risks related to the economic environment, please refer to the specific sections of the Report on Operations.

## 2.5 New accounting standards and interpretations and those soon to be effective

### Accounting standards and interpretations applicable from 1 January 2022

- Amendments to **IAS 16 - Property, Plant and Equipment**, the purpose of which is to clarify that income from the sale of products made during the testing phase of the asset itself, as well as the related production costs, must necessarily be recognised in the statement of profit or loss.
- Amendments to **IAS 37 - Provisions, Contingent Liabilities and Contingent Assets** to clarify that, for the purpose of assessing whether a contract is onerous, it is necessary to consider not only the incremental costs of fulfilling the contract (such as labour and direct materials), but also all other costs directly attributable to the contract (such as the depreciation of assets used to fulfil that specific contract).
- Amendments to **IFRS 3 - Business Combinations** to update the reference in the standard to the Conceptual Framework in the revised version of 2018, without this leading to changes in the provisions of the standard.
- Amendments to the following accounting standards in the context of routine standard improvement activities with the objective of resolving non-urgent issues related to inconsistencies in the standards or to provide clarifications of terminology:
  - **IAS 41 - Agriculture;**
  - **IFRS 1 - First-time Adoption of International Financial Reporting Standards;**
  - **IFRS 9 - Financial Instruments;**
  - **Illustrative Examples of IFRS 16 Leases.**

The adoption of the newly applied accounting standards outlined above has had no impact on the Poste Italiane Group's financial reporting.

### Accounting standards and interpretations soon to be effective

The following are applicable from 1 January 2023:

- **IFRS 17 - Insurance Contracts.** The new accounting standard on insurance contracts, which will fully replace 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.

The standard changes 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.

In accordance with the new accounting standard, it is necessary to identify those contracts that meet the definition of an insurance contract, thus defining the scope of application of the new standard.

The insurance contracts within the scope of application will initially be subdivided according to the year they were underwritten and their profitability. In fact, the standard provides that groups of insurance contracts are, following the performance of an “onerousness test”, divided into:

- profitable contracts;
- onerous contracts;
- contracts that at the time of initial recognition do not have a high probability of becoming onerous.

The groups of contracts identified can be measured by applying the General Model (also referred to as the Building Block Approach - BBA); this approach involves defining the cash flows associated with the insurance contract, consisting of:

- future 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 so-called 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 for the possibility of using 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 groups of contracts 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;
- Variable Fee Approach (VFA), a mandatory measurement model for investment contracts with discretionary participation features, such as separately managed accounts and unit-linked insurance.

The provisions of the new standard are to be applied to insurance contracts issued, reinsurance contracts issued and held, and investment contracts with a discretionary participation feature (DPF). The preliminary effects resulting from the initial application of IFRS 17 at 1 January 2022 are presented in the section “*Accounting standards and interpretations soon to be effective: ESMA Disclosure - Quantitative impacts*”.

- **Amendments to IFRS 17 - Insurance Contracts** aimed at introducing a transition option regarding comparative information on financial assets presented at the date of initial application of the new standard, in order to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and thus to improve the usefulness of comparative information for readers of financial statements.
- **Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** aimed at improving disclosure on accounting policies so as to provide more useful information to investors and other primary users of financial statements, as well as to help companies distinguish changes in accounting estimates from changes in accounting policies.
- **Amendments to IAS 12 - Income Taxes** to clarify how deferred taxes should be accounted for on certain transactions that may generate assets and liabilities of equal amount, such as leases and decommissioning obligations, with the objective of reducing diversity in the recognition of deferred tax assets and liabilities on such transactions.

Lastly, at the reporting date, the IASB has issued the following amendments, still not yet endorsed by the European Commission:

- *Amendments IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants;*
- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.*

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.

## Accounting standards and interpretations soon to be effective: ESMA disclosure

On 13 May 2022, the European Securities and Markets Authority (hereinafter referred to as ESMA) published Public Statement ESMA32-339-208 "Transparency on implementation of IFRS 17 Insurance Contracts"<sup>151</sup> with the aim of identifying certain information that listed companies are encouraged to provide in their 2022 Half-Year and Annual Financial Reports regarding the impacts of the first-time application of **IFRS 17- Insurance Contracts**.

The IFRS 17 implementation project was launched by the Poste Italiane Group during 2019 and concerned the insurance companies of the Poste Vita Group (Poste Vita SpA and Poste Assicura SpA) as well as, limited to the related impact on the consolidated financial statements, the Parent Company, with the assistance of a consultant with proven expertise and professionalism. Below we provide some preliminary relevant information required by ESMA concerning the effects of applying IFRS 17.

### Scope of application

The application of the principle requires an analysis of existing contracts in order to identify those that reflect the definition of an "insurance contract", i.e. 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.

Therefore, insurance contracts issued by companies belonging to the Poste Vita Group, as well as reinsurance contracts held, fall within the scope of the 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 instead of IFRS 17 as permitted by the new standard.

### Level of portfolio aggregation

The Poste Italiane Group will apply IFRS 17 to its entire portfolio of contracts issued by Group companies and reinsurance contracts held. The level of aggregation defined envisages an initial distinction between Life and P&C business and then a distinction into different Unit Of Accounts that accommodate contracts with similar contractual characteristics and product risk. This classification was also made taking into account the Solvency II Lines of Business, where possible.

### Application of exemption to annual cohorts

As envisaged in the endorsement of the final version of the standard, the Poste Italiane Group will adopt the exemption option relating to the application of the annual cohorts<sup>152</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 by exploiting the mutualisation effect of returns<sup>153</sup>, typical of segregated managed accounts. No impact on P&C business is expected.

This exemption stems from the fact that in insurance practice, the revaluation rules for insurance liabilities are a function of the returns on the related financial assets, which are 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 product generation years. 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.

151. Also referred to by ESMA Public Statement 32-63-1320 "European common enforcement priorities for 2022 annual financial reports", which identifies the key information that listed companies are required to present in their 2022 Annual Financial Reports.

152. Cohort means the division of contracts according to the year of signing.

153. 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.

## Discount rate

For the discounting of future cash flows related to insurance contracts, the 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 without Volatility Adjustment (i.e. the measure defined for Solvency II purposes that allows the effects of market volatility to be mitigated).

The Basic Risk Free curve, depending on the specific business, will 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.

Below are the details of the portfolios:

- in relation to the Separately managed account participating business and the Unit Linked portfolio connected to Separately managed accounts (Multi-branch products), it was decided to calibrate the IFRS 17 Illiquidity Premium 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, it was decided to adopt values of Illiquidity Premiums consistent with the Volatility Adjustment value provided by EIOPA, in line with Solvency II;
- in relation to the P&C Business, it was decided to adopt only the Basic Risk Free curve, thus assuming an Illiquidity Premium of 0, in line with the Solvency II framework.

## Risk adjustment

The Risk Adjustment, i.e. the remuneration that Poste Italiane Group companies charge for taking non-financial risks, will be calculated separately for Life and P&C business. This measure represents an adjustment of the estimated Present Value Future Cash Flow, which will affect the determination of the CSM.

To determine the Risk Adjustment, the Poste Italiane Group decided to use the percentile metric. According to this approach, the Risk Adjustment represents the potential loss in relation to the obligations assumed towards policyholders (Technical Reserves) that companies would incur, at a given level of probability (percentile level), to cover the insurance risks assumed, thus reflecting the companies' risk appetite.

In the identification of the confidence level for the Risk Adjustment, equal to 70% for the Life business and 80% for the P&C business, among other elements, the Solvency II valuation framework was taken into account, considering the same perimeter of underlying risks.

## Evaluation models adopted

The Premium Allocation Approach, adopted exclusively for P&C Business, will be used for all contracts that include one or more of the following features:

- duration of 720 days or less;
- single premium with duration  $\leq 7$  years;
- multi-year duration and membership of the Collective Business;
- 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 financial years.

It is specified that, in order to determine these requirements, sensitivity analyses were conducted to identify which features of the contracts had a non-significant impact in terms of the outcome when applying the PAA compared to those that would have been obtained by applying the BBA.

With reference to the VFA model, adopted exclusively for the Life business, the Group assessed the eligibility for the model for the following types of products:

- With Profit Participating;
- Unit-linked standalone insurance;
- Hybrid products with investment components.

The BBA model will be applied in both P&C and Life business and adopted for portfolios other than those described above.

## Definition of the Contractual Service Margin release pattern choice

With reference to the Life business, the Poste Italiane Group determines the CSM release by adopting a Coverage Unit (CU) based on 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.

As part of the CSM release pattern of the P&C business, for contracts valued under the BBA Model, the Group decided to use a release driver based on earned premiums before commissions. The evaluation of the driver also takes into account the effect of any premium refunds and related commission reversals.

## Method of determining contract boundaries

The valuation of a group of insurance contracts must take into account the Contract Boundaries, i.e. the contractual elements that can change the cash flows linked to the contract. The identification of these elements makes it possible to distinguish future cash flows related to existing contracts, which must be included in the estimate at the measurement date, from cash flows that will arise in the future and which must be measured separately in accordance with IFRS 17. The contract boundary identification techniques adopted by the Group are the same as those used in the Solvency II context, with the exception of the case relating to non-cancellable tacit renewals of certain P&C business products, which define a new initial recognition and, therefore, a new cohort.

## Method of determining the investment component

The investment component represents the amount under the insurance contract that the issuing entity must recognise even if the insured event does not occur. The standard expressly requires that this component be displayed separately if distinct. The Group identifies the investment component for certain insurance contracts and defines it as follows:

- for investment products and annuities in the accumulation phase, the investment component is equal to the difference between the liquidated value and the surrender value net of penalties;
- for 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 P&C business, the investment component is identified in outward reinsurance contracts that provide scalar or profit sharing.

## Insurance finance income/expenses

The recognition of insurance finance income and expenses, i.e. the effects of changes in the time value of money and financial risk, as required by the standard, will be calculated separately per measurement model:

- for the VFA portfolio, insurance finance income/expenses will be recognised in the statement of profit or loss or in Other Comprehensive Income (OCI) in relation to the result of Fair Value Underlying Items defined in accordance with IFRS 9;
- with regard to the BBA measurement model, finance income and expenses items will be calculated on the basis of the valuation curves adopted for the calculation of IFRS 17 flows.

## Transition method

The Group plans to adopt the Modified Retrospective Approach for the life investment portfolio and the Fair Value Approach for the life pure risk portfolio.

With regard to the P&C business, for the 2021 and earlier cohorts (i.e. for products issued up to 2021) the Fair Value Approach will be adopted, for the 2022 cohort a "Running" approach will be applied as if the standard was already in force on 1 January 2022.

## Interactions between IFRS 17 and IFRS 9

The Poste Italiane Group, and thus also the two insurance companies, 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.

In order to limit accounting mismatches between IFRS 9 and IFRS 17, the Group plans to adopt 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.

## Quantitative impacts

The following table shows the preliminary effects of the initial application of IFRS 17 on the Poste Italiane Group's condensed statement of financial position at the transition date of 1 January 2022, highlighting the main items impacted.

(€bn)	31 December 2021 IFRS 4 balances	Accounting entries eliminated	Reclassified accounting items	Effects of IFRS 17 measurement	1 January 2022 Restated	Change
Fixed assets	4.3				4.3	-
Equity investments and financial assets	249.1				249.1	-
Technical provisions attributable to reinsurers	0.1	(0.1)			-	(0.1)
Assets for outward reinsurance	-			0.05	0.05	0.05
Trade receivables and other assets	14.4		(0.0)		14.3	(0.0)
Deferred tax assets	1.2			0.4	1.6	0.4
Cash	15.6				15.6	-
<b>Total Assets</b>	<b>284.7</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>0.4</b>	<b>285.1</b>	<b>0.3</b>
Technical provisions for insurance business	159.1	(159.1)			-	(159.1)
Liabilities under insurance contracts	-			160.3	160.3	160.3
Provisions	2.2				2.2	0.0
Financial liabilities	104.7				104.7	0.0
Trade payables and other liabilities	6.6				6.6	
<b>Total Liabilities</b>	<b>272.6</b>	<b>(159.1)</b>	<b>-</b>	<b>160.3</b>	<b>273.9</b>	<b>1.2</b>
<b>Equity</b>	<b>12.1</b>	<b>159.0</b>	<b>(0.0)</b>	<b>(159.9)</b>	<b>11.2</b>	<b>(0.9)</b>

As required by the new accounting standard, the expected profit on contracts (CSM) will be suspended within insurance liabilities and released over the life of the contracts, resulting in an increase in the value of insurance liabilities in the transition from IFRS 4 to the new IFRS 17.

The following is a preliminary breakdown of net liabilities under insurance contracts issued at the transition date:

(€bn)	
LIABILITIES UNDER INSURANCE CONTRACTS	Balance at 1° January 2022
<b>Liability for remaining coverage (LRC)</b>	<b>159.4</b>
Liability for remaining coverage (LRC)	0.0
LRC Premium Allocation Approach	147.5
PVFC - Present Value of future cash flow	1.3
Risk Adjustment	10.5
<b>Liability for incurred claims (LIC)</b>	<b>1.0</b>
Cash Flow related to past services	1.0
Risk Adjustment	0.0
<b>Total</b>	<b>160.3</b>

Considering that the accounting, control and validation processes of the IT structure related to the management of IFRS 17 data are currently being finalised, the impact of the application of IFRS 17 at 1 January 2023 and on the statement of profit or loss for the comparative year 2022 will be presented in the next consolidated financial reports.

## 2.6 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 2022, 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.

### Plurima SpA

On 18 March 2022, Poste Italiane signed a binding agreement with Opus Srl. and the private equity operator Siparex to acquire a majority stake in Plurima SpA (“Plurima”) for a consideration based on a total enterprise value of €130 million. The closing took place on 2 May 2022. The transaction was carried out through Poste Welfare Servizi Srl (“PWS”), a wholly-owned subsidiary of Poste Italiane, and financed with available cash resources.

With the completion of the transaction, PWS holds 70% of the share capital of Plurima Bidco Srl (Bidco), which in turn owns 100% of Plurima. The final consideration paid by BidCo, taking into account the purchase price adjustment defined on the basis of Plurima's net financial position at the date of closing (as regulated between the parties in the sale and purchase agreement), amounted to €135.2 million (difference with net assets acquired at the date of acquisition of €122.7 million).

In addition, Plurima holds 100% of the share capital of Logos Srl. and 60% of the share capital of Bridge Technologies Srl.

Finally, in order to simplify the control structure of the Poste Italiane Group, on 20 June 2022, the reverse merger project of Bidco into Plurima was approved by the respective boards of directors and submitted to the companies' shareholders' meetings. The deed of merger was signed on 22 December 2022 with effect from 1 January 2023.

Below are the carrying amounts of the assets acquired and liabilities assumed at the date of acquisition of Plurima and its subsidiaries:

(€k)	Carrying amount (A)	Fair Value Adjustments (B)	Fair Value (A+B)
<b>Net assets acquired</b>			
Intangible assets*	451	30,502	30,953
Property, plant and equipment	6,568	-	6,568
Right-of-use asset	100,699	-	100,699
Trade and other receivables and other assets	19,842	-	19,842
Financial assets	555	-	555
Cash and cash equivalents	11,958	-	11,958
Employee termination benefits	(4,986)	-	(4,986)
Provisions for risks and charges	(1,540)	-	(1,540)
Trade and other payables	(13,687)	(8,510)	(22,197)
Financial liabilities	(106,945)	-	(106,945)
<b>Total net assets acquired</b>	<b>12,915</b>	<b>21,992</b>	<b>34,907</b>
Equity attributable to non-controlling interests			358
<b>Net assets acquired by the Group</b>			<b>34,549</b>
<b>Goodwill</b>			<b>100,668</b>
<b>Total fee</b>			<b>135,217</b>

\* Total value net of goodwill recorded in the financial statements of the acquired companies.

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 entities (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 €22.0 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.

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 the Plurima Group, the net carrying amount already represents a proxy for fair value.

The remaining difference between the consideration transferred (€135.2 million) and the fair value of the portion of the net assets acquired, adjusted following the PPA process, (€34.5 million) was allocated to Goodwill in the amount of €100.7 million.

The results described above must be considered, at 31 December 2022, 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:

(€k)	From 1 April to 31 December 2022
Revenue	45,134
Operating income	4,180
<b>Profit/(loss) for the period</b>	<b>1,692</b>

## LIS Holding SpA

On 14 September 2022, PostePay, following the authorisations received from the AGCM and the Bank of Italy, completed the acquisition of 100% of LIS Holding SpA (together with its subsidiary LIS Pay SpA, "LIS") at a price of €700 million determined on the basis of an enterprise value of €630 million and a conventionally agreed net available cash of €70 million (compared to an actual net available cash at closing of approximately €140 million). At the acquisition date, the difference between the consideration paid to the transferor and the net value of the identifiable assets acquired and liabilities assumed was €595.9 million.

The total carrying amounts of the assets acquired and liabilities assumed at the date of acquisition of LIS Holding and its subsidiary LIS Pay are shown below:

(€k)	Carrying amount (A)	Fair Value Adjustments (B)	Fair Value (A+B)
<b>Net assets acquired</b>			
Intangible assets*	8,721	192,362	201,083
Property, plant and equipment	16,200	-	16,200
Investments	-	-	-
Right-of-use asset	7,247	-	7,247
Trade and other receivables and other assets	28,886	-	28,886
Financial assets	127,951	-	127,951
Cash and cash equivalents	152,812	-	152,812
Employee termination benefits	(1,377)	-	(1,377)
Provisions for risks and charges	-	-	-
Trade and other payables	(129,248)	(55,439)	(184,687)
Financial liabilities	(107,044)	-	(107,044)
<b>Total net assets acquired</b>	<b>104,148</b>	<b>136,923</b>	<b>241,071</b>
Equity attributable to non-controlling interests			-
<b>Net assets acquired by the Group</b>			<b>241,071</b>
<b>Goodwill</b>			<b>458,929</b>
<b>Total fee</b>			<b>700,000</b>

\* Total value net of goodwill recorded in the financial statements of the acquired companies.

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 €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.

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 LIS, the net carrying amount already represents a proxy for fair value.

The remaining difference between the consideration transferred (€700 million) and the fair value of the net assets acquired, adjusted following the PPA process, (€241.1 million) was allocated to Goodwill in the amount of €458.9 million.

The results described above must be considered, at 31 December 2022, 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:

(€k)	From 1 September to 31 December 2022
Revenue	96,584
Operating income	16,682
<b>Profit/(loss) for the period</b>	<b>11,504</b>

## Sourcesense SpA

On 24 June 2022, Poste Italiane's Board of Directors approved the promotion, in agreement with certain shareholders of Sourcesense SpA ("Sourcesense"), of a voluntary cash takeover bid (OPA) on all the shares and warrants issued by the company. Sourcesense SpA, a company operating in the Information Technology sector in Italy and the United Kingdom, holds 100% of the share capital of the companies Sourcesense Digital Srl., Sourcesense Technology Srl and Sourcesense Limited.

At the end of the offer period (12 September - 21 October 2022), also taking into account the instruments subject to the acceptance and non-acceptance commitment subscribed by the shareholders of Sourcesense who acted in concert with the takeover bid, a number of shares corresponding to 98.37% of the share capital of the issuer and a number of warrants corresponding to 96.03% of those issued were tendered.

As a result of the above, the legal and statutory prerequisites have been created for Poste Italiane to exercise the Squeeze-out Right pursuant to Article 111 of the Consolidated Law on Finance and the Squeeze-out Obligation pursuant to Article 108, paragraph 1, of the Consolidated Law on Finance "squeeze out"), on the remaining shares and warrants.

On 4 November 2022, the squeeze-out procedure was finalised, as a result of which Poste Italiane holds a controlling stake in Sourcesense of 70%, and the shareholders who acted in concert with Poste Italiane have a minority stake of 30%.

Below are the carrying amounts of the assets acquired and liabilities assumed at the date of acquisition of Sourcesense and its subsidiaries:

(€k)	Carrying amount (A)	Fair Value Adjustments (B)	Fair Value (A+B)
<b>Net assets acquired</b>			
Intangible assets	1,189	-	1,189
Property, plant and equipment	107	-	107
Right-of-use asset	1,767	-	1,767
Trade receivables and other assets	9,810	-	9,810
Financial assets	55	-	55
Cash and cash equivalents	7,866	-	7,866
Employee termination benefits	(1,756)	-	(1,756)
Trade payables and other liabilities	(6,572)	-	(6,572)
Financial liabilities	(3,559)	-	(3,559)
<b>Total net assets acquired</b>	<b>8,907</b>		<b>8,907</b>
Equity attributable to non-controlling interests			2,672
<b>Net assets acquired by the Group</b>			<b>6,235</b>
<b>Goodwill</b>			<b>23,934</b>
<b>Total fee</b>			<b>30,169</b>

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 combinations within twelve months of the acquisition date.

At the date of preparation of this annual financial report, the temporary difference between the consideration paid to the seller and the net value at the acquisition date of the identifiable assets acquired and liabilities assumed, measured in accordance with IFRS 3, is equal to €23.9 million.

This difference at 31 December 2022 is recognised in Goodwill, under Intangible assets pending completion of the process of valuation of the individual components of the acquired assets.

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:

(€k)	From 1 October to 31 December 2022
Revenue	8,278
Operating income	722
<b>Profit/(loss) for the period</b>	<b>343</b>

## Agile Lab

On 5 August 2022, Poste Italiane signed a binding agreement to acquire a 70% stake in the Agile Lab group (hereinafter “Agile Lab”), accompanied by a strategic partnership with the founding partners who will retain the remaining 30%.

Agile Lab is a specialised data management group, offering tailor-made technology solutions that exploit artificial intelligence, as well as services involving the reselling of open source software products developed by technology partners.

Following the closing of the transaction on 13 October 2022, for a total consideration of approximately €18 million, Poste holds 70% of the share capital of Agile Power, which owns 100% of Agile Lab, Agile Skill, Agile Next and Aim 2 Srl. The remaining 30% of the share capital will be subject to call and put options to be activated as from 30 April 2026, which will allow Poste Italiane to acquire a 100% stake in the medium term.

Below are the total carrying amounts of the assets acquired and liabilities assumed at the date of acquisition of Agile Power and its subsidiaries:

(€k)	Carrying amount (A)	Fair Value Adjustments (B)	Fair Value (A+B)
<b>Net assets acquired</b>			
Intangible assets	419	-	419
Property, plant and equipment	89	-	89
Right-of-use asset	380	-	380
Trade receivables and other assets	5,254	-	5,254
Financial assets	314	-	314
Cash and cash equivalents	1,965	-	1,965
Employee termination benefits	(426)	-	(426)
Trade payables and other liabilities	(1,948)	-	(1,948)
Financial liabilities	(378)	-	(378)
<b>Total net assets acquired</b>	<b>5,669</b>		<b>5,669</b>
Equity attributable to non-controlling interests			1,701
<b>Net assets acquired by the Group</b>			<b>3,968</b>
<b>Goodwill</b>			<b>13,982</b>
<b>Total fee</b>			<b>17,950</b>

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 combinations within twelve months of the acquisition date.

At the date of preparation of this annual financial report, the temporary difference between the consideration paid to the seller and the net value at the acquisition date of the identifiable assets acquired and liabilities assumed, measured in accordance with IFRS 3, is equal to €14 million.

This difference at 31 December 2022 is recognised in Goodwill, under Intangible assets pending completion of the process of valuation of the individual components of the acquired assets.

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:

(€k)	From 1 October to 31 December 2022
Revenue	1,613
Operating income	(1,610)
<b>Profit/(loss) for the period</b>	<b>(1,203)</b>

## Eurizon Capital Real Asset SGR ("ECRA")

On 25 June 2021, Poste Vita and BancoPosta Fondi SGR signed definitive agreements for the acquisition of 40% of the share capital, including 24.50% of voting shares, of Eurizon Capital Real Asset SGR SpA ("ECRA"), a company specialising in investments supporting the real economy controlled by Eurizon (Intesa Sanpaolo Group).

At the same time as the subscription of the capital increase, a portfolio management mandate was finalised between the parties for the transfer to ECRA of the management of a number of alternative investment funds, thus gaining access to a global platform that will allow the development of an integrated management model throughout the investment life cycle. The closing of the transaction was completed on 31 January 2022. It should be noted that ECRA continues to be controlled and consolidated by Intesa Sanpaolo SpA.

The following is a comparison of the price paid and the net assets acquired of the company under review:

(€k)	
<b>Share of equity</b>	<b>2,223</b>
Adjustments for fair value measurement	-
<b>Net assets acquired after allocation (pro-rata)</b>	<b>2,223</b>
<b>Goodwill</b>	<b>1,178</b>
<b>Total fee</b>	<b>3,401</b>

A list and key information of companies consolidated on a line-by-line basis and using the equity method is provided in Note 13 – *Additional information – Scope of consolidation and key information on investments*.

## 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 period (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<sup>154</sup> are those published by the Bank of Italy and the European Central Bank and presented in the table below:

Currency	2022		2021	
	Exact change on 31 December	Average annual exchange rate	Exact change on 31 December	Average annual exchange rate
Hong Kong Dollar	-	-	8.833	9.154*
Chinese Yuan Renminbi	7.358	7.079	7.195	7.589*
US Dollar	1.067	1.053	1.133	1.183
British Pound Sterling	0.887	0.870**	-	-

\* The exchange rate shown relates to Sengil Express Limited and Sengil Express Guangzhou Limited and is calculated based on the period between 30 June 2021 and the date of acquisition of the companies (1 March 2021).

\*\* The exchange rate shown relates to Sourcesense Limited and is calculated based on the period between 31 December 2022 and the date of acquisition of the company (1 October 2022).

154. During 2022, Sengil Express Limited adopted the euro as its functional currency instead of the Hong Kong dollar by applying conversion procedures to the new functional currency in accordance with IAS 21.



## 3. Material events during the year

### 3.1 Principal corporate actions

Information is provided below on corporate actions that took place during the year under review, which are not reflected in the financial statements as at 31 December 2022 and which supplement what has already been reported in the section on main changes to the scope of consolidation in Note 2.6 - *Basis of consolidation*.

#### Net Insurance SpA

On 28 September 2022, the Board of Directors of Poste Vita 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. Following the authorisations received from CONSOB, IVASS and AGCM, the acceptance period for the offers promoted by a corporate vehicle directly controlled by Poste Vita ("Net Holding") began on 27 February. The acceptance period for the offers will end on 6 April 2023. The transaction is expected to be completed by the first half of 2023.

The consideration that has been offered for each share is €9.50 (corresponding to a premium of 28% on the weighted average of the official daily prices of Borsa Italiana for the last month) and the consideration that will be offered for each warrant is €4.81 (corresponding to a premium of 60% on the weighted average of the official daily prices of Borsa Italiana for the last month).

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>155</sup>, thanks to agreements with technology partners.

The following corporate actions also took place during 2022.

- On 26 January 2022, **MFM Holding Ltd (Moneyfarm)** carried out a capital increase worth about €53 million, subscribed for about €44 million by M&G plc, a listed asset manager based in the United Kingdom, and pro-rata by Poste Italiane with an investment of about €9 million, in order not to dilute its own shareholding of about 14%. In addition, on 24 November 2022, binding agreements were signed for Poste Italiane to participate, with an investment of approximately €3 million, in a further 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. The transaction is expected to be closed in the second quarter of 2023.
- On 26 January 2022, the Board of Directors of Poste Vita approved the transaction for the transfer of 100% of the shares held in **Poste Welfare Servizi** to Poste Italiane. The transaction took effect on 24 February 2022.
- On 8 April 2022, Poste Italiane, with a total investment of €25 million, acquired 2.30% (2.15% on a fully diluted basis) of the share capital of Scalapay Limited, a company that operates in several European countries in the Buy Now Pay Later ("BNPL") market on on-line and physical channels, allowing end customers to pay for a product/service in three monthly instalments without interest, against a commission paid by merchants.
- On 23 June 2021, the Board of Directors of PostePay SpA approved the signing of binding agreements for the sale of the interest held by PostePay SpA in Tink AB, a fintech operator specialising in open banking technology solutions, for a consideration of approximately €77 million, as part of the announced sale of 100% of **Tink AB** to Visa Open Connect Limited, a Visa Group company. The transaction was agreed on the basis of an enterprise value valuation of Tink AB of €1.8 billion. PostePay SpA's total investment in Tink amounted to €22.1 million, representing a 4.7% interest in the company on a fully diluted basis. The closing of the transaction was completed on 10 March 2022.

<sup>155</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).

- On 24 June 2022, Poste Italiane's Board of Directors and the Shareholders' Meeting of **PSIA Srl ("PSIA")** approved the merger by incorporation of PSIA into Poste Italiane, which became effective on 1 November 2022. The merger is part of a corporate reorganisation that will allow Poste Italiane to directly hold shares in the listed company NEXI SpA, thereby simplifying the 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 23 June 2022, the Board of Directors of **BancoPosta Fondi SGR** approved the sale of its ICT management business unit to Poste Italiane. The transaction previously communicated to the Bank of Italy, pursuant to Title IV, Chapter III - Section II, Article 1 of the Regulation on Collective Asset Management, became effective as of 1 October 2022.

## 3.2 Other material events

The following material events also occurred in 2022:

### Russia-Ukraine Conflict

The year 2022 was characterised by the beginning of the crisis between the European countries Russia and Ukraine.

In order to assess the impact of the conflict on the Group, as required by the national and international authorities (ESMA and CONSOB)<sup>156</sup>, an assessment was made of the current and potential future impacts of the sanctions imposed on Russia by state and supranational authorities, on the Group's activities, financial position and results of operations in view of the available evidence and the scenarios that could be envisaged 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.

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 existence of 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 the Shareholders' Meeting of Poste Italiane on 27 May 2022, aimed at acquiring shares to be allocated to directors and employees of the Group who are beneficiaries of the variable incentive plans, the launch of which was communicated to the market on the same date, from 30 May 2022 to 13 June 2022, Poste Italiane purchased no. 2,600,000 treasury shares (equal to 0.199% of the share capital), at an average price of €9.730848 per share, for a total value of €25,300,204.62.

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 7,535,991 treasury shares, equal to 0.58% of the share capital.

<sup>156</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.

## Interim dividend

On 9 November 2022, Poste Italiane's Board of Directors, in light of the financial position and results of operations of Poste Italiane SpA at 30 June 2022, the performance for the following months, the business outlook and the related expected economic prospects at 31 December 2022, and in line with the Group's dividend policy, resolved to bring forward, as an interim dividend, part of the ordinary dividend for 2022. 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 €0.210 per share, gross of any legal withholding taxes, will be paid with effect from 23 November 2022, with "ex-dividend date" of coupon no. 11 coinciding with 21 November 2022 and record date (i.e. the date on which the dividend was entitled to be paid) coinciding with 22 November 2022.

Based on the number of shares outstanding at 9 November 2022, which amounted to 1,298,574,009, the total amount of the interim dividend was €273 million.

## Polis Project - Home of Digital Services

The "Polis Project - Home of Digital Services"<sup>157</sup> was launched in the 2022 financial year, 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 project envisages a total investment of around €1.2 billion to be realised by 31 December 2026 and the allocation by the Ministry of Enterprise and Made in Italy of a total contribution of €800 million.

At 31 December 2022, these financial statements reflect the non-repayable grant received in advance from MIMIT of €125 million recognised as deferred income.

157. Under 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 (NRP).



# POSTE ITALIANE GROUP

FINANCIAL STATEMENTS AT 31 DECEMBER **2022**

## 4. Poste Italiane Group Financial Statements at 31 December 2022

### 4.1 Consolidated Financial Statements

#### Consolidated Statement of Financial Position

Assets (€m)	Notes	31 December 2022	of which related parties	31 December 2021	of which related parties
<b>Non-current assets</b>					
Property, plant and equipment	[A1]	2,404	-	2,267	-
Investment property	[A2]	31	-	32	-
Intangible assets	[A3]	1,817	-	873	-
Right-of-use assets	[A4]	1,334	-	1,116	-
Investments accounted for using the equity method	[A5]	267	267	277	277
Financial assets	[A6]	191,850	3,578	221,226	3,780
Trade receivables	[A8]	3	-	3	-
Deferred tax assets	[C12]	2,044	-	1,245	-
Other receivables and assets	[A9]	4,118	2	4,012	2
Tax credits Law no. 77/2020	[A10]	7,458	-	5,551	-
Technical provisions attributable to reinsurers		44	-	50	-
<b>Total</b>		<b>211,370</b>		<b>236,652</b>	
<b>Current assets</b>					
Inventories	[A7]	157	-	155	-
Trade receivables	[A8]	2,179	435	2,508	575
Current tax assets	[C12]	140	-	115	-
Other receivables and assets	[A9]	1,096	10	1,146	8
Tax credits Law no. 77/2020	[A10]	1,563	-	905	-
Financial assets	[A6]	34,290	11,986	27,630	12,855
Cash and deposits attributable to BancoPosta	[A11]	5,848	-	7,659	-
Cash and cash equivalents	[A12]	4,983	1,991	7,958	1,991
<b>Total</b>		<b>50,256</b>		<b>48,076</b>	
<b>Total Assets</b>		<b>261,626</b>		<b>284,728</b>	

Liabilities and Equity	Notes	31 December 2022	of which related parties	31 December 2021	of which related parties
<b>Equity</b>					
Share capital	[B2]	1,306	-	1,306	-
Reserves	[B4]	(352)	-	3,599	-
Treasury shares		(63)	-	(40)	-
Retained earnings		8,002	-	7,237	-
<b>Total equity attributable to owners of the Parent</b>		<b>8,893</b>		<b>12,102</b>	
Equity attributable to non-controlling interests		44	-	8	-
<b>Total</b>		<b>8,937</b>		<b>12,110</b>	
<b>Non-current liabilities</b>					
Technical provisions for insurance business	[B5]	139,986	-	159,089	-
Provisions for risks and charges	[B6]	804	55	693	59
Employee termination benefits	[B7]	705	-	922	-
Financial liabilities	[B8]	10,939	201	15,122	154
Deferred tax liabilities	[C12]	700	-	953	-
Other liabilities	[B10]	2,004	-	1,749	-
<b>Total</b>		<b>155,138</b>		<b>178,528</b>	
<b>Current liabilities</b>					
Provisions for risks and charges	[B6]	551	12	575	13
Trade payables	[B9]	2,234	72	2,029	82
Current tax liabilities	[C12]	60	-	16	-
Other liabilities	[B10]	2,000	69	1,860	73
Financial liabilities	[B8]	92,706	4,377	89,610	3,646
<b>Total</b>		<b>97,551</b>		<b>94,090</b>	
<b>Total Liabilities and Equity</b>		<b>261,626</b>		<b>284,728</b>	



## Consolidated Statement of Profit or Loss

(€m)	Notes	FY 2022	of which related parties	FY 2021	of which related parties
Revenue from Mail, Parcels and other	[C1]	3,651	839	3,694	466
Net revenue from Financial Services	[C2]	4,938	2,048	4,783	1,909
Revenue from Financial Services		5,125	2,052	4,931	1,917
Expenses from financial activities		(187)	(4)	(148)	(8)
Revenue from Insurance Services after changes in technical provisions and other claim expenses	[C3]	2,153	16	1,861	15
Insurance premium revenue		17,518	-	17,829	-
Income from insurance activities		4,437	16	4,374	15
Change in technical provisions for insurance business and other claim expenses		(13,794)	-	(19,964)	-
Expenses from insurance activities		(6,008)	-	(378)	-
Revenue from Payments and Mobile	[C4]	1,147	51	882	49
<b>Net operating revenue</b>		<b>11,889</b>		<b>11,220</b>	
Cost of goods and services	[C5]	2,960	167	2,873	161
Personnel expenses	[C6]	5,226	71	5,467	73
Depreciation, amortisation and impairments	[C7]	830	-	790	-
Capitalised costs and expenses	[C8]	(41)	-	(33)	-
Other operating costs	[C9]	519	5	253	6
<i>of which non-recurring costs</i>		320		-	
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C10]	104	1	24	(4)
<b>Operating profit/(loss)</b>		<b>2,291</b>		<b>1,846</b>	
Finance costs	[C11]	126	2	73	2
Finance income	[C11]	169	1	369	1
<i>of which non-recurring income</i>		-		225	
Impairment losses/(reversals of impairment losses) on financial assets		-	-	-	-
Profit/(Loss) on investments accounted for using the equity method	[A5]	(6)	-	26	-
<b>Profit/(Loss) before tax</b>		<b>2,328</b>		<b>2,168</b>	
Income tax expense	[C12]	817	-	588	-
<i>of which, non-recurring costs/(income)</i>		-		-	
<b>Profit for the year</b>		<b>1,511</b>		<b>1,580</b>	
of which attributable to owners of the Parent		1,506		1,578	
of which attributable to non-controlling interests		5		2	
<b>Earnings per share</b>	<b>[B1]</b>	<b>1.158</b>		<b>1.214</b>	
<b>Diluted earnings per share</b>		<b>1.158</b>		<b>1.214</b>	

**Consolidates Statement of comprehensive income**

(€m)	Notes	FY 2022	FY 2021
<b>Profit/(Loss) for the year</b>		<b>1,511</b>	<b>1,580</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]	(4,747)	(1,052)
Transfers to profit or loss from realisation	[tab. B4]	(161)	(424)
Increase/(decrease) for expected losses		4	(6)
Cash flow hedges			
Increase/(decrease) in fair value during the year	[tab. B4]	279	(178)
Transfers to profit or loss	[tab. B4]	(409)	(8)
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit or loss for the year		1,440	475
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		1	-
Change in translation reserve		(1)	1
<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		(315)	75
Actuarial gains/(losses) on employee termination benefits	[tab. B7]	125	(4)
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit or loss for the year		(30)	2
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		-	-
<b>Total other comprehensive income</b>		<b>(3,814)</b>	<b>(1,119)</b>
<b>Total comprehensive income for the year</b>		<b>(2,303)</b>	<b>461</b>
of which attributable to owners of the Parent		(2,309)	459
of which attributable to non-controlling interests		6	2

## Consolidated Statement of changes in equity

	Equity														Total equity
	Share capital	Treasury shares	Reserves								Retained earnings	Total equity attributable to owners of the Parent	Equity attributable to non-controlling interests		
			Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Translation reserve	Reserve for investments accounted for using equity method	Incentive plans reserve					
(€m)															
Balance at 1 January 2021	1,306	(40)	299	1,210	-	2,294	98	-	2	6	6,327	11,502	5	11,507	
Total comprehensive income for the year	-	-	-	-	-	(987)	(132)	1	-	-	1,577	459	2	461	
Dividends paid	-	-	-	-	-	-	-	-	-	-	(421)	(421)	-	(421)	
Interim dividend	-	-	-	-	-	-	-	-	-	-	(241)	(241)	-	(241)	
Incentive plans	-	-	-	-	-	-	-	-	-	7	-	7	-	7	
Equity instruments - perpetual hybrid bonds	-	-	-	-	800	-	-	-	-	-	(4)	796	-	796	
Other changes	-	-	-	-	-	-	-	-	1	-	(1)	-	1	1	
Balance at 31 December 2021	1,306	(40)	299	1,210	800	1,307	(34)	1	3	13	7,237	12,102	8	12,110	
Total comprehensive income for the year	-	-	-	-	-	(3,811)	(93)	(1)	-	-	1,596*	(2,309)	6	(2,303)	
Dividends paid	-	-	-	-	-	-	-	-	-	-	(526)	(526)	(3)	(529)	
Interim dividend	-	-	-	-	-	-	-	-	-	-	(273)	(273)	-	(273)	
Purchase of treasury shares	-	(25)	-	-	-	-	-	-	-	-	-	(25)	-	(25)	
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	(69)	(69)	-	(69)	
Incentive plans	-	2	-	-	-	-	-	-	-	6	-	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	32	
Balance at 31 December 2022	1,306	(63)	299	1,210	800	(2,558)	(127)	-	5	19	8,002	8,893	44	8,937	

\* This item includes profit for the year (Group portion) of €1,506 million and actuarial gains on provisions for employee termination benefits of €91 million, after the related current and deferred taxation.

## Consolidated Statement of cash flows

(€m)	Notes	FY 2022	FY 2021
<b>Cash and cash equivalents at beginning of year</b>		<b>7,958</b>	<b>4,516</b>
<b>Profit/(Loss) before tax</b>		<b>2,328</b>	<b>2,168</b>
Depreciation, amortisation and impairments	[tab. C7]	830	790
Impairments/(Reversals of impairments) of investments	[tab. C11.1]	-	(225)
Net provisions for risks and charges	[tab. B6]	439	363
Use of provisions for risks and charges	[tab. B6]	(354)	(501)
Provisions for employee termination benefits	[tab. B7]	2	1
Employee termination benefits	[tab. B7]	(118)	(129)
(Gains)/Losses on disposals		(1)	2
Impairment losses/(reversals of impairment losses) on financial assets		(1)	-
(Dividends)	[tab. C11.1]	-	-
Dividends received		-	-
(Finance income realised)	[tab. C11.1]	(1)	(3)
(Finance income in form of interest)	[tab. C11.1]	(158)	(136)
Interest received		146	133
Interest expense and other finance costs	[tab. C11.2]	118	64
Interest paid		(78)	(32)
Losses and impairment losses/(reversals of impairment losses) on receivables	[tab. C10]	97	33
Income tax paid	[tab. C12.3]	(509)	(394)
Other changes		6	(20)
<b>Cash flow generated by operating activities before movements in working capital</b>	<b>[a]</b>	<b>2,746</b>	<b>2,114</b>
<b>Movements in working capital:</b>			
(Increase)/decrease in Inventories	[tab. A7]	2	11
(Increase)/decrease in Trade receivables		261	(184)
(Increase)/decrease in Other receivables and assets		192	(45)
Change in tax credits Law no. 77/2020		11	(526)
Increase/(decrease) in Trade payables		91	129
Increase/(decrease) in Other liabilities		233	244
<b>Cash flow generated by/(used in) movements in working capital</b>	<b>[b]</b>	<b>790</b>	<b>(371)</b>
<b>Increase/(decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance</b>		<b>5,077</b>	<b>10,813</b>
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		(17,954)	(13,294)
(Increase)/decrease in cash and deposits attributable to BancoPosta	[tab. A11]	1,810	(1,268)
Increase/(decrease) in net technical provisions for insurance business		4,076	10,334
(Income)/Expense and other non-cash components		3,635	(4,144)
<b>Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance</b>	<b>[c]</b>	<b>(3,356)</b>	<b>2,441</b>
<b>Net cash flow from/(for) operating activities</b>	<b>[d]=[a+b+c]</b>	<b>180</b>	<b>4,184</b>
- of which related party transactions		1,971	(5,975)
<b>Investing activities:</b>			
Property, plant and equipment	[tab. A1]	(341)	(342)
Investment property	[tab. A2]	-	-
Intangible assets	[tab. A3]	(469)	(412)
Investments		(3)	(50)
Other financial assets		(132)	(4)
Investments in consolidated companies net of cash acquired		(678)	(40)
Disposals:			
Property, plant and equipment, investment property, intangible assets and assets held for sale		5	3
Other financial assets		12	423
<b>Net cash flow from/(for) investing activities</b>	<b>[e]</b>	<b>(1,606)</b>	<b>(422)</b>
- of which related party transactions		(7)	(1)
Proceeds from/(Repayments of) long-term borrowings	[tab. B8.4]	110	(87)
(Increase)/decrease in loans and receivables		-	-
Increase/(decrease) in short-term borrowings	[tab. B8.4]	(812)	(366)
(Purchase)/sale of treasury shares		(25)	-
Dividends paid	[B3]	(801)	(662)
Equity instruments - perpetual hybrid bonds		(21)	0
Other transactions with minority shareholders		-	794
<b>Net cash flow from/(for) financing activities and shareholder transactions</b>	<b>[f]</b>	<b>(1,549)</b>	<b>(321)</b>
- of which related party transactions		(512)	(422)

(€m)	Notes	FY 2022	FY 2021
Effect of exchange rate differences on cash and cash equivalents	[g]	-	1
Net increase/(decrease) in cash	[h]=[d+e+f+g]	(2,975)	3,442
Cash and cash equivalents at end of year	[tab. A12]	4,983	7,958
Restricted cash and cash equivalents at end of year		(3,755)	(5,369)
Unrestricted cash and cash equivalents at end of year		1,228	2,589

## 4.2 Notes to the Statement of Financial Position

### Assets

#### A1 – Property, plant and equipment (€2,404 million)

The following table shows movements in property, plant and equipment in 2022:

**tab. A1 – Movements in property, plant and equipment**

(€m)	Land	Properties used in operations	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
Cost	76	3,219	2,402	349	670	2,024	93	8,833
Accumulated depreciation	-	(2,078)	(1,859)	(314)	(424)	(1,849)	-	(6,524)
Impairment losses	(0)	(17)	(9)	0	(10)	(6)	(0)	(42)
<b>Balance at 1 January 2022</b>	<b>76</b>	<b>1,124</b>	<b>534</b>	<b>35</b>	<b>236</b>	<b>169</b>	<b>93</b>	<b>2,267</b>
<b>Changes during the year</b>								
Acquisitions	0	45	72	10	36	70	107	341
Adjustments	-	-	-	-	-	-	-	-
Reclassifications	(0)	17	23	0	5	11	(56)	(0)
Disposals	(0)	(0)	(0)	(0)	(0)	0	(1)	(1)
Change in scope of consolidation	-	-	15	3	2		1	23
Depreciation	-	(31)	(63)	(13)	(46)	(77)	-	(230)
(Impairment losses)/Reversals	-	0	(0)	-	8	(4)	(0)	4
<b>Total changes</b>	<b>(0)</b>	<b>31</b>	<b>46</b>	<b>(0)</b>	<b>5</b>	<b>3</b>	<b>52</b>	<b>136</b>
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 31 December 2022</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>

At 31 December 2022, 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 €42 million.

Investments of €341 million in 2022 consists largely of:

- €45 million relating mainly to extraordinary maintenance of Post Offices and local head offices around the country (€17 million), personnel and management offices (€15 million) and mail and parcel sorting offices (€11 million);
- €72 million for plants, with the most significant expenditure made by the Parent Company, of which €34 million for the construction of plants related to buildings, €13 million for the construction and extraordinary maintenance of connectivity systems and €10 million for creation and extraordinary maintenance of video surveillance systems;

- €36 million invested mainly in the upgrade of plants (€20 million) and the structural part (€13 million) of leased properties;
- €70 million relating to Other assets, of which €54 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 consolidation of storage systems (€48 million) and €13 million incurred by PostePay SpA mainly for the purchase of electronic devices for the range of "PosteMobile Casa" and "PosteCasa Ultraveloce" offers (€8 million) and, to a residual degree, the purchase of mobile phones and mobile telephone equipment intended for rental;
- €107 million relating to Assets under construction and advances, of which €82 million incurred by the Parent Company and relating, for €68 million, to extraordinary maintenance works and the infrastructural equipment of the sales and production network and €8 million for the purchase of computer hardware and other equipment yet to enter service.

Reclassifications from property, plant and equipment under construction amounted to €56 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 (€32 million) and the activation of hardware and other technological equipment (€13 million).

## A2 – Investment property (€31 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)	FY 2022
Cost	90
Accumulated depreciation	(58)
Impairment losses	-
<b>Balance at 1 January</b>	<b>32</b>
<b>Changes during the year</b>	
Acquisitions	1
Reclassifications	-
Disposals	(1)
Depreciation	(1)
<b>Total changes</b>	<b>(1)</b>
Cost	88
Accumulated depreciation	(57)
Impairment losses	-
<b>Balance at 31 December</b>	<b>31</b>
Fair value at 31 December	72

The fair value of investment property at 31 December 2022 includes €61 million representing the sale price applicable to the Parent Company's former service accommodation in accordance with Law 560 of 24 December 1993, while the remaining balance reflects market price estimates computed internally by the Company<sup>158</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.

158. 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 (€1,817 million)

The following table shows movements in intangible assets in 2022:

**tab. A3 – Movements in intangible assets**

(€m)	Industrial patents and intellectual property rights, concessions, licences, trademarks and similar rights	Assets under construction and advances	Goodwill	Other	Total
Cost	4,221	232	177	9	4,639
Accumulated amortisation and impairments	(3,656)	-	(102)	(8)	(3,766)
<b>Balance at 1 January 2022</b>	<b>565</b>	<b>232</b>	<b>75</b>	<b>1</b>	<b>873</b>
<b>Changes during the year</b>					
Acquisitions	234	236	-	-	469
Reclassifications	209	(209)	-	-	-
Transfers and disposals	-	(2)	-	-	(2)
Change in scope of consolidation	9	2	597	223	831
Amortisation and impairments	(349)	-	-	(5)	(354)
Foreign exchange differences	-	-	(1)	-	(1)
<b>Total changes</b>	<b>103</b>	<b>26</b>	<b>597</b>	<b>218</b>	<b>944</b>
Cost	4,689	258	773	231	5,952
Accumulated amortisation and impairments	(4,021)	-	(102)	(12)	(4,135)
<b>Balance at 31 December 2022</b>	<b>668</b>	<b>258</b>	<b>672</b>	<b>219</b>	<b>1,817</b>

Investments in Intangible assets during 2022 amounted to €469 million, including about €38 million in software development activities and the related expenses developed within the Group, primarily relating to personnel expenses (€33 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 €234 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.

Acquisitions of **intangible assets under construction** refer mainly to activities for the development of software for infrastructure platforms and for BancoPosta services.

The balance of **intangible assets under construction** includes activities of the Parent Company mainly regarding the development for software relating to the infrastructure platform (€116 million), for BancoPosta services (€68 million), for support to the sales network (€40 million), for the postal products platform (€18 million) and for the engineering of reporting processes for other Business functions and personnel (€14 million).

During the year, reclassifications were made from Intangible assets under construction to Industrial patents and intellectual property rights amounting to €209 million due to the completion and start-up of new software programmes and the development of existing ones, related to the infrastructure platform (€98 million), BancoPosta services (€52 million), support for the sales network (€32 million), the postal products platform (€17 million) and the engineering of reporting processes for other business and staff functions (€10 million).

Finally, following the start-up of the Energy Project, the Parent Company invested approximately €30 million in application software, of which approximately €8 million has not yet entered into production.



The breakdown of the item **Goodwill** is as follows.

**tab. A3.1 – Goodwill**

Description (€m)	31.12.2022	31.12.2021	Changes
<b>Mail, Parcels and Distribution SBU</b>	<b>213</b>	<b>75</b>	<b>138</b>
Plurima	101	-	101
Poste Italiane	33	33	-
Sourcesense	24	-	24
Poste Welfare Servizi	18	18	-
Sengi Express Limited	16	16	-
Agile	14	-	14
MLK Deliveries	5	5	-
Nexive Network	3	3	-
sennder Italia	-	-	-
<b>Payments and Mobile SBU</b>	<b>459</b>	<b>-</b>	<b>459</b>
LIS	459	-	459
<b>Total</b>	<b>672</b>	<b>75</b>	<b>596</b>

The balance of €672 million refers to goodwill allocated to the Mail, Parcels and Distribution SBU and the Payments and mobile SBU. The main changes for the year relate to the recognition of new goodwill in connection with the acquisitions of Plurima (€101 million), Sourcesense (€24 million) and Agile (€14 million) for the Mail, Parcels and Distribution SBU, and the acquisition of LIS (€459 million) for the Payments and Mobile SBU. For further details on the acquisitions completed during the year, please refer to paragraph 2.6 - Basis of consolidation.

In addition, with reference to the impairment test on goodwill and cash generating units, please refer to paragraph 2.4 - Use of estimates.

The increase in the residual item is mainly attributable to the intangible assets identified as part of the purchase price allocation process of the Plurima group (€31 million) and LIS (€192 million) acquired during the year, for which reference should be made to section 2.6 - Basis of consolidation.

## A4 – Right-of-use Assets (€1,334 million)

**tab. A4 – Movements in right-of-use assets**

(€m)	Properties used in operations	Company fleet	Vehicles for mixed use	Other assets	Total
Cost	1,478	170	27	51	1,726
Accumulated amortisation and impairments	(440)	(120)	(13)	(37)	(610)
<b>Balance at 1 January 2022</b>	<b>1,038</b>	<b>50</b>	<b>14</b>	<b>14</b>	<b>1,116</b>
<b>Changes during the year</b>					
New contract acquisitions	56	256	6	9	328
Adjustments	60	-	-	(2)	58
Contract terminations	(18)	(8)	-	(2)	(28)
Change in scope of consolidation	108	2	1	-	110
Amortisation and impairments	(160)	(77)	(8)	(5)	(249)
<b>Total changes</b>	<b>46</b>	<b>173</b>	<b>(1)</b>	<b>-</b>	<b>219</b>
Cost	1,680	373	31	54	2,138
Accumulated amortisation and impairments	(596)	(150)	(18)	(40)	(804)
<b>Balance at 31 December 2022</b>	<b>1,084</b>	<b>224</b>	<b>13</b>	<b>14</b>	<b>1,334</b>

Acquisitions during the year mainly related to the Parent Company (€291 million) and related to new contracts and renewals of contracts existing at the beginning of the year of a real estate nature (€28 million), the rental of company vehicles used for mail and parcel delivery activities (€254 million) and mixed-use vehicles (€5 million), the rental of IT equipment (€4 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 (€25 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.

**tab. A4.1 – Economic effects of lease agreements**

Description (€m)	FY 2022	FY 2021
Depreciation of right-of-use assets	249	241
Financial charges on lease payables	24	24
Costs related to short-term leases	38	39
Costs related to lease of low-value assets	15	19
Costs related to lease of intangible assets	72	55
<b>Total</b>	<b>397</b>	<b>379</b>

**tab. A4.2 – Movements in lease liability**

(€m)	2022
<b>Balance at 1 January</b>	<b>1,166</b>
New contract increases	328
Payments	(251)
Finance costs	24
Change in scope	111
Other changes	30
<b>Balance at 31 December</b>	<b>1,407</b>
of which current	297
of which non-current	1,110

## A5 – Investments accounted for using the equity method (€267 million)

**tab. A5 – Investments**

Description (€m)	31.12.2022	31.12.2021	Changes
Investments in associates	263	275	(11)
Investments in subsidiaries	3	2	1
<b>Total</b>	<b>267</b>	<b>277</b>	<b>(11)</b>

**tab. A5.1 – Partecipazioni valutate con il metodo del Patrimonio Netto\***

Investments (€m)	Balance at 01.01.2022	Increases/ (Decreases)	Impairment losses		Balance at 31.12.2022
			accounted for using the equity method	dividend adjustments	
in associates					
Anima Holding SpA	226	2	(5)	(11)	213
Conio Inc	1	0	(0)	-	1
Consorzio Italia Cloud	-	-	0	-	0
Eurizon Capital Real Asset SGR	-	3	0	-	4
Financit SpA	38	0	(2)	-	36
ItaliaCamp Srl	0	-	0	-	1
Replica Sim SpA	10	-	(0)	-	9
Total associates	275	6	(6)	(11)	263
in subsidiaries					
Address Software Srl	0	-	0	-	1
Kipoint SpA	2	-	0	-	2
Indabox Srl	0	-	0	-	0
Total subsidiaries	2	-	0	-	3
Total	277	6	(6)	(11)	267

\* The values shown in the table are rounded in millions of euros (without decimal places). It follows that the sum of the rounded amounts may not coincide with the rounded totals.

As required by IFRS, the equity investments were subjected to an impairment test in order to verify whether there is objective evidence that their carrying value may not be fully recoverable. Specifically, following this impairment test, the carrying value of the investment in Anima Holding was adjusted, as of 30 June, by €21 million (the effect is shown in the “accounted for using the equity method” column). For the methodology applied and the parameters used to perform the impairment test on Anima Holding at 31 December 2022, please refer to Note 2.4 - *Use of estimates*, with regard to the *Impairment tests of goodwill, cash generating units and equity investments* section. The list and highlights of subsidiaries, joint ventures and associates accounted for using the equity method are provided in *Additional Information - Scope of Consolidation and Highlights of Equity Investments* (Note 13).

## A6 – Financial Assets (€226,141 million)

**tab. A6 – Financial Assets**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	29,483	16,812	46,295	34,287	19,026	53,313	(7,018)
Financial assets at FVTOCI	114,031	16,204	130,235	141,798	8,055	149,853	(19,618)
Financial assets at FVTPL	42,573	929	43,501	44,341	473	44,814	(1,313)
Derivative financial instruments	5,764	346	6,110	800	76	876	5,233
<b>Total</b>	<b>191,850</b>	<b>34,290</b>	<b>226,141</b>	<b>221,226</b>	<b>27,630</b>	<b>248,856</b>	<b>(22,715)</b>
<i>of which Financial Activities</i>	61,914	21,327	83,241	69,042	20,667	89,709	(6,468)
<i>of which Insurance Activities</i>	129,390	12,765	142,155	151,372	6,832	158,204	(16,049)
<i>Of which Postal and Business Activities</i>	539	1	540	77	7	84	456
<i>Of which Payment Services and Card Payments Activities</i>	8	198	206	735	124	859	(653)

Financial assets by operating segment break down as follows:

- Financial activities, relate primarily to the financial assets of BancoPosta RFC and the company, BancoPosta Fondi SpA SGR;
- Insurance activities, includes the financial assets of Poste Vita SpA and its subsidiary, Poste Assicura SpA;
- Mail, Parcels and Distribution, representing all the other financial assets held by the Parent Company (different from those held by BancoPosta) and the other financial assets held by companies that provide postal and business services;
- Payment Services and Card Payments, representing the financial assets held by Poste Pay, LIS Holding and LIS Pay.

## Financial activities

**tab. A6.1 – Financial assets - Financial Services**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	27,473	16,428	43,901	32,429	18,710	51,139	(7,238)
Loans and receivables	0	16,203	16,203	0	18,029	18,029	(1,826)
Loans	-	1,358	1,358	-	0	0	1,358
Receivables	0	14,844	14,844	0	18,029	18,029	(3,184)
Deposits with the MEF	0	11,902	11,902	0	12,707	12,707	(805)
Receivables	-	11,907	11,907	-	12,712	12,712	(804)
Provisions for doubtful amounts deposited with MEF	0	(5)	(5)	0	(5)	(5)	(1)
MEF account held at the Treasury	-	-	-	-	-	-	-
Other financial receivables	-	2,942	2,942	-	5,322	5,322	(2,379)
Fixed income instruments	27,473	226	27,699	32,429	681	33,110	(5,411)
Financial assets at FVTOCI	28,638	4,552	33,190	35,774	1,884	37,658	(4,468)
Fixed income instruments	28,638	4,552	33,190	35,774	1,884	37,658	(4,468)
Financial assets at FVTPL	40	-	40	39	-	39	1
Equity instruments	40	-	40	39	-	39	1
Derivative financial instruments	5,764	346	6,109	800	73	873	5,236
<b>Total</b>	<b>61,914</b>	<b>21,327</b>	<b>83,241</b>	<b>69,042</b>	<b>20,667</b>	<b>89,709</b>	<b>(6,468)</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**

(€m)	Loans and receivables	Fixed income instruments	Total
<b>Balance at 1 January 2022</b>	<b>18,029</b>	<b>33,110</b>	<b>51,139</b>
Purchases		2,109	2,109
Changes in amortised cost	-	(90)	(90)
Transfers to equity reserves	-	(126)	(126)
Changes in fair value through profit or loss	-	(5,398)	(5,398)
Changes in cash flow hedges (*)	-	128	128
Changes due to impairment	(1)	(2)	(3)
Net changes	(186)		(186)
Effects of sales on profit or loss	-	77	77
Accruals	1	226	227
Sales, redemptions and settlement of accruals		(2,334)	(2,334)
Other changes	(1,640)	-	(1,640)
<b>Balance at 31 December 2022</b>	<b>16,203</b>	<b>27,699</b>	<b>43,901</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 €4,575 million (€1,577 million at 31 December 2021) entered into with Cassa di Compensazione e Garanzia SpA (hereinafter the CC&G) for the temporary use of liquidity from private funding. These transactions are guaranteed by securities for a total notional amount of €4,425 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 2022, already included in the exposure to net balances, amounted to €3,217 million (€1,577 million at 31 December 2021). At 31 December 2022, the fair value<sup>159</sup> of said item was €1,358 million.

**Receivables** include:

- **Deposits with the MEF**, for €11,907 million, including public customers' postal current account deposits, which earn a variable rate of return, calculated on a basket of government bonds<sup>160</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 2021). During the 2022 financial year, hedging (management) derivative contracts were concluded on the 10-year index-linked remuneration component. The hedging transaction 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.
- **Other financial receivables**, relating for €2,457 million to collateral deposits - of which €1,447 million for amounts paid to counterparties for repo transactions on fixed-income securities (collateral provided for by specific Global Master Repurchase Agreements), €978 million for amounts paid to CC&G (€613 million for outstanding repo transactions and €365 million as a pre-financed contribution to the Default Fund<sup>161</sup>), €31 million for amounts paid to counterparties for interest rate swap transactions (collateral provided for by specific Credit Support Annexes). The year-on-year decrease in guarantee deposits is due to the upward shift in the interest rate curve, which mainly generated a decrease in amounts paid to counterparties with which interest rate swap transactions are in place as a result of the positive change in the fair value of hedging derivatives, partially offset by the increase in amounts paid to counterparties with which repo transactions are in place as a result of the negative change in the fair value of collateral securities.

159. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

160. 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.

161. 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.

## 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 €28,304 million. Their carrying amount of €27,699 million reflects the amortised cost of unhedged fixed income bonds, totalling €15,614 million, the amortised cost of fair-value hedged fixed income bonds, totalling €14,799 million, decreased by €2,714 million to take into account the effects of the hedge (increased by €2,188 in 2021). Fixed income instruments measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 31 December 2022 amount to approximately €13 million (€11 million at 31 December 2021).

At 31 December 2022, the fair value<sup>162</sup> of these securities was €23,651 million (including €226 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 2022, their carrying amount totals €2,863 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**

(€m)	Fixed income instruments
<b>Balance at 1 January 2022</b>	<b>37,658</b>
Purchases	9,237
Transfers to equity reserves	(411)
Changes in amortised cost	(57)
Changes in fair value through equity	(4,408)
Changes in fair value through profit or loss	(5,721)
Changes in cash flow hedges (*)	202
Effects of sales on profit or loss	258
Accruals	265
Sales, redemptions and settlement of accruals	(3,833)
<b>Balance at 31 December 2022</b>	<b>33,190</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 mainly Eurozone fixed income Government securities, consisting of government bonds, especially issued by the Italian government, held by BancoPosta RFC, with a nominal value of €37,489 million.

Total fair value fluctuation for the year in question was negative for €10,130 million, with €4,408 million recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges, and €5,721 million recognised through profit or loss in relation to the hedged portion.

Accumulated impairments at 31 December 2022 amount to €16 million (€12 million at 31 December 2021). The decrease in this item is mainly due to the negative fair value fluctuation mentioned above, partially offset by higher purchases than sales/reimbursements during the year.

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*.

162. In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €20,927 million of the total amount qualifies for inclusion in Level 1 and €2,724 million for inclusion in Level 2.

## Financial assets at fair value through profit or loss

### Equity instruments

Equity instruments include:

- for €20 million, the fair value of 32,059 Visa Incorporated preference shares (Series C Convertible Participating Preferred Stock) assigned following the completion of the sale of the Visa Europe Ltd. share to Visa Incorporated in 2016; these shares are convertible to ordinary shares at the rate of 3.634<sup>163</sup> ordinary shares for each C share, and are discounted accordingly at a suitable rate to take account of their illiquidity. The process of determining the proportion of convertibility and related rate of Visa Incorporated Series C Convertible Participating Preferred Stock continued during the year, partially concluded on 29 July 2022 with the grant of 1,019 preference shares of Visa Incorporated Series A Preferred Stock;
- for €20 million, the fair value of 1,019 Visa Incorporated preference shares (Series A Preferred Stock); these shares are convertible into ordinary shares on the basis of a ratio of 100 ordinary shares for every share of Class A Preferred Stock.

Net fair value gains in the year under review, amounting to €1 million, have been recognised in profit or loss in the items Income and Expenses from financial activities.

### Derivative financial instruments

tab. A6.1.3 – Derivative financial instruments

Description (€m)	Balance at 31.12.2022		Balance at 31.12.2021	
	Nominal	Fai value	Nominal	Fair value
Cash flow hedges				
Forward purchases	3,433	(92)	-	-
Forward sales	1,099	346	1,714	76
Interest rate swaps	2,943	(531)	1,720	(264)
Fair value hedges				
Interest rate swaps on securities at FVTOCI and AC	27,940	5,571	34,914	(4,398)
Interest rate swaps on repos	3,996	(155)	2,956	(1)
FVTPL				
Forward sales	0	(4)	0	(3)
<b>Derivative financial instruments</b>	<b>39,411</b>	<b>5,135</b>	<b>41,304</b>	<b>(4,590)</b>
Of which:				
Derivative assets	27,404	6,109	13,593	873
Derivative liabilities	12,007	(975)	27,711	(5,463)

Cash flow hedges in the form of interest rate swaps relate exclusively to FVTOCI securities, while forward sales relate to FVTOCI securities with a nominal value of €869 million and securities at amortised cost with a nominal value of €230 million.

Interest rate risk cash flow hedges recorded a net negative change of €89 million during the year, of which €280 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 €369 million related to the net negative change in completed transactions<sup>164</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 €13,510 million and securities measured at FVTOCI with a nominal value of €14,430 million; in total, they underwent a net positive change of €9,969 million during the year, of which €11,040 million related to the net positive change in fair value of the effective component of the hedge and €1,071 million related to the net negative change in transactions completed during the year and the ineffective component of hedging contracts;

163. Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, as of the reporting date, were considered as merely contingent.

164. Transactions settled include forward transactions settled, accrued differentials and the settlement of interest rate swaps linked to securities sold.



- repurchase agreements classified at amortised cost with a nominal value of €3,996 million, whose net negative change was €154 million, of which €126 million related to the net negative change in fair value of the effective hedging component and €28 million related to the net negative change in completed transactions.

In the year under review, the Parent Company carried out the following transactions:

- forward purchases with a nominal amount of €3,433 million;
- forward sales with a nominal value of €1,099 million and the settlement of those outstanding at 1 January 2022, totalling €1,714 million;
- interest rate swaps designated as cash flow hedges with a nominal value of €1,323 million;
- fair value hedge interest rate swaps with a nominal amount of €5,585 million, including €1,010 million in hedges for repurchase agreement transactions;
- extinguishment of matured interest rate swap fair value hedges on repurchase agreements with a notional amount of €2,956 million;
- early extinguishment of interest rate swap fair value hedges for a total notional amount of €8,563 million (of which €1,575 million related to hedging transactions for which the underlying security was also sold) with the aim of consolidating a fixed yield in line with the market situation while improving the income profile of a portion of the portfolio also for subsequent years.

In addition, the Parent Company entered into and settled forward purchases for a total nominal value of €532 million (measured at fair value through profit or loss) to hedge the 10-year index-linked component of the remuneration of the use of funding from public customers. In total, these transactions generated a negative effect of €71 million in the year under review, which was recognised in profit or loss under the item Income from investments in postal current accounts and free cash.

## Insurance activities

**tab. A6.2 – Financial assets - Insurance Services**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	2,008	185	2,193	1,856	188	2,044	149
Receivables	-	34	34	-	24	24	9
Fixed income instruments	2,008	151	2,159	1,856	164	2,020	139
Financial assets at FVTOCI	84,850	11,651	96,501	105,214	6,171	111,385	(14,885)
Fixed income instruments	84,348	11,651	95,999	104,689	6,171	110,860	(14,861)
Other investments	501	0	502	525	0	525	(23)
Financial assets at FVTPL	42,532	929	43,461	44,302	473	44,775	(1,314)
Receivables	-	110	110	-	41	41	69
Fixed income instruments	1,959	326	2,285	2,524	55	2,579	(294)
Units of mutual investment funds	40,552	229	40,781	41,757	159	41,916	(1,136)
Equity instruments	-	264	264	0	217	217	47
Other investments	21	0	21	22	0	22	(1)
Derivative financial instruments	-	-	-	-	-	-	-
<b>Total</b>	<b>129,390</b>	<b>12,765</b>	<b>142,155</b>	<b>151,372</b>	<b>6,832</b>	<b>158,204</b>	<b>(16,049)</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**

(€m)	Receivables	Fixed income instruments	Total
<b>Balance at 1 January 2022</b>	<b>24</b>	<b>2,020</b>	<b>2,044</b>
Purchases		274	274
Changes in amortised cost	-	10	10
Changes in fair value through profit or loss	-	-	-
Changes in cash flow hedges	-	-	-
Changes due to impairment	-	-	-
Net changes	9		9
Effects of sales on profit or loss	-	-	-
Accruals	-	19	19
Sales, redemptions and settlement of accruals		(164)	(164)
<b>Balance at 31 December 2022</b>	<b>34</b>	<b>2,159</b>	<b>2,193</b>

### Receivables

Financial receivables of €34 million mainly regard receivables for management commissions of Poste Vita internal funds.

### Fixed income instruments

Fixed income instruments at amortised cost at 31 December 2022 have a carrying amount of €2,159 million. These instruments exclusively relate to the free capital of Poste Vita SpA and Poste Assicura SpA. At 31 December 2022, the fair value<sup>165</sup> of these securities is €1,863 million.

Fixed income instruments measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 31 December 2022 amount to approximately €0.9 million (€0.7 million at 31 December 2021).

165. In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €1,767 million of the total amount qualifies for inclusion in level 1 and €96 million for inclusion in Level 2.

## 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**

(€m)	Fixed income instruments	Other investments	Total
<b>Balance at 1 January 2022</b>	<b>110,860</b>	<b>525</b>	<b>111,385</b>
Purchases	18,732	-	18,732
Transfers to equity reserves	(136)	-	(136)
Changes in amortised cost	1,328	-	1,328
Changes in fair value through equity	(23,362)	(23)	(23,385)
Effects of sales on profit or loss	(186)	-	(186)
Accruals	794	-	794
Sales, redemptions and settlement of accruals	(12,031)	-	(12,031)
<b>Balance at 31 December 2022</b>	<b>95,999</b>	<b>502</b>	<b>96,501</b>

These financial instruments have recorded a fair value loss of €23,385 million. This includes a portion of €23,047 million (primarily securities held by Poste Vita SpA) that was transferred to policyholders, with a contra-entry made in technical provisions in accordance with the shadow accounting method, and a portion of €338 million reflected in a matching negative movement in the related equity reserve.

### Fixed income instruments

At 31 December 2022, fixed income instruments relate to investments primarily held by Poste Vita SpA for €95,646 million (a nominal value of €109,593 million) issued by European governments and European blue-chip companies. These instruments are mainly intended to cover products related to separately managed accounts, and therefore, the related gains and losses are transferred in full to policyholders and recognised in technical provisions using the shadow accounting method. These fixed income instruments comprise bonds issued by CDP SpA, with a fair value of €264 million.

The overall fluctuation in fair value in the year in question was negative for €23,362 million and is almost fully transferred to policyholders.

Accumulated impairments at 31 December 2022 amount to €48 million, almost entirely transferred to policyholders using the shadow accounting method (at 31 December 2021, impairments amounted to €52 million).

### Other investments

At 31 December 2022, they are composed for €502 million of a Cassa Depositi e Prestiti's Constant Maturity Swap private placement. Fair value losses registered during the period, totalling €23 million, have been transferred to policyholders using the shadow accounting method.

## 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**

(milioni di euro)	Receivables	Fixed income instruments	Units of mutual investment funds	Equity instruments	Other investments	Total
<b>Balance at 1 January 2022</b>	<b>41</b>	<b>2,579</b>	<b>41,916</b>	<b>217</b>	<b>22</b>	<b>44,775</b>
Purchases		418	6,488	158	-	7,063
Changes in fair value through profit or loss	-	(461)	(4,571)	(25)	(1)	(5,058)
Net changes	69					69
Effects of sales on profit or loss	-	(14)	(178)	-	-	(191)
Accruals	-	34	-	-	-	34
Sales, redemptions and settlement of accruals		(270)	(2,874)	(87)	-	(3,231)
<b>Balance at 31 December 2022</b>	<b>110</b>	<b>2,285</b>	<b>40,781</b>	<b>264</b>	<b>21</b>	<b>43,461</b>

### Receivables

This item refers to contributions by way of subscription and capital calls on mutual funds of which the corresponding units have not yet been issued.

### Fixed income instruments

At 31 December 2022, fixed income securities of €2,285 million consist primarily of €2,271 million in corporate instruments issued by blue-chip companies. Corporate financial instruments totalling €1,890 million are linked to separately managed accounts, €289 million to cover Class III insurance policies and the remaining €92 million relates to the Company's free capital.

### Units of mutual investment funds

At 31 December 2022, units of mutual investment funds amounting to €40,781 million include around €31,617 million to cover Class I separately managed account products and €9,159 million to cover Class III policies. The remaining €5 million relates to investment of the company's free capital (see note 13 – *Additional information - Unconsolidated structured entities*). Net investment in the funds during the period amounts to €3,614 million and the fair value has decreased by approximately €4,571 million, almost entirely transferred to Class I policyholders using the shadow accounting method. At 31 December 2022, the investments in UCITS (including multi-asset funds) amounted to €36,418, units in mutual real estate funds totalled €2,380 million, while mutual funds that primarily invest in bonds came to €1,982 million.

### Equity instruments

Equity instruments amount to €264 million, and cover primarily the contractual obligations arising on 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 €71 million and the registration of expenses of €24 million.

### Other investments

Other investments of €21 million relate to a Constant Maturity Swap placed by Cassa Depositi e Prestiti (a nominal value of €22 million) and covering products linked to separately managed accounts.

## Derivative financial instruments

At 31 December 2022, all derivative transactions were completed.

## Postal and Business Activities

tab. A6.3 – Financial assets - Postal and Business Services

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	2	1	3	2	4	6	(4)
Receivables	2	1	3	2	4	6	(4)
Guarantee deposits	-	-	-	-	3	3	(3)
Due from the purchasers of service accommodation	2	1	3	2	2	4	(1)
Due from others	-	20	20	-	20	20	(0)
Provisions for doubtful debts	(0)	(20)	(20)	(0)	(20)	(20)	0
Financial assets at FVTOCI	536	0	536	75	-	75	461
Fixed income instruments	91	0	91	0	-	0	91
Equity instruments	445	-	445	75	-	75	370
Financial assets at FVTPL	-	-	-	-	-	-	-
Derivative financial instruments	0	0	0	0	3	3	(3)
<b>Total</b>	<b>539</b>	<b>1</b>	<b>540</b>	<b>77</b>	<b>7</b>	<b>84</b>	<b>455</b>

## Financial assets at fair value through other comprehensive income

tab. A6.3.1 – Movements in financial assets at FVTOCI

(€m)	Fixed income instruments	Equity instruments	Total
<b>Balance at 1 January 2022</b>	-	<b>75</b>	<b>75</b>
Purchases	98	34	132
Changes in amortised cost	1	-	1
Changes in fair value through equity	(9)	(72)	(80)
Reclassifications	-	408	408
<b>Balance at 31 December 2022</b>	<b>91</b>	<b>445</b>	<b>536</b>

### Fixed income instruments

This item includes one Italian government bond with a nominal value of €110 million purchased during the year. The fluctuation in fair value at 31 December 2022 was negative for €9 million and recognised in the specific equity reserve.

## Azioni

**tab. A6.3.2 – Shares at FVTOCI**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Moneyfarm Holding Ltd	57	53	4
sennder Technologies GmbH	19	19	-
Scalapay Limited	25	-	25
Nexi SpA	343	-	343
Milkman SpA	2	3	(1)
<b>Total</b>	<b>445</b>	<b>75</b>	<b>370</b>

Shares at FVTOCI amounted to €445 million and, compared to the previous year (€75 million), changed by:

- participation in January 2022 by Poste Italiane in a new capital increase promoted by Moneyfarm Holding Ltd with an investment of €9 million;
- acquisition in April 2022 by Poste Italiane of 2.30% (2.15% on a fully diluted basis) of the share capital of Scalapay Limited with an investment of €25 million;
- the completion of the merger by incorporation, effective as of 1 November 2022, of the subsidiary PSIA Srl (previously classified in the "Payment Services and Card Payments" segment), as a result of which Poste Italiane holds a 3.6% stake in Nexi SpA corresponding, as of the date of the transaction, to approximately €408 million;
- the overall negative fair value fluctuation during the year of €72 million (of which €65 million related to the reduction in the fair value of Nexi SpA from the date of the transaction) recognised in the specific equity reserve.

During the year under review, the total change in fair value of Nexi SpA amounted to €308 million (€243 million from 1 January 2022 to 31 October 2022 and €65 million from 1 November 2022 to 31 December 2022).

- 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

This item consists of equity instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code) resulting from the conversion of Contingent Convertible Notes<sup>166</sup>, whose value at 31 December 2022 is zero.

<sup>166</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 airline Alitalia SAI SpA. The Notes were subscribed for by Poste Italiane SpA on 23 December 2014, in connection with the strategic transaction that resulted in Etihad Airways' acquisition of an equity interest in Alitalia SAI, without giving rise to any involvement on the part of Poste Italiane in the management of the issuer or its subsidiary. Interest and principal payments were provided for in the relevant terms and conditions if, and to the extent that, there was available liquidity. On the fulfilment of certain negative pledge conditions, in 2017 the loan was converted into equity instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code), carrying the same rights associated with the Notes.

## Derivative financial instruments

tab. A6.3.3 – Derivative financial instruments

Description (€m)	Balance at 31.12.2022		Balance at 31.12.2021	
	Nominal	Fai value	Nominal	Fair value
Cash flow hedges				
Interest rate swaps	50	0	50	(3)
FVTPL				
Commodity swaps	-	(0)	5	3
<b>Derivative financial instruments</b>	<b>50</b>	<b>(0)</b>	<b>55</b>	<b>0</b>
Of which:				
Derivative assets		0		3
Derivative liabilities		(0)		(3)

At 31 December 2022, derivative instruments in place are represented primarily by a cash flow hedging interest rate swap contract entered into by Poste Italiane in 2013 to protect the cash flows of the €50 million bond issued on 25 October 2013 (Note B8 - *Financial liabilities*); with this transaction, the Parent Company assumed the obligation to pay the fixed rate of 4.035% and sold the variable rate of the bond, which at 31 December 2022 was 4.282%.

The following transactions took place during 2022:

- stipulation and settlement of forward purchases by the Parent Company on government bonds for a nominal value of €110 million;
- stipulation and settlement of euro/dollar exchange rate risk management hedging transactions for aircraft leasing costs by Poste Air Cargo Srl;
- In addition, in November 2022, the swap contract entered into by Poste Air Cargo Srl in the 2020 financial year to cover the fuel costs for the air mail transport performed expired.

## Payment Services and Card Payments Activities

tab. A6.4 – Financial assets - Payment Services and Card Payments Services

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	0	198	198	-	124	124	74
Receivables	0	198	198	-	124	124	74
Financial assets at FVTOCI	8	-	8	735	-	735	(727)
Equity instruments	8	-	8	735	-	735	(727)
<b>Total</b>	<b>8</b>	<b>198</b>	<b>206</b>	<b>735</b>	<b>124</b>	<b>859</b>	<b>(653)</b>

## Financial assets at amortised cost

Financial assets at amortised cost refer solely to financial receivables due to the ring-fenced EMI.



## Financial assets at fair value through other comprehensive income

The Shares at FVOCI of "Payment services and card payments" decreased by €728 million, mainly due to the effect:

- of the reclassification of Nexi SpA into the "Postal and business" segment following the completion of the merger by incorporation of PSIA Srl into Poste Italiane, effective as of 1 November 2022, the value of which, at the date of the transaction, amounted to approximately €408 million;
- the overall fair value fluctuation of Nexi SpA itself from the beginning of the year to the date of the transaction in the amount of €243 million;
- of the sale of the equity investment in Tink AB on 10 March 2022.

For further information in this regard, see Note 3.1 - *Principal corporate actions*.

## A7 – Inventories (€157 million)

tab. A7 – Inventories

Description	Balance at 31.12.2021	Increase/(decrease)	Other changes	Balance at 31.12.2022
Properties held for sale	128	(1)	1	129
Work in progress, semi-finished and finished goods and goods for resale	11	5	4	20
Raw, ancillary and consumable materials	16	(6)	-	9
<b>Total</b>	<b>155</b>	<b>(2)</b>	<b>4</b>	<b>157</b>

Properties held for sale refer entirely to the portion of EGI SpA's real estate portfolio to be sold, whose fair value<sup>167</sup> at 31 December 2022 amounts to approximately €275 million. It should be noted that during the year, EGI sold three properties for a total of €20 million, resulting in a capital gain at the consolidated level of €14 million. This change was offset by an increase resulting from redevelopment and extraordinary maintenance work carried out by the company for about €6 million.

The change in raw, ancillary and consumable materials refers partly to protective equipment, disinfectant gel and other materials purchased mainly in 2020.

## A8 – Trade receivables (€2,182 million)

tab. A8 – Trade receivables

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Due from customers	3	1,916	1,919	3	2,439	2,442	(523)
Due from Parent Company (MEF)	-	257	257	-	48	48	209
Due from subsidiaries, associates and joint ventures	-	5	5	-	21	21	(16)
Prepayments to suppliers	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>2,179</b>	<b>2,182</b>	<b>3</b>	<b>2,508</b>	<b>2,511</b>	<b>(329)</b>

167. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

## Due from customers

tab. A8.1 – Due from customers

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Ministries and Public Administration entities	-	581	581	-	463	463	118
Due from private individuals for parcel delivery services	-	493	493	-	628	628	(135)
Due from private individuals for mail services	-	395	395	-	447	447	(52)
Overseas counterparties	-	386	386	-	549	549	(162)
Amounts due for other BancoPosta services	-	62	62	-	92	92	(30)
Overdrawn current accounts	-	40	40	-	37	37	3
Cassa Depositi e Prestiti	-	21	21	-	387	387	(366)
Other amounts due from customers	3	453	457	3	364	367	89
Provisions for doubtful debts due from customers	-	(517)	(517)	-	(529)	(529)	12
<b>Total</b>	<b>3</b>	<b>1,916</b>	<b>1,919</b>	<b>3</b>	<b>2,439</b>	<b>2,442</b>	<b>(523)</b>

The decrease in Amounts due from customers is mainly attributable to the decrease in receivables from Cassa Depositi e Prestiti and reflects the new billing and payment methods on a monthly basis and no longer on a quarterly basis, introduced by the Agreement of 23 December 2021, effective from 1 January 2022.

Specifically<sup>168</sup>:

- Amounts due from **Ministries and Public Administration entities** refer mainly to the following services:
  - Compensation for Publisher tariff subsidies, due from the Presidenza del Consiglio dei Ministri - Dipartimento dell'Editoria (Cabinet Office – Publishing Department), amounting to €173 million, of which €54 million accrued during the year. These receivables are shown gross of the collection of an unavailable amount of €125 million, relating to the tariff subsidies applied in 2020, 2021 and the first half of 2022, deposited by the Cabinet Office - Publishing Department, in a non-interest-bearing account held by the Parent Company with the State Treasury and for this reason recorded under Payables for advances received. Release of the amount deposited and extinguishment of the receivables in question are awaiting approval from the European Commission. At 31 December 2022, following the integration of the appropriations for the period 2018-2021 in the State Budget 2023, the provisions for doubtful debts, allocated over the years, were released in the amount of approximately €17 million.
  - Integrated Notification and mailroom services rendered to central and local government authorities, amounting to €83 million.
  - Reimbursement of real estate, vehicles and surveillance expenses incurred on behalf of the Ministry of Enterprise and Made in Italy (MiMIT) in the amount of €49 million<sup>169</sup>. This receivable is made up of the remaining €24 million from the original claim of €62 million that was the subject of legal action brought by Poste Italiane for recognition of charges arising from the use of real estate until 2012. On 30 April 2020, a partially favourable judgement was published for Poste Italiane; the judgement was notified to MIMIT and the latter appealed before the Court of Appeal with a request for suspension. On 3 December 2020, the request was not granted and a decision is now pending in the second instance. In December 2021, in compliance with the first instance judgment, MIMIT paid approximately €38 million to the Company, the effects of which were reflected in the financial statements for the year ended 31 December 2021. The supplement to the balance consists of €25 million and, during the year, 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. This amount, which had been allocated to the provisions for doubtful debts, was therefore released.
  - Unfranked mail services provided on credit, totalling €38 million, to central and local government authorities.
  - Market Registered Mail services, totalling €38 million, provided to central and local government entities.
  - Mail forwarding and notification services provided following a tender procedure for a total of €30 million.
  - The payment of pensions and vouchers on behalf of INPS (the National Institute of Social Security), totalling €21 million.

168. At 31 December 2022, the balance of trade receivables includes €10 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.

169. See "Revenue and amounts due from the State" below, showing overall amounts due from the Ministry of Enterprise and Made in Italy (€50 million), including amounts due for postal and other services.

- Amounts due for **parcel delivery services** relate 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 by the Parent Company to 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 other **BancoPosta services** mainly refer to intermediation services (banking, personal loans, mortgages) provided.
- Amounts due for **overdrawn current accounts** derive almost exclusively from overruns due to the debiting of BancoPosta's periodic fees.
- Amounts due from **Cassa Depositi e Prestiti** refer to fees for BancoPosta RFC's Postal savings deposits service and still not paid.

**Provisions for doubtful debts due from customers** are described in Note 6 – *Risk management*.

## 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 31.12.2022	Balance at 31.12.2021	Changes
Remuneration of current account deposits	227	17	210
Universal Service	31	31	-
Delegated services	30	30	-
Publisher tariff and electoral subsidies	1	1	-
Other	1	2	(1)
Provision for doubtful debts due from the Parent Company	(33)	(33)	-
<b>Total</b>	<b>257</b>	<b>48</b>	<b>209</b>

Specifically:

- The **remuneration of current account deposits** refers almost entirely to amounts accrued in 2022 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 2021 is mainly due to the rise in the interest rate curve. In March 2023, €222 million was collected in relation to the remuneration of deposits from accounts opened by the Public Administration.
- Receivables for **Universal Service** compensation includes:

**tab. A8.2.1 – Universal Service compensation receivable**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Remaining balance for 2012	23	23	-
Remaining balance for 2005	9	8	1
<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 2022 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 31 December 2022 and in the process of being renewed.
- Amounts due arising from **electoral subsidies** refer to compensation for previous years, for which no provision has been made in the state budget.

**Provisions for doubtful debts due from the Parent Company** are described in Note 6 – *Risk management*.

## A9 – Other receivables and assets (€5,215 million)

tab. A9 – Other receivables and assets

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Substitute tax paid	4,060	585	4,645	3,939	603	4,542	103
Due from social security agencies and pension funds (excl. fixed-term contract settlements)	-	138	138	-	172	172	(34)
Receivables relating to fixed-term contract settlements	36	76	112	46	76	122	(10)
Receivables for amounts that cannot be drawn on due to court rulings	-	71	71	-	77	77	(6)
Accrued income and prepaid expenses from trading transactions	-	32	32	-	61	61	(30)
Tax assets	-	88	88	-	88	88	(0)
Other amounts due from associates	-	-	-	-	1	1	(1)
Interest accrued on IRES refund	-	46	46	-	47	47	(1)
Sundry receivables	25	235	260	29	206	235	26
Provisions for doubtful debts due from others	(3)	(173)	(177)	(3)	(185)	(188)	12
<b>Total</b>	<b>4,118</b>	<b>1,096</b>	<b>5,215</b>	<b>4,012</b>	<b>1,146</b>	<b>5,158</b>	<b>57</b>

In Specifically:

- **Substitute tax paid** refers mainly to:
  - €2,269 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>170</sup>;
  - €1,790 million charged to holders of Interest-bearing Postal Certificates and Class III and V insurance policies for stamp duty at 31 December 2022<sup>171</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);
  - €386 million relating to advances paid in relation to stamp duty to be paid in virtual form in 2023 and charged to customers and to be recovered from Poste Italiane’s customers;
  - €102 million relating to stamp duty charged to Postal Savings Books, which Poste Italiane SpA pays in virtual form as required by law.
- Amounts due from **social security agencies and pension funds** refer for €14 million to the residual sums relating to periods of suspension or reduction of work for Covid-19, which the Parent Company has advanced to its employees and recoverable through access to the benefits of the Bilateral Solidarity Fund at INPS, enabled by the signing of the labour union agreements

170. 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).

171. 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).

of 30 April and 21 December 2020. In this regard, during the 2022 financial year, the Parent Company recovered approximately €43 million by means of an adjustment 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 €112 million from personnel, from INPS and pension funds recoverable in the form of variable instalments, the last of which is due in 2042. 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.
- **Amounts that cannot be drawn on due to court rulings** include €59 million in amounts seized and not assigned to creditors, in the process of recovery, and €12 million in amounts stolen from the Parent Company in December 2007 as a result of an attempted fraud and that have remained on deposit with an overseas bank. In January 2023, following the signing of a settlement agreement, these sums were collected and consequently the provisions for doubtful debts allocated at the time were released to the statement of profit or loss.
- **Interest accrued on IRES refund**, refers to interest accruing up to 31 December 2022 in relation to the tax credit determined by an unreported deduction from the IRES tax base of IRAP paid on labour costs and 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 judgments before the Regional Tax Tribunal and, on 23 March 2018, the Tribunal upheld the Agenzia delle Entrate 's appeal against one of the judgments (proceedings pursuant to Law Decree no. 201/2011). Poste Italiane has appealed this judgment before the Supreme Court of Cassation. In the last quarter of 2019, the Court of Cassation had the opportunity to rule on other proceedings concerning the operation of the reimbursement pursuant to Law Decree no. 201/11; with respect to the judgement issued, there is a homogeneity of legal-formal circumstances that lead to the conclusion that the principle of law, referred to in the aforementioned judgement of the Court of legitimacy, can also have its effects in existing judgements. Also the judgement concerning Law Decree no. 185/2008, is currently pending before the Supreme Court of Cassation following Poste Italiane's challenge, on 23 January 2023, of the Lazio Regional Tax Tribunal's judgment in favour of the Agenzia delle Entrate. Elements of uncertainty about the final outcome of the case are taken into account in the provisions for doubtful debts due from others.
- **Accrued income and prepaid expenses from trading transactions** decreased by €30 million compared to last year. At 31 December 2021, this item included, for approximately €38 million, the one-off payment made in advance to employees in July 2021 to cover the contractual vacancy relating to the first half of 2022, in accordance with what was defined in the renewal of the National Collective Labour Agreement signed on 23 June 2021.
- **Provisions for doubtful debts due from others** are described in Note 6 – *Risk management*.

## A10 – Tax Credits Law no.77/2020 (€9,021 million)

tab. A10 – Tax Credits Law no. 77/2020

(€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Tax credits at amortised cost	7,458	1,563	9,021	3,090	65	3,155	5,866
Tax credits at FVTOCI	-	-	-	2,461	840	3,301	(3,301)
<b>Total tax credit</b>	<b>7,458</b>	<b>1,563</b>	<b>9,021</b>	<b>5,551</b>	<b>905</b>	<b>6,456</b>	<b>2,565</b>
<i>of which Financial Activities</i>	7,127	1,473	8,600	5,168	840	6,008	2,592
<i>of which Postal and Business Activities</i>	331	90	421	383	65	448	(27)

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 credits are measured at amortised cost if they are acquired 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 credits, while they are measured at fair value through other comprehensive income if they are also acquired for the purpose of sale.

During the year, tax credits previously measured at fair value through other comprehensive income were reclassified to tax credits at amortised cost. The reclassification, effective as of 1 October 2022, became necessary as a result of the lack of development in the market for second sales between financial intermediaries, which therefore required BancoPosta RFC to revise its business model for these loans.

Changes in these tax credits during 2022 are shown below:

**tab. A10.1 – Movements in Tax Credits Law no. 77/2020**

(€m)	Tax Credits at CA	Tax Credits at FVTOCI	Total
<b>Balance at 1 January 2022</b>	<b>3,155</b>	<b>3,301</b>	<b>6,456</b>
Purchases	3,471	-	3,471
Changes in amortised cost	209	84	293
Changes in fair value through equity	-	(122)	(122)
Offsetting	(365)	(755)	(1,120)
Portfolio transfer	2,508	(2,508)	-
Other changes	43	-	43
<b>Balance at 31 December 2022</b>	<b>9,021</b>	<b>-</b>	<b>9,021</b>

The main changes in the year under review refer to:

- purchases of €3,471 million, of which €3,174 million pertaining to BancoPosta RFC<sup>172</sup>;
- accrued income for the year amounting to €293 million, of which €273 million pertaining to BancoPosta RFC;
- negative changes in the fair value of tax credits measured at FVTOCI in the amount of €122 million (from 1 January to 30 September 2022);
- reclassification from the FVTOCI category to amortised cost in the amount of €2,508 million;
- offsetting of €1,120 million, of which €812 million are attributable to BancoPosta RFC.

The item Other changes includes the positive effects, amounting to €130 million, recognised on 1 October 2022 as an increase in equity, following the reclassification of tax credits to the amortised cost category, partially offset by the derecognition of certain maturing credits not offset during the year.

At 31 December 2022, the fair value<sup>173</sup> of tax credits at amortised cost is €8,172 million. At that date, the fair value of only the tax credits subject to reclassification was €2,425 million; the overall change in fair value recognised during the year, of €14 million, would have been recognised in equity in the absence of the reclassification.

As part of the actions aimed at combating tax fraud perpetrated 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 in the course of 2022) for a nominal value of the credits of approximately €410 million, against a value paid to customers that was lower and corresponding to a carrying amount of approximately €334 million at 31 December 2022, including interest capitalised for the recognition at amortised cost of the credits in question.

172. 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.

173. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 3.

In a regulatory context that is constantly evolving, and taking into account the position taken by the case law<sup>174</sup>, starting in the second half of the 2022 financial year, on the unusability of tax credits due to conduct unrelated to the transferee and the interpretations of the Agenzia delle Entrate, a legal and accounting analysis was conducted to comprehensively assess the potential risks to which Poste Italiane could be exposed if the tax credits acquired over time by the same were to derive from fraudulent conduct. In particular, in order to determine the accounting impact related to this potential risk, reference was made 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 what will be 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. As a result of the in-depth investigations conducted on the tax credits acquired, also with the support of external legal, tax and accounting consultants, a total provision for these risks of €320 million was recognised under 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.

## A11 – Cash and deposits attributable to BancoPosta (€5,848 million)

**tab. A11 – Cash and deposits attributable to BancoPosta**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Cash and cash equivalents in hand	3,960	2,886	1,074
Bank deposits	1,888	4,773	(2,885)
<b>Total</b>	<b>5,848</b>	<b>7,659</b>	<b>(1,810)</b>

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 (€1,070 million) and at service<sup>175</sup> companies (€2,890 million), may not be used for purposes other than to repay obligations contracted in the transactions described above. The decrease with respect to 31 December 2021 is due to the decrease in the item Bank deposits mainly as a result of the purchase of tax credits, pursuant to Law Decree no. 34/2020, through the surplus liquidity deriving from the collection from private individuals deposited on the account opened with the Bank of Italy, partially offset by the increase in the item Cash and cash equivalents due to higher amounts held with the Service Companies.

174. The Court of Cassation, through a number of rulings made in the course of 2022, confirmed the reconstruction postulated by the Public Prosecutor's Office, recognising the legitimacy of the seizure orders due to the non-existence of the claims subject to the precautionary measure.

175. They carry out transport and custody of valuables awaiting payment to the State Treasury.



## A12 – Cash and cash equivalents (€4,983 million)

tab. A12 – Cash and cash equivalents

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Bank deposits and amounts held at the Italian Treasury	2,962	5,941	(2,980)
Deposits with the MEF	1,991	1,990	0
Cash and cash equivalents in hand	31	27	4
<b>Total</b>	<b>4,983</b>	<b>7,958</b>	<b>(2,975)</b>

The balance of cash and cash equivalents at 31 December 2022 includes restricted cash of approximately €3,755 million, of which €1,284 million relates to funds on deposit with the MEF, known as the “Buffer” account, collected from customers and subject to a restriction on their use, €2,259 million consisting of liquidity used to cover insurance technical provisions, €125 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), €52 million in liquidity to be transferred to principals as part of the management of collections and payments of the subsidiary LIS Pay, €20 million restricted as a result of judicial provisions relating to various disputes and €15 million for management of cash on hand and other restrictions.

## Equity

### B1 – Equity (€8,937 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**

(€m)	Equity at 31.12.2022	Changes in equity during 2022	Net profit/(loss) for 2022	Equity at 31.12.2021
<b>Financial statements of Poste Italiane SpA</b>	<b>3,808</b>	<b>(4,074)</b>	<b>847</b>	<b>7,034</b>
Balance of profit (loss) of consolidated subsidiaries	8,791	-	1,334	7,457
Investments accounted for using the equity method	142	2	(6)	146
Balance of FV and CFH reserves of investee companies	(370)	(486)	-	115
Actuarial gains and losses on employee termination benefits of investee companies	(3)	4	-	(7)
Fees to be amortised attributable to Poste Vita SpA and Poste Assicura SpA	(25)	-	4	(29)
Effects of intercompany transactions	(158)	(90)	(5)	(62)
Derecognition of infra-group dividends	(3,739)	-	(653)	(3,086)
Elimination of adjustments to value of consolidated companies	586	-	(12)	598
Purchase Price Allocation Adjustments	(3)	-	(3)	-
Amortisation/Impairment of goodwill	(156)	-	-	(156)
Impairments of disposal groups held for sale	(40)	-	-	(40)
Recognition of liabilities for call options	(88)	(69)	11	(29)
Other consolidation adjustments	148	(1)	(11)	160
<b>Equity attributable to owners of the Parent</b>	<b>8,893</b>	<b>(4,714)</b>	<b>1,506</b>	<b>12,102</b>
Equity attributable to non-controlling interests (excluding profit/(loss))	38	33	-	6
Net profit/(loss) attributable to non-controlling interests	5	(2)	5	2
<b>Equity attributable to non-controlling interests</b>	<b>44</b>	<b>31</b>	<b>5</b>	<b>8</b>
<b>Total Consolidated Equity</b>	<b>8,937</b>	<b>(4,683)</b>	<b>1,511</b>	<b>12,110</b>

At 31 December 2022, earnings per share were €1.158 (€1.214 at 31 December 2021), calculated as the ratio of the Group profit for the year of €1,506 million to the weighted average of the number of outstanding ordinary shares.

### B2 – Share Capital (€1,306 million)

The share capital of Poste Italiane SpA consists of 1,306,110,000 no-par value ordinary shares, of which CDP holds 35% and the MEF 29.3%, while the remaining shares are held by institutional and retail investors.

At 31 December 2022, the Company held 7,535,991 treasury shares (representing approximately 0.58% of the share capital) with a total value of approximately €63 million. All the shares in issue are fully subscribed and paid up. No preference shares have been issued.

## B3 – Shareholders transactions

As approved by the Shareholders' Meeting of 27 May 2022, on 22 June 2022, the Parent Company distributed dividends of €526 million (dividend per share equal to €0.405) as the balance for 2021, taking into account the interim dividend of €241 million (dividend per share equal to €0.185) already paid in November 2021. In addition, on 9 November 2022, the Board of Directors of Poste Italiane resolved to advance part of the ordinary dividend for 2022 as an interim dividend. The interim dividend of €273 million was distributed on 23 November 2022 (dividend per share of €0.210).

## B4 – Reserves (€-352 million)

tab. B4 – Reserves

(€m)	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Translation reserve	Reserve for investments accounted for using equity method	Incentive plans reserve	Total
<b>Balance at 1 January 2022</b>	<b>299</b>	<b>1,210</b>	<b>800</b>	<b>1,307</b>	<b>(34)</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>3,599</b>
Increase/(decrease) in fair value during the year	-	-	-	(5,192)	279	-	-	-	(4,914)
Tax effect of changes in fair value	-	-	-	1,398	(79)	-	-	-	1,319
Transfers to profit or loss from realisation	-	-	-	(161)	(409)	-	-	-	(570)
Tax effect of transfers to profit or loss	-	-	-	46	117	-	-	-	162
Increase/(decrease) for expected losses	-	-	-	4	-	-	-	-	4
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method	-	-	-	-	-	-	1	-	1
Other changes	-	-	-	93	-	(1)	-	-	92
Gains/(losses) recognised in equity	-	-	-	(3,811)	(93)	(1)	1	-	(3,905)
Incentive plans	-	-	-	-	-	-	-	6	6
Other changes	-	-	-	(54)	-	-	2	-	(52)
Equity instruments - perpetual hybrid bonds	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>299</b>	<b>1,210</b>	<b>800</b>	<b>(2,558)</b>	<b>(127)</b>	<b>-</b>	<b>5</b>	<b>19</b>	<b>(352)</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. In 2022, the decreases in fair value totalled €5,192 million, reflecting:

- for €4,530 million the net negative change in the value of instruments within the Group's Financial activities, of which negative €122 million related to tax credits Law no. 77/2020 measured at fair value through other comprehensive income (on 1 October 2022, the negative fair value reserve totalling €130 million, €93 million net of the tax effect, was cancelled following the reclassification of the credits to the tax credits at amortised cost category, as more fully described in Note A10 - Tax Credits Law no. 77/2020);
- a net decrease of €338 million in financial assets attributable to the Group's Insurance activities segment;
- a net decrease of €80 million in financial assets attributable to the Group's Postal and Business segment;
- a net decrease of €243 million in financial assets attributable to the Group's Payment and Mobile segment.

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 2022, the fair value gain of €279 million reflects a net gain of €280 million on derivative financial instruments attributable to Financial activities and a net gain of €1 million on the value of derivative instruments held outside the ring-fence;

The **Incentive Plans reserve** includes the estimate of the valuations for the year relating to the long-term "Performance Share LTIP" incentive plans and the MBO short-term incentive plan, carried out on the basis of the provisions of IFRS 2.

## Liabilities

### B5 – Technical provisions for insurance business (€139,986 million)

These provisions refer to the contractual obligations of the subsidiaries, Poste Vita SpA and Poste Assicura SpA, in respect of their policyholders, inclusive of deferred liabilities resulting from application of the shadow accounting method, as follows:

**tab. B5 – Technical provisions for insurance business**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Mathematical provisions	142,887	136,898	5,989
Outstanding claims provisions	816	790	26
Technical provisions where investment risk is transferred to policyholders	9,839	7,847	1,992
Other provisions	(13,915)	13,260	(27,175)
for operating costs	71	70	1
for deferred liabilities to policyholders	(13,986)	13,190	(27,176)
Technical P&C provisions	358	294	64
<b>Total</b>	<b>139,986</b>	<b>159,089</b>	<b>(19,103)</b>

The technical provisions borne by reinsurers are shown under assets in the statement of financial position and amount to a total of €44 million.

Details of changes in technical provisions for the insurance business and other claim expenses are provided in the notes to the consolidated statement of profit or loss.

The **provisions for deferred liabilities to policyholders** include portions of gains and losses attributable to policyholders under the shadow accounting method. In particular, the value of the provisions reflects the attribution to policyholders, in accordance with the relevant accounting standards (to which reference is made for more details), of unrealised profits and losses on financial assets at FVTOCI at 31 December 2022 and, to a lesser extent, on financial instruments at fair value through profit or loss.

## B6 – Provisions for risks and charges (€1,355 million)

Movements in provisions for risks and charges are as follows:

**tab. B6 – Movements in provisions for risks and charges for FY 2022**

Description (€m)	Balance at 01.01.2022	Provisions	Transfers to profit or loss	Uses	Change in scope of consolidation	Balance at 31.12.2022
Provisions for operational risks	145	11	(22)	(14)	-	120
Provisions for disputes with third parties	298	66	(42)	(24)	-	298
Provisions for disputes with staff <sup>(1)</sup>	44	3	(3)	(8)	-	35
Provisions for personnel expenses	125	95	(35)	(77)	-	109
Provisions for early retirement incentives	518	54	-	(218)	-	354
Provisions for risks - tax credits Law no. 77/2020	-	320	-	-	-	320
Provisions for taxation/social security contributions	19	2	(0)	(0)	0	20
Other provisions for risks and charges	119	11	(21)	(12)	2	98
<b>Total</b>	<b>1,268</b>	<b>562</b>	<b>(123)</b>	<b>(354)</b>	<b>2</b>	<b>1,355</b>
Overall analysis of provisions						
- non-current portion	693					804
- current portion	575					551
	<b>1,268</b>					<b>1,355</b>

<sup>(1)</sup> Net uses for Personnel expenses amount to €3 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. The net transfers for the year, totalling €11 million, mainly reflect the prescription of certain stocks related to the funds transfer business and the adjustment of estimates of risks related to the distribution of postal savings products as well as fraud.
- **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 €95 million to reflect the estimated value of new liabilities and decreased as a result of past contingent liabilities that failed to materialise (€35 million) and settled disputes (€77 million).
- **Provisions for early retirement incentives** reflect the estimated costs to be incurred as a result of the Group'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 by 31 December 2024. The provisions made at 31 December 2021 were utilised for €218 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 (€705 million)

The following movements in employee termination benefits took place in 2022:

**tab. B7 – Movements in provisions for employee termination benefits**

(€m)	FY 2022
<b>Balance at 1 January</b>	<b>922</b>
Change in scope	9
Current service cost	2
Interest component	16
Effect of actuarial (gains)/losses	(125)
Uses for the period	(118)
<b>Balance at 31 December 2022</b>	<b>705</b>

The current service cost is recognised in personnel expenses, whilst the interest component is recognised in Finance costs.

**tab. B7.1 – Actuarial gains and losses**

	31.12.2022
	<b>TFR</b>
Change in demographic assumptions	8
Change in financial assumptions	(163)
Other experience-related adjustments	46
<b>Total</b>	<b>(125)</b>

The sensitivity of employee termination benefits to changes in the principal actuarial assumptions is analysed below.

**tab. B7.2 – Sensitivity analysis**

	31.12.2022
	<b>TFR</b>
Inflation rate +0.25%	713
Inflation rate -0.25%	698
Discount rate +0.25%	694
Discount rate -0.25%	718
Turnover rate +0.25%	706
Turnover rate -0.25%	705

The following table provides further information in relation to employee termination benefits.

**tab. B7.3 – Other information**

	31.12.2022
Expected service cost	2.5
Average duration of defined benefit plan	8.0
Average employee turnover per annum	2.000%

## B8 – Financial liabilities (€103,644 million)

**tab. B8 – Financial liabilities**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	10,047	92,534	102,582	9,672	89,565	99,237	3,345
Postal current accounts	-	68,336	68,336	-	68,597	68,597	(261)
Loans	8,932	3,069	12,001	8,721	6,861	15,582	(3,581)
Bonds	997	50	1,048	1,047	-	1,047	1
Due to financial institutions	7,934	3,018	10,952	7,674	6,861	14,535	(3,582)
Lease payables	1,110	297	1,407	947	219	1,166	241
MEF account held at the Treasury	-	4,169	4,169	-	3,441	3,441	728
Other financial liabilities	5	16,663	16,669	4	10,447	10,451	6,218
Financial liabilities at FVTPL	69	19	88	29	-	29	59
Financial liabilities for purchase of minority interests	69	19	88	29	-	29	59
Derivative financial instruments	823	152	975	5,421	45	5,466	(4,491)
Cash flow hedges	490	137	627	258	9	267	360
Fair value hedges	333	10	343	5,160	36	5,196	(4,852)
Fair value through profit or loss	-	4	4	3	-	3	2
<b>Total</b>	<b>10,939</b>	<b>92,706</b>	<b>103,644</b>	<b>15,122</b>	<b>89,610</b>	<b>104,733</b>	<b>(1,088)</b>

## Postal current accounts

They represent BancoPosta's direct deposits, and include interest accrued at 31 December 2022, which was settled with customers in January 2023.



## Loans

Other than the guarantees described in the following notes, loans are unsecured and are not subject to financial covenants, which would require Group companies to comply with financial ratios or maintain a certain minimum rating. EIB loans are subject to the maintenance of a minimum rating level of BBB- (or equivalent) by the two rating agencies of Poste, without prejudice to the bank's right to request guarantees or an increase in the margin, or in the event of failure to agree immediate early repayment of the loan. However, standard negative pledge<sup>176</sup> provisions do apply.

## Bonds

The item **Bonds** refers to two loans issued by the Parent Company as part of the €2.5 billion Euro Medium Term Notes (EMTN) Programme promoted by the Company during the 2013 financial year on the Luxembourg Stock Exchange. In particular:

- a senior unsecured loan with a total nominal value of €1 billion issued on 10 December 2020 in two tranches, placed in public form with institutional investors. 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 2022, the fair value<sup>177</sup> of the loan was €851 million;
- a loan with a nominal value of €50 million, privately placed and issued at par on 25 October 2013. The term to maturity of the loan is ten years and the interest rate is 3.5% for the first two years and variable thereafter (EUR Constant Maturity Swap rate plus 0.955%, with a cap of 6% and a floor of 0%). The interest rate risk exposure was hedged as described in note A6 – Financial assets. At 31 December 2022, the fair value<sup>178</sup> of the loan was €51 million.

## Due to financial institutions

tab. B8.1 – Due to financial institutions

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Repurchase agreements	7,109	3,016	10,125	6,951	6,310	13,261	(3,136)
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	0
EIB fixed rate loan maturing 02/05/2028	100	-	100	-	-	-	100
Other loans	2	1	3	-	551	551	(548)
Accrued interest expense	-	1	1	-	-	-	-
<b>Total</b>	<b>7,934</b>	<b>3,018</b>	<b>10,952</b>	<b>7,674</b>	<b>6,861</b>	<b>14,535</b>	<b>(3,582)</b>

At 31 December 2022, outstanding liabilities of €13,342 million relate to repurchase agreements entered into by the Parent Company with major financial institutions and Central Counterparties, amounting to a total nominal value of €13,070 million. These payables refer for €6,972 million to Long Term Repos and €6,370 million to 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 2022, 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 2022, already included in the exposure to net balances, amounted to €3,217 million (€1,577 million at 31 December 2021).

176. 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.

177. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 1.

178. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

The fair value<sup>179</sup> of the repurchase agreements in question at 31 December 2022 is €9,776 million.

On 31 March 2022, a new loan of €100 million was signed with the EIB "Green Mobility". The loan, disbursed on 2 May 2022, provides interest at a fixed rate of 1.467% and matures on 2 May 2028.

At 31 December 2022, the fair value<sup>180</sup> of the four EIB loans totals €744 million.

For information regarding the Poste Group's credit lines and available liquidity at 31 December 2022, reference should be made to note 6 - *Risk management - Financial risks - Liquidity risk*.

## Lease payables

Lease liabilities at 31 December 2022 amount to €1,407 million. For more details on the change in this item, see Note A4 - *Right-of-use assets*.

## MEF account held at the Treasury

tab. B8.2 – MEF account held at the Treasury

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	Changes
Balance of cash flows for advances	-	4,083	4,083	-	3,488	3,488	595
Balance of cash flows from management of postal savings	-	(84)	(84)	-	(220)	(220)	137
Amounts payable due to theft	-	155	155	-	155	155	-
Amounts payable for operational risks	-	14	14	-	18	18	(4)
<b>Total</b>	<b>-</b>	<b>4,169</b>	<b>4,169</b>	<b>-</b>	<b>3,441</b>	<b>3,441</b>	<b>728</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. B8.2.1 – Balance of cash flows for advances

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	Changes
Net advances	-	4,083	4,083	-	3,488	3,488	595
MEF postal current accounts and other payables	-	670	670	-	670	670	-
MEF - State pensions	-	(670)	(670)	-	(670)	(670)	-
<b>Total</b>	<b>-</b>	<b>4,083</b>	<b>4,083</b>	<b>-</b>	<b>3,488</b>	<b>3,488</b>	<b>595</b>

The **balance of cash flows from management of postal savings**, amounting to a positive €84 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 2022 consists of €16 million payable to Cassa Depositi e Prestiti, and €100 million of amounts due from the MEF for Interest-bearing Postal Certificates issued on its behalf.

179. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

180. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

**Amounts payable due to thefts** from Post Offices of €155 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 €14 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. B8.3 – Other financial liabilities**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Management of prepaid cards and other EMI items	-	9,270	9,270	-	8,208	8,208	1,062
Domestic and international money transfers	-	1,108	1,108	-	938	938	170
Guarantee deposits	-	4,824	4,824	-	228	228	4,597
Endorsed cheques	-	476	476	-	322	322	154
Other items in process	-	303	303	-	264	264	39
Other amounts payable to third parties	-	173	173	-	69	69	104
Amounts to be credited to customers	-	314	314	-	125	125	189
Cheques to be credited to savings books	-	-	-	-	141	141	(141)
RAV, F23, F24 and road tax	-	105	105	-	107	107	(2)
Other	5	90	95	4	45	49	45
<b>Total</b>	<b>5</b>	<b>16,663</b>	<b>16,669</b>	<b>4</b>	<b>10,447</b>	<b>10,451</b>	<b>6,217</b>

Liabilities for **prepaid card management** refer to the subsidiary PostePay SpA.

**Payables for guarantee deposits** refer exclusively to sums received from counterparties for interest rate swap transactions (collateral provided for in a specific Credit Support Annexes). The increase in this item compared to 31 December 2021 was due to the positive change in the fair value of derivatives following the rise in the interest rate curve.

## Financial liabilities for purchase of minority interests

The item refers to the estimated consideration (call and put options) that will allow Poste Italiane and Poste Welfare Servizi to purchase the additional shares held by the minority shareholders of 30% of MLK Deliveries SpA, Plurima SpA, Sourcesense SpA and Agile.

## Derivative financial instruments

Movements in derivative financial instruments during 2022 are described in note A6 – *Financial assets*.

## 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 31.12.2021	Net cash flow from/ (for) financing activities	Net cash flow from/ (for) operating activities*	Non-cash flows	Balance at 31.12.2022
Loans	15,573	(455)	(1,502)	(1,616)	12,000
Bonds	1,047	-	-	1	1,048
Due to financial institutions	14,526	(455)	(1,502)	(1,616)	10,952
Lease payables	1,166	(251)	-	492	1,407
Other financial liabilities	10,451	4	6,840	(626)	16,669
<b>Total</b>	<b>27,190</b>	<b>(702)</b>	<b>5,338</b>	<b>(1,749)</b>	<b>30,076</b>

\* The total amount of €5,338 million is included in the cash flow from/(for) operating activities, the balance of which in the statement of cash flows amounts to €180 million and regards loans and other financial liabilities not attributable to financing activities.

## Net debt/(funds)

The following table shows the net debt/(funds) at 31 December 2022:

### Net debt/(funds) at 31 December 2022

Balance at 31.12.2022 (€m)	Mail, Parcels & 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
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	-
Financial liabilities for purchase of minority interests	88	-	-	-	-	88	-
Derivative financial instruments	0	975	-	-	-	975	193
Intersegment financial liabilities	1,539	9,668	263	89	(11,559)	-	-
<b>Technical provisions for insurance business</b>	<b>-</b>	<b>-</b>	<b>139,986</b>	<b>-</b>	<b>-</b>	<b>139,986</b>	<b>-</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>-</b>	<b>-</b>	<b>-</b>	<b>(9,021)</b>	
<b>Technical provisions attributable to reinsurers</b>	<b>-</b>	<b>-</b>	<b>(44)</b>	<b>-</b>	<b>-</b>	<b>(44)</b>	<b>-</b>
<b>Net debt/(net financial surplus)</b>	<b>3,415</b>	<b>8,640</b>	<b>(2,105)</b>	<b>(988)</b>	<b>(536)</b>	<b>8,425</b>	
<b>Cash and deposits attributable to BancoPosta</b>	<b>-</b>	<b>(5,848)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,848)</b>	<b>-</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>(4,837)</b>	<b>(1,161)</b>	<b>(21)</b>	<b>(2,406)</b>	

## Net debt/(funds) at 31 December 2021

Balance at 31.12.2021 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations	Consolidated	of which related parties
<b>Financial liabilities</b>	<b>4,795</b>	<b>102,198</b>	<b>284</b>	<b>8,716</b>	<b>(11,261)</b>	<b>104,732</b>	
Financial liabilities at amortised cost	3,505	88,185	31	8,316	(800)	99,237	3,651
Postal current accounts	-	69,397	-	-	(800)	68,597	1
Bonds	1,047	-	-	-	-	1,047	-
Due to financial institutions	1,274	13,261	-	-	-	14,535	199
Other borrowings	-	-	-	-	-	-	-
Lease payables	1,163	0	2	1	-	1,166	6
Finance lease liabilities	-	-	-	-	-	-	-
MEF account held at the Treasury	-	3,441	-	-	-	3,441	3,441
Other financial liabilities	21	2,086	29	8,315	-	10,451	4
Financial liabilities at FVTPL	29	-	-	-	-	29	
Financial liabilities for purchase of minority interests	29	-	-	-	-	29	
Derivative financial instruments	3	5,463	-	-	-	5,466	148
Intersegment financial liabilities	1,258	8,550	253	400	(10,461)	-	-
<b>Technical provisions for insurance business</b>	<b>-</b>	<b>-</b>	<b>159,089</b>	<b>-</b>	<b>-</b>	<b>159,089</b>	<b>-</b>
<b>Financial assets</b>	<b>(942)</b>	<b>(89,995)</b>	<b>(158,587)</b>	<b>(9,783)</b>	<b>10,451</b>	<b>(248,856)</b>	
Financial instruments at amortised cost	(6)	(51,139)	(2,044)	(124)	-	(53,313)	(16,089)
Financial instruments at FVTOCI	(75)	(37,658)	(111,385)	(735)	-	(149,853)	(525)
Financial instruments at FVTPL	(0)	(39)	(44,775)	-	-	(44,814)	(22)
Derivative financial instruments	(3)	(873)	-	-	-	(876)	-
Intersegment financial assets	(858)	(286)	(383)	(8,924)	10,451	-	-
<b>Tax Credits Law no. 77/2020</b>	<b>(448)</b>	<b>(6,008)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,456)</b>	
<b>Technical provisions attributable to reinsurers</b>	<b>-</b>	<b>-</b>	<b>(50)</b>	<b>-</b>	<b>-</b>	<b>(50)</b>	<b>-</b>
<b>Net debt/(net financial surplus)</b>	<b>3,405</b>	<b>6,195</b>	<b>736</b>	<b>(1,067)</b>	<b>(810)</b>	<b>8,459</b>	
<b>Cash and deposits attributable to BancoPosta</b>	<b>-</b>	<b>(7,659)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,659)</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>(2,121)</b>	<b>(2,021)</b>	<b>(4,584)</b>	<b>(32)</b>	<b>800</b>	<b>(7,958)</b>	<b>(1,991)</b>
<b>Net debt/(funds)</b>	<b>1,284</b>	<b>(3,485)</b>	<b>(3,848)</b>	<b>(1,099)</b>	<b>(10)</b>	<b>(7,158)</b>	

Total net debt/(funds) at 31 December 2022 showed funds of €2,406 million, down €4,752 million from 31 December 2021 (surplus of €7,158 million). The change during the period is largely attributable to the negative valuation effects for the year of approximately €5.2 billion of the investments classified in the FVTOCI category, held mainly by the Financial Services Strategic Business Unit (negative effect of approximately €4.5 billion) and residually by the Strategic Business Units Insurance Services (negative effect of approximately €0.3 billion), Payments and Mobile (negative effect of approximately €0.2 billion) and Postal and Business (negative effect of approximately €0.1 billion). The change also includes a positive operating result of €2.4 billion (of which €1.5 billion is attributable to profit for the period), the positive effect of the change in working capital and taxes of approximately €1.1 billion, capital expenditure of €0.8 billion, dividend payments totalling €0.8 billion (of which €273 million relates to the interim dividend planned for 2022) and other decreases totalling €0.4 billion, mainly attributable to the increase in financial liabilities for leases falling under IFRS 16. Finally, the change includes the negative effect of the acquisition of LIS, Plurima, Sourcesense and Agile for a total of €0.8 billion.

An analysis of the Net debt/(funds) of the Mail, Parcels and Distribution segment at 31 December 2022, in accordance with ESMA recommendation 32-382-1138, is provided below:

## Financial debt ESMA

(€m)	At 31.12.2022	At 31.12.2021
A. Cash and cash equivalents	(575)	(2,122)
B. Cash equivalents	-	-
C. Other current financial assets	(1)	(8)
<b>D. Liquidity (A + B + C)</b>	<b>577</b>	<b>(2,130)</b>
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	379	785
F. Current portion of the non-current financial payable	1	-
<b>G. Current financial debt (E + F)</b>	<b>381</b>	<b>785</b>
<b>H. Net current financial debt (G + D)</b>	<b>(196)</b>	<b>(1,345)</b>
I. Non-current financial debt (excluding current portion and debt instruments)	2,001	1,705
J. Debt instruments	997	1,047
K. Trade payables and other non-current payables	18	22
<b>L. Non-current financial debt (I + J + K)</b>	<b>3,017</b>	<b>2,774</b>
<b>M. Total financial debt (H + L)</b>	<b>2,821</b>	<b>1,429</b>

## Reconciliation of financial debt ESMA

(€m)	At 31.12.2022	At 31.12.2021
<b>M. Total financial debt (H + L)</b>	<b>2,821</b>	<b>1,429</b>
Non-current financial assets	(539)	(76)
K. Trade payables and other non-current payables	(18)	(22)
Tax credits Law no. 77/2020	(420)	(448)
<b>Net debt/(funds)</b>	<b>1,843</b>	<b>883</b>
Intersegment financial receivables and borrowings	996	401
<b>Net debt/(funds) including intersegment transactions</b>	<b>2,839</b>	<b>1,284</b>

## B9 – Trade payables (€2,234 million)

### tab. B9 – Trade payables

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Due to suppliers	1,655	1,400	254
Contract liabilities	553	605	(53)
Due to subsidiaries	3	3	-
Due to associates	23	21	2
<b>Total</b>	<b>2,234</b>	<b>2,029</b>	<b>205</b>



## Due to suppliers

tab. B9.1 – Due to suppliers

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Italian suppliers	1,402	1,214	188
Foreign suppliers	79	28	50
Overseas counterparties*	173	158	16
<b>Total</b>	<b>1,655</b>	<b>1,400</b>	<b>254</b>

\* 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 01.01.2022	Change due to recognition of revenue for period	Other changes	Balance at 31.12.2022
Prepayments and advances from customers	490	-	(56)	434
Other contract liabilities	60	(24)	31	67
Liabilities for fees to be refunded	55	41	(45)	52
Liabilities for volume discounts	-	-	-	1
<b>Total</b>	<b>605</b>	<b>17</b>	<b>(70)</b>	<b>553</b>

## Prepayments and advances from customers

Prepayments and advances from customers relate to amounts received from customers as prepayment for the following services to be rendered:

tab. B9.2.1 – Prepayments and advances from customers

Description (€m)	Balance at 31.12.2022	Balance at 01.01.2022	Changes
Prepayments from overseas counterparties	223	329	(106)
Advances for Publishing from PCM [tab. A8.1]	125	84	41
Advances for shipments	67	61	6
Advances for other services	18	15	3
Other services	1	1	-
<b>Total</b>	<b>434</b>	<b>490</b>	<b>(56)</b>

**Other contract liabilities** primarily regard Postamat and “Postepay Evolution” card fees collected in advance.

**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.

## B10 – Other liabilities (€4,004 million)

**tab. B10 – Other liabilities**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Due to staff	10	720	731	20	719	739	(8)
Social security payables	20	439	459	26	428	454	5
Other taxes payable	1,790	658	2,448	1,648	570	2,218	229
Sundry payables	52	136	188	48	106	154	35
Accrued liabilities and deferred income	133	46	179	7	37	44	136
<b>Total</b>	<b>2,004</b>	<b>2,000</b>	<b>4,004</b>	<b>1,749</b>	<b>1,860</b>	<b>3,609</b>	<b>395</b>

## Due to staff

**tab. B10.1 – Due to staff**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Fourteenth month salaries	-	208	208	-	204	204	4
Incentives	10	408	418	20	406	426	(8)
Accrued vacation pay	-	41	41	-	41	41	-
Other amounts due to staff	-	63	63	-	68	68	(5)
<b>Total</b>	<b>10</b>	<b>720</b>	<b>731</b>	<b>20</b>	<b>719</b>	<b>739</b>	<b>(8)</b>

## Social security payables

**tab. B10.2 – Social security payables**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
INPS	1	330	332	4	323	327	5
Pension funds	-	89	89	-	86	86	3
INAIL	18	-	19	22	-	22	(3)
Other agencies	-	19	19	-	19	19	-
<b>Total</b>	<b>20</b>	<b>439</b>	<b>459</b>	<b>26</b>	<b>428</b>	<b>454</b>	<b>5</b>

## Other taxes payable

tab. B10.3 – Other taxes payable

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Stamp duty payable	1,790	21	1,810	1,648	-	1,648	162
Tax due on insurance provisions	-	420	420	-	362	362	57
Withholding tax on employees' and consultants' salaries	-	91	91	-	104	104	(13)
VAT payable	-	24	24	-	21	21	4
Substitute tax	-	32	32	-	34	34	(2)
Withholding tax on postal current accounts	-	29	29	-	8	8	21
Other taxes due	-	41	41	-	41	41	-
<b>Total</b>	<b>1,790</b>	<b>658</b>	<b>2,448</b>	<b>1,648</b>	<b>570</b>	<b>2,218</b>	<b>229</b>

Specifically:

- The **stamp duty payable** includes the balance due to the Treasury for the tax paid virtually in the 2022 financial year. The non-current portion of the stamp duty mainly relates to the amount accrued at 31 December 2022 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 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Sundry payables attributable to BancoPosta	-	5	5	-	29	29	(24)
Guarantee deposits	14	0	14	18	0	18	(3)
Other payables	38	131	169	30	77	107	62
<b>Total</b>	<b>52</b>	<b>136</b>	<b>188</b>	<b>48</b>	<b>106</b>	<b>154</b>	<b>35</b>

## Accrued liabilities and deferred income

**Accrued expenses and deferred income**, which increased by €136 million compared to the year of comparison, include deferred income of €125 million for the non-repayable grant received in advance from the Parent Company for the realisation of the "Polis Project - Home of Digital Services", for which reference should be made to Note 3.2 - *Other material events*.

## 4.3 Notes to the Statement of Profit or Loss

### Revenue from contracts with customers

Description (€m)	Notes	FY 2022	FY 2021
<b>Revenue from Mail, Parcels and other</b>	<b>[C1]</b>	<b>3,651</b>	<b>3,694</b>
<b>of which Revenue from contracts with customers</b>		<b>3,208</b>	<b>3,165</b>
recognised at a point in time		400	447
recognised over time		2,808	2,718
<b>Net revenue from Financial Services</b>	<b>[C2]</b>	<b>4,938</b>	<b>4,783</b>
Revenue from Financial Services		5,125	4,931
Expenses from financial activities		(187)	(148)
<b>of which Revenue from contracts with customers</b>		<b>2,520</b>	<b>2,735</b>
recognised at a point in time		233	282
recognised over time		2,288	2,453
<b>Revenue from Insurance Services after changes in technical provisions and other claim expenses</b>	<b>[C3]</b>	<b>2,153</b>	<b>1,861</b>
Insurance premium revenue		17,518	17,829
Income from insurance activities		4,437	4,374
Change in technical provisions for insurance business and other claim expenses		(13,794)	(19,964)
Expenses from insurance activities		(6,008)	(378)
<b>of which Revenue from contracts with customers</b>		<b>-</b>	<b>-</b>
recognised at a point in time		-	-
recognised over time		-	-
<b>Revenue from Payments and Mobile</b>	<b>[C4]</b>	<b>1,147</b>	<b>882</b>
<b>of which Revenue from contracts with customers</b>		<b>1,146</b>	<b>882</b>
recognised at a point in time		485	372
recognised over time		661	510
<b>Total</b>		<b>11,889</b>	<b>11,220</b>

Revenue from contracts with customers breaks down as follows:

- **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 online) and measured on 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. In addition, revenue not arising from contracts with customers are accounted for in accordance with IFRS 16 - *Leases* and IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance*.
- **Net 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 ser-

vice 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 not from contracts with customers accounted for in accordance with IFRS 9 - *Financial Instruments*.

● **Revenue from payments and mobile** refers to:

- card payments, collections and payments relating primarily to the cards issued by Postepay 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 debit cards detected 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. As of 1 September 2022, 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 line telecommunications services, including: revenue from “standard telecommunications offerings” recognised over time using the output method and based on the traffic offered (voice, SIM and data) to the customer; revenue generated by the fixed line “PosteMobile Casa” and “PosteCasa Ultraveloce” offerings, recognised over time using the output method and based on the fee charged to the customer; revenue in the form of SIM activation fees recognised at a point in time when the SIM card is handed over to the customer. Within the Poste Italiane Group, the only mobile and fixed line telecommunications contracts used are in the form of bundles combining two performance obligations to which the implicit discount is allocated on the basis of the related fair value. The revenue from this type of offer, however, is not significant in terms of total revenue from payments and mobile services.

## C1 – Revenue from Mail, Parcels and Other (€3,651 million)

This item breaks down as follows:

**tab. C1 – Revenue from Mail, Parcels and Other**

Description (€m)	FY 2022	FY 2021	Changes
Mail	1,749	1,767	(18)
Parcels	1,395	1,403	(8)
Other revenue	190	210	(20)
<b>Total external revenue</b>	<b>3,335</b>	<b>3,380</b>	<b>(45)</b>
Universal Service compensation	262	262	-
Publisher tariff subsidies	54	53	1
<b>Total revenue</b>	<b>3,651</b>	<b>3,694</b>	<b>(43)</b>

**Market revenue** showed a decrease compared to the 2021 financial year essentially due to the drop in the traditional mail and parcels market, due both to the normalisation of market trends and to the effects on the economy deriving from the Russian-Ukrainian conflict, in addition to the slowdown in incoming flows from China linked to the low value consignment regulations and the restrictive measures to cope with the health emergency, which affected most of the year. The decrease is partly mitigated by the positive contribution from the hospital logistics business conducted by the company Plurima acquired by the Group during the year. In addition, there was a decrease in other revenue, mainly due to the lower contribution of revenue from the PosteMotori Consortium, whose activities are in the process of being concluded.

**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>181</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 basic tariffs as of 1 September 2022, 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. In this regard, it should be noted that for the year under review, the amount of subsidies that the Parent Company has granted is covered in the 2022 State Budget.

## C2 – Net revenue from Financial Services (€4,938 million)

**Net revenue from financial services** regards services provided mainly within the Parent Company's BancoPosta RFC and the subsidiary BancoPosta Fondi SGR.

This item breaks down as follows:

**tab. C2 – Revenue from Financial Services**

Description (€m)	FY 2022	FY 2021	Changes
Revenue from financial services	4,684	4,393	291
Income from financial activities	428	523	(95)
Other operating income	13	15	(2)
Expenses from financial activities	(187)	(148)	(39)
<b>Total</b>	<b>4,938</b>	<b>4,783</b>	<b>155</b>

**Revenue from financial services** breaks down as follows:

**tab. C2.1 – Revenue from financial services**

Description (€m)	FY 2022	FY 2021	Changes
Income from investment of postal current account deposits and free cash	2,008	1,523	485
Fees for collection of postal savings deposits	1,600	1,753	(153)
Other revenue from current account services	426	398	28
Commissions on payment of bills by payment slip	216	264	(48)
Distribution of loan products	192	209	(17)
Income from delegated services	89	99	(10)
Mutual fund management fees	118	120	(2)
Money transfers	13	15	(2)
Other	22	12	10
<b>Total</b>	<b>4,684</b>	<b>4,393</b>	<b>291</b>

181. 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.

**Revenue from financial services** showed an increase compared to the 2021 financial year mainly attributable to income from investment of postal current account deposits and free cash balances, partly offset by the decrease in income from postal savings deposits due to the contraction in deposits affected by the macroeconomic environment during the year.

In particular:

- **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 2022	FY 2021	Changes
Income from investments in securities	1,482	1,434	48
Interest income on securities at amortised cost	677	670	7
Interest income on securities at FVOCI	821	816	5
Interest income (expense) on asset swaps of CFH on securities at FVOCI and AC	20	16	4
Interest income (expense) on asset swaps of FVH on securities at FVOCI and AC	(79)	(104)	25
Interest income on repurchase agreements	43	36	7
Income from investments in tax credits	273	59	214
Interest income on tax credits at AC	189	25	164
Interest income on tax credits at FVTOCI	84	34	50
Income from deposits held with the MEF	252	28	224
Remuneration of current account deposits (deposited with the MEF)	323	28	295
Differential on derivatives stabilising returns	(71)	-	(71)
Portion of interest income on own liquidity (finance income)	(1)	-	(1)
Other income	2	2	-
<b>Total</b>	<b>2,008</b>	<b>1,523</b>	<b>485</b>

The increase in this item compared to the previous year is mainly attributable to the income from deposits held with the MEF and the income from investments in tax credits.

*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 with respect to the 2021 financial year is mainly due to the effects of the upward shift in the interest rate curve and the decrease in the fair value hedges in place for early settlements 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 2021 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 under the Agreement renewed on 23 December 2021 to cover 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.
- Income 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 2022	FY 2021	Changes
Income from financial instruments at FVTOCI	262	503	(241)
Realised gains	262	503	(241)
Income from financial instruments at amortised cost	129	1	128
Realised gains	129	1	128
Income from equity instruments at FVTPL	2	8	(6)
Fair value gains	1	5	(4)
Realised gains	-	2	(2)
Income from valuation of cash flow hedges	1	-	1
Fair value gains	1	-	1
Income from fair value hedges	17	6	10
Fair value gains	17	6	10
Foreign exchange gains	5	4	2
Fair value gains	1	-	-
Realised gains	4	2	1
Other income	12	1	11
<b>Total</b>	<b>428</b>	<b>523</b>	<b>(94)</b>

The decrease in **Other income from financial activities**, compared to the previous year, is mainly due to lower realised gains from financial instruments.

**Expenses from financial activities** breaks down as follows:

**tab. C2.3 – Expenses from financial activities**

Description (€m)	FY 2022	FY 2021	Changes
Expense from financial instruments at FVTOCI	4	2	3
Realised losses	4	2	3
Expenses from financial instruments at amortised cost	53	96	(43)
Realised losses	53	96	(43)
Expenses from financial instruments at FVTPL	2	5	(4)
Fair value losses	1	2	(1)
Realised losses	-	3	(2)
Expenses from cash value hedges	-	1	(1)
Fair value losses	-	1	(1)
Interest expense	127	44	84
Interest on customers' deposits	85	1	84
Interest expense on repurchase agreements	14	9	6
Due to the Parent Company	4	9	(5)
On guarantee deposits	24	26	(1)
Interest expense on own liquid funds (finance costs)	(1)	(1)	-
<b>Total</b>	<b>187</b>	<b>148</b>	<b>39</b>

**Expenses from financial activities** increased compared to the 2021 financial year mainly due to higher interest expenses recognised to public customers for deposits on postal current accounts, as a result of the rise in the interest rate curve, partially offset by lower expenses for losses from the realisation of financial instruments.

## C3 – Revenue from Insurance Services after changes in technical provisions and other claims expenses (€2,153 million)

This item breaks down as follows:

**tab. C3 – Revenue from Insurance Services after changes in technical provisions and other claim expenses**

Description (€m)	FY 2022	FY 2021	Changes
Insurance premium revenue	17,518	17,829	(311)
Income from insurance activities	4,437	4,374	63
Change in technical provisions for insurance business and other claim expenses	(13,794)	(19,964)	6,170
Expenses from insurance activities	(6,008)	(378)	(5,630)
<b>Total</b>	<b>2,153</b>	<b>1,861</b>	<b>292</b>

A breakdown of insurance premium revenue, showing outward reinsurance premiums, is as follows:

**tab. C3.1 – Insurance premium revenue**

Description (€m)	FY 2022	FY 2021	Changes
Class I	16,344	16,619	(275)
Class III	756	863	(107)
Classes IV and V	80	92	(12)
<b>Gross "life" premiums</b>	<b>17,179</b>	<b>17,574</b>	<b>(395)</b>
Outward reinsurance premiums	(10)	(10)	-
<b>Net "life" premiums</b>	<b>17,170</b>	<b>17,564</b>	<b>(394)</b>
P&C premiums	358	295	63
Outward reinsurance premiums	(10)	(30)	20
<b>Net "P&amp;C" premiums</b>	<b>348</b>	<b>265</b>	<b>83</b>
<b>Total</b>	<b>17,518</b>	<b>17,829</b>	<b>(311)</b>

Life gross premiums amounted to €17,179 million. The decrease of €395 million compared to the previous year mainly relates to Branch I products (exclusively for the Multiramo product component).

Although marginal in relation to total net inflows, the contribution of net premiums pertaining to the P&C segment was up from €265 million in 2021 to the current €348 million, due to the growth in all business lines (property, personal and modular protection, payments and welfare protection).

Income from insurance activities is as follows:

**tab. C3.2 – Income from insurance activities**

Description (€m)	FY 2022	FY 2021	Changes
Income from financial instruments at FVTOCI	3,613	2,893	720
Interest	3,549	2,727	822
Realised gains	64	166	(102)
Income from financial instruments at amortised cost	6	5	1
Interest	6	5	1
Realised gains	-	-	-
Income from financial instruments at FVPL	693	1,382	(689)
Interest	321	297	24
Fair value gains	335	841	(506)
Realised gains	37	244	(207)
Other income	126	93	32
<b>Total</b>	<b>4,437</b>	<b>4,374</b>	<b>64</b>

The increase in Income from insurance activities of €64 million compared to the 2021 financial year was mainly attributable to income from financial assets at FVOCI in the amount of €720 million, mainly related to accrued interest, partly offset by the decrease (€689 million) in income from financial instruments at FVPL, due to the conditions in the financial markets. These gains from valuation, which are almost exclusively related to investments included in separately managed accounts, were almost entirely transferred to policyholders through the shadow accounting method.

A breakdown of the change in technical provisions and other claim expenses, showing the portion ceded to reinsurers, is as follows:

**tab. C3.3 – Change in technical provisions for insurance business and other claims expenses**

Description (€m)	FY 2022	FY 2021	Changes
Claims paid	9,542	9,503	39
Change in mathematical provisions	6,031	7,141	(1,110)
Change in outstanding claim provisions	26	(11)	37
Change in Other technical provisions	(3,999)	308	(4,307)
Change in technical provisions where investment risk is transferred to policyholders	1,993	2,872	(879)
<b>Total change in technical provisions for insurance business and other claim expenses: Life</b>	<b>13,593</b>	<b>19,813</b>	<b>(6,220)</b>
<b>Portion ceded to reinsurers: Life</b>	<b>(9)</b>	<b>(6)</b>	<b>(3)</b>
<b>Total change in technical provisions for insurance business and other claim expenses: P&amp;C</b>	<b>206</b>	<b>169</b>	<b>37</b>
<b>Portion ceded to reinsurers: P&amp;C</b>	<b>4</b>	<b>(12)</b>	<b>16</b>
<b>Total</b>	<b>13,794</b>	<b>19,964</b>	<b>(6,170)</b>

The change in technical provisions for the insurance business and other claim expenses primarily reflect:

- claims paid, policies redeemed, expiries and the related expenses incurred by Poste Vita SpA during the year;
- the change in mathematical provisions reflecting increased obligations to policyholders;
- the change in Other technical provisions is entirely attributable to the change recorded in the period in the DPL reserve, related to the valuation of securities included in the separately managed accounts and classified in the FVTPL category;
- the change in technical provisions where investment risk is transferred to policyholders so-called Class D.

Expenses from insurance activities break down as follows:

**tab. C3.4 – Expenses from insurance activities**

Description (€m)	FY 2022	FY 2021	Changes
Expense from financial instruments at FVOCI	252	19	232
Interest	5	10	(6)
Realised losses	247	9	238
Expense from financial instruments at FVPL	5,711	306	5,405
Fair value losses	5,382	205	5,176
Realised losses	329	101	229
Impairment losses/reversals of impairment losses due to credit risk	(4)	(7)	3
Other expenses	48	60	(10)
<b>Total</b>	<b>6,008</b>	<b>378</b>	<b>5,630</b>

The increase in Expenses from insurance activities (€5,630 million compared to the 2021 financial year) is mainly attributable to higher valuation losses on financial instruments at FVTPL, which were affected by the macroeconomic environment of the period.

## C4 – Revenue from Payments and Mobile (€1,147 million)

This item breaks down as follows:

**tab. C4 – Revenue from Payments and Mobile**

Description (€m)	FY 2022	FY 2021	Changes
Electronic money	581	456	125
Fees for issue and use of prepaid cards	423	355	69
Acquiring	47	28	19
Other fees	111	73	38
Mobile	317	307	9
Payments services	233	115	118
Payment Slips	68	8	60
Commissions for processing tax payments using forms F23/F24	48	49	(1)
Money transfers	109	51	58
Other products and services	9	8	1
Revenue from energy services	12	-	12
Other operating income	4	4	1
<b>Total</b>	<b>1,147</b>	<b>882</b>	<b>265</b>

These consist of revenue from e-money products and payment services, revenue from mobile telephony services, and residually, starting from the year under review, from the sale of electricity and gas, rendered mainly by PostePay SpA and the LIS Group, which contributes to revenue for the last four months of the year.

Revenue from payment and mobile services posted an increase of €265 million compared to the same period of 2021, with a positive contribution from all segments. Specifically, the E-money and Collection and Payment Services segments, which benefited from the consolidation of the LIS Group as of September 2022, grew thanks to increased payment card operations, growth in acquiring transactions, higher revenue from the PagoPA service to the Public Administration and instant transfers from Postepay Evolution. Telecommunication services also recorded higher revenue compared to the same period in 2021, attributable to higher fixed telephony revenue driven by fibre connectivity service revenue. The positive contribution of the

energy segment from 2022 onwards is also reported following the launch by Postepay of the new energy offer to employees, pensioners and family members of the Group.

## C5 – Cost of goods and services (€2,960 million)

**tab. C5 – Cost of goods and services**

Description (€m)	FY 2022	FY 2021	Changes
Service costs	2,633	2,599	34
Lease expense	137	124	13
Raw, ancillary and consumable materials and goods for resale	190	150	40
<b>Total</b>	<b>2,960</b>	<b>2,873</b>	<b>87</b>

Costs for goods and services increased by a total of €87 million compared to the 2021 financial year mainly due to the expansion of the company scope during the year and the increase in costs generated by the international inflationary scenario exacerbated by the Russian-Ukrainian conflict.

## Service costs

**tab. C5.1 – Service costs**

Description (€m)	FY 2022	FY 2021	Changes
Transport of mail, parcels and forms	1,084	1,072	12
Routine maintenance and technical assistance	250	248	2
Outsourcing fees and external service charges	256	267	(11)
Mobile telecommunication services for customers	169	194	(25)
Credit and debit card fees and charges	218	142	76
Personnel services	129	119	10
Energy and water	80	103	(23)
Cleaning, waste disposal and security	109	114	(5)
Transport of cash	62	72	(10)
Advertising and promotions	62	46	16
Exchange of mail and telegraphy	42	46	(4)
Telecommunications and data transmission	43	46	(3)
Asset management fees	43	43	-
Consultants' fees and legal expenses	18	18	-
Electronic document management, printing and enveloping services	12	13	(1)
Remuneration of Statutory Auditors	1	1	-
Other	55	54	1
<b>Total</b>	<b>2,633</b>	<b>2,599</b>	<b>34</b>

The increase in service costs is mainly due to the increase in credit/debit card management fees and charges also as a result of the consolidation of LIS Pay as of 1 September 2022, partially offset by lower costs for other services.

## Lease expense

tab. C5.2 – Lease expense

Description (€m)	FY 2022	FY 2021	Changes
Equipment hire and software licences	86	68	18
Real estate leases and ancillary costs	36	36	-
Vehicle leases	3	3	-
Other lease expense	12	17	(5)
<b>Total</b>	<b>137</b>	<b>124</b>	<b>13</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 2022	FY 2021	Changes
Consumables, advertising materials and goods for resale	87	69	18
Fuels and lubricants	74	55	19
Electricity and gas costs	13	-	13
Electronic money card	9	11	(2)
Printing of postage and revenue stamps	4	4	-
SIM cards and scratch cards	1	-	1
Change in inventories of work in progress, semi-finished and finished goods and goods for resale	(5)	-	(5)
Change in inventories of raw, ancillary and consumable materials	6	11	(5)
Change in property held for sale	1	-	1
<b>Total</b>	<b>190</b>	<b>150</b>	<b>40</b>

The increase compared to the 2021 financial year 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 during the financial year.

## C6 – Personnel expenses (€5,226 million)

Personnel expenses include the cost of personnel seconded to other organisations. The recovery of such expenses, determined by the relevant charge-backs, is posted to other operating income. Personnel expenses break down as follows:

**tab. C6 – Personnel expenses**

Description (€m)	Note	FY 2022	FY 2021	Changes
Wages and salaries		3,856	3,924	(68)
Social security contributions		1,099	1,116	(17)
Employee termination benefits: current service cost	[tab. B7]	2	1	1
Employee termination benefits: supplementary pension funds and INPS		234	232	2
Agency staff		3	11	(8)
Remuneration and expenses paid to Directors		3	2	1
Early retirement incentives		22	40	(18)
Net provisions (reversals) for disputes with staff	[tab. B6]	(3)	-	(3)
Allocations to the provisions for early retirement incentives	[tab. B6]	54	195	(141)
Amounts recovered from staff due to disputes		(4)	(4)	-
Share-based payments		9	12	(3)
Other personnel expenses/(cost recoveries)		(49)	(62)	13
<b>Total</b>		<b>5,226</b>	<b>5,467</b>	<b>(241)</b>

**Personnel expenses** decreased compared to 2021 by €241 million attributable, for the extraordinary component, to lower redundancy incentives, and for the ordinary component, mainly to the reduction in average headcount (about 1,600 FTE less than in 2021), which includes the effect of the entry of resources (about 1,300 in total) from the companies acquired in April (Plurima), September (LIS) and October (Sourcesense and Agile).

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 2022	FY 2021	Changes	31.12.2022	31.12.2021	Changes
Executives	660	668	(8)	679	627	52
Middle managers	15,136	15,172	(36)	15,161	14,843	318
Operational staff	89,871	91,811	(1,940)	89,896	89,130	766
Back-office staff	4,619	4,657	(38)	6,080	3,435	2,645
<b>Total employees on permanent contracts*</b>	<b>110,286</b>	<b>112,308</b>	<b>(2,022)</b>	<b>111,816</b>	<b>108,035</b>	<b>3,781</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 119,806 (in 2021: 121,423).



## C7 – Depreciation, amortisation and impairments (€830 million)

This item breaks down as follows:

**tab. C7 – Depreciation, amortisation and impairments**

Description (€m)	FY 2022	FY 2021	Changes
Depreciation of property, plant and equipment	230	220	10
Impairments/recoveries/adjustments of property, plant and equipment	(4)	(17)	13
Depreciation of investment property	1	1	-
Amortisation and impairments of intangible assets	354	345	9
Depreciation of right-of-use assets	251	237	14
Impairments/recoveries/adjustments of right of use	(2)	4	(6)
<b>Total</b>	<b>830</b>	<b>790</b>	<b>40</b>

Depreciation, amortisation and impairment showed an increase of €40 million compared to 2021, mainly due to higher depreciation and lower impairment losses on property, plant and equipment (€23 million), amortisation of intangible assets (€9 million) related to investments in software applications that became available for use and to gains recognised in accordance with IFRS 3 as a result of company acquisitions made during the year and, residually, to rights of use (€8 million) mainly due to the expansion of the company scope.

## C8 – Capitalised costs and expenses (€41 million)

Capitalised costs and expenses break down as follows:

**tab. C8 – Increases relating to assets under construction**

Description (€m)	Note	FY 2022	FY 2021	Changes
<b>Property, plant and machinery:</b>	<b>[A1]</b>	<b>3</b>	<b>2</b>	<b>1</b>
Cost of goods and services		3	2	1
<b>Intangible assets:</b>	<b>[A3]</b>	<b>38</b>	<b>31</b>	<b>7</b>
Cost of goods and services		3	2	1
Personnel expenses		33	27	6
Depreciation and amortisation		2	2	-
<b>Total</b>		<b>41</b>	<b>33</b>	<b>8</b>

## C9 – Other operating costs (€519 million)

Other operating costs break down as follows:

**tab. C9 – Other operating costs**

Description (€m)	Note	FY 2022	FY 2021	Changes
Net provisions for risks and charges made/(released)		323	94	228
for disputes with third parties	[tab. B6]	24	56	(32)
for operational risks	[tab. B6]	(11)	21	(32)
for other risks and charges	[tab. B6]	(10)	16	(26)
for taxation	[tab. B6]	(1)	1	(2)
for risks on tax credit - Law no. 77/2020	[tab. B6]	320	-	320
Operational risk events		25	17	8
Thefts		2	3	-
Loss of BancoPosta assets, net of recoveries		4	-	4
Other operating losses of BancoPosta		19	14	4
Capital losses		2	3	(1)
Municipal property tax, urban waste tax and other taxes and duties		107	75	31
Other current expenses		62	65	(2)
<b>Total</b>		<b>519</b>	<b>253</b>	<b>265</b>

**Other operating costs** increased compared to the year of comparison due to higher provisions for risks on tax credits, partly offset by lower net allocations to the remaining items of other provisions for risks and charges due to both updated estimated liabilities and the disappearance of those identified in the past. For further details, see Note B6 - *Provisions for risks and charges*.

## C10 – Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets (€104 million)

**tab. C10 – Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets**

Description (€m)	FY 2022	FY 2021	Changes
Net impairments and losses on receivables and other assets (uses of provisions)	97	33	64
Impairment losses/(reversals of impairment losses) financial activities	1	1	-
Impairment losses/(reversals of impairment losses) debt instruments at FVTOCI	4	(6)	10
Impairment losses/(reversals of impairment losses) debt instruments at amortised cost	2	(4)	6
<b>Total</b>	<b>104</b>	<b>24</b>	<b>80</b>

## C11 – Finance income (€169 million) and costs (€126 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 2022	FY 2021	Changes
Income from financial instruments at FVTOCI	66	43	23
Interest	64	42	22
Accrued differentials on fair value hedges	1	(2)	3
Realised gains	1	3	(2)
Income from financial instruments at amortised cost	64	60	4
Interest	64	60	4
Income from financial instruments at FVPL	8	6	2
Fair value gains	3	4	(1)
Accrued differentials on derivative financial instruments at FVPL	5	2	3
Income from financial liabilities at FVTPL	11	17	(6)
Other finance income	10	238	(228)
Finance income on discounted receivables	2	3	(1)
Late payment interest	23	24	(1)
Impairment of amounts due as late payment interest	(22)	(20)	(2)
Nexi transaction revaluation proceeds	-	225	(225)
Other income	2	6	(4)
Foreign exchange gains	11	5	6
<b>Total</b>	<b>169</b>	<b>369</b>	<b>(200)</b>

For the purposes of reconciliation with the statement of cash flows, in 2022 finance income after both realised gains and foreign exchange gains amounted to €157 million (€136 million in 2021 net of Nexi transaction proceeds).

Finance income decreased by €199 million compared with the previous year. It should be noted that the 2021 financial year benefited from the positive effect of the non-recurring capital gain recognised as a result of the SIA-Nexi transaction in the amount of €225 million.

## Finance costs

tab. C11.2 – Finance costs

Description (€m)	Note	FY 2022	FY 2021	Changes
Finance costs on financial liabilities		33	33	-
on bonds		4	3	1
on due to financial institutions		4	3	1
on lease payables		24	24	-
from derivative financial instruments		1	2	(1)
Sundry costs on financial assets		18	2	16
Realised losses on financial instruments at FVOCI		-	-	-
Losses from valuation on financial instruments at FVTPL		18	2	16
Realised losses on financial instruments at FVPL		-	-	-
Finance costs on provisions for employee termination benefits and pension plans	[tab. B7]	16	9	7
Interest expense on own liquid funds		1	1	-
Other finance costs		50	19	31
Foreign exchange losses		9	9	-
<b>Total</b>		<b>126</b>	<b>73</b>	<b>53</b>

For the purposes of reconciliation with the statement of cash flows, in 2022 finance costs after foreign exchange losses amounted to €118 million (€64 million in 2021).

## C12 – Income tax expense (€817 million)

tab. C12 – Income tax expense

Description (€m)	FY 2022				FY 2021				Changes
	IRES	IRAP	Foreign companies	Total	IRES	IRAP	Foreign companies	Total	
Current tax expense	408	111	1	520	400	112	1	513	7
Deferred tax assets	50	11	-	61	22	9	-	31	30
Deferred tax liabilities	190	47	-	236	38	6	-	44	193
<b>Total</b>	<b>647</b>	<b>169</b>	<b>1</b>	<b>817</b>	<b>460</b>	<b>127</b>	<b>1</b>	<b>588</b>	<b>228</b>

Income taxes increased by €228 million compared to the previous year, mainly due to higher taxes recognised by the Parent Company as a result of the improved result for the year.

Below is the reconciliation of the Parent Company's theoretical IRES tax rate and the effective tax rate of 35.11%:

**tab. C12.1 – Reconciliation between theoretical and effective rate**

Description (€m)	FY 2022		FY 2021	
	Tax	Tax Rate	Tax	Tax Rate
Profit before tax	2,328		2,168	
Theoretical tax charge	559	24.00%	520	24.00%
Effect of increases/(decreases) on theoretical tax charge				
Non-deductible out-of-period losses	6	0.25%	11	0.49%
Net provisions for risks and charges and impairment of receivables	99	4.24%	22	1.03%
Non-deductible taxes	1	0.06%	4	0.18%
Realignment of tax bases and carrying amounts and taxation for previous years	(10)	-0.44%	(17)	-0.78%
Technical provisions for insurance business	0	0.01%	-	-0.02%
Adjustments to equity investments measured using the equity method	1	0.06%	(6)	-0.28%
Effect of foreign company taxes	(1)	-0.03%	-	-0.01%
Revaluation of equity instruments (SIA-Nexi transaction)	-	0.00%	(48)	-2.23%
Patent Box and ACE tax effect	(6)	-0.27%	(12)	-0.57%
Other differences	(0)	-0.02%	(12)	-0.50%
IRAP Italian companies	169	7.25%	126	5.83%
<b>Effective tax charge</b>	<b>817</b>	<b>35.11%</b>	<b>588</b>	<b>27.13%</b>

With reference to the impairment losses, arising from the derecognition of certain maturing receivables not offset during the year, and the provision for tax credits (see also Note A10 - *Tax Credits Law no. 77/2020*), considering the current uncertainty regarding the relative tax treatment and the Company's need to consult the Agenzia delle Entrate in advance, based on the provisions of IFRIC 23 - Uncertainty of Treatment for Income Tax Purposes, the aforementioned charges have been valued as non-deductible for the purpose of determining income taxes for the year and no deferred tax assets have been recognised on these charges. The possible positive tax effects that may emerge as a result of potential developments in the interpretation of the cases in question and the conclusion of discussions with the Agenzia delle Entrate will be reflected in future financial statements.

## Current tax expense

**tab. C12.2 – Movements in current tax assets/(liabilities)**

Description (€m)	Current tax 2022			
	IRES	IRAP	Foreign companies	Total
	Assets/ (Liabilities)	Assets/ (Liabilities)	Assets/ (Liabilities)	
<b>Balance at 1 January</b>	<b>93</b>	<b>7</b>	<b>(1)</b>	<b>99</b>
Payments	393	120	-	513
Provisions to profit or loss	(408)	(111)	(1)	(520)
Provisions to equity	3	(3)	-	(1)
Other	(7)	0	(0)	(7)
<b>Balance at 31 December</b>	<b>70</b>	<b>12</b>	<b>(2)</b>	<b>80</b>
Of which:				
Current tax assets	94	46	-	140
Current tax liabilities	(24)	(33)	(2)	(60)

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 2022, current tax assets/(liabilities) include:

- the liability of €12 million determined by IRES and IRAP provisions for the year 2022 net of IRES and IRAP advances paid and IRES and IRAP receivables from the previous year;
- a net liability for a total of €3 million recognised following the response received to the petition filed by the Parent Company with the Agenzia delle Entrate on the IRAP treatment of the components of employee termination benefits. In its reply, the Agenzia delle Entrate indicated a different criterion for the time allocation of these components from that provided for by international accounting standards;
- assets totalling €45 million (including €12 million recognised by the Poste Vita and €33 million by the Parent Company), relating to participation in the Patent Box scheme and the tax benefit for the Parent Company linked to the Aid to Economic Growth (ACE) for 2016. These assets will become offsettable after the submission of the relevant supplementary tax returns;
- assets for a total of €14 million related to a request for a tax ruling filed by the Parent Company referring to the tax recognition of income components arising from the management of postal current account balances;
- the substitute tax credit of €18 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 goodwill and other intangible assets relating to the acquisition of the equity investment in FSIA Investimenti Srl;
- the substitute tax credit of €8 million relating to the redemption carried out by the Parent Company during the year, 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 equity investments in Nexive Group and Sengi Express Limited. The payment of the substitute tax will allow, as of the financial year following the payment for Nexive Group and as of the second financial year following the payment for Sengi Express Limited, the amounts of the redeemed goodwill to be deducted for tax purposes;
- assets totalling €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 remaining IRES receivable of €1 million to be recovered on the failure to deduct IRAP resulting from the requests filed pursuant to art. 6 of Law Decree no. 185 of 29 November 2008 and art. 2 of Law Decree no. 201 of 6 December 2011, which provided for partial deductibility of IRAP for IRES purposes. It should be noted that during the year, an amount of €4 million was collected from the Parent Company (in this regard, see the information on receivables for related interest in Note A9).

## Deferred tax assets and liabilities

**tab. C12.3 – Deferred tax assets and liabilities**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021
Deferred tax assets	2,044	1,245
Deferred tax liabilities	(700)	(953)
<b>Total</b>	<b>1,344</b>	<b>292</b>

Movements in deferred tax assets and liabilities are shown below:

**tab. C12.4 – Movements in deferred tax assets and liabilities**

Description (€m)	FY 2022	FY 2021
<b>Balance at 1 January</b>	<b>292</b>	<b>(106)</b>
Net income/(expense) recognised in profit or loss	(297)	(75)
Net income/(expense) recognised in equity	1,416	470
Change in scope of consolidation	(66)	3
<b>Balance at 31 December</b>	<b>1,344</b>	<b>292</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	Property, plant and equipment and intangible assets	Depreciation and amortisation	Financial assets and liabilities	Provisions to cover expected losses	Provisions for risks and charges	Discounting of provisions for employee termination benefits	Technical provisions for insurance business	Other	Total
<b>Balance at 1 January 2022</b>	<b>51</b>	<b>12</b>	<b>226</b>	<b>100</b>	<b>296</b>	<b>34</b>	<b>449</b>	<b>77</b>	<b>1,245</b>
Income/(expense) recognised in profit or loss	(2)	(2)	(1)	(7)	(57)	(1)	18	(11)	(61)
Income/(expense) recognised in equity	-	-	891	-	-	(32)	-	-	859
<b>Balance at 31 December 2022</b>	<b>50</b>	<b>11</b>	<b>1,119</b>	<b>94</b>	<b>237</b>	<b>1</b>	<b>467</b>	<b>67</b>	<b>2,044</b>

**tab. C12.6 – Movements in deferred tax assets and assets**

Description	Financial assets and liabilities	Other	Total
<b>Balance at 1 January 2022</b>	<b>892</b>	<b>61</b>	<b>953</b>
Expense/(income) recognised in profit or loss	227	11	236
Expense/(income) recognised in equity	(557)	-	(557)
<b>Balance at 31 December 2022</b>	<b>562</b>	<b>74</b>	<b>700</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 2022	FY 2021
Fair value reserve for financial assets at FVTOCI	1,407	420
Cash flow hedge reserve for hedging instruments	37	54
Actuarial gains/(losses) on employee termination benefits	(32)	(4)
Other	4	-
<b>Total</b>	<b>1,416</b>	<b>470</b>



## 4.4 Operating segments

The identified operating segments, which are in line with the Group's strategic guidelines, are as follows:

- Mail, Parcels & Distribution
- Financial Services
- Insurance Services
- Payments and Mobile

The result for each segment is based on operating profit/(loss) and gains/losses on intermediation. All income components reported for operating segments are measured using the same accounting policies applied in the preparation of these consolidated financial 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.

FY 2022 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Net external revenue from ordinary activities	3,651	4,938	2,153	1,147	-	11,889
Net intersegment revenue from ordinary activities	4,862	820	3	264	(5,948)	-
<b>Net operating revenue</b>	<b>8,512</b>	<b>5,759</b>	<b>2,156</b>	<b>1,410</b>	<b>(5,948)</b>	<b>11,889</b>
Depreciation, amortisation and impairments	(805)	(0)	(3)	(23)	2	(830)
Non-cash expenses	(498)	21	(1)	(7)	-	(486)
<b>Total non-cash expenses</b>	<b>(1,304)</b>	<b>20</b>	<b>(5)</b>	<b>(30)</b>	<b>2</b>	<b>(1,316)</b>
<b>Operating profit/(loss)</b>	<b>(326)</b>	<b>887</b>	<b>1,350</b>	<b>379</b>	<b>(0)</b>	<b>2,291</b>
Finance income/(costs)	(31)	(13)	87	(0)	-	43
(Impairment losses)/reversal of impairment losses on debt instruments, receivables and other 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	-
Income tax expense	(52)	(243)	(413)	(110)	-	(817)
<b>Net profit/(loss) for the year</b>	<b>(361)</b>	<b>622</b>	<b>979</b>	<b>270</b>	<b>0</b>	<b>1,511</b>
<b>External revenue from contracts with customers</b>	<b>3,208</b>	<b>2,520</b>	<b>-</b>	<b>1,146</b>	<b>-</b>	<b>6,875</b>
Recognition at a point in time	400	233	-	485	-	1,118
Recognition over time	2,808	2,288	-	661	-	5,757

FY 2022 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
<b>Assets</b>	<b>12,902</b>	<b>104,744</b>	<b>148,495</b>	<b>11,743</b>	<b>(16,258)</b>	<b>261,626</b>
Non-current assets	9,701	72,202	132,424	742	(3,698)	211,370
Current assets	3,201	32,542	16,072	11,001	(12,560)	50,256
<b>Liabilities</b>	<b>10,393</b>	<b>103,406</b>	<b>141,680</b>	<b>10,332</b>	<b>(13,121)</b>	<b>252,689</b>
Non-current liabilities	4,623	10,339	140,653	83	(559)	155,138
Current liabilities	5,770	93,067	1,027	10,249	(12,562)	97,551
<b>Other information</b>						
Capital expenditure	788	0	0	23	-	810
Investments accounted for using the equity method	4	262	-	-	-	267

**Annual Report 2022**  
Poste Italiane Group

<b>FY 2022</b> <b>(€m)</b>	<b>Mail, Parcels &amp; Distribution</b>	<b>Financial Services</b>	<b>Insurance Services</b>	<b>Payments and Mobile</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Net external revenue from ordinary activities	3,694	4,783	1,861	882	-	11,220
Net intersegment revenue from ordinary activities	4,696	759	3	319	(5,778)	-
<b>Net operating revenue</b>	<b>8,391</b>	<b>5,542</b>	<b>1,864</b>	<b>1,201</b>	<b>(5,778)</b>	<b>11,220</b>
Depreciation, amortisation and impairments	(770)	(0)	(4)	(16)	1	(790)
Non-cash expenses	(64)	(44)	(5)	(12)	-	(125)
<b>Total non-cash expenses</b>	<b>(834)</b>	<b>(44)</b>	<b>(9)</b>	<b>(28)</b>	<b>1</b>	<b>(915)</b>
<b>Operating profit/(loss)</b>	<b>(301)</b>	<b>747</b>	<b>1,119</b>	<b>282</b>	<b>(0)</b>	<b>1,846</b>
Finance income/(costs)	(18)	(13)	101	226	-	296
(Impairment losses)/reversal of impairment losses on debt instruments, receivables and other assets	0	(0)	0	0	-	(0)
Profit/(Loss) on investments accounted for using the equity method	1	22	-	3	-	26
Intersegment finance income/(costs)	46	1	(48)	(0)	0	-
Income tax expense	46	(200)	(349)	(85)	-	(588)
<b>Net profit/(loss) for the year</b>	<b>(226)</b>	<b>556</b>	<b>824</b>	<b>425</b>	<b>0</b>	<b>1,580</b>
<b>External revenue from contracts with customers</b>	<b>3,165</b>	<b>2,735</b>	<b>-</b>	<b>882</b>	<b>-</b>	<b>6,781</b>
Recognition at a point in time	447	282	-	372	-	1,101
Recognition over time	2,718	2,453	-	510	-	5,680

<b>31 December 2021</b> <b>(€m)</b>	<b>Mail, Parcels &amp; Distribution</b>	<b>Financial Services</b>	<b>Insurance Services</b>	<b>Payments and Mobile</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
<b>Assets</b>	<b>12,865</b>	<b>109,410</b>	<b>166,377</b>	<b>10,194</b>	<b>(14,117)</b>	<b>284,728</b>
Non-current assets	7,849	76,384	154,409	783	(2,773)	236,652
Current assets	5,016	33,026	11,967	9,411	(11,344)	48,076
<b>Liabilities</b>	<b>10,088</b>	<b>104,996</b>	<b>160,439</b>	<b>9,304</b>	<b>(12,209)</b>	<b>272,618</b>
Non-current liabilities	4,320	15,126	159,654	336	(909)	178,528
Current liabilities	5,769	89,870	784	8,968	(11,301)	94,090
<b>Other information</b>						
Capital expenditure	739	-	-	15	-	754
Investments accounted for using the equity method	3	274	-	-	-	277

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 2022, 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>182</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.

182. Total net revenue from ordinary operations by third parties recognised by the fully consolidated companies based in China and the United Kingdom amounted to €117 million, while EBIT and net trading income amounted to €8 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 2022

Name (€m)	Balance at 31.12.2022						
	Financial assets	Trade receivables	Other assets	Cash and cash equivalents	Financial liabilities	Trade payables	Other liabilities
<b>Subsidiaries</b>							
Address Software Srl	-	-	-	-	-	1	-
Kipoint SpA	-	1	-	-	1	2	-
<b>Associates</b>							
Anima Holding Group	-	-	-	-	-	7	-
Italia Camp Srl	-	-	-	-	-	-	-
Financit SpA	-	3	-	-	-	16	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	1	-
<b>Related parties external to the Group</b>							
MEF	11,907	384	17	1,991	4,176	4	1
Cassa Depositi e Prestiti Group	3,388	26	-	-	-	16	-
Enel Group	-	23	-	-	-	-	-
Eni Group	-	5	-	-	-	7	-
SACE Group	-	-	-	-	-	-	-
Leonardo Group	-	1	-	-	-	15	-
Montepaschi Group	276	1	-	-	397	-	-
Other related	20	21	1	-	4	4	68
Provision for doubtful debts	(27)	(31)	(6)	-	-	-	-
<b>Total</b>	<b>15,564</b>	<b>435</b>	<b>12</b>	<b>1,991</b>	<b>4,578</b>	<b>72</b>	<b>69</b>

At 31 December 2022, total provisions for risks and charges made to cover probable liabilities arising from transactions with related parties external to the Group attributable to trading relations amounted to €67 million (€72 million at 31 December 2021).

## Impact of related party transactions on the financial position at 31 December 2021

Name (€m)	Balance at 31.12.2021						
	Financial assets	Trade receivables	Other assets	Cash and cash equivalents	Financial liabilities	Trade payables	Other liabilities
<b>Subsidiaries</b>							
Address Software Srl	-	-	-	-	-	1	-
Kipoint SpA	-	-	-	-	1	2	-
<b>Associates</b>							
Anima Holding Group	-	-	1	-	-	8	-
Italia Camp Srl	-	1	-	-	-	-	-
Financit SpA	-	20	-	-	-	13	-
<b>Related parties external to the Group</b>							
MEF	12,712	156	15	1,990	3,448	10	8
Cassa Depositi e Prestiti Group	3,762	389	-	-	-	19	-
Enel Group	-	24	-	-	-	-	-
Eni Group	-	3	-	-	-	9	-
Leonardo Group	-	1	-	-	-	15	-
Montepaschi Group	167	2	-	1	347	-	-
Other related parties external to the Group	20	14	1	-	4	5	65
Provision for doubtful debts due from related parties external to the Group	(26)	(35)	(7)	-	-	-	-
<b>Total</b>	<b>16,635</b>	<b>575</b>	<b>10</b>	<b>1,991</b>	<b>3,800</b>	<b>82</b>	<b>73</b>

At 31 December 2022, net provisions for risks and charges used to cover probable liabilities arising from transactions with related parties external to the Group attributable to trading relations amounted to about €0.7 million (€0.4 million at 31 December 2021).

## Impact of related party transactions on profit or loss in FY 2022

Name (€m)	Balance at 31.12.2022												
	Revenue					Costs							
	Revenue and income from Mail, Parcels and other	Revenue from Payments and Mobile	Revenue from Financial Services	Revenue from Insurance Services after changes in technical provisions and other claim expenses	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	-	-	-	-	-	-	-	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>

## Impact of related party transactions on profit or loss in FY 2021

Name (€m)	Balance at 31.12.2021													
	Revenue					Costs								
	Revenue and income from Mail, Parcels and other	Revenue from Payments and Mobile	Revenue from Financial Services	Revenue from Insurance Services after changes in technical provisions and other claim expenses	Finance income	Capital expenditure		Current expenses						Finance costs
						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		
Subsidiaries														
Address Software Srl	-	-	-	-	-	-	-	1	-	-	-	-	-	
Kipoint SpA	-	-	-	-	-	-	-	3	-	-	-	-	-	
Associates														
Anima Holding Group	3	-	-	-	-	-	-	31	-	-	-	-	-	
Financit SpA	16	-	-	-	-	-	-	-	-	-	-	-	-	
Related parties external to the Group														
MEF	354	49	90	-	-	-	-	1	-	4	8	(4)	1	
Cassa Depositi e Prestiti Group	1	-	1,818	15	-	3	-	42	-	-	-	-	1	
Enel Group	39	-	5	-	-	-	-	-	-	-	-	-	-	
Eni Group	14	-	2	-	-	-	-	36	-	-	-	-	-	
Equitalia Group	1	-	-	-	-	-	-	-	-	-	-	-	-	
Leonardo Group	1	-	-	-	-	1	5	27	-	-	-	-	-	
Montepaschi Group	15	-	2	-	-	-	-	-	-	-	-	-	-	
Other related parties external to the Group	22	-	-	-	1	-	-	20	73	2	-	-	-	
Total	466	49	1,917	15	1	4	5	161	73	5	8	(4)	2	

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, franking of mail on credit and postage paid mailing services. 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 (%)
	Balance at 31.12.2022			Balance at 31.12.2021		
<b>Financial position</b>						
Financial assets	226,140	15,564	6.9	248,856	16,635	6.7
Trade receivables	2,182	435	19.9	2,511	575	22.9
Other receivables and assets	5,214	12	0.2	5,158	10	0.2
Cash and cash equivalents	4,983	1,991	40.0	7,958	1,991	25.0
Provisions for risks and charges	1,355	67	4.9	1,268	72	5.7
Financial liabilities	103,645	4,578	4.4	104,732	3,800	3.6
Trade payables	2,234	72	3.2	2,029	82	4.0
Other liabilities	4,004	69	1.7	3,609	73	2.0

	Balance at 31.12.2022			Balance at 31.12.2021		
<b>Profit or loss</b>						
Revenue from Mail, Parcels & other	3,651	893	24.5	3,694	466	12.6
Net revenue from Financial Services	4,938	2,048	41.5	4,783	1,909	39.9
Revenue from Insurance Services after changes in technical provisions and other claim expenses	2,153	16	0.7	1,861	15	0.8
Revenue from Payments and Mobile services	1,147	51	4.4	882	49	5.6
Cost of goods and services	2,960	167	5.6	2,873	161	5.6
Personnel expenses	5,226	71	1.4	5,467	73	1.3
Other operating costs	519	5	1.0	253	6	2.4
Finance costs	126	2	1.6	73	2	2.7
Finance income	169	1	0.6	369	1	0.3
<b>Cash flows</b>						
Net cash flow from/(for) operating activities	180	1,971	1,095	4,184	(5,975)	n.a.
Net cash flow from/(for) investing activities	(1,606)	(7)	0	(422)	(1)	0.2
Net cash flow from/(for) financing activities and shareholder transactions	(1,549)	(512)	33	(321)	(422)	131



## 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 31.12.2022	Balance at 31.12.2021
Remuneration to be paid in short/medium term	13,164	13,189
Post-employment benefits	571	568
Other benefits to be paid in longer term	1,871	2,447
Share-based payments	2,469	4,488
<b>Total</b>	<b>18,075</b>	<b>20,692</b>

### Remuneration of Statutory Auditors

Name (€k)	Balance at 31.12.2022	Balance at 31.12.2021
Remuneration	1,275	1,146
Expenses	71	49
<b>Total</b>	<b>1,346</b>	<b>1,195</b>

The remuneration paid to members of the Parent Company's Supervisory Board for 2022 amounts to approximately €97 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 2022, 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 Shareholders' 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.

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5



# POSTE ITALIANE SPA

FINANCIAL STATEMENTS AT 31 DECEMBER **2022**

# 5. Poste Italiane SpA

## Financial Statements

### at 31 December 2022

## 5.1 Financial Statements

### Statement of Financial Position

Assets (figures in €)	Notes	31 December 2022	of which related parties	31 December 2021	of which related parties
<b>Non-current assets</b>					
Property, plant and equipment	[A1]	2,203,281,482	-	2,110,135,123	-
Investment property	[A2]	30,622,319	-	31,867,655	-
Intangible assets	[A3]	944,624,830	-	827,850,352	-
Right-of-use assets	[A4]	1,039,707,878	-	944,837,581	-
Investments	[A5]	3,676,236,144	3,676,236,144	2,597,963,884	2,597,963,884
Financial assets	[A6]	62,775,153,352	3,391,476,890	69,430,001,636	3,563,071,036
Trade receivables	[A8]	762,775	-	1,444,601	-
Deferred tax assets	[C11]	1,455,493,776	-	673,928,219	-
Other receivables and assets	[A9]	1,788,073,590	1,586,649	1,674,174,765	1,586,649
Tax credits Law no. 77/2020	[A10]	7,457,745,566	-	5,550,787,032	-
<b>Total</b>		<b>81,371,701,712</b>		<b>83,842,990,848</b>	
<b>Current assets</b>					
Inventories	[A7]	4,157,570	-	10,892,808	-
Trade receivables	[A8]	2,656,054,944	1,206,342,400	2,923,894,324	1,279,804,421
Current tax assets	[C11]	98,312,324	-	105,707,017	-
Other receivables and assets	[A9]	832,135,995	32,974,635	972,639,259	77,992,685
Tax credits Law no. 77/2020	[A10]	1,563,051,854	-	905,334,967	-
Financial assets	[A6]	21,421,328,172	12,095,426,518	20,782,886,770	12,976,002,876
Cash and deposits attributable to BancoPosta	[A11]	5,848,037,590	-	7,658,525,248	-
Cash and cash equivalents	[A12]	2,257,992,640	1,991,118,738	3,869,639,203	1,990,837,959
<b>Total</b>		<b>34,681,071,089</b>		<b>37,229,519,596</b>	
<b>Total Assets</b>		<b>116,052,772,801</b>		<b>121,072,510,444</b>	



Liabilities and Equity (figures in €)	Notes	31 December 2022	of which related parties	31 December 2021	of which related parties
<b>Equity</b>					
Share capital	[B1]	1,306,110,000	-	1,306,110,000	-
Treasury shares		(62,850,781)	-	(39,809,472)	-
Reserves	[B2]	162,829,069	-	3,485,766,355	-
Retained earnings/(Accumulated losses)		2,401,421,381	-	2,282,303,950	-
<b>Total</b>		<b>3,807,509,669</b>		<b>7,034,370,833</b>	
<b>Non-current liabilities</b>					
Provisions for risks and charges	[B4]	740,904,188	55,226,126	628,455,987	59,576,036
Employee termination benefits	[B5]	677,640,667	-	896,075,368	-
Financial liabilities	[B6]	10,600,138,427	231,168,307	14,947,537,167	188,720,039
Deferred tax liabilities	[C11]	231,802,483	-	673,469,161	-
Other liabilities	[B8]	1,907,044,515	889,202	1,676,549,800	1,417,574
<b>Total</b>		<b>14,157,530,280</b>		<b>18,822,087,483</b>	
<b>Current liabilities</b>					
Provisions for risks and charges	[B4]	515,658,933	12,097,961	540,723,533	12,301,569
Trade payables	[B7]	1,969,876,704	478,400,954	2,031,318,809	547,595,715
Current tax liabilities	[C11]	44,379,053	-	1,380,316	-
Other liabilities	[B8]	1,455,075,322	214,726,262	1,331,988,195	104,374,640
Financial liabilities	[B6]	94,102,742,840	15,345,654,065	91,310,641,275	13,735,122,147
<b>Total</b>		<b>98,087,732,852</b>		<b>95,216,052,128</b>	
<b>Total Liabilities and Equity</b>		<b>116,052,772,801</b>		<b>121,072,510,444</b>	

## Statement of Financial Position (continued)

### Supplementary Statement showing BancoPosta RFC at 31.12.2022

Assets (figures in €)	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>-</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>-</b>	<b>34,681,071,089</b>
<b>Intersegment relations net amount</b>		<b>-</b>	<b>129,677,856</b>	<b>(129,677,856)</b>	<b>-</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>

Liabilities and Equity (figures in €)	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		(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>-</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>-</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>-</b>	<b>98,087,732,852</b>
<b>Intersegment relations net amount</b>		<b>129,677,856</b>	<b>-</b>	<b>(129,677,856)</b>	<b>-</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 Financial Position (continued)

### Supplementary Statement showing BancoPosta at 31.12.2021

Assets (figures in €)	Notes	Capital outside the ring-fence	BancoPosta RFC	Eliminations	Total
<b>Non-current assets</b>					
Property, plant and equipment		2,110,135,123	-	-	2,110,135,123
Investment property		31,867,655	-	-	31,867,655
Intangible assets		827,850,352	-	-	827,850,352
Right-of-use assets		944,837,581	-	-	944,837,581
Investments		2,597,963,884	-	-	2,597,963,884
Financial assets		407,022,050	69,022,979,586	-	69,430,001,636
Trade receivables		1,444,601	-	-	1,444,601
Deferred tax assets	[C11]	391,379,184	282,549,035	-	673,928,219
Other receivables and assets	[A9]	60,229,265	1,613,945,500	-	1,674,174,765
Tax credits Law no. 77/2020	[A10]	382,444,337	5,168,342,695	-	5,550,787,032
<b>Total</b>		<b>7,755,174,032</b>	<b>76,087,816,816</b>	<b>-</b>	<b>83,842,990,848</b>
<b>Current assets</b>					
Inventories		10,892,808	-	-	10,892,808
Trade receivables	[A8]	2,024,794,325	899,099,999	-	2,923,894,324
Current tax assets		105,707,017	-	-	105,707,017
Other receivables and assets	[A9]	383,658,419	588,980,840	-	972,639,259
Tax credits Law no. 77/2020	[A10]	65,212,145	840,122,822	-	905,334,967
Financial assets		51,471,690	20,731,415,080	-	20,782,886,770
Cash and deposits attributable to BancoPosta	[A11]	-	7,658,525,248	-	7,658,525,248
Cash and cash equivalents	[A12]	1,857,538,552	2,012,100,651	-	3,869,639,203
<b>Total</b>		<b>4,499,274,956</b>	<b>32,730,244,640</b>	<b>-</b>	<b>37,229,519,596</b>
<b>Intersegment relations net amount</b>		<b>-</b>	<b>77,495,198</b>	<b>(77,495,198)</b>	<b>-</b>
<b>Total Assets</b>		<b>12,254,448,988</b>	<b>108,895,556,654</b>	<b>(77,495,198)</b>	<b>121,072,510,444</b>

Liabilities and Equity (figures in €)	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		(39,809,472)	-	-	(39,809,472)
Reserves	[B2]	804,715,081	2,681,051,274	-	3,485,766,355
Retained earnings/(Accumulated losses)		590,180,562	1,692,123,388	-	2,282,303,950
<b>Total</b>		<b>2,661,196,171</b>	<b>4,373,174,662</b>	<b>-</b>	<b>7,034,370,833</b>
<b>Non-current liabilities</b>					
Provisions for risks and charges	[B4]	453,471,632	174,984,355	-	628,455,987
Employee termination benefits	[B5]	893,370,591	2,704,777	-	896,075,368
Financial liabilities		2,578,624,407	12,368,912,760	-	14,947,537,167
Deferred tax liabilities	[C11]	3,271,145	670,198,016	-	673,469,161
Other liabilities	[B8]	61,748,345	1,614,801,455	-	1,676,549,800
<b>Total</b>		<b>3,990,486,120</b>	<b>14,831,601,363</b>	<b>-</b>	<b>18,822,087,483</b>
<b>Current liabilities</b>					
Provisions for risks and charges	[B4]	486,641,306	54,082,227	-	540,723,533
Trade payables	[B7]	1,830,289,511	201,029,298	-	2,031,318,809
Current tax liabilities		1,380,316	-	-	1,380,316
Other liabilities	[B8]	1,271,369,473	60,618,722	-	1,331,988,195
Financial liabilities		1,935,590,893	89,375,050,382	-	91,310,641,275
<b>Total</b>		<b>5,525,271,499</b>	<b>89,690,780,629</b>	<b>-</b>	<b>95,216,052,128</b>
<b>Intersegment relations net amount</b>		<b>77,495,198</b>	<b>-</b>	<b>(77,495,198)</b>	<b>-</b>
<b>Total Liabilities and Equity</b>		<b>12,254,448,988</b>	<b>108,895,556,654</b>	<b>(77,495,198)</b>	<b>121,072,510,444</b>

## Statement of Profit or Loss

(figures in €)	Notes	FY 2022	of which related parties	FY 2021	of which related parties
Revenue from sales and services	[C1]	8,903,676,705	4,285,273,955	8,485,026,380	3,653,819,723
Other income from financial activities	[C2]	427,964,847	-	523,113,943	-
Other operating income	[C3]	721,244,219	667,154,668	683,080,503	627,082,678
<b>Total revenue</b>		<b>10,052,885,771</b>		<b>9,691,220,826</b>	
Cost of goods and services	[C4]	2,497,560,589	1,414,663,808	2,485,746,083	1,399,811,077
Expenses from financial activities	[C2]	215,134,855	32,681,434	177,863,666	37,965,371
Personnel expenses	[C5]	4,986,728,183	65,312,252	5,235,409,900	71,940,755
Amortisation and impairments	[C6]	743,981,131	4,914,188	715,251,253	4,669,106
Capitalised costs and expenses		(36,895,738)	-	(30,765,998)	-
Other operating costs	[C7]	473,146,063	7,525,172	209,128,719	4,336,072
of which non-recurring costs		320,000,000		-	
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C8]	97,051,092	950,386	14,083,421	(4,064,499)
<b>Operating profit/(loss)</b>		<b>1,076,179,596</b>		<b>884,503,782</b>	
Finance costs	[C9]	71,125,774	4,674,892	64,136,159	2,616,133
Finance income	[C9]	94,605,058	77,618,762	76,053,961	56,764,966
Impairment losses/(reversals of impairment losses) on financial assets	[C10]	(598,953)	(48,335)	(183,867)	(228,153)
<b>Profit/(Loss) before tax</b>		<b>1,100,257,833</b>		<b>896,605,451</b>	
Income tax expense	[C11]	253,145,095	-	99,413,907	-
<b>Profit for the Year</b>		<b>847,112,738</b>		<b>797,191,544</b>	

## Statement of comprehensive income

(figures in €)	Notes	FY 2022	FY 2021
<b>Net profit/(loss) for the year</b>		<b>847,112,738</b>	<b>797,191,544</b>
<b>Items to be reclassified in the Statement of profit or loss for the year</b>			
FVTOCI debt instruments and receivables			
Increase/(decrease) in fair value during the year		(4,405,691,981)	(1,007,889,068)
Transfers to profit or loss from realisation	[tab. B2]	(150,548,691)	(419,700,895)
Increase/(decrease) for expected losses	[tab. B2]	4,153,828	(5,883,608)
Cash flow hedges			
Increase/(decrease) in fair value during the year	[tab. B2]	278,515,402	(177,529,225)
Transfers to profit or loss	[tab. B2]	(408,797,835)	(7,746,497)
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit or loss for the year		1,334,512,522	459,566,489
<b>Items not to be reclassified in the Statement of profit or loss for the year</b>			
FVTOCI equity instruments			
Increase/(decrease) in fair value during the year		(71,808,237)	27,664,265
Transfers to equity		-	-
Actuarial gains/(losses) on employee termination benefits	[tab. B5]	119,481,198	(4,306,905)
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit or loss for the year		(32,308,009)	2,127,900
<b>Total other comprehensive income</b>		<b>(3,332,491,803)</b>	<b>(1,133,697,544)</b>
<b>Total comprehensive income for the Year</b>		<b>(2,485,379,065)</b>	<b>(336,506,000)</b>

**Statement of Changes in Equity**

	Equity										Total
	Reserves										
(figures in €)	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	Retained earnings/ (Accumulated losses)	
Balance at 1 January 2021	1,306,110,000	(39,999,994)	299,234,320	1,210,000,000	-	2,190,764,913	99,009,777	5,994,777	14,907,464	2,153,083,896	7,239,105,153
Total other comprehensive income for the year	-	-	-	-	-	(999,453,773)	(132,396,737)	-	-	795,344,510	(336,506,000)
Balance dividends paid on FY 2020 profits	-	-	-	-	-	-	-	-	-	(421,484,174)	(421,484,174)
Interim dividend on FY 2021 profits	-	-	-	-	-	-	-	-	-	(240,662,260)	(240,662,260)
Equity instruments - perpetual hybrid bonds	-	-	-	-	800,000,000	-	-	-	-	(4,000,330)	795,999,670
Merger contribution	-	-	-	-	-	-	-	-	(9,778,647)	-	(9,778,647)
Incentive plans	-	190,522	-	-	-	-	-	7,484,261	-	22,308	7,697,091
Balance at 31 December 2021	1,306,110,000	(39,809,472)	299,234,320	1,210,000,000	800,000,000	1,191,311,140	(33,386,960)	13,479,038	5,128,817	2,282,303,950	7,034,370,833
of which attributable to BancoPosta RFC	-	-	-	1,210,000,000	350,000,000	1,156,011,119	(35,989,145)	1,029,300	-	1,692,123,388	4,373,174,662
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 hybrid perpetual 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
Balance at 31 December 2022	1,306,110,000	(62,850,781)	299,234,320	1,210,000,000	800,000,000	(2,374,240,722)	(126,549,691)	19,254,663	335,130,499	2,401,421,381	3,807,509,669
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

\* This item includes net profit for the year of €847 million and actuarial gains on provisions for employee termination benefits of €119 million, after the related current and deferred taxation.



## Statement of Cash Flows

(€k)	Notes	FY 2022	FY 2021
<b>Cash and cash equivalents at beginning of year</b>		<b>3,869,639</b>	<b>4,029,413</b>
Profit/(Loss) before tax		1,100,258	896,605
Depreciation, amortisation and impairments	[tab. C6]	743,981	715,251
Net provisions for risks and charges	[tab. B4]	430,181	349,439
Use of provisions for risks and charges	[tab. B4]	(343,332)	(490,320)
Employee termination benefits paid	[tab. B5]	(114,332)	(126,605)
(Gains)/losses on disposals	[tab. C7]	(1,129)	1,296
Impairment losses/(reversals of impairment losses) on financial assets		(597)	(183)
(Dividends)		(10,694)	(8,398)
Dividends received		10,694	8,398
(Finance income in form of interest)	[tab. C9.1]	(77,350)	(62,622)
Interest received		73,002	69,407
Interest expense and other finance costs	[tab. C9.2]	66,421	57,209
Interest paid		(31,706)	(30,033)
Losses and impairment losses/(reversals of impairment losses) on receivables	[tab. C8]	89,799	23,648
Income tax paid	[tab. C11.3]	(360,660)	(332,903)
Other changes		(12,334)	(3,759)
<b>Cash flow generated by operating activities before movements in working capital</b>	<b>[a]</b>	<b>1,562,202</b>	<b>1,066,430</b>
Movements in working capital:			
(Increase)/decrease in Inventories	[A7]	6,735	10,206
(Increase)/decrease in Trade receivables		246,678	69,162
(Increase)/decrease in Other receivables and assets		409,366	277,919
Increase/(decrease) in Trade payables		(61,457)	(118,753)
Increase/(decrease) in Other liabilities		229,600	(22,650)
Change in tax credits Law no. 77/2020		10,613	(525,674)
<b>Cash flow generated by/(used in) movements in working capital</b>	<b>[b]</b>	<b>841,535</b>	<b>(309,790)</b>
Increase/(decrease) in Financial liabilities attributable to BancoPosta		4,821,908	10,814,228
Net cash generated by/(used for) financial assets		(5,180,205)	1,767,978
(Increase)/Decrease in other financial assets BancoPosta assets and tax credits Law No. 77/2020		(2,176,925)	(9,871,166)
(Increase)/decrease in Cash and deposits attributable to BancoPosta		1,810,487	(1,267,653)
(Income)/Expense and other non-cash components from financial activities		383,864	(1,841,709)
<b>Cash generated by/(used for) financial assets and liabilities attributable to BancoPosta</b>	<b>[c]</b>	<b>(340,871)</b>	<b>(398,322)</b>
<b>Net cash flow from/(for) operating activities</b>	<b>[d]=[a+b+c]</b>	<b>2,062,866</b>	<b>358,318</b>
<b>- of which related party transactions</b>		<b>2,766,191</b>	<b>(5,012,477)</b>
Investing activities:			
Property, plant and equipment	[tab. A1]	(286,809)	(298,375)
Investment property	[tab. A2]	(375)	(456)
Intangible assets	[tab. A3]	(463,536)	(409,153)
Investments		(1,373,120)	(409,210)
Other financial assets		(175,131)	(74,578)
Disposals:			
Property, plant and equipment, investment property and assets held for sale		5,512	3,823

(€k)	Notes	FY 2022	FY 2021
Investments		-	410
Other financial assets		36,645	506,756
Mergers		975	(9,451)
<b>Net cash flow from/(for) investing activities</b>	<b>[e]</b>	<b>(2,255,839)</b>	<b>(690,234)</b>
<b>- of which related parties</b>		<b>(1,095,880)</b>	<b>(394,246)</b>
Proceeds from/(Repayments of) long-term borrowings	[B6.5]	100,000	(100,000)
Increase/(decrease) in short-term borrowings	[B6.5]	(673,750)	139,882
Dividends paid	[B3]	(798,623)	(662,146)
Sale/(purchase) of treasury shares		(25,300)	-
Equity instruments - perpetual hybrid bonds		(21,000)	794,407
<b>Net cash flow from/(for) financing activities and shareholder transactions</b>	<b>[f]</b>	<b>(1,418,673)</b>	<b>172,143</b>
<b>- of which related party transactions</b>		<b>(416,770)</b>	<b>106,386</b>
<b>Net increase/(decrease) in cash</b>	<b>[g]=[d+e+f]</b>	<b>(1,611,646)</b>	<b>(159,774)</b>
<b>Cash and cash equivalents at end of year</b>	[tab. A12]	<b>2,257,993</b>	<b>3,869,639</b>
<b>Cash and cash equivalents at end of year</b>	[tab. A12]	<b>2,257,993</b>	<b>3,869,639</b>
Restricted net cash and cash equivalents at end of year		(1,724,336)	(1,735,501)
<b>Unrestricted net cash and cash equivalents at end of year</b>		<b>533,657</b>	<b>2,134,138</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, there was an injection of capital into BancoPosta RFC, via the granting of a €350 million perpetual subordinated loan with an 8-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.

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>183</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.

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

183. 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.

latter to operate as an Electronic Money Institution (EMI)<sup>184</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>185</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, expired on 31 December 2022 and being renewed. In addition, under the agreement with the MEF, expired on 31 December 2022 and being renewed, 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. These loans bear interest from 1 January 2022<sup>186</sup> at a variable rate equal to the Euro Short Term Rate (ESTR)<sup>187</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.

184. The business unit consists of assets and contractual rights linked to:

*Own products:* prepaid cards (card payments), 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.

185. 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 "Decreto Rilancio" ) or other transferable tax credits pursuant to current legislation.

186. Until 31 December 2021, these deposits are remunerated at a variable rate calculated on the basis of the Euro OverNight Index Average (EONIA), the rate applied in overnight lending and calculated as the weighted average of overnight rates for transactions on the interbank market reported to ECB by a panel of banks operating in the euro zone (the biggest banks in all the euro zone countries).

187. 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.

## Annual Report 2022

Poste Italiane Group

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>188</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 functions 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, which expired on 31 December 2022 and are being renewed for the three-year period 2023-2025, were notified to the Bank of Italy pursuant to the Supervisory Provisions, 60 days before the actual start. The Supervisory Authority gave a positive opinion to proceed.

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.

Function	Allocation key
Commercial Networks	Percentage of net income generated by product/service category
Information Services	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	
External Relations	
Business Continuity	Fees by professional role based on market benchmarks
Purchases	
Internal Auditing	
Anti-Money Laundering	
Compliance	

Essential or important Functions

Control Functions

188. The Regulation was revised on 24 June 2022.

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, 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>189</sup>.

### Reconciliation of separate equity

(€m)					
	Separate Report Item	110	130	140	180
Reconciliation of separate equity		Valuation reserves	Equity instruments	Reserves	Profit for the year
Reserves	(660)	(2,222)	350	1,212	-
BancoPosta RFC reserve	1,210	-	-	1,210	-
Equity instruments - perpetual hybrid bonds	350	-	350	-	-
Fair value reserve	(2,092)	(2,092)	-	-	-
Cash flow hedge reserve	(130)	(130)	-	-	-
Incentive plans reserve	2	-	-	2	-
Retained earnings	1,974	(1)	-	1,373	602
Profit	1,975	-	-	1,373	602
Cumulative actuarial gains/(losses) on defined benefit plans	(1)	(1)	-	-	-
<b>Total</b>	<b>1,314</b>	<b>(2,223)</b>	<b>350</b>	<b>2,585</b>	<b>602</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.

189. 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).

## Further regulatory aspects

Pursuant to art. 2, paragraph 17-undecies of Law Decree 225<sup>190</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 (...)”.

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190. Converted into Law 10 of 26 February 2011.



## 5.3 Notes to the Statement of Financial Position

### Assets

#### A1 – Property, Plant and Equipment (€2,203 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 machinery	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
Cost	75	3,064	2,208	343	657	1,854	79	8,280
Accumulated depreciation	-	(1,955)	(1,761)	(311)	(415)	(1,701)	-	(6,143)
Impairment losses	-	(16)	(1)	(1)	(8)	(1)	-	(27)
<b>Balance at 1 January 2022</b>	<b>75</b>	<b>1,093</b>	<b>446</b>	<b>31</b>	<b>234</b>	<b>152</b>	<b>79</b>	<b>2,110</b>
<b>Changes during the year</b>								
Additions	-	43	65	9	33	54	82	286
Reclassifications	-	17	21	-	5	10	(53)	-
Disposals	-	-	-	-	(1)	-	-	(1)
Depreciation	-	(30)	(49)	(12)	(45)	(64)	-	(200)
(Impairments)/Reversal of impairment losses	-	-	-	-	8	-	-	8
<b>Total changes</b>	<b>-</b>	<b>30</b>	<b>37</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>93</b>
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 31 December 2022</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>

None of the above items is attributable to BancoPosta RFC.

At 31 December 2022, 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 €42 million.

Investments of €286 million in 2022 consists largely of:

- €43 million relating to extraordinary maintenance of Post Offices around the country (€17 million), personnel and management offices (€15 million) and mail and parcel sorting offices (€11 million);
- €65 million for plants, of which €34 million for the construction of plant related to buildings, €13 million for the creation and extraordinary maintenance of connectivity systems and €10 million for the creation and extraordinary maintenance of video surveillance systems;
- €33 million invested in the upgrade of plant (€20 million) and the structural part (€13 million) of properties held under lease;
- €54 million relating to "Other assets", including €48 million for the purchase of new computer hardware for post offices and head offices and the consolidation of storage systems.

Investments in progress amount to €82 million, of which €68 million is for extraordinary maintenance works and infrastructural equipment of the sales and production network and €8 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 €53 million and refer mainly to the purchase cost of assets that became available and ready for use during the year; in particular, €32 million refer to the completion of extraordinary renovations of owned properties and improvements of leased properties and €13 million for the activation of hardware and other technological equipment.

## A2 – Investment property (€31 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 2022
Cost	90
Accumulated depreciation	(58)
Impairment losses	-
<b>Balance at 1 January</b>	<b>32</b>
<b>Changes during the year</b>	
Additions	1
Reclassifications	-
Disposals	(1)
Depreciation	(1)
Reversals of impairment losses (impairment losses)	-
<b>Total changes</b>	<b>(1)</b>
Cost	88
Accumulated depreciation	(57)
Impairment losses	-
<b>Balance at 31 December</b>	<b>31</b>
<b>Fair value at 31 December</b>	<b>72</b>

The fair value of investment property at 31 December 2022 includes €61 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>191</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.

191. 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 (€945 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	4,074	2	233	33	4,342
Accumulated amortisation and impairments	(3,512)	(2)	-	-	(3,514)
<b>Balance at 1 January 2022</b>	<b>562</b>	<b>-</b>	<b>233</b>	<b>33</b>	<b>828</b>
<b>Changes during the year</b>					
Additions	230	-	234	-	464
Reclassifications	209	-	(209)	-	-
Disposals	-	-	(2)	-	(2)
Accumulated amortisation and impairment	(345)	-	-	-	(345)
<b>Total changes</b>	<b>94</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>117</b>
Cost	4,514	2	256	33	4,805
Accumulated amortisation and impairments	(3,858)	(2)	-	-	(3,860)
<b>Balance at 31 December 2022</b>	<b>656</b>	<b>-</b>	<b>256</b>	<b>33</b>	<b>945</b>

None of the above items is attributable to BancoPosta RFC.

Investments in Intangible assets during 2022 amounted to €464 million, including €37 million in internal software development activities and the related expenses, primarily relating to personnel expenses (€33 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 €230 million, before amortisation for the year, relates primarily to the purchase and entry into service of new software programmes following the purchase of software licences.

**Purchases of intangible assets under construction** (€234 million) mainly refer to activities for the development of software for infrastructure platforms and for BancoPosta services.

The balance of **intangible assets under construction** (€256 million) includes activities regarding the development for software relating to the infrastructure platform (€116 million), for BancoPosta services (€68 million), for support to the sales network (€40 million), for the postal products platform (€18 million) and for the engineering of reporting processes for other Business functions and personnel (€14 million).

During the year, reclassifications were made from Intangible assets under construction to Industrial patents and intellectual property rights amounting to €209 million due to the completion and start-up of new software programmes and the development of existing ones, related to the infrastructure platform (€98 million), BancoPosta services (€52 million), support for the sales network (€32 million), the postal products platform (€17 million) and the engineering of reporting processes for other business and staff functions (€10 million).

The entry 'Goodwill' (€33 million) resulted from the acquisition and subsequent reorganisation of the Nexive Group. Goodwill attributable to Poste Italiane is allocated within the Mail, Parcels and Distribution CGU.

For the purpose of impairment tests of goodwill in the separate financial statements, since all goodwill is attributable to the CGU, it was decided to proceed by recognising the result of the impairment test in the consolidated financial statements, which did not show any impairment losses. For the methodology applied and the parameters used to perform the impairment tests at 31 December 2022, please refer to Note 2.4 - Use of estimates, with regard to the *Impairment tests of goodwill, cash generating units and equity investments section*.

Finally, following the start-up of the Energy Project, Poste Italiane invested around €30 million in application software, of which around €8 million has not yet entered into production.

## A4 – Right-of-use assets (€1,040 million)

Movements in right-of-use assets are as follows:

**tab. A4 – Change to right-of-use asset**

(€m)	Properties used in operations	Company fleet	Vehicles for mixed use	Other assets	Total
Cost	1,273	129	22	37	1,461
Accumulated depreciation	(376)	(97)	(10)	(29)	(512)
Impairment losses	(1)	(3)	-	-	(4)
<b>Balance at 1 January 2022</b>	<b>896</b>	<b>29</b>	<b>12</b>	<b>8</b>	<b>945</b>
<b>Changes during the year</b>					
New contract acquisitions	28	254	5	4	291
Adjustments	37	-	-	-	37
Disposals	(17)	(8)	-	(2)	(27)
Depreciation	(128)	(68)	(6)	(6)	(208)
(Impairment)/Reversal of impairment	-	(1)	-	3	2
<b>Total changes</b>	<b>(80)</b>	<b>177</b>	<b>(1)</b>	<b>(1)</b>	<b>95</b>
Cost	1,315	329	25	36	1,705
Accumulated depreciation	(498)	(119)	(14)	(32)	(663)
Impairment losses	(1)	(4)	-	3	(2)
<b>Balance at 31 December 2022</b>	<b>816</b>	<b>206</b>	<b>11</b>	<b>7</b>	<b>1,040</b>

Acquisitions during the year refer mainly to new contracts and renewals of contracts existing at the beginning of the year for real estate (€28 million), the rental of company vehicles used for mail and parcel delivery activities (€254 million), mixed-use vehicles (€5 million) and the rental of computer equipment (€4 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.

Movements in lease payables are as follows:

**tab. A4.1 – Changes in Lease Payables**

(€m)	FY 2022
<b>Balance at 1 January</b>	<b>989</b>
New contract increases	291
Payments	(208)
Finance expenses/(income)	19
Other changes	10
<b>Balance at 31 December</b>	<b>1,101</b>
of which medium-/long-term	844
of which short-term	257

The table below summarises the effects recognised in the statement of profit or loss:

**tab. A4.2 – Economic effects of leasing agreements**

(€m)	FY 2022
Amortisation of right-of-use assets	208
Impairments/recoveries/adjustments of right of use	(2)
Financial expenses/(income) on lease payables	19
Costs relating to short-term leases	4
Costs relating to low value asset leases	9
Costs relating to intangible asset leases	75
<b>Total</b>	<b>313</b>

## A5 – Investments (€3,676 million)

This item includes the following:

**tab. A5 – Investments**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Investments in subsidiaries	3,423	2,345	1,078
Investments in associates	253	253	-
<b>Total</b>	<b>3,676</b>	<b>2,598</b>	<b>1,078</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 2022**

Investments (€m)	Balance at 01.01.2022	Additions			Decreases			Impairment losses		Balance at 31.12.2022
		Subscriptions /Payments on capital a/c	Purchases, mergers	Reclass. Non-current assets held for sale	Incentive plans	Sales, liquidations, mergers, de- mergers	Reclass. Non-current assets held for sale	Write- back	(Write- down)	
<b>in subsidiaries</b>										
Agile Power Srl	-	5	13	-	-	-	-	-	-	18
BancoPosta Fondi SpA SGR	9	-	-	-	-	-	-	-	-	9
CLP ScpA	-	-	-	-	-	-	-	-	-	-
Consorzio PosteMotori	-	-	-	-	-	-	-	-	-	-
Cons. per i Servizi di Telefonia Mobile ScpA	-	-	-	-	-	-	-	-	-	-
EGI SpA	170	-	-	-	-	-	-	-	-	170
MLK Deliveries SpA	15	-	-	-	-	-	-	-	-	15
Nexive Network Srl	16	-	-	-	-	-	-	-	-	16
Nexive Scarl	-	-	-	-	-	-	-	-	-	-
PatentiViaPoste ScpA	-	-	-	-	-	-	-	-	-	-
Poste Air Cargo Srl	1	-	-	-	-	-	-	-	-	1
Poste Vita SpA	1,521	500	49	-	-	-	-	-	-	2,070
Poste Welfare Servizi Srl	-	55	21	-	-	-	-	-	-	76
Postel SpA	82	-	-	-	1	-	-	-	-	83
PostePay SpA	202	700	-	-	-	-	-	-	-	902
PSIA Srl	296	-	-	-	-	(296)	-	-	-	-
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>2,345</b>	<b>1,260</b>	<b>113</b>	<b>-</b>	<b>1</b>	<b>(296)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,423</b>
<b>in associates</b>										
Anima Holding SpA	203	-	-	-	-	-	-	-	-	203
Conio Inc.	-	-	-	-	-	-	-	-	-	-
Financit SpA	40	-	-	-	-	-	-	-	-	40
ItaliaCamp Srl	-	-	-	-	-	-	-	-	-	-
Replica SIM SpA	10	-	-	-	-	-	-	-	-	10
<b>Total associates</b>	<b>253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253</b>
<b>Total</b>	<b>2,598</b>	<b>1,260</b>	<b>113</b>	<b>-</b>	<b>1</b>	<b>(296)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,676</b>

Le The following movements occurred in 2022:

- Acquisition, on 13 October 2022, of a 70% equity investment in the company Agile Power Srl<sup>192</sup> and indirectly of the entire Agile Lab Group, specialising in Data Management, offering tailor-made technology solutions that exploit artificial intelligence, as well as services involving the reselling of open source software products developed by technology partners. The acquisition transaction, worth a total of €18 million, provided for the payment by Poste Italiane in favour of the Founding Shareholders, who will retain the remaining 30%, of €13 million and the subscription of a paid capital increase in favour of the companies of €5 million;
- Recapitalisation, on 3 August 2022, of the company Poste Vita SpA through the subscription of a capital instrument, subordinated and non-convertible, with perpetual duration and non-call period of 10 years, totalling €500 million, aimed at strengthening its Solvency Ratio;

192. Agile Power Srl holds 100% of Agile Lab, Agile Skill, Agile Next and Aim 2 Srl.

- Purchase on 24 February 2022 of 100% of the share capital of Poste Welfare Servizi Srl from Poste Vita SpA for a total of €70 million. The transaction, carried out in compliance with the provisions of the Assirevi Preliminary IFRS Guidelines - OPI no. 1 *"Accounting Treatment of Business Combinations under Common Control in the Financial Statements and Consolidated Financial Statements"*<sup>193</sup>, provided for the recognition of the investment in Poste Welfare Servizi Srl at historical cost (€21 million) and the consequent increase in the investment in Poste Vita SpA (€49 million) for the difference between the consideration paid and the carrying amount of the investment acquired;
- Capital contribution, on 14 April 2022, in favour of Poste Welfare Servizi Srl of a total of €55 million for the purpose of providing the company with the financial resources necessary for the acquisition of Plurima SpA<sup>194</sup>;
- Subscription, on 9 September 2022, of the paid capital increase of PostePay SpA for a total of €700 million aimed at providing the company with the financial resources necessary to complete the acquisition of LIS Holding SpA, completed on 14 September 2022;
- Merger by incorporation of the subsidiary PSIA Srl into Poste Italiane SpA, approved by Poste Italiane's Board of Directors and the Shareholders' Meeting of PSIA on 24 June 2022. The transaction, effective from 1 November 2022, was accounted for at historical cost, generated a merger surplus of €330 million, and is recognised in the appropriate equity reserve;
- Adhesion, on 28 October 2022, by Poste Italiane SpA to the voluntary takeover bid for the shares and warrants issued by Sourcesense SpA with a total investment of €30 million. The consideration due to the holders of the shares and warrants, amounting to €4.20 per share and €0.78 per warrant, respectively, was paid against the simultaneous transfer to Poste Italiane of the right of ownership over these shares and warrants. On 29 December 2022, following the exercise of convertible warrants by the other shareholders, Poste Italiane SpA's stake in Sourcesense SpA increased from 70.75% to 70%.

Finally, on 29 September 2022, the IT business unit of BancoPosta Fondi SpA SGR was transferred to Poste Italiane SpA, effective as of 1 October 2022.

Further details of the main corporate actions during 2022, 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>195</sup>, there was no need to adjust the carrying amount of the investments.

In particular, with regard to the controlling equity investments operating in the Mail, Parcels and Distribution business segment, the individual equity investments, although relevant as individual assets from an accounting point of view, do not have autonomous capacity to generate and manage cash flows, in consideration of the Group's organisational model. Therefore, these controlling equity investments do not assume individual relevance for the purposes of carrying out the impairment tests in the separate financial statements, but are aggregated (together with the operating activities carried out directly by the Parent Company) in a single CGU; this approach is linked to the organisational model used by the Group, so that given the inability of the individual equity investments to generate independent cash flows with respect to the other equity investments, it would be impossible to calculate their individual recoverable value, according to the provisions of IAS 36.

193. According to the ASSIREVI document, in the case of transactions involving the purchase of a controlling interest from another entity under common control for cash consideration, if the transaction is not carried out at arm's length, any difference between the carrying amount of the business acquired and the transaction consideration constitutes a shareholder transaction. (section 1.1 - Acquisition and Transfer of Business Units).

194. With the finalisation of the transaction, Poste Welfare Servizi Srl holds 70% of the share capital of Plurima Bidco Srl, a company engaged in the holding and management of shareholdings, which was specifically set up to acquire 100% of the share capital of Plurima SpA.

195. The method applied and the criteria used in conducting impairment tests at 31 December 2022, are described in Note 2.4 – *Use of estimates*, with regard to the *impairment testing of goodwill, cash generating units and investments*.



The following table shows a list of investments in subsidiaries and associates at 31 December 2022:

**tab. A5.2 – List of equity 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 31.12.2022	Difference between equity and carrying amount
<b>in subsidiaries</b>							
Agile Power Srl <sup>(2)</sup>	70.00	65	(4)	5,689	3,982	17,951	(13,969)
BancoPosta Fondi SpA SGR	100.00	12,000	26,884	55,816	55,816	8,592	47,224
CLP ScpA	51.00	516	-	788	402	313	89
Consorzio PosteMotori	58.12	120	-	120	70	70	-
Cons. per i Servizi di Telefonia Mobile ScpA	51.00	120	-	116	59	61	(2)
EGI SpA.	55.00	103,200	4,315	243,014	133,658	169,893	(36,235)
MLK Deliveries SpA	70.00	333	663	13,308	9,316	15,088	(5,772)
Nexive Network Srl	100.00	50	225	8,242	8,242	16,000	(7,758)
Nexive Scarl	82.14	28	-	26	21	-	21
PatentiViaPoste ScpA	69.65	120	-	124	86	84	2
Poste Air Cargo Srl	100.00	1,000	2,244	7,040	7,040	845	6,195
Poste Vita SpA	100.00	1,216,608	935,538	6,575,971	6,575,971	2,069,606	4,506,365
Poste Welfare Servizi Srl	100.00	16	2,937	78,966	78,966	75,921	3,045
Postel SpA	100.00	20,400	(3,810)	81,641	81,641	82,590	(949)
PostePay SpA	100.00	7,561	261,220	1,403,594	1,403,594	902,132	501,462
SDA Express Courier SpA	100.00	5,000	34,963	59,556	59,556	14,177	45,379
sennder Italia Srl	65.00	46	3,164	10,513	6,833	3,255	3,578
Sengi Express Limited <sup>(3)</sup>	51.00	541	6,987	6,256	3,191	16,000	(12,809)
Sorcesense SpA <sup>(2)</sup>	70.00	880	112	7,010	4,907	30,169	(25,262)
<b>in associates</b>							
Anima Holding SpA <sup>(4)</sup>	11.02	7,292	86,579	1,382,213	152,320	203,001	(50,681)
Conio Inc. <sup>(2)</sup>	16.29	12,522	(752)	10,527	1,715	486	1,229
Financit SpA	40.00	14,950	13,724	63,766	25,506	40,000	(14,494)
ItaliaCamp Srl <sup>(5)</sup>	19.40	155	123	2,721	528	2	526
Replica SIM SpA	45.00	10,500	(1,045)	9,625	4,331	10,000	(5,669)

<sup>(1)</sup> 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).

<sup>(2)</sup> For these companies, the amounts indicated have been calculated under IFRS and, therefore, may not be consistent with those included in the annual financial statements prepared in accordance with the Italian Civil Code and Italian GAAP and, in the case of Conio Inc., in accordance with US GAAP.

<sup>(3)</sup> 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 accordance with local GAAP.

<sup>(4)</sup> Figures taken from the company's latest interim financial statements at 30 September 2022, as approved by its board of directors.

<sup>(5)</sup> Data derived from the accounts for the period ended 31 December 2021, the latest approved by the company.

## A6 – Financial Assets (€84,197 million)

tab. A6 – Financial Assets

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	27,812	16,538	44,350	32,761	18,836	51,597	(7,247)
Financial assets at FVTOCI	29,160	4,537	33,697	35,830	1,871	37,701	(4,004)
Financial assets at FVTPL	40	-	40	39	-	39	1
Derivative financial instruments	5,764	346	6,110	800	76	876	5,234
<b>Total</b>	<b>62,776</b>	<b>21,421</b>	<b>84,197</b>	<b>69,430</b>	<b>20,783</b>	<b>90,213</b>	<b>(6,016)</b>
of which attributable to BancoPosta RFC	61,901	21,392	83,293	69,023	20,731	89,754	(6,461)
of which unallocated assets	875	29	904	407	52	459	445

### Financial assets attributable to BancoPosta RFC

Financial assets attributable to BancoPosta

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Loans and receivables	27,473	16,509	43,982	32,429	18,787	51,216	(7,234)
Borrowings	-	16,283	16,283	-	18,106	18,106	(1,823)
Receivables	-	1,358	1,358	-	-	-	1,358
Deposits with the MEF	-	14,925	14,925	-	18,106	18,106	(3,181)
Receivables	-	11,902	11,902	-	12,707	12,707	(805)
Provisions for doubtful amounts deposited with MEF	-	11,907	11,907	-	12,712	12,712	(805)
MEF conto Tesoreria dello Stato	-	(5)	(5)	-	(5)	(5)	-
Other financial receivables	-	3,023	3,023	-	5,399	5,399	(2,376)
Fixed income instruments	27,473	226	27,699	32,429	681	33,110	(5,411)
Financial assets at FVTOCI	28,624	4,537	33,161	35,755	1,871	37,626	(4,465)
Fixed income instruments	28,624	4,537	33,161	35,755	1,871	37,626	(4,465)
Financial assets at FVTPL	40	-	40	39	-	39	1
Equity instruments	40	-	40	39	-	39	1
Derivative financial instruments	5,764	346	6,110	800	73	873	5,237
<b>Total</b>	<b>61,901</b>	<b>21,392</b>	<b>83,293</b>	<b>69,023</b>	<b>20,731</b>	<b>89,754</b>	<b>(6,461)</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:

**tab. 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 2022</b>	<b>18,106</b>	<b>28,027</b>	<b>33,110</b>	<b>51,216</b>
Purchases	-	2,282	2,109	2,109
Changes in amortised cost	-	-	(90)	(90)
Transfers to equity reserves	-	-	(126)	(126)
Changes in fair value through profit or loss	-	-	(5,398)	(5,398)
Changes in cash flow hedges*	-	-	128	128
Changes due to impairment	(1)	-	(3)	(4)
Net changes	(183)	-	-	(183)
Effects of sales on profit or loss	-	-	77	77
Accruals	1	-	226	227
Sales, redemptions and settlement of accruals	-	(2,005)	(2,334)	(2,334)
Other changes	(1,640)	-	-	(1,640)
<b>Balance at 31 December 2022</b>	<b>16,283</b>	<b>28,304</b>	<b>27,699</b>	<b>43,982</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 €4,575 million (€1,577 million at 31 December 2021) entered into with Cassa di Compensazione e Garanzia SpA (hereinafter the CC&G) for the temporary use of liquidity from private funding. These transactions are guaranteed by securities for a total notional amount of €4,425 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 2022, already included in the exposure to net balances, amounted to €3,217 million (€1,577 million at 31 December 2021). At 31 December 2022, the fair value<sup>196</sup> of said item was €1,358 million.

**Receivables** include:

- **Deposits with the MEF**, for €11,907 million, including public customers' postal current account deposits, which earn a variable rate of return, calculated on a basket of government bonds<sup>197</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 2021). During the 2022 financial year, hedging (management) derivative contracts were concluded on the 10-year index-linked remuneration component. The hedging transaction 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.
- **Other financial receivables**, relating for (i) €2,457 million to collateral deposits - of which €1,447 million for sums paid to counterparties for repo transactions on fixed-income securities (collateral under specific Global Master Repurchase Agreements), €978 million for sums paid to CC&G of which €613 million for outstanding repo transactions and €365 million as a pre-funded contribution to the Default Fund<sup>198</sup>, €31 million for amounts paid to counterparties for interest rate swap transactions (collateral provided for in specific Credit Support Annexes) and (ii) €80 million in receivables due from the subsidiary PostePay SpA for amounts mainly debited in early 2023. The year-on-year decrease in guarantee deposits is due to the upward shift in the interest rate curve, which mainly generated a decrease in amounts paid to counterparties with which interest rate swap transactions are in place as a result of the positive change in the fair value of hedging derivatives, partially offset by the increase in amounts paid to counterparties with which repo transactions are in place as a result of the negative change in the fair value of collateral securities.

196. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

197. 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.

198. 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.

## Fixed income instruments

These are euro area **fixed income securities** 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 €28,304 million. Their carrying amount of €27,699 million reflects the amortised cost of unhedged fixed income bonds, totalling €15,614 million, the amortised cost of fair-value hedged fixed income bonds, totalling €14,799 million, decreased by €2,714 million to take into account the effects of the hedge (increased by €2,188 in 2021). Fixed income instruments measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 31 December 2022 amount to approximately €13 million (€11 million at 31 December 2021). At 31 December 2022, the fair value<sup>199</sup> of these securities was €23,651 million (including €226 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 2022, their carrying amount totals €2,863 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. A6.2 – Movements in financial assets at FVTOCI**

Securities (€m)	Fixed income instruments	
	Nominal value	Fair value
<b>Balance at 1 January 2022</b>	<b>31,416</b>	<b>37,626</b>
Purchases	9,428	9,224
Transfers to equity reserves	-	(411)
Changes in amortised cost	-	(58)
Changes in fair value through equity	-	(4,405)
Changes in fair value through profit or loss	-	(5,721)
Changes in cash flow hedges*	-	202
Effects of sales on profit or loss	-	258
Accruals	-	265
Sales, redemptions and settlement of accruals	(3,355)	(3,819)
<b>Balance at 31 December 2022</b>	<b>37,489</b>	<b>33,161</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 securities**, consisting of government securities issued mainly by the Italian government with a nominal value of €37,489 million. The total fair value loss for the year amount to €10,126 million, recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges (negative for €4,405 million) and recognised through profit or loss in relation to the hedged portion (negative for €5,721 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 2022 amount to €16 million (€12 million at 31 December 2021). The decrease in this item is mainly due to the negative fair value fluctuation mentioned above, partially offset by higher purchases than sales/reimbursements during the year.

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*.

199. In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €20,927 million of the total amount qualifies for inclusion in Level 1 and €2,724 million for inclusion in Level 2.

## Financial assets measured at fair value through profit or loss

### Equity instruments

Equity instruments include:

- for €20 million, the fair value of 32,059 Visa Incorporated preference shares (Series C Convertible Participating Preferred Stock) assigned following the completion of the sale of the Visa Europe Ltd. share to Visa Incorporated in 2016; these shares are convertible to ordinary shares at the rate of 3.634<sup>200</sup> ordinary shares for each C share and are discounted accordingly at a suitable rate to take account of their illiquidity. The process of determining the proportion of convertibility and related rate of Visa Incorporated Series C Convertible Participating Preferred Stock continued during the year, partially concluded on 29 July 2022 with the grant of 1,019 preference shares of Visa Incorporated Series A Preferred Stock;
- for €20 million, the fair value of 1,019 Visa Incorporated preference shares (Series A Preferred Stock); these shares are convertible into ordinary shares on the basis of a ratio of 100 ordinary shares for every share of Class A Preferred Stock.

Net fair value gains in the year under review, amounting to €1 million, have been recognised in profit or loss in the items Income and Expenses from financial activities.

## Derivative financial instruments

tab. A6.3 – Movements in derivative financial instruments

Description (€m)	Balance at 31.12.2022		Balance at 31.12.2021	
	Nominal	Fair value	Nominal	Fair value
Cash Flow hedges				
Forward purchases	3,433	(92)	-	-
Forward sales	1,099	346	1,714	76
Interest rate swaps	2,943	(531)	1,720	(264)
Fair value hedges				
Interest rate swaps on FVTOCI and CA securities	27,940	5,571	34,914	(4,398)
Interest rate swaps on repos	3,996	(155)	2,956	(1)
FVTPL				
Forward sales	-	(4)	-	(3)
<b>Total</b>	<b>39,411</b>	<b>5,135</b>	<b>41,304</b>	<b>(4,590)</b>
Of which:				
Derivative assets	27,404	6,110	13,593	873
Derivative liabilities	12,007	(975)	27,711	(5,463)

200. Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, as of the reporting date, were considered as merely contingent.

Cash flow hedges in the form of interest rate swaps relate exclusively to FVTOCI securities, while forward sales relate to FVTOCI securities with a nominal value of €869 million and securities at amortised cost with a nominal value of €230 million.

Interest rate risk cash flow hedges recorded a net negative change of €89 million during the year, of which €280 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 €369 million related to the net negative change in completed transactions<sup>201</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 €13,510 million and securities measured at FVTOCI with a nominal value of €14,430 million; in total, they underwent a net positive change of €9,969 million during the year, of which €11,040 million related to the net positive change in fair value of the effective component of the hedge and €1,071 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 negative change was €154 million, of which €126 million related to the net negative change in fair value of the effective hedging component and €28 million related to the net negative change in completed transactions.

In the year under review, the Company carried out the following transactions:

- forward purchases with a nominal amount of €3,433 million;
- forward sales with a nominal value of €1,099 million and the settlement of those outstanding at 1 January 2022, totalling €1,714 million;
- interest rate swaps designated as cash flow hedges with a nominal value of €1,323 million;
- fair value hedge interest rate swaps with a nominal amount of €5,585 million, including €1,010 million in hedges for repurchase agreement transactions;
- extinguishment of matured interest rate swap fair value hedges on repurchase agreements with a notional amount of €2,956 million;
- early extinguishment of interest rate swap fair value hedges for a total notional amount of €8,563 million (of which €1,575 million related to hedging transactions for which the underlying security was also sold) with the aim of consolidating a fixed yield in line with the market situation while improving the income profile of a portion of the portfolio also for subsequent years.

In addition, the Company entered into and settled forward purchases for a total nominal value of €532 million (measured at fair value through profit or loss) to hedge the 10-year index-linked component of the remuneration of the use of funding from public customers. In total, these transactions generated a negative effect of €71 million in the year under review, which was recognised in profit or loss under the item Income from investments in postal current accounts and free cash.

201. Transactions settled include forward transactions settled, accrued differentials and the settlement of interest rate swaps linked to securities sold.

## Financial assets outside ring-fence

### Financial assets Unallocated assets

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	339	29	368	332	49	381	(13)
Loans and receivables	339	29	368	332	49	381	(13)
Borrowings	337	28	365	330	44	374	(9)
Receivables	2	1	3	2	5	7	(4)
Guarantee deposits	-	-	-	-	3	3	(3)
Amounts due from the purchasers of service accommodation	2	1	3	2	2	4	(1)
Due Others	-	20	20	-	20	20	-
Provisions for doubtful debts	-	(20)	(20)	-	(20)	(20)	-
Financial assets at FVTOCI	536	-	536	75	-	75	461
Fixed income instruments	91	-	91	-	-	-	91
Equity instruments	445	-	445	75	-	75	370
Derivative financial instruments	-	-	-	-	3	3	(3)
<b>Total</b>	<b>875</b>	<b>29</b>	<b>904</b>	<b>407</b>	<b>52</b>	<b>459</b>	<b>445</b>

## Financial assets at amortised cost

Movements in financial assets measured at amortised cost are shown below:

tab. A6.4 – Movements in financial assets at amortised cost

(€m)	Loans	Receivables	Total
	Carrying amount	Carrying amount	Carrying amount
<b>Balance at 1 January 2022</b>	<b>374</b>	<b>7</b>	<b>381</b>
Purchases	43	-	43
Changes in amortised cost	-	-	-
Changes in fair value through profit or loss	-	-	-
Changes in cash flow hedges*	-	-	-
Changes due to impairment	-	-	-
Net changes	-	(4)	(4)
Effects of sales on profit or loss	-	-	-
Extraordinary transactions**	(21)	-	(21)
Accruals	4	-	4
Sales, redemptions and settlement of accruals	(35)	-	(35)
<b>Balance at 31 December 2022</b>	<b>365</b>	<b>3</b>	<b>368</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 and the settlement date, with a matching entry in equity, in the cash flow hedge reserve.

\*\* The item Extraordinary transactions refers to the repayment of the loan to PSIA Srl following the merger of the company into Poste Italiane SpA effective as of 1 November 2022.



## Loans

This item breaks down as follows:

**tab. A6.4.1 – Loans at amortised cost**

Name (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Loans	Correspondence a/c	Total	Loans	Correspondence a/c	Total	
<b>Direct subsidiaries</b>							
Nexive Network Srl	-	17	17	-	25	25	(8)
Poste Air Cargo Srl	-	5	5	-	7	7	(2)
PSIA Srl	-	-	-	21	-	21	(21)
Poste Vita SpA	253	-	253	251	-	251	2
SDA Express Courier SpA	48	-	48	60	-	60	(12)
sennder Italia Srl	-	-	-	11	-	11	(11)
<b>Indirect subsidiaries</b>							
Plurima Bidco Srl	43	-	43	-	-	-	43
	<b>344</b>	<b>22</b>	<b>366</b>	<b>343</b>	<b>32</b>	<b>375</b>	<b>(9)</b>
Provision for impairment of intercompany loans	(1)	-	(1)	(1)	-	(1)	-
<b>Total</b>	<b>343</b>	<b>22</b>	<b>365</b>	<b>342</b>	<b>32</b>	<b>374</b>	<b>(9)</b>

The item includes:

- €253 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;
- for €48 million three loans granted to the subsidiary SDA Express Courier SpA in the financial years 2019, 2020 and 2021, to support the construction of the new automated HUB facilities in Bologna, "North" and "Centre" repayable in a single instalment on 2 August 2027, 16 April 2029 and 5 August 2030 respectively;
- for €43 million, two loans granted during the year to the subsidiary Plurima Bidco Srl to meet short-term operating needs and to support the corporate transaction for the acquisition of a majority stake in the company Plurima SpA repayable in a single instalment on 28 April 2023 and 27 April 2029, respectively;
- €22 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 2021.

## Receivables

**Amounts due from others**, with a nominal value of €20 million, regard the remaining amount due from Invitalia SpA as a result of the sale of Banca del Mezzogiorno-MedioCreditoCentrale SpA (BdM), fully written off.

## 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 instruments		Equity instruments	Total
	Nominal value	Fair value	Fair value	Fair value
<b>Balance at 1 January 2022</b>	-	-	<b>75</b>	<b>75</b>
Purchases	110	98	34	132
Transfers to equity reserves	-	-	-	-
Other changes in equity	-	-	-	-
Changes in amortised cost	-	2	-	2
Changes in fair value through equity	-	(9)	(72)	(81)
Changes in fair value through profit or loss	-	-	-	-
Changes in cash flow hedges*	-	-	-	-
Effects of sales on profit or loss	-	-	-	-
Accruals	-	-	-	-
Extraordinary transactions	-	-	408	408
Sales, redemptions and settlement of accruals	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>110</b>	<b>91</b>	<b>445</b>	<b>536</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 and the settlement date, with a matching entry in equity, in the cash flow hedge reserve.

## Fixed income instruments

This item includes one Italian government bond with a nominal value of €110 million purchased during the year. The fluctuation in fair value at 31 December 2022 was negative for €9 million and recognised in the specific equity reserve.

## Equity instruments

This item breaks down as follows:

**tab. A6.5.1 – Shares FVTOCI**

Name (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
MFM Holding Ltd	57	53	4
sennder GmbH	19	19	-
Milkman SpA	2	3	(1)
Scalapay Limited	25	-	25
Nexi SpA	343	-	343
<b>Total</b>	<b>446</b>	<b>75</b>	<b>371</b>

In January 2022, Poste Italiane participated in a new capital increase promoted by MFM Holding Ltd with an investment of €9 million.

In April 2022, Poste Italiane acquired 2.30% (2.15% on a fully diluted basis) of the share capital of Scalapay Limited with an investment of €25 million.

Lastly, following the completion of the merger by incorporation of the subsidiary PSIA Srl, effective as of 1 November 2022, Poste Italiane acquired a 3.6% stake in the company Nexi SpA corresponding, as of the date of the transaction, to approximately €408 million and the related negative fair value reserve totalling €240 million (Table B2 - *Reserves*).

The overall fluctuation in fair value in the year in question was negative for €72 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 2022, are provided in notes 3.1 – *Principal corporate actions*.

## Financial assets at fair value through profit or loss

This item consists of equity instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code) resulting from the conversion of Contingent Convertible Notes<sup>202</sup>, whose value at 31 December 2022 is zero.

## Derivative financial instruments

**tab. A6.6 – Movements in derivative financial instruments**

Description (€m)	Balance at 31.12.2022		Balance at 31.12.2021	
	Nominal	Fair value	Nominal	Fair value
Cash Flow hedges				
Interest rate swaps	50	-	50	(3)
Commodity swaps	-	-	5	3
<b>Total</b>	<b>50</b>	<b>-</b>	<b>55</b>	<b>-</b>
Of which:				
Derivative assets	50	-	5	3
Derivative liabilities	-	-	50	(3)

At 31 December 2022, derivative financial instruments include:

- a cash flow hedging interest rate swap contract entered into in 2013 to protect the cash flows of the €50 million bond issued on 25 October 2013 (Note B.6 - *Financial liabilities*); with this transaction, the Company assumed the obligation to pay the fixed rate of 4.035% and sold the variable rate of the bond, which at 31 December 2022 was 4.282%;
- by call and put options that will allow Poste Italiane to acquire the shares held by the minority shareholders of MLK Deliveries SpA (as well as the ownership of the Milkman technology for e-commerce applications), the Agile Lab Group and Sourcesense SpA. The exercise price of these options is commensurate with the achievement of certain economic/equity targets by the companies. At 31 December 2022, the value of the options is zero as the price defined in the option is representative of the fair value of the companies.

The following transactions took place during 2022:

- stipulation and settlement of forward purchases on government bonds for a nominal value of €110 million;
- stipulation and settlement of transactions to hedge the euro/dollar exchange rate risk of aircraft leasing costs carried out through the subsidiary Poste Air Cargo Srl.

202. 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 airline Alitalia SAI SpA. The Notes were subscribed for by Poste Italiane SpA on 23 December 2014, in connection with the strategic transaction that resulted in Etihad Airways' acquisition of an equity interest in Alitalia SAI, without giving rise to any involvement on the part of Poste Italiane in the management of the issuer or its subsidiary. Interest and principal payments were provided for in the relevant terms and conditions if, and to the extent that, there was available liquidity. On the fulfilment of certain negative pledge conditions, in 2017 the loan was converted into equity instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code), carrying the same rights associated with the Notes.

Lastly, in November 2022, the swap contract entered into during the 2020 financial year to hedge the fuel costs of air mail transport carried out through the subsidiary Poste Air Cargo Srl expired

## A7 – Inventories (€4 million)

tab. A7 – Inventories

Description (€m)	Balance at 01.01.2022	Increase/(decrease)	Balance at 31.12.2022
Raw, ancillary and consumable materials	11	(7)	4
<b>Total</b>	<b>11</b>	<b>(7)</b>	<b>4</b>
of which attributable to BancoPosta RFC	-	-	-

This item includes inventories of Raw, ancillary and consumable materials related to protective devices, disinfectant gel and other materials mainly purchased in the year 2020. The change is partly attributable to materials used during the year.

## A8 – Trade receivables (€2,657 million)

tab. A8 – Trade receivables

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Due from customers	1	1,608	1,609	2	2,142	2,144	(535)
Due from subsidiaries and associates	-	791	791	-	734	734	57
Due from the Parent company	-	257	257	-	48	48	209
<b>Total</b>	<b>1</b>	<b>2,656</b>	<b>2,657</b>	<b>2</b>	<b>2,924</b>	<b>2,926</b>	<b>(269)</b>
of which attributable to BancoPosta RFC	-	819	819	-	899	899	(80)

## Due from customers

tab. A8.1 – Due from customers

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Ministries and Public Administration entities	-	565	565	-	463	463	102
Amounts due from individuals for parcel delivery services	-	418	418	-	537	537	(119)
Overseas counterparties	-	386	386	-	549	549	(163)
Amounts due from individuals for mail services	-	275	275	-	324	324	(49)
Amounts due for other BancoPosta services	-	62	62	-	92	92	(30)
Overdrawn current accounts	-	40	40	-	37	37	3
Cassa Depositi e Prestiti	-	22	22	-	387	387	(365)
Other amounts due from customers	1	233	234	2	159	161	73
Provisions for doubtful debts due from customers	-	(393)	(393)	-	(406)	(406)	13
<b>Total</b>	<b>1</b>	<b>1,608</b>	<b>1,609</b>	<b>2</b>	<b>2,142</b>	<b>2,144</b>	<b>(535)</b>
of which attributable to BancoPosta RFC	-	108	108	-	497	497	(389)

The decrease in Amounts due from customers is mainly attributable to the decrease in receivables from Cassa Depositi e Prestiti and reflects the new billing and payment methods on a monthly basis and no longer on a quarterly basis, introduced by the Agreement of 23 December 2021, effective from 1 January 2022.

Specifically<sup>203</sup>:

- Amounts due from **Ministries and Public Administration entities** refer mainly to the following services:
  - Compensation for Publisher tariff subsidies, due from the Presidenza del Consiglio dei Ministri - Dipartimento dell'Editoria (Cabinet Office – Publishing Department), amounting to €173 million, of which €54 million accrued during the year. These receivables are shown gross of the collection of an unavailable amount of €125 million, relating to the tariff subsidies applied in 2020, 2021 and the first half of 2022, 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. Release of the amount deposited and extinguishment of the receivables in question are awaiting approval from the European Commission. At 31 December 2022, following the integration of the appropriations for the period 2018-2021 in the State Budget 2023, the provisions for doubtful debts, allocated over the years, were released in the amount of approximately €17 million.
  - Integrated notification and mailroom services rendered to central and local government authorities, amounting to €83 million.
  - Reimbursement of real estate, vehicles and surveillance expenses incurred on behalf of the Ministry of Enterprise and Made in Italy (MIMIT)<sup>204</sup> in the amount of €49 million<sup>205</sup>. This receivable is made up of the remaining €24 million from the original claim of €62 million that was the subject of legal action brought by Poste Italiane for recognition of charges arising from the use of real estate until 2012. On 30 April 2020, a partially favourable judgement was published for Poste Italiane; the judgement was notified to MIMIT and the latter appealed before the Court of Appeal with a request for suspension. On 3 December 2020, the request was not granted and a decision is now pending in the second instance. In December 2021, in compliance with the first instance judgment, MIMIT paid approximately €38 million to the Company, the effects of which were reflected in the financial statements for the year ended 31 December 2021. The supplement to the balance consists of €25 million and, during the year, 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. This amount, which had been allocated to the provisions for doubtful debts, was therefore released.
  - Unfranked mail services provided on credit, totalling €38 million, to central and local government authorities.
  - Market Registered Mail services, totalling €38 million, provided to central and local government entities.
  - Mail forwarding and notification services provided following a tender procedure for a total of €30 million.
  - The payment of pensions and vouchers on behalf of INPS (the National Institute of Social Security), totalling €21 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 for **other BancoPosta services** mainly refer to intermediation services (banking, personal loans, mortgages) provided totalling €37 million.
- Amounts due for **overdrawn current accounts** derive almost exclusively from overruns due to the debiting of BancoPosta's periodic fees.
- Amounts due from **Cassa Depositi e Prestiti** refer to fees for BancoPosta's deposit-taking activities.
- **Provisions for doubtful debts due from customers** are described in Note 6 – *Risk management*.

203. At 31 December 2022, 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*.

204. Former Ministry of Economic Development.

205. See “Revenue and amounts due from the State” below, showing overall amounts due from the Ministry of Enterprise and Made in Italy (€50 million), including amounts due for postal and other services.

## Due to subsidiaries and associates

tab. A8.2 – Due from subsidiaries and associates

Name (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
<b>Direct subsidiaries</b>			
BancoPosta Fondi SpA SGR	20	23	(3)
CLP ScpA	3	3	-
Consorzio PosteMotori	3	13	(10)
EGI SpA	1	1	-
MLK Deliveries SpA	1	-	1
PatentiViaPoste ScpA	4	2	2
Poste Air Cargo Srl	1	1	-
Poste Vita SpA	333	237	96
Postel SpA	47	59	(12)
PostePay SpA	282	302	(20)
Poste Welfare Servizi Srl	5	2	3
SDA Express Courier SpA	17	29	(12)
Sengi Express Limited	33	23	10
Nexive Network Srl	3	1	2
Nexive Scarl	11	8	3
<b>Indirect subsidiaries</b>			
Kipoint SpA	1	-	1
Poste Assicura SpA	23	10	13
Poste Insurance Broker Srl	1	-	1
<b>Associates</b>			
Financit SpA	3	20	(17)
Italia Camp Srl	-	1	(1)
Provisions for doubtful debts	(1)	(1)	-
<b>Total</b>	<b>791</b>	<b>734</b>	<b>57</b>
of which attributable to BancoPosta RFC	454	355	99

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 (€253 million);
- PostePay SpA: mainly for product placement services related to the payments business (€140 million), for payment and funds transfer transactions (€51 million) and for the SMA service on its own account and on behalf of third parties (€34 million).

## Due from the Parent Company

This item relates to trade receivables due from the Ministry of the Economy and Finance:

**tab. A8.3 – Amounts due from the Parent Company**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Remuneration of current account deposits	227	17	210
Universal Service	31	31	-
Delegated services	30	30	-
Publisher tariff and electoral subsidies	1	1	-
Other	1	2	(1)
Provision for doubtful debts due from Parent company	(33)	(33)	-
<b>Total</b>	<b>257</b>	<b>48</b>	<b>209</b>
of which attributable to BancoPosta RFC	257	47	257

- The remuneration of current account deposits refers entirely to amounts accrued in 2022 and almost 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 2021 is mainly due to the rise in the interest rate curve. In March 2023, €222 million was collected in relation to the remuneration of deposits from accounts opened by the Public Administration.
- Receivables for Universal Service compensation includes:

**tab. A8.3.1 – Universal Service compensation receivable**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	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 2022 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 31 December 2022 and in the process of being renewed.
- Amounts due arising from **electoral subsidies** refer to compensation for previous years, for which no provision has been made in the state budget.

**Provisions for doubtful debts due from the Parent Company** are described in Note 6 – *Risk management*.



## A9 – Other receivables and assets (€2,620 million)

This item breaks down as follows:

tab. A9 – Other receivables and assets

Description (€m)	Notes	Balance at 31.12.2022			Balance at 31.12.2021			Changes
		Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Substitute tax paid		1,738	525	2,263	1,614	542	2,156	107
Due from social security agencies and pension funds (excl. fixed-term contract settlements)		-	137	137	-	171	171	(34)
Receivables relating to fixed-term contract settlements		36	76	112	46	76	122	(10)
Receivables for amounts that cannot be drawn on due to court rulings		-	71	71	-	77	77	(6)
Interest accrued on IRES refund	[C12]	-	46	46	-	46	46	-
Due from subsidiaries and associates		-	32	32	-	76	76	(44)
Tax assets		-	43	43	-	35	35	8
Accrued income and prepaid expenses from trading transactions		-	9	9	-	50	50	(41)
Sundry receivables		17	42	59	17	58	75	(16)
Provisions for doubtful debts due from others		(3)	(149)	(152)	(3)	(158)	(161)	9
<b>Total</b>		<b>1,788</b>	<b>832</b>	<b>2,620</b>	<b>1,674</b>	<b>973</b>	<b>2,647</b>	<b>(27)</b>
of which attributable to BancoPosta RFC		1,738	573	2,311	1,614	589	2,203	108

Specifically:

- **Substitute tax paid**, attributable to BancoPosta RFC, primarily regards:
  - €1,738 million charged to holder of Interest-bearing Postal Certificates for stamp duty at 31 December 2022<sup>206</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);
  - €386 million relating to stamp duty to be paid in virtual form in 2023 and to be recovered from customers;
  - €102 million relating to stamp duty to be charged to Postal Savings Book holders, which the Company pays in virtual form as required by law;
  - €8 million in withholding tax on interest paid to current account holders for 2022, which is to be recovered from customers.
- Amounts due from **social security agencies and pension funds** refer for €14 million to the residual sums relating to periods of suspension or reduction of work for Covid-19, which the Company has advanced to its employees and recoverable through access to the benefits of the Bilateral Solidarity Fund at INPS, enabled by the signing of the labour union agreements of 30 April and 21 December 2020. In this regard, during the 2022 financial year, the Company recovered approximately €43 million by means of an adjustment 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 €112 million from personnel, from INPS and pension funds recoverable in the form of variable instalments, the last of which is due in 2042. A breakdown of the receivables by individual agreement is provided below:

206. 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).

tab A9.1 – Receivables from fixed-term contract settlements

Description (€m)	Balance at 31.12.2022				Balance at 31.12.2021				Changes
	Non-current assets	Current assets	Total	Nominal value	Non-current assets	Current assets	Total	Nominal value	
<b>Receivables</b>									
due from staff under agreement of 2006	-	1	1	1	-	-	-	-	1
due from staff under agreement of 2008	2	7	9	9	6	7	13	14	(4)
due from staff under agreement of 2010	16	6	22	25	19	6	25	30	(3)
due from staff under agreement of 2012	14	5	19	21	16	5	21	24	(2)
due from staff under agreement of 2013	1	-	1	2	1	-	1	2	-
due from staff under agreement of 2015	1	-	1	1	1	1	2	2	(1)
due from staff under agreement of 2018	-	-	-	-	-	-	-	1	-
due from INPS (former IPOST)	-	42	42	42	-	42	42	42	-
due from INPS (Social security)	2	10	12	13	3	10	13	13	(1)
due from pension funds	-	5	5	5	-	5	5	5	-
<b>Total</b>	<b>36</b>	<b>76</b>	<b>112</b>		<b>46</b>	<b>76</b>	<b>122</b>		<b>(10)</b>

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.

- **Amounts that cannot be drawn on due to court rulings** include €59 million in amounts seized and not assigned to creditors in the process of recovery, and €12 million in amounts stolen from the Company in December 2007 as a result of an attempted fraud and that have remained on deposit with an overseas bank. In January 2023, following the signing of a settlement agreement, these sums were collected and consequently the provisions for doubtful debts allocated at the time were released to the statement of profit or loss.
- **Accrued interest on IRES refund**, refers to interest accruing up to 31 December 2022 in relation to the tax credit determined by an unreported deduction from the IRES tax base of IRAP paid on labour costs. 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 judgments before the Regional Tax Tribunal and, on 23 March 2018, the Tribunal upheld the Agenzia delle Entrate's appeal against one of the judgments (proceedings pursuant to Law Decree no. 201/2011). Poste Italiane has appealed this judgment before the Supreme Court of Cassation. In the last quarter of 2019, the Court of Cassation had the opportunity to rule on other proceedings concerning the operation of the reimbursement pursuant to Law Decree no. 201/11; with respect to the judgement issued, there is a homogeneity of legal-formal circumstances that lead to the conclusion that the principle of law, referred to in the aforementioned judgement of the Court of legitimacy, can also have its effects in existing judgements. Also the judgement concerning Law Decree no. 185/2008, is currently pending before the Supreme Court of Cassation following Poste Italiane's challenge, on 23 January 2023, of the Lazio Regional Tax Tribunal's judgment in favour of the Agenzia delle Entrate. Elements of uncertainty about the final outcome of the case are taken into account in the provisions for doubtful debts due from others.
- Amounts due from **subsidiaries and associates** include €23 million in amounts receivable from subsidiaries by Poste Italiane SpA, as the consolidating entity (Note 2.3 – *Summary of significant accounting policies and measurement criteria*). The related amounts are mainly due from the subsidiary PostePay SpA.
- **Accrued income and prepaid expenses from trading transactions** decreased by €41 million compared to last year. At 31 December 2021, this item included, for approximately €38 million, the one-off payment made in advance to employees in July 2021 to cover the contractual vacancy relating to the first half of 2022, in accordance with what was defined in the renewal of the National Collective Labour Agreement signed on 23 June 2021.

**Provisions for doubtful debts due from others** are described in Note 6 – *Risk management*.

## A10 – Tax Credits Law no. 77/2020 (€9,021 million)

tab. A10 – Tax credits Law no. 77/2020

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Tax credits at amortised cost	7,458	1,563	9,021	3,090	65	3,155	5,866
Tax credits at FVTOCI	-	-	-	2,461	840	3,301	(3,301)
<b>Total</b>	<b>7,458</b>	<b>1,563</b>	<b>9,021</b>	<b>5,551</b>	<b>905</b>	<b>6,456</b>	<b>2,565</b>
of which attributable to BancoPosta RFC	7,127	1,473	8,600	5,168	840	6,008	2,592

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 "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.

These credits are measured at amortised cost if they are acquired 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 credits, while they are measured at fair value through other comprehensive income if they are also acquired for the purpose of sale.

During the year, tax credits previously measured at fair value through other comprehensive income were reclassified to tax credits at amortised cost. The reclassification, effective as of 1 October 2022, became necessary as a result of the lack of development in the market for second sales between financial intermediaries, which therefore required BancoPosta RFC to revise its business model for these loans.

Changes in these tax credits during 2022 are shown below:

tab. A10.1 – Movements in tax credits Law 77/2020

(€m)	Tax credits at CA	Tax credits at FVTOCI	Total
<b>Balance at 1 January 2022</b>	<b>3,155</b>	<b>3,301</b>	<b>6,456</b>
Purchases	3,471	-	3,471
Changes in amortised cost	209	84	293
Changes in fair value through equity	-	(122)	(122)
Offsetting	(365)	(755)	(1,120)
Portfolio transfer	2,508	(2,508)	-
Other changes	43	-	43
<b>Balance at 31 December 2022</b>	<b>9,021</b>	<b>-</b>	<b>9,021</b>

The main changes in the year under review refer to:

- purchases of €3,471 million, of which €3,174 million pertaining to BancoPosta RFC<sup>207</sup>;
- accrued income for the year amounting to €293 million, of which €273 million pertaining to BancoPosta RFC;
- negative changes in the fair value of tax credits measured at FVTOCI in the amount of €122 million (from 1 January to 30 September 2022);
- reclassification from the FVTOCI category to amortised cost in the amount of €2,508 million;
- offsetting of €1,120 million, of which €812 million are attributable to BancoPosta RFC.

207. 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.

The item Other changes includes the positive effects, amounting to €130 million, recognised on 1 October 2022 as an increase in equity, following the reclassification of tax credits to the amortised cost category, partially offset by the derecognition of certain maturing credits not offset during the year.

At 31 December 2022, the fair value<sup>208</sup> of tax credits at amortised cost is €8,172 million. At that date, the fair value of only the tax credits subject to reclassification was €2,425 million; the overall change in fair value recognised during the year, of €14 million, would have been recognised in equity in the absence of the reclassification.

As part of the actions aimed at combating tax fraud perpetrated 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 in the course of 2022) for a nominal value of the credits of approximately €410 million, against a value paid to customers that was lower and corresponding to a carrying amount of approximately €334 million at 31 December 2022, including interest capitalised for the recognition at amortised cost of the credits in question.

In a regulatory context that is constantly evolving, and taking into account the position taken by the case law<sup>209</sup>, starting in the second half of the 2022 financial year, on the unusability of tax credits due to conduct unrelated to the transferee and the interpretations of the Agenzia delle Entrate, a legal and accounting analysis was conducted to comprehensively assess the potential risks to which Poste Italiane could be exposed if the tax credits acquired over time by the same were to derive from fraudulent conduct. In particular, in order to determine the accounting impact related to this potential risk, reference was made 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 what will be 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. As a result of the in-depth investigations conducted on the tax credits acquired, also with the support of external legal, tax and accounting consultants, a total provision for these risks of €320 million was recognised under 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.

## A11 – Cash and deposits attributable to BancoPosta (€5,848 million)

This item breaks down as follows:

**tab. A11 – Cash and deposits attributable to BancoPosta**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Cash and cash equivalents in hand	3,960	2,886	1,074
Bank deposits	1,888	4,773	(2,885)
<b>Total</b>	<b>5,848</b>	<b>7,659</b>	<b>(1,811)</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 (€1,070 million)

208. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 3.

209. The Court of Cassation, through a number of rulings made in the course of 2022, confirmed the reconstruction postulated by the Public Prosecutor's Office, recognising the legitimacy of the seizure orders due to the non-existence of the claims subject to the precautionary measure.

and at service<sup>210</sup> companies (€2,890 million), may not be used for purposes other than to repay obligations contracted in the transactions described above. The decrease with respect to 31 December 2021 is due to the decrease in the item Bank deposits mainly as a result of the purchase of tax credits, pursuant to Law Decree no. 34/2020, through the surplus liquidity deriving from the collection from private individuals deposited on the account opened with the Bank of Italy, partially offset by the increase in the item Cash and cash equivalents due to higher amounts held with the Service Companies.

## A12 – Cash and cash equivalents (€2,258 million)

This item breaks down as follows:

**tab. A12 – Cash and cash equivalents**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Bank deposits and amounts held at the Italian Treasury	243	1,859	(1,616)
Deposits with the MEF	1,991	1,990	1
Cash and cash equivalents in hand	24	21	3
<b>Total</b>	<b>2,258</b>	<b>3,870</b>	<b>(1,612)</b>
of which attributable to BancoPosta RFC	2,017	2,012	5

**Bank deposits and amounts held at the Italian Treasury** include €125 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 €20 million whose use is restricted by court orders related to different disputes.

Cash held on **deposit with the MEF** at 31 December 2022 include approximately €1,579 million in amounts deposited with the MEF in a buffer account, consisting of customer deposits subject to restrictions on their use and yet to be invested (Note – 5.2 – *Information on BancoPosta RFC*).

210. They carry out transport and custody of valuables awaiting payment to the State Treasury.

# Equity

## B1 – 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 2022, the Company held 7,535,991 treasury shares (representing approximately 0.58% of the share capital) with a total value of approximately €63 million. All the shares in issue are fully subscribed and paid up. No preference shares have been issued.

## B2 – Reserves (€163 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	Total
<b>Balance at 1 January 2021</b>	<b>299</b>	<b>-</b>	<b>1,210</b>	<b>2,191</b>	<b>99</b>	<b>6</b>	<b>15</b>	<b>3,820</b>
Increases/(decreases) in fair value during the year	-	-	-	(980)	(178)	-	-	(1,158)
Tax effect of changes in fair value	-	-	-	287	51	-	-	338
Transfers to profit or loss	-	-	-	(420)	(7)	-	-	(427)
Tax effect of transfers to profit or loss	-	-	-	120	2	-	-	122
Increase/(decrease) for expected losses	-	-	-	(6)	-	-	-	(6)
Gains/(losses) recognised in equity	-	-	-	(999)	(132)	-	-	(1,131)
Tax effect of transfers to profit or loss	-	-	-	-	-	-	(10)	(10)
Increase/(decrease) for expected losses	-	800	-	-	-	-	-	800
Gains/(losses) recognised in equity	-	-	-	-	-	7	-	7
<b>Balance at 31 December 2021</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>
of which attributable to BancoPosta RFC	-	350	1,210	1,156	(36)	1	-	2,681
Increases/(decreases) 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
Equity instruments - perpetual hybrid bonds	-	-	-	-	-	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)

- The **reserve for equity instruments-perpetual hybrid bonds**<sup>211</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.
- The **fair value reserve** regards changes in the value of financial assets at fair value through other comprehensive income. In 2022, the decreases in fair value totalled €4,608 million, reflecting:
  - a net decrease of €4,405 million in financial assets measured at fair value through other comprehensive income and attributable to BancoPosta RFC;
  - a net decrease of €81 million in financial assets measured at fair value through other comprehensive income held outside the ring-fence;
  - for €122 million the net decrease in tax credits pursuant to Law no. 77/2020 measured at fair value through other comprehensive income. On 1 October 2022, the negative fair value reserve totalling €130 million (€93 million net of tax effect) was cancelled as a result of the reclassification of the receivables into the amortised cost tax credit category, as better described in Note A10 - *Tax Credits Law no. 77/2020*.

In addition, during the year, as better described in the preceding paragraphs, following the merger by incorporation of PSIA Srl, Poste Italiane directly held an equity investment in NEXI SpA, whose fair value reserve, accrued from 1 January to the merger date, was negative €240 million.

- The **cash flow hedge reserve** represents changes in the fair value of the effective portion of cash flow hedges outstanding. In 2022, the fair value gain of €279 million reflects a net gain of €280 million on derivative financial instruments attributable to BancoPosta RFC and a net loss of €1 million on the value of financial instruments held outside the ring-fence.
- The **Incentive Plans reserve** includes the estimate of the valuations for the year relating to the long-term "Performance Share LTIP" 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**, which increased compared to 31 December 2021, refers for €330 million to the merger surplus generated following the merger by incorporation into Poste Italiane SpA of the subsidiary PSIA Srl described in Note A5 - *Equity investments*.

## 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 2022 of €847 million.

During the year, dividends were distributed for a total of €799 million, based on the following resolutions:

- on 27 May 2022, the Shareholders' Meeting resolved the distribution dividends of €526 million (dividend per share equal to €0.405), which took place on 22 June 2022 as the balance for 2021, taking into account the interim dividend of €241 million (dividend per share equal to €0.185) already paid in November 2021;
- on 9 November 2022, Poste Italiane's Board of Directors, in line with the Group's dividend policy, resolved to advance part of the ordinary dividend for 2022 as an interim dividend. The interim dividend of €273 million was distributed on 23 November 2022 (dividend per share of €0.210).

211. 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%.



**tab. B3 – Availability and distributability of reserves**

(€m)	31.12.2022	Potential use
<b>Share capital</b>	<b>1,306</b>	
<b>Treasury shares</b>	<b>(63)</b>	
<b>Reserves</b>		
- legal reserve	299	
legal reserve	261	B
legal reserve	38	A B D
- BancoPosta RFC reserve	1,210	- -
<b>Equity instruments - perpetual hybrid bonds</b>	<b>800</b>	- -
- fair value reserve	(2,374)	- -
- cash flow hedge reserve	(126)	- -
- incentive plans reserve	19	- -
- merger surplus	335	A B D
<b>Retained earnings/(Accumulated losses)</b>	<b>2,402</b>	
retained earnings/(accumulated losses)	66	- -
retained earnings at 31 December 2017	1,377	C
retained earnings/(accumulated losses)	1,026	A B D
unrealised gains/(losses) on financial instruments at FVTPL net of tax effect	26	B C
after-tax actuarial gains/(losses)	(93)	- -
<b>Total</b>	<b>3,808</b>	
of which distributable	1,399	

A: for capital increases

B: to cover losses

C: to cover BancoPosta losses

D: for shareholder distributions

# Liabilities

## B4 – Provisions for risks and charges (€1,257 million)

Movements in provisions for risks and charges are as follows:

**tab. B4 – Movements in provisions for risks and charges for FY 2022**

Description (€m)	Balance at 01.01.2022	Provisions	Finance costs	Released to profit or loss	Uses	Finance costs Released to profit or loss	Balance at 31.12.2022
Provisions for operational risk	134	8	-	(20)	(13)	-	109
Provisions for disputes with third parties	265	57	1	(35)	(23)	-	265
Provisions for disputes with staff <sup>(1)</sup>	43	2	-	(3)	(8)	-	34
Provisions for personnel expenses	120	89	-	(33)	(75)	-	101
Provisions for early retirement incentives	515	53	-	-	(216)	-	352
Provisions for risks - tax credits Law no. 77/2020	-	320	-	-	-	-	320
Provisions for taxation	3	1	-	-	-	-	4
Other provisions for risks and charges	89	7	-	(16)	(8)	-	72
<b>Total</b>	<b>1,169</b>	<b>537</b>	<b>1</b>	<b>(107)</b>	<b>(343)</b>	<b>-</b>	<b>1,257</b>
of which attributable to BancoPosta RFC	229	12	-	(33)	(20)	-	188
Overall analysis of provisions:							
- non-current portion	628						741
- current portion	541						516
	<b>1,169</b>						<b>1,257</b>

<sup>(1)</sup> Net uses for Personnel expenses amount to €3 million. Service costs (legal assistance) total €2 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. The net transfers for the year, totalling €12 million, mainly reflect the prescription of certain stocks related to the funds transfer business and the adjustment of estimates of risks related to the distribution of postal savings products as well as fraud.
- **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, with are certain or likely to occur but whose estimated amount is subject to change. They have increased by €89 million to reflect the estimated value of new liabilities and decreased as a result of past contingent liabilities that failed to materialise (€33 million) and settled disputes (€75 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 2024. The provisions made at 31 December 2021 were utilised for €216 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** have been made to cover estimated tax 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 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 frauds.

## B5 – Employee termination benefits (€678 million)

Movements in employee termination benefits are as follows:

**tab. B5 – Movements in provisions for employee termination benefits**

(€m)	FY 2022
<b>Balance at 1 January</b>	<b>896</b>
interest component	15
effect of actuarial gains/(losses)	(119)
Provisions for the year	(104)
Uses for the period	(114)
<b>Balance at 31 December</b>	<b>678</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 €103 million and €11 million to substitute tax.

Actuarial gains and losses are generated by the following factors:

**tab. B5.1 – Actuarial (gains) and losses**

(€m)	31.12.2022
Change in demographic assumptions	(8)
Change in financial assumptions	(155)
Other experience-related adjustments	44
<b>Total</b>	<b>(119)</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 31.12.2022
Inflation rate +0.25%	685
Inflation rate -0.25%	671
Discount rate +0.25%	667
Discount rate -0.25%	690
Turnover rate +0.25%	679
Turnover rate -0.25%	677

### tab. B5.3 – Other information

	31.12.2022
Expected service cost	-
Average duration of defined benefit plan	7.50
Average employee turnover	2.00%

## B6 – Financial liabilities (€104,703 million)

### tab. B6 – Financial liabilities

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	9,777	93,951	103,728	9,527	91,266	100,793	2,935
Derivative financial instruments	823	152	975	5,421	45	5,466	(4,491)
<b>Total</b>	<b>10,600</b>	<b>94,103</b>	<b>104,703</b>	<b>14,948</b>	<b>91,311</b>	<b>106,259</b>	<b>(1,556)</b>
of which attributable to BancoPosta RFC	7,932	92,512	100,444	12,369	89,375	101,744	(1,300)
of which unallocated assets	2,668	1,591	4,259	2,579	1,936	4,515	(256)

## Financial liabilities attributable to BancoPosta RFC

### Financial liabilities attributable to BancoPosta

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	7,109	92,360	99,469	6,951	89,330	96,281	3,188
Payables deriving from postal current accounts	-	78,004	78,004	-	77,483	77,483	521
Loans	7,109	3,016	10,125	6,951	6,309	13,260	(3,135)
Due to financial institutions	7,109	3,016	10,125	6,951	6,309	13,260	(3,135)
MEF account held at the Treasury	-	4,168	4,168	-	3,441	3,441	727
Other financial liabilities	-	7,172	7,172	-	2,097	2,097	5,075
Derivative financial instruments*	823	152	975	5,418	45	5,463	(4,488)
Cash flow hedges	490	137	627	255	9	264	363
Fair value hedges	333	11	344	5,160	36	5,196	(4,852)
Fair value through profit or loss	-	4	4	3	-	3	1
<b>Total</b>	<b>7,932</b>	<b>92,512</b>	<b>100,444</b>	<b>12,369</b>	<b>89,375</b>	<b>101,744</b>	<b>(1,300)</b>

\* 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 2022 and settled with customers in January 2023. The balance includes amounts due to Poste Italiane Group companies, totalling €9,668 million, of which €9,401 million relating to postal current accounts held by PostePay SpA relating primarily to customer current account deposits from prepaid cards and €179 million represented by postal current accounts held by Poste Vita SpA.

## LOANS

### Due to financial institutions

At 31 December 2022, outstanding liabilities of €13,342 million relate to repurchase agreements entered into by the Company with major financial institutions and Central Counterparties, amounting to a total nominal value of securities committed for €13,070 million. These liabilities regard €6,972 million in Long Term Repos and €6,370 million in ordinary borrowing operations, the resources from both invested in Italian fixed income government securities and as funding for deposits used as collateral. At 31 December 2022, 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 2022, already included in the exposure to net balances, amounted to €3,217 million (€1,577 million at 31 December 2021). At 31 December 2022, the fair value<sup>212</sup> of the above borrowings amounts to €9,776 million.

### MEF account held at the Treasury

tab. B6.1 – MEF account held at the Treasury

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Balance of cash flows for advances	-	4,083	4,083	-	3,488	3,488	595
Balance of cash flows from management of postal savings	-	(84)	(84)	-	(220)	(220)	136
Amounts payable due to theft	-	155	155	-	155	155	-
Amounts payable for operational risks	-	14	14	-	18	18	(4)
<b>Total</b>	<b>-</b>	<b>4,168</b>	<b>4,168</b>	<b>-</b>	<b>3,441</b>	<b>3,441</b>	<b>727</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 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Net advances	-	4,083	4,083	-	3,488	3,488	595
MEF postal current accounts and other payables	-	670	670	-	670	670	-
MEF - State pensions	-	(670)	(670)	-	(670)	(670)	-
<b>Total</b>	<b>-</b>	<b>4,083</b>	<b>4,083</b>	<b>-</b>	<b>3,488</b>	<b>3,488</b>	<b>595</b>

The **balance of cash flows from the management of postal savings**, amounting to a positive €84 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 2022 consists of €16 million payable to Cassa Depositi e Prestiti, and €100 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 €155 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.

212. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

**Amounts payable for operational risks** for €14 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 in derivative financial instruments during 2022 are described in Note A6 – *Financial assets*.

## Other financial liabilities

tab. B6.2 – Other financial liabilities

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Guarantee deposits	-	4,824	4,824	-	228	228	4,596
Domestic and international money transfers	-	1,108	1,108	-	938	938	170
Endorsed cheques	-	476	476	-	322	322	154
Cashed cheques	-	183	183	-	141	141	42
Other amounts payable to third parties	-	173	173	-	69	69	104
Amounts to be credited to customers	-	104	104	-	130	130	(26)
Payables for items in process	-	304	304	-	269	269	35
<b>Total</b>	<b>-</b>	<b>7,172</b>	<b>7,172</b>	<b>-</b>	<b>2,097</b>	<b>2,097</b>	<b>5,075</b>

**Payables for guarantee deposits** refer exclusively to sums received from counterparties for interest rate swap transactions (collateral provided for in a specific Credit Support Annexes). The increase in this item compared to 31 December 2021 was due to the positive change in the fair value of derivatives following the rise in the interest rate curve.

## Financial liabilities outside ring-fence

### Financial liabilities Unallocated assets

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	2,668	1,591	4,259	2,576	1,936	4,512	(253)
Borrowings	1,820	53	1,873	1,770	551	2,321	(448)
Bonds	997	51	1,048	1,047	-	1,047	1
Due to financial institutions	823	2	825	723	551	1,274	(449)
Lease payables	844	257	1,101	802	187	989	112
Financial liabilities due to subsidiaries	-	1,281	1,281	-	1,195	1,195	86
Other financial liabilities	4	-	4	4	3	7	(3)
Derivative financial instruments*	-	-	-	3	-	3	(3)
Cash flow hedging	-	-	-	3	-	3	(3)
<b>Total</b>	<b>2,668</b>	<b>1,591</b>	<b>4,259</b>	<b>2,579</b>	<b>1,936</b>	<b>4,515</b>	<b>(256)</b>

\* 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. EIB loans are subject to the maintenance of a minimum rating level of BBB- (or equivalent) by the two rating agencies of Poste Italiane, without prejudice to the bank's right to request guarantees or an increase in the margin, or in the event of failure to agree immediate early repayment of the loan. Standard negative pledge provisions do apply, however<sup>213</sup>.

## Bonds

The item **Bonds** refers to two loans issued by the Poste Italiane SpA as part of the €2.5 billion Euro Medium Term Notes (EMTN) Programme promoted by the Company during the 2013 financial year on the Luxembourg Stock Exchange. Specifically:

- a senior unsecured loan with a total nominal value of €1 billion issued on 10 December 2020 in two tranches, placed in public form with institutional investors. 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 2022, the fair value<sup>214</sup> of the loan was €851 million;
- a loan with a nominal value of €50 million, privately placed and issued at par on 25 October 2013. The term to maturity of the loan is ten years and the interest rate is 3.5% for the first two years and variable thereafter (EUR Constant Maturity Swap rate plus 0.955%, with a cap of 6% and a floor of 0%). The interest rate risk exposure was hedged as described in Note A6 – *Financial assets*. At 31 December 2022, the fair value<sup>215</sup> of the loan was €51 million.

## Due to financial institutions

At 31 December 2022, the committed and uncommitted credit lines are as follows:

**tab. B6.3 – Due to financial institutions**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Loans	-	-	-	-	550	550	(550)
EIB fixed rate loan maturing 12/03/2026	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 02/05/2028	100	-	100	-	-	-	100
Other Payables and Accrued Interest	-	2	2	-	1	1	1
<b>Total</b>	<b>823</b>	<b>2</b>	<b>825</b>	<b>723</b>	<b>551</b>	<b>1,274</b>	<b>(449)</b>

As at 31 December 2022, no committed and uncommitted credit lines were used for short-term financing.

On 31 March 2022, a new loan of €100 million was signed with the EIB "Green Mobility". The loan, disbursed on 2 May 2022, provides interest at a fixed rate of 1.467% and matures on 2 May 2028.

At 31 December 2022, the fair value<sup>216</sup> of the four EIB loans is €744 million. The amount of the other financial liabilities in the table - *Financial liabilities outside ring-fence* approximates their fair value.

213. 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.

214. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 1.

215. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

216. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.



Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021
<b>Committed credit lines</b>	<b>2,450</b>	<b>1,750</b>
Short-term loans	2,450	1,750
<b>Uncommitted credit lines</b>	<b>2,035</b>	<b>2,250</b>
Short-term loans	1,005	1,309
Current account overdrafts	144	144
Unsecured loans	886	797
<b>Total</b>	<b>4,485</b>	<b>4,000</b>
<b>Uncommitted uses</b>	<b>588</b>	<b>937</b>
Short-term loans	-	550
Unsecured loans*	588	387
<b>Total</b>	<b>588</b>	<b>937</b>

\* At 31 December 2022, unsecured loans were used for €373 million on behalf of Poste Italiane SpA and for €215 million, on behalf of Group companies.

No collateral has been provided to secure the credit lines available.

The uncommitted credit lines are also available for overnight transactions entered into by BancoPosta RFC.

In addition, from 26 June 2020, BancoPosta RFC may access a 3-year committed facility granted by Cassa Depositi e Prestiti for repurchase agreements up to a maximum of €4.25 billion, unused at 31 December 2022.

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 €2,582 million, and the facility is unused at 31 December 2022.

## Lease payables

Lease liabilities at 31 December 2022 amount to €1,101 million. For more details on the change in this item, see Note A4 - *Right-of-use assets*.

## Derivative financial instruments

Movements in derivative financial instruments during 2022 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:

**tab. B6.4 – Financial liabilities due to subsidiaries**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
<b>Direct subsidiaries</b>			
BancoPosta Fondi SpA SGR	30	33	(3)
EGI SpA	21	14	7
MLK Deliveries SpA	4	-	4
Nexive Scrl	6	6	-
PatentiViaPoste ScpA	13	-	13
Poste Vita SpA	190	377	(187)
Postel SpA	6	7	(1)
PostePay SpA	915	666	249
SDA Express Courier SpA	24	50	(26)
sennder Italia Srl	9	15	(6)
Poste Welfare Servizi Srl	8	19	(11)
<b>Indirect subsidiaries</b>			
Risparmio Holding SpA	50	-	50
LIS Pay Spa	-	-	-
Poste Assicura SpA	4	7	(3)
Kipoint SpA	1	1	1
<b>Total</b>	<b>1,281</b>	<b>1,195</b>	<b>86</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 01.01.2022	Net cash flow from/ (for) financing activities	Non-cash flows	Balance at 31.12.2022
Borrowings	2,321	(450)	2	1,873
Bonds	1,047	-	1	1,048
Due to financial institutions	1,274	(450)	1	825
Lease payables	989	(208)	320	1,101
Financial liabilities due to subsidiaries	1,195	86	-	1,281
Other financial liabilities	7	(3)	-	4
<b>Total</b>	<b>4,512</b>	<b>(575)</b>	<b>322</b>	<b>4,259</b>

## Net debt/(funds)

The following table shows the net debt/(funds) at 31 December 2022:

### 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 FVTOCI	(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>	

## Net debt/(funds) at 31 December 2021

Balance at 31.12.2021 (€m)	Capital outside ring-fence	BancoPosta RFC	Eliminations	Poste Italiane SpA	of which related parties
<b>Financial liabilities</b>	<b>4,690</b>	<b>101,916</b>	<b>(347)</b>	<b>106,259</b>	
Postal current accounts	-	77,655	(172)	77,483	8,884
Bonds	1,047	-	-	1,047	-
Due to financial institutions	1,274	13,260	-	14,534	199
Lease payables	989	-	-	989	46
MEF account held at the Treasury	-	3,441	-	3,441	3,441
Derivative financial instruments	3	5,463	-	5,466	148
Other financial liabilities	1,202	2,097	-	3,299	1,206
Intersegment financial liabilities	175	-	(175)	-	-
<b>Financial assets</b>	<b>(459)</b>	<b>(89,929)</b>	<b>175</b>	<b>(90,213)</b>	
Financial instruments at amortised cost	(381)	(51,216)	-	(51,597)	(16,509)
Financial instruments at FVTOCI	(75)	(37,626)	-	(37,701)	-
Financial instruments at fair value through profit or loss	-	(39)	-	(39)	-
Derivative financial instruments	(3)	(873)	-	(876)	(31)
Intersegment financial assets	-	(175)	175	-	-
<b>Tax credits Law no. 77/2020</b>	<b>(448)</b>	<b>(6,008)</b>	<b>-</b>	<b>(6,456)</b>	<b>-</b>
<b>Liabilities/(net financial assets)</b>	<b>3,783</b>	<b>5,979</b>	<b>(172)</b>	<b>9,590</b>	
<b>Cash and deposits attributable to BancoPosta</b>	<b>-</b>	<b>(7,659)</b>	<b>-</b>	<b>(7,659)</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>(2,028)</b>	<b>(2,014)</b>	<b>172</b>	<b>(3,870)</b>	<b>(1,991)</b>
<b>Net debt/(funds)</b>	<b>1,755</b>	<b>(3,694)</b>	<b>-</b>	<b>(1,939)</b>	

**Total net debt<sup>217</sup>** of the Company at 31 December 2022, as shown above, presents a deficit of €3,380 million, down by €5,319 compared to the values at 31 December 2021 (funds of €1,939 million). The change was mainly attributable to the negative valuation effects of investments classified as FVTOCI in the amount of approximately €4.5 billion, the cash absorption generated by the distribution of dividends totalling €799 million (of which €273 million related to the interim ordinary dividend planned for the 2022 financial year), partially offset by the decrease in working capital of €644 million and the profit for the period of €847 million. In addition, the change also includes the effects of corporate acquisitions in 2022 totalling €173 million and the recapitalisation of Poste Vita SpA, for €500 million, through the subscription of a subordinated, non-convertible capital instrument, and of PostePay SpA, for €700 million, aimed at providing the company with the financial resources needed to complete the acquisition of LIS Holding SpA.

217. The Net debt/(funds) includes Tax Credits whose value at 31 December 2022 was €9,021 million. Although these receivables 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 have been assimilated to financial assets.

At 31 December 2022, the financial debt outside the ring-fence, calculated in accordance with ESMA Guidelines 32-382-1138, is provided below:

#### ESMA net financial debt for capital outside ring-fence

(€m)	At 31.12.2022	At 31.12.2021
A. Cash	(469)	(2,028)
B. Cash equivalents	-	-
C. Other current financial assets	(29)	(52)
<b>D. Liquidity (A+B+C)</b>	<b>(498)</b>	<b>(2,080)</b>
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	1,590	1,935
F. Current portion of non-current debt	1	1
<b>G. Current financial debt (E+F)</b>	<b>1,591</b>	<b>1,936</b>
<b>H. Net current financial debt (G + D)</b>	<b>1,093</b>	<b>(144)</b>
I. Non-current financial debt (excluding current portion and debt instruments)	1,671	1,532
J. Debt instruments	997	1,047
K. Trade payables and other non-current payables	18	22
<b>L. Non-current financial debt (I + J + K)</b>	<b>2,686</b>	<b>2,601</b>
<b>M. Total financial debt (H + L)</b>	<b>3,779</b>	<b>2,457</b>

#### Reconciliation of financial debt ESMA

(€m)	At 31.12.2022	At 31.12.2021
<b>M. Total financial debt (H + L)</b>	<b>3,779</b>	<b>2,457</b>
Non-current financial assets	(875)	(407)
K. Trade payables and other non-current payables	(18)	(22)
Tax credits Law no. 77/2020	(421)	(448)
<b>Industrial Net Financial Position</b>	<b>2,465</b>	<b>1,580</b>
Intersegment financial (receivables)/payables	349	175
<b>Net debt/(funds) for capital outside ring-fence including intersegment transactions</b>	<b>2,814</b>	<b>1,755</b>

## B7 – Trade payables (€1,970 million)

**tab. B7 – Trade payables**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Due to suppliers	1,047	963	84
Due to subsidiaries and associates	422	510	(88)
Contract liabilities	501	558	(57)
<b>Total</b>	<b>1,970</b>	<b>2.031</b>	<b>(61)</b>
of which attributable to BancoPosta RFC	182	201	(19)

## Due to suppliers

**tab. B7.1 – Due to suppliers**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Italian suppliers	858	788	70
Overseas suppliers	16	18	(2)
Overseas counterparties*	173	157	16
<b>Total</b>	<b>1,047</b>	<b>963</b>	<b>84</b>
of which attributable to BancoPosta RFC	8	12	(4)

\* 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 31.12.2022	Balance at 31.12.2021	Changes
<b>Direct subsidiaries</b>			
BancoPosta Fondi SpA SGR	3	4	(1)
CLP ScpA	100	98	2
Consorzio per i Servizi di Telefonia Mobile ScpA	14	47	(33)
EGI SpA	-	1	(1)
MLK Deliveries SpA	9	6	3
Nexive Network Srl	-	4	(4)
Poste Vita SpA	2	2	-
Postel SpA	17	22	(5)
PostePay SpA	123	150	(27)
Poste Welfare Servizi Srl	4	2	2
SDA Express Courier SpA	145	171	(26)
Sourcesense SpA	1	-	1
<b>Indirect subsidiaries</b>			
Address Software Srl	1	1	-
Kipoint SpA	2	2	-
Poste Assicura SpA	1	-	1
<b>Total</b>	<b>422</b>	<b>510</b>	<b>(88)</b>
of which attributable to BancoPosta RFC	105	120	(15)

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 (€100 million) and for acquiring services (€20 million).

## Contract liabilities

tab. B7.3 – Contract liabilities

Description (€m)	Balance at 01.01.2022	Increases/(Decreases)	Change due to recognition of revenue for period	Balance at 31.12.2022
Prepayments and advances from customers	490	(57)	-	433
Liabilities for fees to be refunded	68	(49)	49	68
<b>Total</b>	<b>558</b>	<b>(106)</b>	<b>49</b>	<b>501</b>
of which attributable to BancoPosta RFC	68	(49)	49	68



## Prepayments and 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 31.12.2022	Balance at 31.12.2021	Changes
Prepayments from overseas counterparties	223	329	(106)
Advances for Publishing from PCM [tab.A8.1]	125	84	41
Advances for shipments	67	61	6
Advances for other services	18	16	2
<b>Total</b>	<b>433</b>	<b>490</b>	<b>(57)</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 (€3,362 million)

**tab. B8 – Other liabilities**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Due to staff	5	694	699	15	696	711	(12)
Social security payables	19	423	442	26	414	440	2
Other taxes payable	1,738	171	1,909	1,614	137	1,751	158
Other amounts due to subsidiaries	1	146	147	2	32	34	113
Sundry payables	12	19	31	15	51	66	(35)
Accrued expenses and deferred income	132	2	134	5	2	7	127
<b>Total</b>	<b>1,907</b>	<b>1,455</b>	<b>3,362</b>	<b>1,677</b>	<b>1,332</b>	<b>3,009</b>	<b>353</b>
of which attributable to BancoPosta RFC	1,738	80	1,818	1,615	61	1,676	142

## Due to staff

These items primarily regard accrued amounts that have yet to be paid at 31 December 2022. The breakdown is as follows:

**tab. B8.1 – Due to staff**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Fourteenth month salaries	-	198	198	-	195	195	3
Incentives	5	402	407	15	401	416	(9)
Accrued vacation pay	-	37	37	-	39	39	(2)
Other amounts due to staff	-	57	57	-	61	61	(4)
<b>Total</b>	<b>5</b>	<b>694</b>	<b>699</b>	<b>15</b>	<b>696</b>	<b>711</b>	<b>(12)</b>
of which attributable to BancoPosta RFC	-	5	5	1	5	6	(1)

## Social security payables

**tab. B8.2 – Social security payables**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
NPS	1	319	320	4	313	317	3
Pension funds	-	87	87	-	84	84	3
Health funds	-	5	5	-	5	5	-
INAIL	18	4	22	22	3	25	(3)
Other agencies	-	8	8	-	9	9	(1)
<b>Total</b>	<b>19</b>	<b>423</b>	<b>442</b>	<b>26</b>	<b>414</b>	<b>440</b>	<b>2</b>
of which attributable to BancoPosta RFC	-	3	3	-	3	3	-

## Other taxes payable

**tab. B8.3 – Other taxes payable**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Withholding tax on employees' and consultants' salaries	-	82	82	-	90	90	(8)
Withholding tax on postal current accounts	-	29	29	-	8	8	21
Stamp duty payable	1,738	21	1,759	1,614	-	1,614	145
Other taxes due	-	39	39	-	39	39	-
<b>Total</b>	<b>1,738</b>	<b>171</b>	<b>1,909</b>	<b>1,614</b>	<b>137</b>	<b>1,751</b>	<b>158</b>
of which attributable to BancoPosta RFC	1,738	68	1,806	1,614	24	1,638	168

The **stamp duty payable** includes the balance due to the Treasury for the tax paid virtually in the 2022 financial year. The non-current portion of stamp duty payable primarily regards the amount due at 31 December 2022 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

**tab. B8.4 – Other amounts due to subsidiaries**

Name (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
<b>Direct subsidiaries</b>							
Nexive Network Srl	-	2	2	2	12	14	(12)
Nexive Scarl	-	1	1	-	1	1	-
Poste Vita SpA	-	121	121	-	10	10	111
Postel SpA	1	2	3	-	1	1	2
PostePay SpA	-	1	1	-	4	4	(3)
SDA Express Courier SpA	-	18	18	-	1	1	17
<b>Indirect subsidiaries</b>							
Poste Assicura SpA	-	1	1	-	3	3	(2)
<b>Total</b>	<b>1</b>	<b>146</b>	<b>147</b>	<b>2</b>	<b>32</b>	<b>34</b>	<b>113</b>
of which attributable to BancoPosta RFC	-	-	-	-	-	-	-

This item mainly includes the amount payable to subsidiaries by Poste Italiane SpA, as the consolidating entity in the tax consolidation arrangement (Note 2.3 – *Summary of significant accounting policies and measurement criteria*), 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 2022.

## Sundry payables

This item breaks down as follows:

**tab. B8.5 – Sundry payables**

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Sundry payables attributable to BancoPosta	-	5	5	-	29	29	(24)
Guarantee deposits	12	-	12	15	-	15	(3)
Other payables	-	14	14	-	22	22	(8)
<b>Total</b>	<b>12</b>	<b>19</b>	<b>31</b>	<b>15</b>	<b>51</b>	<b>66</b>	<b>(35)</b>
of which attributable to BancoPosta RFC	-	5	5	-	29	29	(24)

## Accrued liabilities and deferred income

tab. B8.6 – Accrued liabilities and deferred income

Description (€m)	Balance at 31.12.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Deferred income	132	2	134	5	2	7	127
<b>Total</b>	<b>132</b>	<b>2</b>	<b>134</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>127</b>
of which attributable to BancoPosta RFC	-	-	-	-	-	-	-

The item **Accrued expenses and deferred** income, which increased with respect to 31 December 2021, refers for €125 million to the non-repayable grant received in advance by the Company for the realisation of the “Polis Project - Home of Digital Services”, as better described in Note 3.2 - *Other material events*.

## 5.4 Notes to the Statement of Profit or Loss

### C1 – Revenue from sales and services (€8,904 million)

tab. C1 – Revenue from sales and services

Description (€m)	FY 2022	FY 2021	Changes
Postal Services	3,112	3,057	55
of which Revenue from contracts with customers	3,112	3,057	55
recognised at a point in time	351	398	(47)
recognised over time	2,761	2,659	102
BancoPosta services	5,467	5,123	344
of which Revenue from contracts with customers	3,459	3,597	(138)
recognised at a point in time	233	282	(49)
recognised over time	3,226	3,315	(89)
Other sales of goods and services	325	305	20
of which Revenue from contracts with customers	325	305	20
recognised at a point in time	25	1	24
recognised over time	300	304	(4)
<b>Total</b>	<b>8,904</b>	<b>8,485</b>	<b>419</b>

Revenue from contracts with customers breaks down as follows:

- **Revenue from Postal Services** refer 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 online) and measured on 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 BancoPosta 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: 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;
  - revenue not from contracts with customers accounted for in accordance with IFRS 9 - *Financial Instruments*.

## Revenue from Postal Services

tab. C1.1 – Revenue from Postal Services

Description (€m)	FY 2022	FY 2021	Changes
Mail	1,748	1,693	55
Parcels	1,041	1,041	-
Philately	7	8	(1)
<b>Total external revenue</b>	<b>2,796</b>	<b>2,742</b>	<b>54</b>
Universal Service compensation	262	262	-
Publisher tariff subsidies	54	53	1
<b>Total revenue</b>	<b>3,112</b>	<b>3,057</b>	<b>55</b>

**Market revenue** showed an increase compared to the year 2021, essentially attributable to mail revenue, which was mainly affected by the growth in revenue from integrated services due to the resumption of activities for the notification of administrative and judicial documents, as well as the resumption of mailings of tax bills, affected last year by the continuing effects of the pandemic. This growth was partially offset by the expected structural decline in revenue from traditional mail business.

**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>218</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 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 basic tariffs as of 1 September 2022, with no impact on the subsidised tariffs paid by senders and with a consequent increase in the compensation received by the Company per item sent at the subsidised tariff. In this regard, it should be noted that for the year under review, the amount of subsidies that the Company has granted is covered in the 2022 State Budget.

218. 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.

## BancoPosta services

**tab. C1.2 – Revenue from BancoPosta services**

Description (€m)	FY 2022	FY 2021	Changes
Income from investment of postal current account deposits and free cash	2,008	1,526	482
Fees for collection of postal savings deposits	1,600	1,753	(153)
Insurance brokerage	538	489	49
Other revenue from current account services	431	437	(6)
Distribution of payment products and services	251	213	38
Distribution of loan products	226	240	(14)
Commissions on payment of bills by payment slip	216	264	(48)
Income from delegated services	89	99	(10)
Distribution of investment funds	70	73	(3)
Money transfers	13	14	(1)
Other products and services	25	15	10
<b>Total</b>	<b>5,467</b>	<b>5,123</b>	<b>344</b>

**Revenue from financial services** showed an increase compared to the 2021 financial year mainly attributable to income from investment of postal current account deposits and free cash balances, partly offset by the decrease in income from postal savings deposits due to the contraction in deposits affected by the macroeconomic environment during the year.

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 2022	FY 2021	Changes
Income from investments in securities	1,482	1,434	48
Interest income on securities at amortised cost	677	670	7
Interest income on securities at FVTOCI	821	816	5
Interest income (expense) on asset swaps of CFH on securities at FVTOCI and AC	20	16	4
Interest income (expense) on asset swaps of FVH on securities at FVTOCI and AC	(79)	(104)	25
Interest income on repurchase agreements	43	36	7
Income from investments in tax credits	273	58	215
Interest income on tax credits at AC	189	24	165
Interest income on tax credits at FVTOCI	84	34	50
Income from deposits held with the MEF	252	28	224
Remuneration of current account deposits (deposited with the MEF)	323	28	295
Differential on derivatives stabilising returns	(71)	-	(71)
Portion of interest income on own liquidity (finance income)	(1)	-	(1)
Other income	2	6	(4)
<b>Total</b>	<b>2,008</b>	<b>1,526</b>	<b>482</b>

The increase in this item compared to the previous year is mainly attributable to the income from deposits held with the MEF and the income from investments in tax credits.



*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 with respect to the 2021 financial year is mainly due to the effects of the upward shift in the interest rate curve and the decrease in the fair value hedges in place for early settlements 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 2021 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 under the Agreement renewed on 23 December 2021 to cover 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 (€283 million), fees for collection and on-line credit transfer services (€73 million) and fees for reporting services carried out for customers (€28 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 (€25 million) and services on the basis of the agreement with the MEF (€61 million).

## Other sales of goods and services

The main revenue items include: income from the subsidiary PostePay SpA for the execution of e-money and payment transactions (€102 million); income from the subsidiaries PostePay SpA (€40 million), Poste Vita SpA (€37 million), Postel SpA (€22 million) and SDA Express Courier SpA (€16 million) for technology services in support of business activities and income from call centre services (€13 million).

## C2 – Other income (€428 million) and expenses (€215 million) deriving from financial activities

**tab. C2.1 – Other income from financial activities**

Description (€m)	FY 2022	FY 2021	Changes
Income from equity instruments at FVTPL	2	8	(6)
Fair value gains	1	5	(4)
Realised gains	-	2	(2)
Dividends from other equity investments	1	1	-
Income from financial instruments at FVTOCI	262	503	(241)
Realised gains	262	503	(241)
Income from financial instruments at amortised cost	130	1	129
Realised gains	130	1	129
Income from fair value hedges	16	6	10
Gains from valuation	16	6	10
Income from valuation of cash flow hedges	1	-	1
Fair value gains	1	-	1
Foreign exchange gains	5	4	1
Fair value gains	1	2	(1)
Realised gains	4	2	2
Other income	12	1	11
<b>Total</b>	<b>428</b>	<b>523</b>	<b>(95)</b>

The decrease in **Other income from financial activities**, compared to the previous year, is mainly due to lower realised gains from financial instruments.

**tab. C2.2 – Expenses from financial activities**

Description (€m)	FY 2022	FY 2021	Changes
Interest expense	156	73	83
in customers' deposits	114	30	84
Interest on guarantee deposits	25	26	(1)
Interest expense on repurchase agreements	14	9	5
due to the Parent company	4	9	(5)
Portion of interest expense on own liquidity (finance costs)	(1)	(1)	-
Expenses from financial assets at FVTOCI	4	2	2
Realised losses	4	2	2
Expenses from financial instruments at amortised cost	53	96	(43)
Realised losses	53	96	(43)
Expenses from cash value hedges	-	1	(1)
Losses from valuation	-	1	(1)
Expenses from financial instruments at FVTPL	2	6	(4)
Fair value losses	2	3	(1)
Realised losses	-	3	(3)
<b>Total</b>	<b>215</b>	<b>178</b>	<b>37</b>

**Expenses from financial activities** increased compared to the 2021 financial year mainly due to higher interest expenses recognised to public customers for deposits on postal current accounts, as a result of the rise in the interest rate curve, partially offset by lower expenses for losses from the realisation of financial instruments.

## C3 – Other operating income (€721 million)

tab. C3 – Other operating income

Description (€m)	FY 2022	FY 2021	Changes
Dividends from subsidiaries	641	613	28
Interest income on tax credits at AC	20	11	9
Rentals	14	12	2
Recoveries of contract expenses and other recoveries	13	15	(2)
Reimbursement of personal expenses	5	5	-
Gains on disposals*	3	1	2
Government grants	2	3	(1)
Other income	23	23	-
<b>Total</b>	<b>721</b>	<b>683</b>	<b>38</b>

\* For the purposes of reconciliation with the statement of cash flows, in 2022 this item is positive for €1 million, after losses of €2 million. In 2021, this item, after losses of €3 million, amounted to a negative €2 million.

The increase in **Other operating income** is mainly due to higher dividends distributed by subsidiaries during the year.

## Dividends from subsidiaries

tab. C3.1 – Dividends from subsidiaries

Name (€m)	FY 2022	FY 2021	Changes
Poste Vita SpA	397	429	(32)
PostePay SpA	119	126	(7)
SDA Express Courier SpA	91	36	55
BancoPosta Fondi SpA SGR	26	20	6
Postel SpA	3	2	1
Sengi Express Limited	2	-	2
EGI SpA	2	-	2
Poste Air Cargo Srl	1	-	1
<b>Total</b>	<b>641</b>	<b>613</b>	<b>28</b>

## C4 – Cost of goods and services (€2,497 million)

**tab. C4 – Cost of goods and services**

Description (€m)	FY 2022	FY 2021	Changes
Service costs	2,279	2,298	(19)
Lease expense	100	82	18
Raw, ancillary and consumable materials and goods for resale	118	106	12
<b>Total</b>	<b>2,497</b>	<b>2,486</b>	<b>11</b>

**Costs for goods and services** increased by a total of €11 million compared to the 2021 financial year. This trend is mainly attributable to the increase in costs generated by the international inflationary scenario exacerbated by the Russian-Ukrainian conflict and the fees associated with the increased use of cloud technology, partly offset by lower costs incurred under the service contract with the subsidiary PostePay SpA related to the lower volumes of pay slips recognised during the year.

## Service costs

**tab. C4.1 – Service costs**

Description (€m)	FY 2022	FY 2021	Changes
Transport of mail, parcels and forms	1,101	1,036	65
Outsourcing fees and external service charges	413	471	(58)
Routine maintenance and technical assistance	214	211	3
Personnel services	122	113	9
Cleaning, waste disposal and security	93	97	(4)
Energy and water	72	96	(24)
Transport of cash	61	71	(10)
Telecommunications and data transmission	54	63	(9)
Exchange of correspondence and telegrams	44	48	(4)
Advertising and promotions	44	34	10
Electronic document management, printing and enveloping services	25	25	-
Agent commissions and other	12	8	4
Insurance premiums	12	12	-
Consultants' fees and legal expenses	12	12	-
Securities custody and management fees	-	1	(1)
<b>Total</b>	<b>2,279</b>	<b>2,298</b>	<b>(19)</b>

## Lease expense

tab. C4.2 – Lease expense

Description (€m)	FY 2022	FY 2021	Changes
Equipment hire and software licences	84	66	18
Property rentals	10	8	2
Vehicle leases	2	2	-
Other lease expense	4	6	(2)
<b>Total</b>	<b>100</b>	<b>82</b>	<b>18</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 2022	FY 2021	Changes
Fuels and lubricants	54	45	9
Consumables and goods for resale	35	33	2
Change in inventories of raw, ancillary and consumable materials	7	10	(3)
Stationery and printed matter	18	14	4
Printing of postage and revenue stamps	4	4	-
<b>Total</b>	<b>118</b>	<b>106</b>	<b>12</b>

## C5 – Personnel expenses (€4,987 million)

tab. C5 – Personnel expenses

Description (€m)	Notes	FY 2022	FY 2021	Changes
Wages and salaries		3,694	3,762	(68)
Social security contributions		1,050	1,066	(16)
Employee termination benefits: supplementary pension funds and INPS		225	224	1
Agency staff		1	11	(10)
Remuneration and expenses paid to Directors		2	2	-
Share-based payments		7	11	(4)
Early retirement incentives		21	36	(15)
Net provisions (reversals) for disputes with staff	[tab. B4]	(3)	-	(3)
Provisions for early retirement incentives	[tab. B4]	53	194	(141)
Amounts recovered from staff due to disputes		(5)	(4)	(1)
Other personnel expenses/(cost recoveries)		(58)	(67)	9
<b>Total</b>		<b>4,987</b>	<b>5,235</b>	<b>(248)</b>

**Personnel expenses** decreased by €248 million compared to 2021, attributable, for the extraordinary component, to lower redundancy incentives, and for the ordinary component, mainly to the reduction in average headcount (about 1,500 FTE less than in 2021).

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			Year end		
	FY 2022	FY 2021	Changes	31.12.2022	31.12.2021	Changes
Executives	537	554	(17)	537	521	16
Middle managers (A1)	6,511	6,354	157	6,486	6,367	119
Middle managers (A2)	7,564	7,515	49	7,522	7,475	47
Grades B, C, D	87,430	89,392	(1,962)	87,052	87,250	(198)
Grades E, F	4,611	4,650	(39)	6,057	3,433	2,624
<b>Total employees on permanent contracts*</b>	<b>106,653</b>	<b>108,465</b>	<b>(1,812)</b>	<b>107,654</b>	<b>105,046</b>	<b>2,608</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 115,808 (in 2021: 117,389).

## C6 – Depreciation, amortisation and impairments (€744 million)

**tab. C6 – Depreciation, amortisation and impairments**

Description (€m)	FY 2022	FY 2021	Changes
Depreciation of property, plant and equipment	200	191	9
Impairments/recoveries/adjustments of property, plant and equipment	(8)	(19)	11
Depreciation of investment property	1	1	-
Amortisation and impairments of intangible assets	345	340	5
Amortisation of right-of-use assets	208	199	9
Impairments/recoveries/adjustments of right of use	(2)	3	(5)
<b>Total</b>	<b>744</b>	<b>715</b>	<b>29</b>

Depreciation, amortisation and impairment showed an increase of €29 million compared to the year ended 2021, mainly due to higher depreciation and lower reversals of impairment losses on property, plant and equipment (€20 million), on rights of use (€4 million) mainly due to the expansion of the leased fleet, and amortisation on intangible assets (€5 million) related to investments in software applications that became available for use during the year.

## C7 – Other operating costs (€473 million)

tab. C7 – Other operating costs

Description (€m)	Notes	FY 2022	FY 2021	Changes
Operational risk events		25	17	8
Thefts	[tab. B6.1.2]	3	2	1
Loss of BancoPosta assets, net of recoveries		4	1	3
Other operating losses of BancoPosta		18	14	4
Net provisions for risks and charges made/(released)		322	85	237
for disputes with third parties	[tab. B4]	22	53	(31)
for operational risks	[tab. B4]	(12)	17	(29)
Provisions for taxation	[tab. B4]	1	-	1
for other risks and charges	[tab. B4]	(9)	15	(24)
for risks on tax credits Law 77/2020	[tab. B4]	320	-	320
Capital losses		2	3	(1)
Other taxes and duties		95	64	31
Municipal property tax		28	27	1
Stamp duty		28	17	11
Other taxes and duties		39	20	19
Other current expenses		29	40	(11)
<b>Total</b>		<b>473</b>	<b>209</b>	<b>264</b>

**Other costs and charges** increased compared to the year of comparison due to higher provisions for risks on tax credits, partly offset by lower net allocations to the remaining items of other provisions for risks and charges due to both the updating of estimated liabilities and the disappearance of those identified in the past, see Note B4 - *Provisions for risks and charges*.

## C8 – Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets (€97 million)

tab. C8 – Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets

Description (€m)	FY 2022	FY 2021	Changes
Net impairment trade receivables and other assets	89	24	65
Net impairment debt instruments and receivables of financial operations	8	(10)	18
<b>Total</b>	<b>97</b>	<b>14</b>	<b>83</b>



## C9 – Finance income (€95 million) and costs (€71 million)

### Finance income

**tab C9.1 – Finance income**

Description (€m)	Notes	FY 2022	FY 2021	Changes
Income from subsidiaries and associates		76	56	20
Interest on loans		10	8	2
Interest on non-convertible subordinated equity instruments		15	-	15
Dividends from associates <sup>(1)</sup>		11	8	3
Other finance income		40	40	-
Income from financial instruments at FVTOCI		1	1	-
Interest on fixed-income instruments		1	3	(2)
Accrued differentials on fair value hedges		-	(2)	2
Expenses from financial instruments at FVTPL		5	5	-
Fair value gains		-	3	(3)
Accrued differentials on FVTPL derivative financial instrument		5	2	3
Other finance income		6	9	(3)
Remuneration of own liquid funds of Poste Italiane	[tab. C1.2.1]	1	-	1
Finance income on discounting receivables <sup>(2)</sup>		2	3	(1)
Late payment interest		21	24	(3)
Impairment of amounts due as late payment interest		(20)	(20)	-
Other income		2	2	-
Foreign exchange gains <sup>(1)</sup>		7	5	2
<b>Total</b>		<b>95</b>	<b>76</b>	<b>19</b>

<sup>(1)</sup> For the purposes of reconciliation with the statement of cash flows, in 2022 finance income after foreign exchange gains and dividends from associates amounts to €77 million (€63 million in 2021).

<sup>(2)</sup> Finance income on discounted receivables regards interest on amounts due from staff and INPS for CTD agreements.

**Finance income** increased year-on-year in 2021 mainly due to interest accrued and paid on the subordinated, non-convertible capital instrument issued by the subsidiary Poste Vita SpA in 2021 and subscribed by Poste Italiane.

## Finance costs

tab. C9.2 – Finance costs

Description (€m)	Notes	FY 2022	FY 2021	Changes
Finance costs on financial liabilities		30	29	1
on lease payables		19	21	(2)
on due to financial institutions		4	3	1
on bonds		4	3	1
on derivative financial instruments		1	2	(1)
on payables due to parent companies		2	-	2
Finance costs on provisions for employee termination benefits	[tab. B5]	15	9	6
Finance costs on provisions for risks	[tab. B4]	1	-	1
Remuneration of Poste Italiane's own liquidity	[tab. C2.2]	1	1	-
Other finance costs		20	18	2
Foreign exchange losses <sup>(1)</sup>		4	7	(3)
<b>Total</b>		<b>71</b>	<b>64</b>	<b>7</b>

<sup>(1)</sup> For the purposes of reconciliation with the statement of cash flows, in 2022 finance costs after foreign exchange losses amounted to €67 million (€57 million in 2021).

**Finance costs** increased compared to the year 2021 mainly due to the financial component of the allocation to employee termination benefits.

## C10 – Impairment losses/(Reversals of impairment losses) on financial assets

At 31 December 2022 and 31 December 2021, this item had an insignificant balance.

## C11 – Income tax expense (€253 million)

The nominal IRES rate is 24%, while the theoretical average IRAP rate is 4.48%<sup>219</sup>. The breakdown of income taxes for the year is as follows:

tab. C11 – Income tax expense

Description (€m)	FY 2022			FY 2021			Changes
	IRES	IRAP	Total	IRES	IRAP	Total	
Current tax expense	132	43	175	25	19	44	131
Deferred tax assets	68	10	78	49	8	57	21
Deferred tax liabilities	-	-	-	-	(1)	(1)	1
<b>Total</b>	<b>200</b>	<b>53</b>	<b>253</b>	<b>74</b>	<b>26</b>	<b>100</b>	<b>153</b>

Income taxes for the year include the positive effect of €6 million relating to the tax benefit associated with the Aid to Economic Growth (ACE), referred to the 2013 financial year, for which, in the period under review, the uncertainties associated with quantification no longer exist.

219. 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).

The tax rate for 2022 is 23.01% and consists of:

**tab. C11.1 – Reconciliation between theoretical and effective IRES rate**

Description (€m)	FY 2022		FY 2021	
	IRES	Tax Rate	IRES	Tax Rate
Profit before tax	1,100		897	
Theoretical tax charge	264	24.0%	215	24.0%
Effect of increases/(decreases) on theoretical tax charge				
Dividends from investee companies	(148)	-13.47%	(142)	-15.82%
Taxation for previous years	(8)	-0.72%	(16)	-1.77%
Net provisions for risks and charges and doubtful debts	98	8.93%	22	2.43%
Non-deductible out-of-period losses	4	0.36%	7	0.76%
Non-deductible taxes	1	0.05%	3	0.33%
Other	(5)	-0.44%	(4)	-0.41%
<b>Effective tax (before recognition of the Patent Box and ACE tax effect)</b>	<b>206</b>	<b>18.72%</b>	<b>85</b>	<b>9.52%</b>
Patent Box and ACE tax effect previous years	(6)	-0.56%	(11)	-1.29%
<b>Effective tax charge</b>	<b>200</b>	<b>18.16%</b>	<b>74</b>	<b>8.23%</b>

**tab. C11.2 – Reconciliation between theoretical and effective IRAP rate**

Description (€m)	FY 2022		FY 2021	
	IRAP	Tax Rate	IRAP	Tax Rate
Profit before tax	1,100		897	
Theoretical tax charge	49	4.48%	40	4.49%
Effect of increases/(decreases) on theoretical tax charge				
Dividends from investee companies	(29)	-2.65%	(28)	-3.11%
Non-deductible personnel expenses	17	1.56%	17	1.87%
Net provisions for risks and charges and doubtful debts	18	1.62%	-	0.01%
Non-deductible out-of-period losses	1	0.07%	1	0.14%
Finance income and costs	(1)	-0.14%	-	0.00%
Impairment losses/(reversals of impairment losses) on financial assets	-	-	(1)	-0.14%
Non-deductible taxes	1	0.11%	2	0.14%
Taxation for previous years	(1)	-0.05%	(3)	-0.32%
Other	(2)	-0.15%	(2)	-0.21%
<b>Effective tax (before recognition of the Patent Box tax effect)</b>	<b>53</b>	<b>4.85%</b>	<b>26</b>	<b>2.87%</b>
Patent Box tax effect previous years	-	-	-	-0.01%
<b>Effective tax charge</b>	<b>53</b>	<b>4.85%</b>	<b>26</b>	<b>2.85%</b>

With reference to the impairment losses, arising from the derecognition of certain maturing receivables not offset during the year, and the provision for tax credits (see also Note A10 - *Tax Credits Law no. 77/2020*), considering the current uncertainty regarding the relative tax treatment and the Company's need to consult the Agenzia delle Entrate in advance, based on the provisions of IFRIC 23 - Uncertainty of Treatment for Income Tax Purposes, the aforementioned charges have been valued as non-deductible for the purpose of determining income taxes for the year and no deferred tax assets have been recognised on these charges. The possible positive tax effects that may emerge as a result of potential developments in the interpretation of the cases in question and the conclusion of discussions with the Agenzia delle Entrate will be reflected in future financial statements.

## Current tax expense

tab. C11.3 – Movements in current tax assets/(liabilities)

Description (€m)	Current tax 2022		
	IRES	IRAP	Total
	Assets/ (Liabilities)	Assets/ (Liabilities)	
<b>Balance at 1 January</b>	<b>89</b>	<b>16</b>	<b>105</b>
Payments	351	14	365
for payments on account for the current year	343	14	357
substitute tax	8	-	8
Collection of claim for IRES refund	(4)	-	(4)
Provisions to profit or loss	(132)	(43)	(175)
for current liabilities	(138)	(43)	(181)
for Patent Box and ACE tax effect	6	-	6
Provisions to equity	7	(4)	3
Tax consolidation	(249)	-	(249)
Other*	9	-	9
<b>Balance at 31 December</b>	<b>71</b>	<b>(17)</b>	<b>54</b>
of which:			
Current tax assets	89	9	98
Current tax liabilities	(18)	(26)	(44)

\* This item refers to receivables for withholding taxes.

In 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 2022, current tax assets/(liabilities) include:

- liabilities of €39 million relating to all companies participating in tax consolidation determined by IRES and IRAP provisions for the year 2022 net of IRES and IRAP advances paid and IRES and IRAP receivables from the previous year;
- a net liability for a total of €3 million recognised following the response received to the petition filed by the Company with the Agenzia delle Entrate on the IRAP treatment of the components of employee termination benefits. In its reply, the Agenzia delle Entrate indicated a different criterion for the time allocation of these components from that provided for by international accounting standards;
- assets totalling €43 million, of which €33 million related to the Patent Box regime for the 2015-2019 financial years and the tax benefit recognised to the Company related to the Economic Growth Allowance (ACE) for the 2013 and 2016 financial years, and €10 million related to the residual Patent Box asset transferred by the subsidiary Poste Vita SpA to Poste Italiane. These assets will become compensable after the submission of the relevant supplementary tax returns;
- 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 €18 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;
- the substitute tax credit of €8 million relating to the redemption carried out by Company during the year, 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. The payment of the substitute tax will allow, as of the financial year following the payment for Nexive Group and as of the second financial year following the payment for Sengi HK, the amounts of the redeemed goodwill to be deducted for tax purposes;
- assets totalling €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.

Lastly, the remaining IRES receivable of €4 million was collected on the failure to deduct IRAP resulting from the requests filed pursuant to art. 6 of Law Decree no. 185 of 29 November 2008 and art. 2 of Law Decree no. 201 of 6 December 2011, which provided for a partial deductibility of IRAP for IRES purposes (in this regard, see as reported on receivables for related interest in Note A9).

## Deferred tax assets and liabilities

Details of this item at 31 December 2022 are shown in the following table:

**tab. C11.4 – Deferred taxes**

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021	Changes
Deferred tax assets	1,455	674	781
Deferred tax liabilities	(232)	(674)	442
<b>Total</b>	<b>1,223</b>	<b>-</b>	<b>1,223</b>
of which attributable to BancoPosta RFC			
Deferred tax assets	1,157	283	874
Deferred tax liabilities	(226)	(670)	444

Details of this item at 31 December 2022 are shown in the following table:

**tab. C11.5 – Movements in deferred tax assets and liabilities**

Description (€m)	Notes	FY 2022
<b>Balance at 1 January</b>		<b>-</b>
Net income/(expense) recognised in profit or loss		(78)
Net income/(expense) recognised in equity	[tab. C11.8]	1,304
Extraordinary transactions*		(3)
<b>Balance at 31 December</b>		<b>1,223</b>

\* Extraordinary transactions relate to the balance of deferred tax assets transferred to Poste Italiane SpA following the merger by incorporation of the business unit of PSIA Srl on 1 November 2022.

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	Discounting of provisions for employee termination benefits	Contract liabilities	Other	Total
<b>Balance at 1 January 2022</b>	<b>18</b>	<b>227</b>	<b>84</b>	<b>259</b>	<b>32</b>	<b>15</b>	<b>39</b>	<b>674</b>
Income/(expense) recognised in profit or loss	(1)	-	(6)	(61)	(1)	(1)	(8)	(78)
Income/(expense) recognised in equity	-	890	-	-	(31)	-	-	859
<b>Balance at 31 December 2022</b>	<b>17</b>	<b>1,117</b>	<b>78</b>	<b>198</b>	<b>-</b>	<b>14</b>	<b>31</b>	<b>1,455</b>

**tab. C11.7 – Movements in deferred tax liabilities**

Description (€m)	Financial assets and liabilities	Gains	Other	Total
<b>Balance at 1 January 2022</b>	<b>671</b>	<b>1</b>	<b>1</b>	<b>673</b>
Expense/(income) recognised in equity	(445)	-	-	(445)
Extraordinary transactions	3	-	-	3
<b>Balance at 31 December 2022</b>	<b>229</b>	<b>1</b>	<b>1</b>	<b>231</b>

At 31 December 2022, deferred tax assets and liabilities recognised directly in equity are as follows:

**tab. C11.8 – Income/(expense) recognised in equity**

Description (€m)	Increases/(decreases) in equity	
	FY 2022	FY 2021
Fair value reserve for financial assets at FVTOCI	1,298	407
Cash flow hedge reserve	37	53
Actuarial gains/(losses) on employee termination benefits	(31)	(4)
<b>Total</b>	<b>1,304</b>	<b>456</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 statement of 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 SpA	-	-	-	-	-	-	-	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 SpA	-	-	-	-	-	-	50	-	-
LIS Pay SpA	-	-	-	-	-	23	-	-	-
<b>Associates</b>									
Financit SpA	-	-	3	-	-	-	-	16	-
<b>Related parties external to the Group</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	-	-	-
Invitalia Group	-	20	1	-	-	-	-	-	-
Other related parties external to the Group	-	-	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>



## Impact of related party transactions on the financial position at 31 December 2021

Name (€m)	Balance at 31.12.2021								
	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	-	-	23	2	-	6	33	4	-
CLP ScpA	-	-	3	1	-	-	-	98	-
Consorzio PosteMotori	-	-	13	-	-	18	-	-	-
Consorzio Servizi Telef. Mobile ScpA	-	-	-	-	-	-	-	47	-
EGi SpA	-	-	1	1	-	1	54	1	-
Poste Air Cargo Srl	-	7	1	-	-	-	-	-	-
PatentiViaPoste ScpA	-	-	2	-	-	12	-	-	-
Poste Vita SpA	-	251	237	44	-	549	377	2	10
Postel SpA	-	-	59	2	-	1	7	22	1
PostePay SpA	76	-	302	12	-	8,290	666	150	4
SDA Express Courier SpA	-	60	29	12	-	5	50	171	1
sennder Italia SpA	-	11	-	-	-	-	15	-	-
Milkman Deliveries SpA	-	-	-	-	-	-	-	6	-
Nexive Network Srl	-	25	1	1	-	-	-	4	14
Nexive Scarl	-	-	8	-	-	-	6	-	1
PSIA Srl	-	21	-	-	-	-	-	-	-
<b>Indirect subsidiaries</b>									
Address Software Srl	-	-	-	-	-	-	-	1	-
Kipoint SpA	-	-	-	-	-	1	1	2	-
Poste Assicura SpA	-	-	10	-	-	11	7	-	3
Poste Welfare Servizi Srl	-	-	2	1	-	-	19	2	-
Poste Insurance Broker	-	-	-	-	-	1	-	-	-
Sengi Express Limited LIM	-	-	23	-	-	-	-	-	-
<b>Associates</b>									
Anima Group	-	-	-	1	-	-	-	-	-
ItaliaCamp Srl	-	-	1	-	-	-	-	-	-
Financit SpA	-	-	20	-	-	-	-	-	-
<b>Related parties external to the Group</b>									
MEF	12,712	-	153	2	1,990	3,441	3	10	8
Cassa Depositi e Prestiti Group	3,216	-	387	-	-	-	-	4	-
Enel Group	-	-	23	-	-	-	-	-	-
Eni Group	-	-	2	-	-	-	-	8	-
Leonardo Group	-	-	1	-	-	-	-	15	-
Monte dei Paschi di Siena Group	167	-	1	-	1	347	-	-	-
Invitalia Group	-	20	1	-	-	-	-	-	-
Other related parties external to the Group	-	-	13	-	-	-	3	1	64
Provisions for doubtful debts from related parties	(6)	(21)	(36)	-	-	-	-	-	-
<b>Total</b>	<b>16,165</b>	<b>374</b>	<b>1,280</b>	<b>79</b>	<b>1,991</b>	<b>12,683</b>	<b>1,241</b>	<b>548</b>	<b>106</b>

At 31 December 2022, 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 €67 million (€72 million at 31 December 2021).

## 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	Investments		Cost of goods and services	Expenses from financial activities	Current expenditure			
				Property, plant and equipment	Intangible assets			Personnel 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	-	-	-	-	-	-	-	-	-
PatentViaPoste 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>Related parties external to the Group</b>											
MEF	1,105	-	1	-	-	1	3	-	-	1	1
Cassa Depositi e Prestiti 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 related parties external to the Group	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>

## Impact of related party transactions on profit or loss in FY 2021

Name (€m)	FY 2021											
	Revenue			Costs								
	Revenue from sales and services	Other operating income	Finance income	Investments		Cost of goods and services	Expenses from financial activities	Current expenditure			Finance costs	
				Property, plant and equipment	Intangible assets			Personnel expenses	Other operating costs	Impairment losses/ (Reversals of impairment losses) on debt instruments, receivables and other assets		
Direct subsidiaries												
BancoPosta Fondi SpA SGR	78	21	-	-	-	14	-	-	-	-	-	-
CLP ScpA	1	-	-	2	-	202	-	-	-	-	-	-
Consorzio PosteMotori	43	-	-	-	-	-	-	-	1	-	-	-
Consorzio Servizi Telef. Mobile ScpA	-	-	-	-	-	23	-	-	-	-	-	-
EGI SpA	-	-	-	-	-	2	-	-	-	-	-	1
Poste Air Cargo Srl	1	-	-	-	-	-	-	-	-	-	-	-
PatentiViaPoste ScpA	25	-	-	-	-	-	-	-	-	-	-	-
Poste Vita SpA	527	429	46	-	-	-	-	-	-	-	-	-
Postel SpA	26	4	-	-	-	30	-	3	-	-	-	-
PostePay SpA	439	130	-	-	-	267	30	(1)	-	-	-	-
SDA Express Courier SpA	20	39	1	-	-	777	-	(1)	-	-	-	-
Milkman Deliveries SpA	-	-	-	-	-	18	-	-	-	-	-	-
Nexive Network Srl	4	-	-	-	-	3	-	-	-	-	-	-
Nexive Scarl	-	1	-	-	-	-	-	-	-	-	-	-
Indirect subsidiaries												
Kipoint SpA	-	-	-	-	-	3	-	-	-	-	-	-
Poste Assicura SpA	56	-	-	-	-	-	-	-	-	-	-	-
Poste Welfare Servizi Srl	3	-	-	-	-	-	-	-	-	-	-	-
Poste Insurance Broker	1	-	-	-	-	-	-	-	-	-	-	-
Sengi Express Limited LIM	61	-	-	-	-	-	-	-	-	-	-	-
Associates												
Anima Group	2	1	8	-	-	-	-	-	-	-	-	-
Financit SpA	16	-	-	-	-	-	-	-	-	-	-	-
Related parties external to the Group												
MEF	439	1	-	-	-	1	8	-	-	(4)	1	
Cassa Depositi e Prestiti Group	1,818	-	-	3	-	3	-	-	-	-	1	
Enel Group	44	-	-	-	-	-	-	-	-	-	-	
Eni Group	15	-	-	-	-	29	-	-	-	-	-	
Leonardo Group	-	-	-	1	5	24	-	-	-	-	-	
Monte dei Paschi Group	13	-	-	-	-	-	-	-	-	-	-	
Invitalia Group	2	-	1	-	-	-	-	-	-	-	-	
Other related parties external to the Group	19	2	-	-	-	3	-	71	1	-	-	
Total	3,653	627	56	6	5	1,399	38	72	2	(4)	3	

At 31 December 2022, 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 €0.7 million (€0.4 million at 31 December 2021).

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 integrated 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, franking of mail on credit and postage paid mailing services.
- 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)	31.12.2022			31.12.2021		
	Total in financial statements	Total related parties	Impact (%)	Total in financial statements	Total related parties	Impact (%)
<b>Financial position</b>						
Financial assets	84,196	15,486	18.4	90,212	16,539	18.3
Trade receivables	2,657	1,207	45.4	2,925	1,280	43.8
Other receivables and assets	2,620	35	1.3	2,647	79	3.0
Cash and cash equivalents	2,258	1,991	88.2	3,870	1,991	51.4
Provisions for risks and charges	1,257	67	5.3	1,169	72	6.2
Financial liabilities	104,703	15,575	14.9	106,259	13,924	13.1
Trade payables	1,970	479	24.3	2,031	548	27.0
Other liabilities	3,362	215	6.4	3,009	106	3.5
<b>Profit or loss</b>						
Revenue from sales and services	8,904	4,285	48.1	8,488	3,653	43.0
Other operating income	721	667	92.5	680	627	92.2
Cost of goods and services	2,498	1,415	56.6	2,486	1,399	56.3
Expenses from financial activities	215	33	15.3	178	38	21.3
Personnel expenses	4,987	65	1.3	5,235	72	1.4
Other operating costs	473	8	1.7	209	4	1.9
Finance costs	71	5	7.0	64	3	4.7
Finance income	94	78	83.0	76	56	73.7
<b>Cash flow</b>						
Net cash flow from/(for) operating activities	2,064	2,766	134.0	358	(5,012)	n.a.
Net cash flow from/(for) investing activities	(2,255)	(1,096)	48.6	(689)	(394)	57.2
Net cash flow from/(for) financing activities and shareholder transactions	1,419	(417)	n.a.	172	106	61.6

## 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)	31.12.2022	31.12.2021
Remuneration to be paid in short/medium term	13,164	13,189
Post-employment benefits	571	568
Other benefits to be paid in longer term	1,871	2,447
Share-based payments	2,469	4,488
<b>Total</b>	<b>18,075</b>	<b>20,692</b>

### Remuneration of Statutory Auditors

Description (€k)	31.12.2022	31.12.2021	Changes
Remuneration	264	265	(1)
Expenses	1	-	1
<b>Total</b>	<b>265</b>	<b>265</b>	<b>-</b>

The remuneration paid to members of the Company's Supervisory Board for 2022 amounts to approximately €97 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 2022, 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 Shareholders' 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.

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## 6. Risk Management

### Introduction

The note on “Risk management” is common to both the Poste Italiane Group and Poste Italiane SpA and deals with both financial risk (as defined by IFRS 7) and other types of risk that the Group deems it appropriate or necessary to disclose, and also the provisions of the Public Statement ESMA 32-63-1320 published on 28 October 2022.

Quantitative disclosures for Poste Italiane SpA alone are provided in the specific section of this note, unless otherwise indicated.

### Financial Risks

Information on financial risk management at 31 December 2022 is provided below, in accordance with the requirements of the international financial reporting standard, IFRS 7 – *Financial Instruments: Disclosures*.

Responsibility for coordinating and managing investment and hedging strategies related to BancoPosta RFC and Poste Italiane has been assigned to BancoPosta Fondi SpA SGR.

Poste Italiane SpA financial activities, related to treasury management, medium-term funding transactions, including capital market transactions, and extraordinary and subsidised finance are the responsibility of the Parent Company's 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>220</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 “Decreto Rilancio”) and subsequent amendments and additions, or other tax credits transferable pursuant to current legislation<sup>221</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 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 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>222</sup>,

220. 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.

221. As provided for in Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021.

222. See in particular the provisions laid down in Part I – Section IV – Chapter 3.

which, among other things, requires definition of a Risk Appetite Framework (RAF<sup>223</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 20.3% at 31 December 2022. With reference to the Leverage Ratio, the latter had a value, again at year-end, of 2.9%; the evolution of the indicator compared to 31 December 2021 was mainly affected by the loss of the benefits of the sterilisation of the items "Cash and deposits with the central bank", applied until the first quarter of 2022 due to the Covid emergency.

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 the insurance company, **Poste Vita SpA**, primarily relate to investments designed to cover its contractual obligations to policyholders on traditional life policies and unit-linked policies. Other investments in financial instruments regard investment of the insurance company's free capital.

Traditional Life policies, classified under Class I and V, primarily include products whose benefits are revaluated 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 (so-called 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 2022, this minimum return at maturity on existing policies ranged between 0% and 2.1%). Gains and losses resulting from measurement are attributed in full to policyholders and accounted for in specific technical provisions under the shadow accounting method. The calculation technique used by the Group in applying this method is based on the prospective yield on each separately managed account, considering a hypothetical realisation of unrealised gains and losses over a period of time that matches the assets and liabilities held in the portfolio (see note 2.3 in relation to "Insurance contracts").

The impact of financial risk on investment performance can be absorbed in full or in part by the insurance provisions. 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 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.

**Poste Assicura SpA's** investment policies are designed to preserve the Company's financial strength, as outlined in the framework resolution approved by the Board of Directors of **Poste Vita SpA** on 5 December 2022. Regular analyses of the macroeconomic context and market trends for the different asset classes, with the relevant effects on asset-liability management, are conducted. For the P&C business, the focus is on the management of liquidity in order 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;

223. 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.

- 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.

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.

## Poste Italiane Group

### Fair value interest rate risk

This is the risk that the value of a financial instrument fluctuates as a result of movements in market interest rates.

This 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.

The following interest rate sensitivity analysis was based on changes in fair value with a parallel shift in the forward 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.

The table below shows the sensitivity analysis for the fair value interest rate risk at 31 December 2022 for the Poste Italiane Group's positions.

### Poste Italiane Group - Fair value interest rate risk

Description (€m)	Risk exposure		Change in value		Effect on deferred liabilities toward policyholders		Profit/(Loss) before tax		Equity reserves before taxation	
	Nominal	Fair value	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps
<b>2022 effects</b>										
Financial assets										
Financial assets at FVTOCI	148,102	129,782	(7,118)	7,098	(6,214)	6,214	-	-	(904)	884
Fixed income instruments	147,602	129,280	(7,116)	7,096	(6,212)	6,212	-	-	(904)	884
Other investments	500	502	(2)	2	(2)	2	-	-	-	-
Financial assets at FVTPL	2,738	4,288	(315)	315	(312)	312	(3)	3	-	-
Fixed income instruments	2,697	2,285	(82)	82	(78)	78	(3)	3	-	-
Other investments*	41	2,003	(234)	234	(234)	234	-	-	-	-
Derivative financial instruments	1,614	350	78	(96)	-	-	-	-	78	(96)
Cash flow hedges	1,614	350	78	(96)	-	-	-	-	78	(96)
Tax credits Law no. 77/2020	-	-	-	-	-	-	-	-	-	-
Financial liabilities										
Derivative financial instruments	2,968	(96)	(148)	158	-	-	-	-	(148)	158
Fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	2,968	(96)	(148)	158	-	-	-	-	(148)	158
Fair value hedges	-	-	-	-	-	-	-	-	-	-
<b>Variability at 31 December 2022</b>	<b>155,422</b>	<b>134,324</b>	<b>(7,503)</b>	<b>7,476</b>	<b>(6,526)</b>	<b>6,526</b>	<b>(3)</b>	<b>3</b>	<b>(974)</b>	<b>946</b>
<b>2021 effects</b>										
Financial assets										
Financial assets at FVTOCI	131,503	149,043	(8,701)	8,584	(7,879)	7,879	-	-	(822)	705
Fixed income instruments	131,003	148,518	(8,699)	8,582	(7,877)	7,877	-	-	(822)	705
Other investments	500	525	(2)	2	(2)	2	-	-	-	-
Financial assets at FVTPL	2,541	4,460	(365)	365	(360)	360	(5)	5	-	-
Fixed income instruments	2,501	2,579	(115)	115	(110)	110	(5)	5	-	-
Other investments*	40	1,881	(250)	250	(250)	250	-	-	-	-
Derivative financial instruments	1,714	76	220	(257)	-	-	-	-	220	(257)
Cash flow hedges	1,714	76	220	(257)	-	-	-	-	220	(257)
Tax credits Law no. 77/2020	3,538	3,301	(65)	67	-	-	-	-	(65)	67
Financial liabilities										
Derivative financial instruments	50	(3)	1	(1)	-	-	-	-	1	(1)
Fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	50	(3)	1	(1)	-	-	-	-	1	(1)
Fair value hedges	-	-	-	-	-	-	-	-	-	-
<b>Variability at 31 December 2021</b>	<b>139,345</b>	<b>156,876</b>	<b>(8,910)</b>	<b>8,758</b>	<b>(8,239)</b>	<b>8,239</b>	<b>(5)</b>	<b>5</b>	<b>(667)</b>	<b>514</b>

\* For Other investments relative to Mutual investment funds, the nominal value 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 €77,448 million; of this amount, €75,507 million is used to cover Class I and V policies linked to separately managed accounts, and €1,941 million relates to the Company's free capital;
- fixed income government bonds held by BancoPosta RFC for a total fair value of €33,161 million, which consist of: fixed rate bonds amounting to €17,126 million, variable rate bonds converted into fixed rate bonds via interest rate swaps designated as cash flow hedges, totalling €3,117 million, variable rate securities for €1,266 million (of which inflation-linked securities amounting to €775 million), and fixed or variable rate bonds converted to variable rate positions via fair value hedges amounting to €11,652 million (including €4,078 million in forward starts);
- €18,700 million total fair value in other non-government debt securities held by Poste Vita SpA, used mainly to meet obligations towards policyholders.

**Financial assets at fair value through profit or loss**, which are recognised at risk, are held entirely by the Poste Vita Group and are primarily used to cover commitments to policyholders. They relate to a portion of investments invested in fixed-income securities totalling €2,285 million, of which €3 million related to Poste Assicura, and to the position in *Other investments* consisting of alternative fund units for €1,982 million and the remaining €21 million from the bond issued by Cassa Depositi e Prestiti as a private placement.

Within the context of **derivative financial instruments**, the risk in question primarily concerns:

- forward sales of government bonds with a nominal value of €1,099 million, and forward purchase contracts for a nominal value of €3,433 million, classified as cash flow hedges, entered into by BancoPosta RFC;
- a derivative contract entered into by the Parent Company to protect cash flows relating to the variable-rate bond for a nominal value of €50 million.

At 31 December 2022, with reference to the interest rate risk exposure determined by the average duration<sup>224</sup>, the duration of BancoPosta's overall investments went from 5.39 to 5.01. On the other hand, with respect to Class I and Class V policies sold by Poste Vita SpA, the duration of the matching assets went from 7.34 at 31 December 2021 to 6.95 at 31 December 2022, whilst the duration of the liabilities went from 9.42 to 7.50 (assessment of the duration was carried out using the new Coherent Duration method<sup>225</sup>). The financial instruments intended to cover the technical provisions for Class III policies have maturities that match those of the liabilities.

## Spread risk

This is the risk of a potential fall in the value of bonds held, following 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 2022 financial year was characterised by an increase in yields on Italian government bonds (the 10-year BTP fell from 1.17% to 4.72%), which brought the BTP-Bund spread to 214 basis points compared to 135 last year. These movements led to a reduction in the price of securities.

The performance of the Group's portfolio in the period under review is as follows:

- the portfolio of *Financial assets at fair value through other comprehensive income* held by Poste Italiane SpA (notional amount of approximately €37 billion) has undergone an overall net decrease in fair value of approximately €10 billion: this change was partly recognised in profit or loss for an amount of approximately €6 billion 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 consolidated equity for approximately €4 billion;

224. Duration is the indicator used to estimate the percentage change in price in response to a shift in market returns.

225. 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.

- ii. an overall net decrease of approximately €23.4 billion in the Poste Vita group's portfolio of *Financial assets at fair value through other comprehensive income* (a nominal value of the fixed income instruments of approximately €110 billion), almost entirely transferred to policyholders and recognised in specific technical provisions under the shadow accounting mechanism.

The sensitivity to the spread has been calculated by applying a shift of +/- 100 bps to the yield curve for Italian government bonds.

The table below shows the results of the analysis of sensitivity<sup>226</sup> to spread risk of the most significant positions in the portfolios of both the Parent Company and the Poste Vita group at 31 December 2022.

### Poste Italiane SpA - Fair value spread risk

Description (€m)	Risk exposure		Change in value		Equity reserves before taxation	
	Nominal	Fair Value	+100bps	-100bps	+100bps	-100bps
<b>2022 effects</b>						
Financial assets						
Financial assets at FVTOCI	37,599	33,252	(2,835)	3,348	(2,835)	3,348
Fixed income instruments	37,599	33,252	(2,835)	3,348	(2,835)	3,348
Other investments	-	-	-	-	-	-
Derivative financial instruments	1,564	350	78	(94)	78	(94)
Cash flow hedges	1,564	350	78	(94)	78	(94)
Financial liabilities						
Derivative financial instruments	2,968	(96)	(156)	166	(156)	166
Fair value through profit or loss	-	-	-	-	-	-
Cash flow hedges	2,968	(96)	(156)	166	(156)	166
<b>Variability at 31 December 2022</b>	<b>42,131</b>	<b>33,506</b>	<b>(2,912)</b>	<b>3,420</b>	<b>(2,912)</b>	<b>3,420</b>
<b>2021 effects</b>						
Financial assets						
Financial assets at FVTOCI	31,416	37,626	(4,305)	5,198	(4,305)	5,198
Fixed income instruments	31,416	37,626	(4,305)	5,198	(4,305)	5,198
Other investments	-	-	-	-	-	-
Derivative financial instruments	1,714	76	227	(264)	227	(264)
Cash flow hedges	1,714	76	227	(264)	227	(264)
<b>Variability at 31 December 2021</b>	<b>33,130</b>	<b>37,702</b>	<b>(4,078)</b>	<b>4,934</b>	<b>(4,078)</b>	<b>4,934</b>

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 2022 amounted to €27,699 million (nominal value of €28,304 million) and have a fair value of €23,651 million, would be reduced in fair value by approximately €2.45 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.

226. For sensitivity purposes, the swap rate curve and the BTP curve were used (10-year swap rate of 320 bps and the spread of the BTP compared to the 10-year swap rate of 151 bps).



## Poste Vita Group - Fair value spread risk

Description (€m)	Risk exposure		Change in value		Effect on deferred liabilities toward policyholders		Profit/(Loss) before tax		Equity reserves before taxation	
	Notional	Fair value	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps
<b>2022 effects</b>										
Financial assets										
Financial assets at FVTOCI	110,471	96,501	(7,084)	7,084	(6,968)	6,968	-	-	(116)	116
Fixed income instruments	109,971	95,999	(7,079)	7,079	(6,963)	6,963	-	-	(116)	116
Other investments	500	502	(5)	5	(5)	5	-	-	-	-
Financial assets at FVTPL	2,738	4,288	(420)	420	(412)	412	(8)	8	-	-
Fixed income instruments	2,697	2,285	(186)	186	(177)	177	(8)	8	-	-
Other investments*	41	2,003	(235)	235	(235)	235	-	-	-	-
<b>Variability at 31 December 2022</b>	<b>113,209</b>	<b>100,789</b>	<b>(7,504)</b>	<b>7,504</b>	<b>(7,379)</b>	<b>7,379</b>	<b>(8)</b>	<b>8</b>	<b>(116)</b>	<b>116</b>
<b>2021 effects</b>										
Financial assets										
Financial assets at FVTOCI	100,056	111,385	(8,802)	8,802	(8,684)	8,684	-	-	(118)	118
Fixed income instruments	99,556	110,860	(8,792)	8,792	(8,674)	8,674	-	-	(118)	118
Other investments	500	525	(10)	10	(10)	10	-	-	-	-
Financial assets at FVTPL	2,541	4,460	(393)	393	(387)	387	(6)	6	-	-
Fixed income instruments	2,501	2,579	(142)	142	(136)	136	(6)	6	-	-
Other investments*	40	1,881	(251)	251	(251)	251	-	-	-	-
<b>Variability at 31 December 2021</b>	<b>102,597</b>	<b>115,845</b>	<b>(9,195)</b>	<b>9,195</b>	<b>(9,071)</b>	<b>9,071</b>	<b>(6)</b>	<b>6</b>	<b>(118)</b>	<b>118</b>

\* For Other investments relative to Mutual investment funds, the nominal value indicates the number of units held without taking into account the face value of the equity security.

For the purposes of full disclosure, following an increase in the spread of 100 bps, the Poste Vita group's fixed income instruments measured at amortised cost, which at 31 December 2022 amounted to €2,159 million (notional value of €2,081 million) and have a fair value of €1,863 million, would be reduced in fair value by approximately €142 million, with the change not reflected in the accounts.

In addition to using the above sensitivity analysis, Poste Italiane SpA and the Poste Vita group monitor spread risk by calculating its maximum potential losses, through an estimate of Value at Risk (VAR) on statistical bases, over a 1-day time horizon and at a 99% confidence level. Risk analysis performed through VAR takes into account the historical variability of the risk (spread) in question, in addition to modelling parallel shifts of the yield curve.

The following table shows the maximum potential loss computed at 31 December 2022, limited, in terms of materiality, to the financial assets held by the Parent Company and the Poste Vita group.



## Poste Italiane SpA - VAR analysis

Description (€m)	Risk exposure		SpreadVaR
	Nominal	Fair value	
2022 effects			
Financial assets			
Financial assets at FVTOCI*	37,599	33,252	374
Fixed income instruments	37,599	33,252	374
Derivative financial instruments*	3,433	(92)	31
Cash flow hedges	3,433	(92)	31
Variability at 31 December 2022	41,032	33,160	384
2021 effects			
Financial assets			
Financial assets at FVTOCI*	31,416	37,626	267
Fixed income instruments	31,416	37,626	267
Variability at 31 December 2021	31,416	37,626	267

\* The VAR indicated for derivative financial instruments refers solely to forward purchases while the VAR related to fixed-income bonds takes into account also forward sales.

## Poste Vita Group - VAR analysis

Description (€m)	Risk exposure		SpreadVaR
	Nominal	Fair value	
2022 effects			
Financial assets			
Financial assets at FVTOCI*	110,471	96,501	3,947
Fixed income instruments	109,971	95,999	3,947
Other investments	500	502	-
Financial assets at FVTPL	2,738	4,288	16
Fixed income instruments	2,697	2,285	12
Other investments**	41	2,003	5
Variability at 31 December 2022	113,209	100,789	3,946
2021 effects			
Financial assets			
Financial assets at FVTOCI*	100,056	111,385	839
Fixed income instruments	99,556	110,860	839
Other investments	500	525	-
Financial assets at FVTPL	2,541	4,460	7
Fixed income instruments	2,501	2,579	4
Other investments**	40	1,881	3
Variability at 31 December 2021	102,597	115,845	840

\* The VAR indicated for derivative financial instruments refers solely to forward purchases while the VAR related to fixed-income bonds takes into account also forward sales.

\*\* For Other investments relative to Mutual investment funds, the nominal value indicates the number of units held without taking into account the face value of the equity security.

## Cash flow interest rate risk

This is defined as the uncertainty related to the generation of future cash flows, due to interest rate fluctuations. It may result from the misalignment – in terms of interest rates, indexation methods and maturities – of financial assets and liabilities that tend to remain in place until their contractual and/or expected maturity (so-called banking book) which, as such, generate economic effects in terms of net interest income, reflecting on the income results of future periods.

The following 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.

Sensitivity to cash flow interest rate risk at 31 December 2022 on the Poste Italiane Group's positions is shown in the table below.

### Poste Italiane Group - Cash flow interest rate risk

Description (€m)	Risk exposure	Change in value		Effect on deferred liabilities toward policyholders		Profit/(Loss) before tax	
	Nominal	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps
<b>2022 effects</b>							
Financial assets							
Financial assets at amortised cost							
Receivables							
Deposits with the MEF	11,907	119	(119)	-	-	119	(119)
Other financial receivables	2,457	25	(25)	-	-	25	(25)
Fixed income instruments	8,115	81	(81)	-	-	81	(81)
Financial assets at FVTOCI							
Fixed income instruments	14,382	144	(142)	36	(36)	108	(106)
Other investments	500	5	(5)	5	(5)	-	-
Financial assets at FVTPL							
Fixed income instruments	72	1	(1)	1	(1)	-	-
Other investments	22	-	-	-	-	-	-
Cash and deposits attributable to BancoPosta							
Bank deposits	1,888	19	(19)	-	-	19	(19)
Cash and cash equivalents							
Bank deposits	2,650	26	(20)	18	(18)	8	(1)
Deposits with the MEF	1,991	20	(20)	-	-	20	(20)
Financial liabilities							
Loans							
Bonds	-	-	-	-	-	-	-
Due to financial institutions	(3,996)	(40)	40	-	-	(40)	40
Financial liabilities due to subsidiaries	-	-	-	-	-	-	-
Other financial liabilities	(4,824)	(48)	48	-	-	(48)	48
<b>Variability at 31 December 2022</b>	<b>35,162</b>	<b>351</b>	<b>(343)</b>	<b>60</b>	<b>(60)</b>	<b>291</b>	<b>(283)</b>

Description (€m)	Risk exposure	Change in value		Effect on deferred liabilities toward policyholders		Profit/(Loss) before tax	
	Nominal	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps
<b>2021 effects</b>							
Financial assets							
Financial assets at amortised cost							
Receivables							
Deposits with the MEF	12,712	127	(127)	-	-	127	(127)
Other financial receivables	4,861	49	(49)	-	-	49	(49)
Fixed income instruments	5,770	58	(58)	-	-	58	(58)
Financial assets at FVTOCI							
Fixed income instruments	16,688	167	(167)	65	(65)	102	(102)
Other investments	500	5	(5)	5	(5)	-	-
Financial assets at FVTPL							
Fixed income instruments	49	-	-	-	-	-	-
Other investments	22	-	-	-	-	-	-
Cash and deposits attributable to BancoPosta							
Bank deposits	4,773	48	(48)	-	-	48	(48)
Cash and cash equivalents							
Bank deposits	5,078	51	(51)	37	(37)	14	(14)
Deposits with the MEF	1,990	20	(20)	-	-	20	(20)
Financial liabilities							
Loans							
Bonds	-	-	-	-	-	-	-
Due to financial institutions	(2,956)	(30)	30	-	-	(30)	30
Financial liabilities due to subsidiaries	-	-	-	-	-	-	-
Other financial liabilities	(230)	(2)	2	-	-	(2)	2
<b>Variability at 31 December 2021</b>	<b>49,257</b>	<b>493</b>	<b>(493)</b>	<b>107</b>	<b>(107)</b>	<b>386</b>	<b>(386)</b>

Specifically, with respect to **financial assets**, the cash flow interest rate risk primarily relates to:

- a portion of the securities portfolio held by Poste Vita SpA, with a total nominal value of €4,372 million;
- receivables at amortised cost totalling €2,457 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 €11,907 million;
- fixed rate government bonds held by the Parent Company at both variable rate for a nominal total of €500 million and fixed rate swapped into variable rate positions through fair value hedges, with a total nominal amount of €18,006 million (including €4,550 million in securities hedged against changes in fair value, where the hedges will begin to have an effect on profit or loss in the 12 months after the end of the period under review); in addition to an inflation-linked bond issued by the Italian Republic, with a nominal value of €150 million, both of which have been hedged against changes in its fair value.

In relation to **cash and cash equivalents**, cash flow interest rate risk primarily relates to the bank deposits of Poste Italiane SpA and Poste Vita SpA, in addition to amounts deposited by the Parent Company with the MEF and held in the so-called "buffer account".

## Credit risk

This is the risk of default of one of the counterparties to which there is an exposure, with the exception of equities and units of mutual funds.

In order to comply with the provisions of IFRS 9, which requires the inclusion of a forward looking approach in the calculation of expected losses on financial instruments, also taking into account the evolution of the Italian economic scenario, the Group updated the forecast scenarios to take into account new elements based on the IMF's estimates for the year 2022, which led to a slight increase in the PD of Italy and the other Sovereign counterparties compared to what was used in the assessments of the Annual Financial Report at 31 December 2021.

## Credit risk management practices: inputs, assumptions and estimation techniques

II The impairment model applicable to financial instruments measured at amortised cost and at fair value through other comprehensive income is based on Expected Credit Losses (ECL). Below, the methods adopted to manage credit risk are described.

### 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.

### 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 PD with respect to the rating classes<sup>227</sup>;
- a judgemental factor to be used only in the presence of sudden changes in the creditworthiness not yet reflected by the rating<sup>228</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.

227. 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.

228. 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 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 homogenous 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.

The Poste Italiane Group incorporates forward looking information directly in the PD estimation. In particular, for sovereign counterparties, for which authoritative forward-looking estimates 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>229</sup>.

## 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 could be directly the rating or, alternatively, 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.

229. 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 internal model estimate used a definition of default based on the following approach:

- Government financial instruments – payment delays, including also for one day, or debt renegotiation;
- Corporate and Banking financial instruments – 90-day payment delays.

## 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 income securities, variable-rate securities, inflation-indexed securities, etc.);
- TF: the effective interest rate of each exposure was used as discount factor.

## 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.

## Exposure to credit risk

With regard to the **financial assets** exposed to this risk and to which the accounting rules governing impairment apply, the following table shows the Poste Italiane Group's exposure at 31 December 2022, relating to financial assets measured at amortised cost and at fair value through other comprehensive income, for which a general deterioration model was 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.

## Poste Italiane Group - Credit risk - Ratings

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 1	Stage 2			
2022 effects										
Financial assets at amortised cost										
Loans	-	-	-	1,358	-	-	-			1,358
Receivables	195	-	-	14,274	-	7	-			14,476
Fixed income instruments	54	-	209	32,323	-	-	-			32,586
Other investments	-	-	-	-	-	-	-			-
Gross carrying amount - Total	249	-	209	47,955	-	7	-			48,420
Provision to cover expected losses	-	-	-	(40)	-	-	-			(40)
Total amortised cost at 31 December 2022	249	-	209	47,915	-	7	-	629	(2,714)	46,295
2021 effects										
Financial assets at amortised cost										
Loans	-	-	-	-	-	-	-			-
Receivables	233	-	-	17,409	-	-	-			17,642
Fixed income instruments	-	-	-	32,953	-	-	-			32,953
Other investments	-	-	-	-	-	-	-			-
Gross carrying amount - Total	233	-	-	50,362	-	-	-			50,595
Provision to cover expected losses	-	-	-	(36)	-	-	-			(36)
Total amortised cost at 31 December 2021	233	-	-	50,326	-	-	-	567	2,188	53,313

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			
2022 effects									
Financial assets at FVTOCI									
Fixed income instruments	8,709	-	136,163	13	2,058	58			147,001
Other investments	-	-	501	-	-	-			501
Gross carrying amount - Total	8,709	-	136,696	13	2,058	58			147,533
Carrying amount - Fair value at 31 December 2022	7,650	-	120,254	12	1,815	51	-		129,782
2021 effects									
Financial assets at FVTOCI									
Fixed income instruments	2,209	-	128,317	5	2,464	197			133,192
Other investments	-	-	500	-	-	-			500
Gross carrying amount - Total	2,209	-	128,817	5	2,464	197			133,692
Carrying amount - Fair value at 31 December 2021	2,280	-	144,080	5	2,478	200	-		149,043

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 €47 million was transferred to policyholders.

#### Poste Italiane Group - Credit risk - Credit risk concentration

Description (€m)	31.12.2022		31.12.2021	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Financial assets at amortised cost	48,420	(40)	50,595	(36)
Loans	1,358	-	-	-
Sovereign	-	-	-	-
Corporate	1,358	-	-	-
Banking	-	-	-	-
Receivables	14,475	(26)	17,642	(25)
Sovereign	11,907	(5)	12,711	(5)
Corporate	1,100	(20)	1,615	(20)
Banking	1,468	-	3,316	-
Fixed income instruments	32,586	(14)	32,953	(11)
Sovereign	29,563	(13)	29,922	(11)
Corporate	3,015	(1)	3,020	-
Banking	9	-	11	-
Financial assets at FVTOCI	147,533	(64)	133,692	(65)
Fixed income instruments	147,033	(64)	133,192	(65)
Sovereign	124,757	(48)	112,026	(40)
Corporate	14,933	(14)	12,602	(22)
Banking	7,344	(2)	8,564	(3)
Other investments	501	-	500	-
Sovereign	-	-	-	-
Corporate	-	-	-	-
Banking	501	-	500	-
<b>Total</b>	<b>195,953</b>	<b>(104)</b>	<b>184,287</b>	<b>(101)</b>

## Collateral held and other credit enhancements

### Principles and processes involved in measuring and managing guarantees and other credit risk mitigation instruments

The Poste Italiane Group uses instruments to mitigate credit risk and counterparty risk. Specifically:

- as regards Poste Italiane SpA, primarily in relation to 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;
- the Poste Vita Group invests in, among other things, corporate bonds that are guaranteed in order to mitigate the overall exposure to credit risk;
- in terms of trade receivables, the Poste Italiane Group credit terms are extended for customers, requesting, in certain cases, guarantees or sureties issued by prime banks or insurance companies.



At 31 December 2022, the Group does not hold financial assets 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).

The main types of instrument used to mitigate credit risk are described below.

## Fixed income instruments

Debt instruments held by the Group and secured by guarantees or other risk mitigation instruments are as follows:

- 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 2022. 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;
- bonds held by the Poste Vita Group, amounting to a nominal value of €6,158 million at 31 December 2022. 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 the Parent Company or another associate, amounting to a nominal value of €5,364 million;
  - covered bonds backed by mortgages, primarily property mortgages, amounting to a nominal value of €186 million;
  - bonds guaranteed by sovereign states, amounting to a nominal value of €608 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.

## Derivative financial instruments and repurchase agreements

In order to limit the counterparty risk exposure, Poste Italiane SpA has concluded standard ISDA master agreements (with attached CSA) and GMRA's which govern the collateralization 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 the paragraph "Offsetting financial assets and liabilities".

## Trade receivables

To mitigate the risks arising from the extension of credit terms to its customers, the Poste Italiane 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.

## 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.

## Financial assets

### Poste Italiane Group - Credit risk - Details of the provision to cover expected losses on financial instruments at amortised cost

Description (€m)	Amortised cost		Total
	Receivables	Fixed income instruments	
	Stage 1	Stage 1	
<b>Balance at 1 January 2022</b>	<b>25</b>	<b>12</b>	<b>37</b>
Impairment of securities/receivables held at the beginning of the period	1	2	3
Reversal of securities/receivables held at the beginning of the period	-	-	-
Impairment of securities / receivables purchased/paid in the period	-	1	1
Reversal for write-off	-	-	-
Reversal due to sale/collection	-	(1)	(1)
<b>Balance at 31 December 2022</b>	<b>26</b>	<b>14</b>	<b>40</b>

At 31 December 2022, estimated expected losses on financial instruments at amortised cost amount to approximately €40 million; the provision increased by €3 million compared to 31 December 2021.

### Poste Italiane Group - Credit risk - Details of the provision to cover expected losses on financial instruments at FVTOCI

Description (€m)	FVTOCI		Total
	Receivables	Fixed income instruments	
	Stage 1	Stage 1	
<b>Balance at 1 January 2022</b>	<b>-</b>	<b>13</b>	<b>13</b>
Impairment of securities/receivables held at the beginning of the period	-	3	3
Reversal of securities/receivables held at the beginning of the period	-	(1)	(1)
Impairment of securities / receivables purchased/paid in the period	-	4	4
Reversal for write-off	-	-	-
Reversal due to sale/collection	-	(1)	(1)
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>17</b>	<b>17</b>

At 31 December 2022, estimated expected losses on financial instruments measured at fair value through other comprehensive income amount to approximately €17 million; the provision increased by roughly €4 million compared to 31 December 2021.

## Trade receivables

The Poste Italiane Group's exposure to credit risk, in relation to each class of **trade receivable** at 31 December 2022, is shown separately depending on whether or not the model used to estimate ECL is based on an individual or a collective assessment.

**Poste Italiane Group - Credit risk - Trade receivables impaired on the analytical basis**

Description (€m)	31.12.2022		31.12.2021	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Trade receivables				
Due from customers	1,065	231	1,711	270
Cassa Depositi e Prestiti	22	0	387	0
Ministries and Public Administration entities	411	53	297	97
Overseas counterparties	97	0	360	2
Private customers	535	178	667	171
Due from the Parent Company	288	33	78	31
Due from others	4	-	21	-
<b>Total</b>	<b>1,357</b>	<b>265</b>	<b>1,810</b>	<b>301</b>

**Poste Italiane Group - Credit risk - Trade receivables impaired on the basis of the simplified matrix**

Range of past due (€m)	31.12.2022		31.12.2021	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Not past due trade receivables	770	14	659	7
Past due 0 - 1 year	216	12	250	22
Past due 1 - 2 years	71	13	77	16
Past due 2 - 3 years	48	8	53	19
Past due 3 - 4 years	27	16	23	14
Past due > 4 years	64	63	62	62
Positions subject to legal recovery and/or insolvency proceedings	177	159	139	121
<b>Total</b>	<b>1,374</b>	<b>285</b>	<b>1,263</b>	<b>261</b>

Movements in the expected credit loss provisions for trade receivables (due from customers and the MEF) are as follows:

Description (€m)	Balance at 31.12.2021	Net provisions	Deferred income	Uses	Change in scope of consolidation	Balance at 31.12.2022
Private customers	301	51	-	(20)	1	333
Public administration entities	128	(34)	-	(11)	-	84
Overseas postal operators	14	(1)	-	-	-	12
	<b>443</b>	<b>15</b>	<b>-</b>	<b>(31)</b>	<b>1</b>	<b>429</b>
Interest on late payments	86	20	-	(20)	-	88
Due from the Parent Company	33	-	-	-	-	33
<b>Total</b>	<b>562</b>	<b>36</b>	<b>-</b>	<b>(51)</b>	<b>1</b>	<b>550</b>

At 31 December 2022, the provisions for doubtful debts due from customers included net releases of approximately €34 million mainly arising from agreements finalised during the year, as well as additions to appropriations in the 2023 State Budget for certain credit items subject over time to legislative measures restricting public spending, for further details see Note A8 - Trade Receivables. Net provisions of €51 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.

## Other receivables and assets

Movements in the provisions for doubtful debts for other receivables and assets are shown below.

### Poste Italiane Group - Movements in Provisions for doubtful debts due from others

Description (€m)	Balance at 31.12 2021	Net provisions	Uses	Balance at 31.12. 2022
Interest accrued on IRES refund	46	(1)	-	45
Public Administration entities for sundry services	-	-	-	-
Receivables relating to fixed-term contract settlements	24	-	-	24
Other receivables	118	(5)	(6)	107
<b>Total</b>	<b>188</b>	<b>(5)</b>	<b>(6)</b>	<b>177</b>

## 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>230</sup>.

In particular, the disclosures in question concern the following positions relating to Poste Italiane SpA at 31 December 2022:

- 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.

230. 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:

(a) currently has a legally enforceable right to set off the recognised amounts; and  
(b) intends either to settle on a net basis or to realise the asset and settle the liability simultaneously".

### 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)	
FY 2022						
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	-	-
Total at 31 December 2022	10,685	3,217	7,468	2,555	4,822	91
FY 2021						
Financial assets attributable to BancoPosta RFC						
Derivatives	873	-	873	866	7	-
Repurchase agreements	1,577	1,577	-	-	-	-
Financial assets outside ring-fence						
Derivatives	3	-	3	-	2	1
Total at 31 December 2021	2,453	1,577	876	866	9	1

\* 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.

### 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)	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)	
FY 2022						
Financial liabilities attributable to BancoPosta RFC						
Derivatives	971	-	971	947	24	-
Repurchase agreements	13,342	3,217	10,125	9,236	889	-
Total at 31 December 2022	14,313	3,217	11,096	10,183	913	-
FY 2021						
Financial liabilities attributable to BancoPosta RFC						
Derivatives	5,460	-	5,460	1,405	3,976	79
Repurchase agreements	14,837	1,577	13,260	13,235	24	1
Financial liabilities outside ring-fence						
Derivatives	3	-	3	-	3	-
Total at 31 December 2021	20,300	1,577	18,723	14,640	4,003	80

\* 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.

## 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.

At 31 December 2022, unrestricted cash and cash equivalents amounted to €1.2 billion. The committed and uncommitted credit lines available to the Group and the related uses are summarised in the table below.

Description (€m)	Balance at 31.12.2022	Balance at 31.12.2021
<b>Committed credit lines</b>	<b>2,450</b>	<b>1,750</b>
Short-term loans	2,450	1,750
<b>Uncommitted credit lines</b>	<b>2,159</b>	<b>2,357</b>
Short-term loans	1,005	1,309
Current account overdrafts	145	145
Unsecured loans	1,008	903
<b>Total</b>	<b>4,609</b>	<b>4,107</b>
<b>Uncommitted uses</b>	<b>652</b>	<b>975</b>
Short-term loans	1	550
Unsecured loans	652	425
<b>Total</b>	<b>652</b>	<b>975</b>

At 31 December 2022, the Parent Company's unsecured loans amounted to €886 million.

No collateral has been provided to secure the credit lines obtained.

On 31 March 2022, a new loan of €100 million was signed with the EIB "Green Mobility". The loan, disbursed on 2 May 2022, provides interest at a fixed rate of 1.467% and matures on 2 May 2028.

The uncommitted credit lines are also available for overnight transactions entered into by BancoPosta RFC.

In addition, from 26 June 2020, BancoPosta RFC may access a 3-year committed facility granted by Cassa Depositi e Prestiti for repurchase agreements up to a maximum of €4.25 billion, unused at 31 December 2022.

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 €2,582 million, and the facility is unused at 31 December 2022.

At 31 December 2022, 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 €1.45 billion on the capital market. As part of this programme, in 2013, Poste Italiane placed a 10-year loan of €50 million on the Luxembourg Stock Exchange and in December 2020, it placed an additional senior unsecured loan with a total nominal value of €1 billion.

The existing credit lines and the loans are adequate to meet financing requirements expected to date.

The following tables compare the Poste Italiane Group's liabilities and assets at 31 December 2022.

### Poste Italiane Group - Liquidity Risk - Liabilities

Description (€m)	31.12.2022				31.12.2021			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Flows from Poste Vita group's policies	14,494	35,351	171,345	221,191	9,188	35,209	146,899	191,296
Financial liabilities	55,126	22,965	28,048	106,139	52,185	22,847	25,869	100,901
Postal current accounts	27,486	13,887	26,963	68,336	28,548	15,285	24,766	68,599
Loans	6,518	8,288	753	15,559	9,538	6,997	712	17,247
Financial liabilities for leases	297	782	328	1,407	219	560	387	1,166
Other financial liabilities	20,825	8	3	20,837	13,880	5	4	13,889
Trade payables	2,234	-	-	2,234	2,029	-	-	2,029
Other liabilities	2,000	1,998	6	4,004	1,865	1,740	9	3,614
<b>Total Liabilities</b>	<b>73,855</b>	<b>60,314</b>	<b>199,398</b>	<b>333,567</b>	<b>65,267</b>	<b>59,796</b>	<b>172,777</b>	<b>297,840</b>

The above table shows expected cash outflows at the date of the financial statements, broken down by maturity, while the maturities of 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 2022. The liabilities of Poste Vita SpA and Poste Assicura SpA are reflected in "Flows from Poste Vita Group's policies".

### Poste Italiane Group - Liquidity risk - Assets

Description (€m)	31.12.2022				31.12.2021			
	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	41,129	67,472	246,475	355,076	36,201	64,489	199,855	300,545
Trade receivables	2,178	4	-	2,182	2,518	6	-	2,524
Other receivables and assets	1,100	4,101	21	5,221	1,163	3,988	26	5,178
Tax credits Law no. 77/2020	1,569	5,514	3,134	10,217	928	3,793	2,669	7,388
Cash and deposits attributable to BancoPosta	5,848	-	-	5,848	7,659	-	-	7,659
Cash and cash equivalents	4,983	-	-	4,983	7,958	-	-	7,958
<b>Total Assets</b>	<b>56,807</b>	<b>77,091</b>	<b>249,630</b>	<b>383,528</b>	<b>56,427</b>	<b>72,276</b>	<b>202,550</b>	<b>331,252</b>

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by interest receivable. Held-to-maturity and available-for-sale financial assets include financial instruments held by BancoPosta RFC and 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 investment of customers' current account balances and with the Class I and V policies issued by Poste Vita SpA.

In terms of BancoPosta RFC's specific operations, the liquidity risk regards current account deposits and prepaid cards<sup>231</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

231. 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.

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 years for retail customers, ten years for business customers and Postepay cards and five years for Public Administration customers.

As to the policies sold by Poste Vita SpA, in order to analyse its liquidity risk profile, the company performs Asset/liability management (ALM) analysis to manage assets effectively in relation to its obligations to policyholders, and also develops projections of the effects deriving from financial market shocks (asset dynamics) and of the behaviour of policyholders (liability dynamics).

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.

## Price risk

This is 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 at 31 December 2022 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. The results of the sensitivity analysis carried out at 31 December 2022 for the Poste Italiane Group are shown in the following table.



## Poste Italiane Group - Price risk

Description (€m)	Risk exposure	Change in value		Effect on deferred liabilities toward policyholders		Profit/(Loss) before tax		Equity reserves before taxation	
		+ Vol	- Vol	+ Vol	- Vol	+ Vol	- Vol	+ Vol	- Vol
2022 effects									
Financial assets									
Financial assets at FVTOCI	343	150	(150)	-	-	-	-	150	(150)
Equity instruments	343	150	(150)	-	-	-	-	150	(150)
Structured bonds	-	-	-	-	-	-	-	-	-
Other investments	-	-	-	-	-	-	-	-	-
Financial assets at FVTPL	39,104	4,484	(4,483)	4,471	(4,471)	13	(12)	-	-
Equity instruments	304	136	(136)	124	(124)	12	(12)	-	-
Other investments	38,800	4,348	(4,347)	4,347	(4,347)	1	1	-	-
Derivative financial instruments	(4)	(12)	12	-	-	(12)	12	-	-
Fair value through profit or loss	-	-	-	-	-	-	-	-	-
Fair value through profit or loss (liabilities)	(4)	(12)	12	-	-	(12)	12	-	-
Variability at 31 December 2022	39,442	4,622	(4,621)	4,471	(4,471)	1	-	150	(150)
2021 effects									
Financial assets									
Financial assets at FVTOCI	651	202	(202)	-	-	-	-	202	(202)
Equity instruments	651	202	(202)	-	-	-	-	202	(202)
Structured bonds	-	-	-	-	-	-	-	-	-
Other investments	-	-	-	-	-	-	-	-	-
Financial assets at FVTPL	40,313	5,280	(5,280)	5,270	(5,270)	10	(10)	-	-
Equity instruments	256	66	(66)	56	(56)	10	(10)	-	-
Other investments	40,057	5,214	(5,214)	5,214	(5,214)	-	-	-	-
Derivative financial instruments	(3)	(9)	9	-	-	(9)	9	-	-
Fair value through profit or loss	-	-	-	-	-	-	-	-	-
Fair value through profit or loss (liabilities)	(3)	(9)	9	-	-	(9)	9	-	-
Variability at 31 December 2021	40,961	5,473	(5,473)	5,270	(5,270)	1	(1)	202	(202)

**Financial assets at fair value through other comprehensive income** refer to Nexi shares held by the Parent Company in the amount of €343 million.

In relation to **financial assets measured at fair value through profit or loss**, price risk concerns the following:

- investments in units of mutual investment funds held by Poste Vita SpA, with a fair value of €38,800 million<sup>232</sup>, including approximately €29,635 million used to cover Class I policies, approximately €9,159 million used to cover Class III policies and a residual amount relating to the free capital;
- equity instruments held by Poste Vita SpA, totalling €264 million, used to cover Class I policies linked to separately managed accounts and to cover Class III policies;
- shares held by BancoPosta RFC, totalling €40 million consisting of the preferred shares of 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.

232. Not included in the scope of this analysis are €1,982 million of mutual funds with a predominantly bond composition.

In the area of **Derivative Financial Instruments**, price risk mainly relates to the forward sale contract of 198,000 Visa Incorporated ordinary shares entered into by the Parent Company.

The shares in Moneyfarm, SennderTechnologies GmbH, Milkman, Scalapay Limited and Volante, which are classified as **Financial Assets at fair value through other comprehensive income**, are not subject to sensitivity in the above table.

## Cash flow inflation risk

This is defined as the uncertainty related to future cash flows due to changes in the rate of inflation observed in the market.

The table below analyses the sensitivity of future cash flows for the Poste Italiane Group's financial assets at 31 December 2022.

### Poste Italiane Group - Cash flow inflation risk

Description (€m)	Risk exposure		Change in value		Effect on deferred liabilities toward policyholders		Profit/(Loss) before tax	
	Nominal	Carrying amount	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps
<b>2022 effects</b>								
Financial assets								
Financial assets at amortised cost	364	423	-	-	-	-	-	-
Fixed income instruments	364	423	-	-	-	-	-	-
Financial assets at FVTOCI	9,900	11,175	41	(41)	40	(40)	2	(2)
Fixed income instruments	9,900	11,175	41	(41)	40	(40)	2	(2)
<b>Variability at 31 December 2022</b>	<b>10,264</b>	<b>11,598</b>	<b>41</b>	<b>(41)</b>	<b>40</b>	<b>(40)</b>	<b>2</b>	<b>(2)</b>
<b>2021 effects</b>								
Financial assets								
Financial assets at amortised cost	272	317	-	-	-	-	-	-
Fixed income instruments	272	317	-	-	-	-	-	-
Financial assets at FVTOCI	10,058	12,474	43	(43)	41	(41)	2	(2)
Fixed income instruments	10,058	12,474	43	(43)	41	(41)	2	(2)
<b>Variability at 31 December 2021</b>	<b>10,330</b>	<b>12,791</b>	<b>43</b>	<b>(43)</b>	<b>41</b>	<b>(41)</b>	<b>2</b>	<b>(2)</b>

At 31 December 2022, 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 €9,193 million are held by Poste Vita SpA and securities totalling €1,022 million by BancoPosta RFC.

## Foreign exchange risk

This is 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.

The table below shows the sensitivity to foreign exchange risk of the Poste Italiane Group's most significant positions at 31 December 2022.

## Poste Italiane Group - Foreign exchange risk

Description (€m)	Position in GBP	Position in USD	Position in Euro	Change in value		Profit/(Loss) before tax		Equity reserves before taxation	
				+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days
2022 effects									
Financial assets									
Financial assets at FVTOCI	50	8	65	5	(5)	-	-	5	(5)
Equity instruments	50	8	65	5	(5)	-	-	5	(5)
Fixed income instruments	-	-	-	-	-	-	-	-	-
Other investments	-	-	-	-	-	-	-	-	-
Financial assets at FVTPL	-	152	143	14	(14)	14	(14)	-	-
Equity instruments	-	42	40	4	(4)	4	(4)	-	-
Other investments	-	110	103	10	(10)	10	(10)	-	-
Derivative financial instruments	-	(4)	(4)	(4)	4	(4)	4	-	-
Fair value through profit or loss	-	-	-	-	-	-	-	-	-
Fair value through profit or loss (liabilities)	-	(4)	(4)	(4)	4	(4)	4	-	-
Variability at 31 December 2022	50	156	204	16	(16)	11	(11)	5	(5)
2021 effects									
Financial assets									
Financial assets at FVTOCI	44	8	60	3	(3)	-	-	3	(3)
Equity instruments	44	8	60	3	(3)	-	-	3	(3)
Fixed income instruments	-	-	-	-	-	-	-	-	-
Other investments	-	-	-	-	-	-	-	-	-
Financial assets at FVTPL	-	148	131	7	(7)	7	(7)	-	-
Equity instruments	-	44	39	2	(2)	2	(2)	-	-
Other investments	-	104	92	5	(5)	5	(5)	-	-
Derivative financial instruments	-	(3)	(3)	(2)	2	(2)	2	-	-
Fair value through profit or loss	-	-	-	-	-	-	-	-	-
Fair value through profit or loss (liabilities)	-	(3)	(3)	(2)	2	(2)	2	-	-
Variability at 31 December 2021	44	153	188	8	(8)	5	(5)	3	(3)

At 31 December 2022, the risk in question was primarily due to:

- the Parent Company's equity investments in Visa (€40 million) and Moneyfarm (€57 million);
- the PostePay equity investment in Volanté (€8 million);
- shares in certain funds held by Poste Vita SpA (€99 million);
- derivative contract on Visa Incorporated ordinary shares entered into by the Parent Company (at 31 December 2022, negative fair value of €4 million).

Foreign exchange risk refers to the net receivable/(payable) position in SDRs, a synthetic currency resulting from the weighted average of the exchange rates of four major currencies (euro, US dollar, British pound and Japanese yen) held by Poste Italiane SpA and used worldwide to settle debts and credits among postal operators.

## Poste Italiane Group - Foreign exchange risk/SDR

Description (€m)	Position in DSP	Position in Euro	Change in value		Profit/(Loss) before tax	
			+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days
2022 effects						
Current assets in SDRs	166	208	10	(10)	10	(10)
Current liabilities in SDRs	(201)	(251)	(12)	12	(12)	12
Variability at 31 December 2022	(34)	(43)	(2)	2	(2)	2
2021 effects						
Current assets in SDRs	220	271	7	(7)	7	(7)
Current liabilities in SDRs	(239)	(295)	(8)	8	(8)	8
Variability at 31 December 2021	(19)	(24)	(1)	1	(1)	1

The Poste Italiane Group is also 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 2022, however, a significant change in exchange rates would not have a material impact on the Group's consolidated financial statements.

# Poste Italiane SpA

For the purposes of full disclosure, information on Poste Italiane SpA's exposure to financial risk is reported below if not already covered in the above information regarding the Poste Italiane Group.

## Fair value interest rate risk

### Fair value interest rate risk

Description (€m)	Risk exposure		Change in value		Profit/(Loss) before tax		Equity reserves before taxation	
	Nominal	Fair value	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps
<b>2022 effects</b>								
Financial assets attributable to BancoPosta RFC								
Financial assets at FVTOCI	37,489	33,161	(804)	784	-	-	(804)	784
Fixed income securities	37,489	33,161	(804)	784	-	-	(804)	784
Derivative financial instruments	1,564	350	79	(95)	-	-	79	(95)
Cash flow hedge	1,564	350	79	(95)	-	-	79	(95)
Financial assets outside ring-fence								
Financial assets at FVTOCI	110	91	(5)	5	-	-	(5)	5
Fixed income securities	110	91	(5)	5	-	-	(5)	5
Derivative financial instruments	50	-	(1)	(1)	-	-	(1)	(1)
Cash flow hedge	50	-	(1)	(1)	-	-	(1)	(1)
Financial liabilities attributable to BancoPosta RFC								
Derivative financial instruments	2,968	(96)	(148)	158	-	-	(148)	158
Cash flow hedge	2,968	(96)	(148)	158	-	-	(148)	158
<b>Variability at 31 December 2022</b>	<b>42,181</b>	<b>33,506</b>	<b>(879)</b>	<b>851</b>	<b>-</b>	<b>-</b>	<b>(879)</b>	<b>851</b>
<b>2021 effects</b>								
Financial assets attributable to BancoPosta RFC								
Financial assets at FVTOCI	31,416	37,626	(717)	600	-	-	(717)	600
Fixed income securities	31,416	37,626	(717)	600	-	-	(717)	600
Derivative financial instruments	1,714	76	219	(257)	-	-	219	(257)
Cash flow hedge	1,714	76	219	(257)	-	-	219	(257)
Tax credits Law no. 77/2020	3,538	3,301	(65)	67	-	-	(65)	67
Tax credits at FVTOCI	3,538	3,301	(65)	67	-	-	(65)	67
Financial liabilities outside the ring-fence								
Derivative financial instruments	50	(3)	1	(1)	-	-	1	(1)
Cash flow hedge	50	(3)	1	(1)	-	-	1	(1)
<b>Variability at 31 December 2021</b>	<b>36,718</b>	<b>4,000</b>	<b>(562)</b>	<b>409</b>	<b>-</b>	<b>-</b>	<b>(562)</b>	<b>409</b>

## Cash flow interest rate risk

### Cash flow interest rate risk

Description (€m)	Risk exposure	Change in value		Profit/(Loss) before tax	
	Nominal	+100 bps	-100 bps	+100 bps	-100 bps
<b>2022 effects</b>					
Financial assets attributable to BancoPosta RFC					
Financial assets at amortised cost					
Receivables					
Deposit with the MEF	11,907	119	(119)	119	(119)
Other financial receivables	2,457	25	(25)	25	(25)
Fixed income securities	8,115	81	(81)	81	(81)
Financial assets at FVTOCI					
Fixed income securities	10,540	105	(105)	105	(105)
Financial assets outside ring-fence					
Financial assets at amortised cost					
Loans	362	4	(4)	4	(4)
Cash and deposits attributable to BancoPosta					
Bank deposits	1,888	19	(19)	19	(19)
Cash and cash equivalents					
Bank deposits	113	1	(1)	1	(1)
Deposits with the MEF	1,991	20	(20)	20	(20)
Financial liabilities attributable to BancoPosta RFC					
Borrowings					
Due to financial institutions	(3,996)	(40)	40	(40)	40
Other financial liabilities	(4,824)	(48)	48	(48)	48
Financial liabilities outside the ring-fence					
Financial liabilities due to subsidiaries	(1,281)	(13)	13	(13)	13
<b>Variability at 31 December 2022</b>	<b>27,272</b>	<b>273</b>	<b>(273)</b>	<b>273</b>	<b>(273)</b>

Description (€m)	Risk exposure	Change in value		Profit/(Loss) before tax	
	Nominal	+100 bps	-100 bps	+100 bps	-100 bps
<b>2021 effects</b>					
Financial assets attributable to BancoPosta RFC					
Financial assets at amortised cost					
Receivables					
Deposit with the MEF	12,712	127	(127)	127	(127)
Other financial receivables	4,858	49	(49)	49	(49)
Fixed income securities	5,770	58	(58)	58	(58)
Financial assets at FVTOCI					
Fixed income securities	9,800	98	(98)	98	(98)
Financial assets outside ring-fence					
Financial assets at amortised cost					
Loans	373	4	(4)	4	(4)
Receivables					
Other financial receivables	3	-	-	-	-
Cash and deposits attributable to BancoPosta					
Bank deposits	4,773	48	(48)	48	(48)
Cash and cash equivalents					
Bank deposits	1,051	10	(10)	10	(10)
Deposits with the MEF	1,990	20	(20)	20	(20)
Financial liabilities attributable to BancoPosta RFC					
Borrowings					
Due to financial institutions	(2,956)	(30)	30	(30)	30
Other financial liabilities	(228)	(2)	2	(2)	2
Financial liabilities outside the ring-fence					
Financial liabilities due to subsidiaries	(1,195)	(12)	12	(12)	12
Other financial liabilities	(2)	-	-	-	-
<b>Variability at 31 December 2021</b>	<b>36,949</b>	<b>370</b>	<b>(370)</b>	<b>370</b>	<b>(370)</b>

# Credit risk

## 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 1	Stage 2	Stage 3			
2022 effects											
Financial assets at amortised cost											
Loans	-	-	-	1,358	-	-	-	-			1,358
Receivables	195	-	-	14,170	-		-	-			14,365
Fixed income securities	-	-	-	30,426	-	-	-	-			30,426
Gross carrying amount - Total	195	-	-	45,954	-	-	-	-			46,149
Provision to cover expected losses	-	-	-	(19)	-	-	-	-	-	-	(19)
Total amortised cost at 31 December 2022	195	-	-	45,935	-	-	-	-	566	(2,714)	43,982
2021 effects											
Financial assets at amortised cost											
Loans	-	-	-	-	-	-	-	-			-
Receivables	233	-	-	17,337	-		-	-			17,570
Fixed income securities	-	-	-	30,932	-	-	-	-			30,932
Gross carrying amount - Total	233	-	-	48,269	-	-	-	-			48,502
Provision to cover expected losses	-	-	-	(15)	-	-	-	-	-	-	(15)
Total amortised cost at 31 December 2021	233	-	-	48,254	-	-	-	-	541	2,188	51,216

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 1	Stage 2	Stage 3			
2022 effects											
Financial assets at FVTOCI											
Fixed income securities	-	-	-	38,949	-	-	-	-			38,949
Gross carrying amount - Total	-	-	-	38,949	-	-	-	-			38,949
Provision to cover expected losses - OCI	-	-	-	(16)	-	-	-	-			(16)
Carrying amount - Fair value at 31 December 2022	-	-	-	33,161	-	-	-	-	-	-	33,161
2021 effects											
Financial assets at FVTOCI											
Fixed income securities	-	-	-	33,845	-	-	-	-			33,845
Gross carrying amount - Total	-	-	-	33,845	-	-	-	-			33,845
Provision to cover expected losses - OCI	-	-	-	(12)	-	-	-	-			(12)
Carrying amount - Fair value at 31 December 2021	-	-	-	37,626	-	-	-	-	-	-	37,626



## 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 1	Stage 2	Stage 3			
<b>2022 effects</b>											
<b>Financial assets at amortised cost</b>											
Loans	-	-	-	366	-	-	-	-			366
Receivables	-	-	-	20	-	-	-	-			20
<b>Gross carrying amount - Total</b>	-	-	-	<b>386</b>	-	-	-	-			<b>386</b>
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>2021 effects</b>											
<b>Financial assets at amortised cost</b>											
Loans	-	-	-	375	-	-	-	-			375
Receivables	-	-	-	23	-	-	-	-			23
<b>Gross carrying amount - Total</b>	-	-	-	<b>398</b>	-	-	-	-			<b>398</b>
Provision to cover expected losses	-	-	-	(21)	-	-	-	-	-	-	(21)
<b>Total amortised cost at 31 December 2021</b>	-	-	-	<b>377</b>	-	-	-	-	<b>4</b>	-	<b>381</b>

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 1	Stage 2	Stage 3			
<b>2022 effects</b>											
<b>Financial assets at FVTOCI</b>											
Fixed income securities	-	-	-	99	-	-	-	-			99
<b>Gross carrying amount - Total</b>	-	-	-	<b>99</b>	-	-	-	-			<b>99</b>
Provision to cover expected losses - OCI	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying amount - Fair value at 31 December 2022</b>	-	-	-	<b>91</b>	-	-	-	-	-	-	<b>91</b>
<b>2021 effects</b>											
<b>Financial assets at FVTOCI</b>											
Fixed income securities	-	-	-	-	-	-	-	-			-
<b>Gross carrying amount - Total</b>	-	-	-	-	-	-	-	-			-
Provision to cover expected losses - OCI	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying amount - Fair value at 31 December 2021</b>	-	-	-	-	-	-	-	-	-	-	-

## BancoPosta RFC - Credit risk - Concentration

Description (€m)	31.12.2022		31.12.2021	
	Gross Carrying amount	Provision to cover expected losses	Gross Carrying amount	Provision to cover expected losses
Financial assets at amortised cost	46,149	(18)	48,502	(15)
Loans	1,358	-	-	-
Sovereign	-	-	-	-
Corporate	1,358	-	-	-
Banking	-	-	-	-
Receivables	14,364	(5)	17,570	(5)
Sovereign	11,907	(5)	12,712	(5)
Corporate	989	-	1,545	-
Banking	1,468	-	3,313	-
Fixed income securities	30,427	(13)	30,932	(10)
Sovereign	27,420	(12)	27,920	(9)
Corporate	3,007	(1)	3,012	(1)
Banking	-	-	-	-
Financial assets at FVTOCI	38,949	(16)	33,845	(12)
Fixed income securities	38,949	(16)	33,845	(12)
Sovereign	38,949	(16)	33,845	(12)
Corporate	-	-	-	-
Banking	-	-	-	-
<b>Total</b>	<b>85,098</b>	<b>(34)</b>	<b>82,347</b>	<b>(27)</b>

## Capital outside the ring-fence - Credit risk - Concentration

Description (€m)	31.12.2022		31.12.2021	
	Gross Carrying amount	Provision to cover expected losses	Gross Carrying amount	Provision to cover expected losses
Financial assets at amortised cost	389	(21)	402	(21)
Loans	366	(1)	375	(1)
Sovereign	-	-	-	-
Corporate	366	(1)	375	(1)
Banking	-	-	-	-
Receivables	23	(20)	27	(20)
Sovereign	-	-	-	-
Corporate	23	(20)	24	(20)
Banking	-	-	3	-
Financial assets at FVTOCI	99	-	-	-
Fixed income securities	99	-	-	-
Sovereign	99	-	-	-
Corporate	-	-	-	-
Banking	-	-	-	-
<b>Total</b>	<b>488</b>	<b>(21)</b>	<b>402</b>	<b>(21)</b>

**BancoPosta RFC - Credit risk - Details of the provision to cover expected losses on financial instruments at amortised cost**

Description (€m)	Amortised cost		Total
	Receivables	Fixed income securities	
	Stage 1	Stage 1	
<b>Balance at 1 January 2022</b>	<b>5</b>	<b>10</b>	<b>15</b>
Impairment of securities/receivables held at the beginning of the period	1	2	3
Reversal of securities/receivables held at the beginning of the period	-	-	-
Impairment of securities/receivables purchased/paid in the period	-	1	1
Reversal for write-off	-	-	-
Reversal due to sale/collection	-	-	-
<b>Balance at 31 December 2022</b>	<b>6</b>	<b>13</b>	<b>19</b>

**BancoPosta RFC - Credit risk - Details of the provision to cover expected losses on financial instruments at amortised cost**

Description (€m)	FVTOCI		Total
	Receivables	Fixed income securities	
	Stage 1	Stage 1	
<b>Balance at 1 January 2022</b>	<b>-</b>	<b>12</b>	<b>12</b>
Impairment of securities/receivables held at the beginning of the period	-	2	2
Reversal of securities/receivables held at the beginning of the period	-	-	-
Impairment of securities/receivables purchased/paid in the period	-	3	3
Reversal for write-off	-	-	-
Reversal due to sale/collection	-	(1)	(1)
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>16</b>	<b>16</b>

**Capital outside the ring-fence - Credit risk - Details of the provision to cover expected losses on financial instruments at amortised cost**

Description (€m)	Amortised cost			Total
	Loans	Receivables	Fixed income securities	
	Stage 1	Stage 1	Stage 1	
<b>Balance at 1 January 2022</b>	<b>1</b>	<b>20</b>	<b>-</b>	<b>21</b>
Impairment of securities/receivables held at the beginning of the period	-	-	-	-
Reversal of securities/receivables held at the beginning of the period	-	-	-	-
Impairment of securities/receivables purchased/paid in the period	-	-	-	-
Reversal for write-off	-	-	-	-
Reversal due to sale/collection	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>1</b>	<b>20</b>	<b>-</b>	<b>21</b>

**Capital outside the ring-fence - Credit risk - Details of the provision to cover expected losses on financial instruments at amortised cost**

Description (€m)	FVTOCI			Total
	Loans	Receivables	Fixed income securities	
	Stage 1	Stage 1	Stage 1	
<b>Balance at 1 January 2022</b>	-	-	-	-
Impairment of securities/receivables held at the beginning of the period	-	-	-	-
Reversal of securities/receivables held at the beginning of the period	-	-	-	-
Impairment of securities/receivables purchased/paid in the period	-	-	-	-
Reversal for write-off	-	-	-	-
Reversal due to sale/collection	-	-	-	-
<b>Balance at 31 December 2022</b>	-	-	-	-

**Credit risk - Trade receivables impaired on the analytical basis**

Description (€m)	31.12.2022		31.12.2021	
	Gross Carrying amount	Provisions for doubtful debts	Gross Carrying amount	Provisions for doubtful debts
Trade receivables				
Due from customers	822	182	1,466	220
Cassa Depositi e Prestiti	22	-	387	-
Ministries and public entities	376	35	274	77
Overseas counterparties	97	-	360	2
Private customers	327	147	445	141
Due from the Parent Company	288	31	78	31
Due from Group companies	792	1	735	1
<b>Total</b>	<b>1,902</b>	<b>214</b>	<b>2,279</b>	<b>252</b>

**Credit risk - Trade receivables impaired on the basis of the simplified matrix**

Range of past due (€m)	31.12.2022		31.12.2021	
	Gross Carrying amount	Provisions for doubtful debts	Gross Carrying amount	Provisions for doubtful debts
Not past due trade receivables	699	12	619	6
Past due 0 - 1 year	176	8	196	17
Past due 1 - 2 years	55	6	62	10
Past due 2 - 3 years	42	5	48	16
Past due 3 - 4 years	24	13	20	11
Past due > 4 years	49	49	50	50
Positions subject to legal recovery and/or insolvency proceedings	137	120	92	78
<b>Total</b>	<b>1,182</b>	<b>213</b>	<b>1,087</b>	<b>188</b>

**Details of the provision to cover expected losses on trade receivables**

(€m)	Balance at 01.01.2022	Net provisions	Uses	Balance at 31.12.2022
Trade receivables				
Due from customers	332	10	(24)	318
Private customers	192	46	(13)	225
Public administration entities	126	(35)	(11)	80
Overseas postal operators	14	(1)	-	13
Interest on late payments	74	20	(19)	75
Due from the Parent company	33	-	-	33
Due from Group companies	1	-	-	1
<b>Total</b>	<b>440</b>	<b>30</b>	<b>(43)</b>	<b>427</b>
of which attributable to BancoPosta RFC	41	6	(7)	40

**Details of the provision to cover expected losses due from others**

(€m)	Balance at 01.01.2022	Net provisions	Uses	Balance at 31.12.2022
Interest accrued on IRES refund	45	(1)	-	44
Receivables relating to fixed-term contract settlements	24	-	-	24
Other receivables	92	(7)	(1)	84
<b>Total</b>	<b>161</b>	<b>(8)</b>	<b>(1)</b>	<b>152</b>
of which attributable to BancoPosta RFC	28	(12)	-	16

# Liquidity risk

## Liquidity risk - Liabilities

Item (€m)	31.12.2022				31.12.2021			
	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	49,200	23,062	30,815	103,077	46,752	23,121	27,978	97,851
Postal current accounts	31,409	15,869	30,812	78,090	32,246	17,264	27,974	77,484
Loans	6,457	7,189	-	13,646	8,977	5,852	-	14,829
Other financial liabilities	11,334	4	3	11,341	5,529	5	4	5,538
Financial liabilities outside the ring-fence	1,598	1,674	1,024	4,296	1,942	1,617	990	4,549
Financial liabilities for leases	257	573	271	1,101	187	467	335	989
Other financial liabilities	1,341	1,101	753	3,195	1,755	1,150	655	3,560
Trade payables	1,970	-	-	1,970	2,031	-	-	2,031
Other liabilities	1,456	1,903	5	3,364	1,333	1,669	9	3,011
<b>Total Liabilities</b>	<b>54,224</b>	<b>26,639</b>	<b>31,844</b>	<b>112,707</b>	<b>52,058</b>	<b>26,407</b>	<b>28,977</b>	<b>107,442</b>

## Liquidity risk - Assets

Description (€m)	31.12.2022				31.12.2021			
	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	24,401	19,303	80,653	124,357	25,343	12,368	67,213	104,924
Financial assets outside ring-fence	45	90	643	778	55	59	453	567
Trade receivables	2,656	1	-	2,657	2,924	2	-	2,926
Other receivables and assets	832	1,775	21	2,628	973	1,658	25	2,656
Tax credits Law no. 77/2020	1,569	5,514	3,134	10,217	927	3,793	2,669	7,389
Cash and deposits attributable to BancoPosta	5,848	-	-	5,848	7,659	-	-	7,659
Cash and cash equivalents	2,258	-	-	2,258	3,870	-	-	3,870
<b>Total Assets</b>	<b>37,609</b>	<b>26,683</b>	<b>84,451</b>	<b>148,743</b>	<b>41,751</b>	<b>17,880</b>	<b>70,360</b>	<b>129,991</b>

# Price risk

## Poste Italiane SpA - Price risk

Description (€m)	Risk exposure	Change in value		Profit/(Loss) before tax		Equity reserves before taxation	
		+ Vol	- Vol	+ Vol	- Vol	+ Vol	- Vol
2022 effects							
Financial assets attributable to BancoPosta RFC							
Financial assets at FVTPL	40	12	(12)	12	(12)	-	-
Equity instruments	40	12	(12)	12	(12)	-	-
Financial assets outside ring-fence							
Financial assets at FVTOCI	343	150	(150)	-	-	150	(150)
Equity instruments	343	150	(150)	-	-	150	(150)
Financial liabilities attributable to BancoPosta RFC							
Derivative financial instruments	(4)	(12)	12	(12)	12	-	-
Fair value through profit or loss	(4)	(12)	12	(12)	12	-	-
Variability at 31 December 2022	379	150	(150)	-	-	150	(150)
2021 effects							
Financial assets attributable to BancoPosta RFC							
Financial assets at FVTPL	39	10	(10)	10	(10)	-	-
Equity instruments	39	10	(10)	10	(10)	-	-
Financial liabilities attributable to BancoPosta RFC							
Derivative financial instruments	(3)	(9)	9	(9)	9	-	-
Fair value through profit or loss	(3)	(9)	9	(9)	9	-	-
Variability at 31 December 2021	36	1	(1)	1	(1)	-	-

## Foreign exchange risk

### Poste Italiane SpA - Currency risk USD

Description (€m)	Position in USD	Position in Euro	Change in value		Profit/(Loss) before tax		Equity reserves before taxation	
			+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days
2022 effects								
Financial assets attributable to BancoPosta RFC								
Financial assets at FVTPL	42	40	4	(4)	4	(4)	-	-
Equity instruments	42	40	4	(4)	4	(4)	-	-
Financial liabilities attributable to BancoPosta RFC								
Derivative financial instruments	(4)	(4)	(4)	4	(4)	4	-	-
Fair value through profit or loss	(4)	(4)	(4)	4	(4)	4	-	-
Variability at 31 December 2022	38	36	-	-	-	-	-	-
2021 effects								
Financial assets attributable to BancoPosta RFC								
Financial assets at FVTPL	44	39	2	(2)	2	(2)	-	-
Equity instruments	44	39	2	(2)	2	(2)	-	-
Financial liabilities attributable to BancoPosta RFC								
Derivative financial instruments	(3)	(3)	(2)	2	(2)	2	-	-
Fair value through profit or loss	(3)	(3)	(2)	2	(2)	2	-	-
Variability at 31 December 2021	41	36	-	-	-	-	-	-



## Poste Italiane SpA - Currency risk GBP

Description (€m)	Position in GBP	Position in Euro	Change in value		Profit/(Loss) before tax		Equity reserves before taxation	
			+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days
2022 effects								
Financial assets outside ring-fence								
Financial assets at FVTOCI	50	57	4	(4)	-	-	4	(4)
Equity instruments	50	57	4	(4)	-	-	4	(4)
Variability at 31 December 2022	50	57	4	(4)	-	-	4	(4)
2021 effects								
Financial assets outside ring-fence								
Financial assets at FVTOCI	44	53	3	(3)	-	-	3	(3)
Equity instruments	44	53	3	(3)	-	-	3	(3)
Variability at 31 December 2021	44	53	3	(3)	-	-	3	(3)

## Poste Italiane SpA - Currency risk DSP

Description (€m)	Position in SDRs	Position in Euro	Change in value		Profit/(Loss) before tax		Equity reserves before taxation	
			+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days
2022 effects								
Current assets in SDRs	167	208	10	(10)	10	(10)	-	-
Current liabilities in SDRs	(201)	(251)	(12)	12	(12)	12	-	-
Variability at 31 December 2022	(34)	(43)	(2)	2	(2)	2	-	-
2021 effects								
Current assets in SDRs	220	271	7	(7)	7	(7)	-	-
Current liabilities in SDRs	(239)	(295)	(8)	8	(8)	8	-	-
Variability at 31 December 2021	(19)	(24)	(1)	1	(1)	1	-	-

## Other risks

The other principal risks to which the Poste Italiane Group is exposed at 31 December 2022 are described below.

### 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 2022, 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 2021, and the monitoring of IT risk recovery plans was reinforced.

The activities carried out in 2022 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 2022, 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	29
External fraud	40
Employee practices and workplace safety	7
Customers, products and business practices	36
Damage caused by external events	4
Business disruption and system failure	8
Execution, delivery and process management	98
<b>Total at 31 December 2022</b>	<b>222</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.

Poste Vita SpA and Poste Assicura SpA 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.

## Other operational risks

In the exercise of its new energy business, PostePay is exposed to various risks, which are appropriately mitigated through physical purchases of commodities at a fixed price or through physical purchases at a spot price with the addition of derivative financial instruments (Commodity Swaps/Futures) and through forecasting activities of sales volumes and pricing of these risks.

## Insurance risks

Insurance risks derive from the stipulation of insurance contracts and the terms and conditions contained therein (technical bases adopted, premium calculation, terms and conditions of cash surrender, etc.). Mortality, longevity and redemption risks are relevant here.

In technical terms, mortality is one of the main risk factors for Poste Vita SpA, i.e. any risk associated with the uncertainty of a policyholder's life expectancy. Particular attention is paid in selling pure 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).

Nevertheless, at 31 December 2022, the mortality risk is limited for the Group, considering the features 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. Moreover, mortality risk is mitigated through reinsurance and by setting limits on both the capital and the age of the policyholder when policies are sold.

Longevity risk is also low. In fact, for most life insurance products the probability of annuitisation is very close to zero, as historical experience shows that policyholders never use the option to annuitise. 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.

Pricing risk is the risk of incurring losses due to inadequate premiums charged for the insurance products sold. It may arise due to:

- inappropriate selection of the technical basis;
- incorrect assessment of the options embedded in the product;
- incorrect evaluation of the factors used to calculate the expense loads.

As Poste Vita's mixed and whole-life policies have 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 Poste Vita's portfolio, except for the term life insurance products discussed above.

The options embedded in the policies held in the portfolio include:

- Surrender option;
- Guaranteed minimum return option;
- Annuity conversion option.

For nearly all the products in the portfolio there are no surrender penalties: the surrender risk only becomes significant, however, in the event of mass surrenders which, on the basis of historical evidence, have a low probability of occurrence (a surrender rate of approximately 3.1% in 2022).

Poste Assicura SpA is exposed to the following insurance risks:

- Underwriting risk: the risk deriving from the conclusion of insurance contracts associated with the events insured, the processes followed when pricing and selecting risks and unfavourable claims trends compared with previous estimates. This risk can be divided into the following categories:
  - Pricing risk: the risk linked to the company's pricing of its policies which depends on the assumptions used in order to calculate premiums. If prices are based on inadequate assumptions, the insurer may be exposed to the risk of being unable to meet its contractual obligations to policyholders. These risks include those related to disability-morbidity, or the risk associated with the payment of benefits or claims for illness and/or injury. Also included in this category is the risk that the loadings applied to premiums are insufficient to support the actual expenses incurred in managing the contract.
  - Provisioning risk: referring to the risk that technical provisions are not sufficient to meet obligations to policyholders. This insufficiency may be due to incorrect estimates by the company and/or changes in the general environment.
- Catastrophe risk: represents the risk of loss resulting from extreme or exceptional events, including major epidemics covered by insurance.
- 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.

As regards Poste Assicura SpA's insurance business, 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 non-proportional approach, makes it possible to:

- mitigate unfavourable technical trends and risks arising from peak exposures;
- 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.

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 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. The treaties signed in the start-up phase of the company on a proportional basis, on a risk attaching basis, for certain risks such as income protection insurance and credit protection remain in place in run-off. In addition, legal expenses risks are managed under a quota share treaty. Lastly, for all risks that do not meet the qualitative and quantitative criteria provided for in existing reinsurance treaties, but which however fall within Poste Assicura underwriting philosophy, use is made of optional reinsurance.

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.

With reference to P&C risks, the Group performs specific analyses including, among other things, stress tests to determine the Company's solvency also under adverse market conditions.

## 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).

## 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 2021, except for appropriate additions to include models to support the fair value measurement of loans acquired with reference to Law no. 77/2020 described below. 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 Italian or foreign corporate bonds:** 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 for retail customers, and the CBBT (Composite Bloomberg Bond Trader) third;
- **Financial liabilities:** measurement is based on the ask prices quoted by CBBT (Composite Bloomberg Bond Trader).

Equity securities and ETFs (Exchange Traded Funds) listed 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>233</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

233. 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.

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 implicit 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 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.

- **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 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 instruments:** measurement is based on discounted cash flow. 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. For these types of instruments, 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>234</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 "Decreto Rilancio" 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.

234. 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.

## 7.2 Fair value hierarchy

The following table shows an analysis of financial instruments measured at fair value at 31 December 2022, classified by level in the fair value hierarchy.

### Fair value hierarchy

Description (€m)	31.12.2022				31.12.2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets at FVTOCI	122,170	7,913	152	130,235	137,407	12,192	254	149,853
Equity instruments	343	-	110	453	651	-	159	810
Fixed income instruments	121,827	7,411	42	129,280	136,756	11,667	95	148,518
Other investments	-	502	-	502	-	525	-	525
Financial assets at FVTPL	4,996	30,335	8,170	43,501	5,401	28,455	10,958	44,814
Receivables	-	-	110	110	-	-	41	41
Equity instruments	258	26	20	304	217	-	39	256
Fixed income instruments	2,139	146	-	2,285	2,466	89	24	2,579
Other investments	2,599	30,163	8,040	40,802	2,718	28,366	10,854	41,938
Derivative financial instruments	-	6,110	-	6,110	-	876	-	876
<b>Total</b>	<b>127,166</b>	<b>44,358</b>	<b>8,323</b>	<b>179,846</b>	<b>142,808</b>	<b>41,523</b>	<b>11,212</b>	<b>195,543</b>
Financial liabilities								
Financial liabilities at fair value	-	-	-	-	-	-	-	-
Derivative financial instruments	-	(971)	(4)	(975)	-	(5,463)	(3)	(5,466)
<b>Total</b>	<b>-</b>	<b>(971)</b>	<b>(4)</b>	<b>(975)</b>	<b>-</b>	<b>(5,463)</b>	<b>(3)</b>	<b>(5,466)</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)	From Level 1 to Level 2		From Level 1 to Level 2	
	Level 1	Level 2	Level 1	Level 2
<b>Transfers of financial assets</b>	<b>(1,270)</b>	<b>1,270</b>	<b>4,368</b>	<b>(4,368)</b>
Financial assets at FVTOCI				
Equity instruments	-	-	-	-
Fixed income instruments	(583)	583	4,362	(4,362)
Structured bonds				
Other investments	-	-	-	-
Financial assets at FVTPL				
Receivables	-	-	-	-
Equity instruments	(6)	6	-	-
Fixed income instruments	(66)	66	6	(6)
Structured bonds				
Other investments	(615)	615	-	-
<b>Transfers of financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial liabilities at fair value	-	-	-	-
Derivative financial instruments	-	-	-	-
<b>Net transfers</b>	<b>(1,270)</b>	<b>1,270</b>	<b>4,368</b>	<b>(4,368)</b>

Reclassifications from level 1 to level 2 relate to financial instruments whose value, at 31 December 2022, 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 2022, 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 2022</b>	<b>254</b>	<b>10,958</b>	<b>-</b>	<b>11,212</b>
Purchases/Issues	34	1,612	-	1,646
Sales/Extinguishment of initial accruals	(106)	(820)	-	(927)
Redemptions	-	-	-	-
Changes in fair value through profit or loss	-	98	-	98
Changes in fair value through equity	(6)	-	-	(6)
Transfers to profit or loss	-	-	-	-
<i>Gains/Losses in profit or loss due to sales</i>	-	-	-	-
Transfers to level 3	42	-	-	42
Transfers to other levels	(66)	(3,678)	-	(3,743)
Changes in amortised cost	-	-	-	-
<i>Write-off</i>	-	-	-	-
Other changes (including accruals at end of period)	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>152</b>	<b>8,170</b>	<b>-</b>	<b>8,323</b>

Financial instruments classified in level 3 are held primarily by Poste Vita SpA and, to a residual extent, by Poste Italiane SpA and PostePay SpA.

In the case of the Group's insurance company, instruments in level 3 regard funds that invest primarily in unlisted 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, private debt and real estate funds fully hedging Class I products related to separately managed accounts and investments linked to Class III products.

Changes during the period mainly concern the purchase of new investments, redemptions of unquoted closed-end fund units and the transfer of Class III funds from Level 3 to Level 2.

In order to acknowledge the observations made by the inspection report delivered on 26 July 2021 and in accordance with the related Share Plan, including the related additions, the Group Company adopted Guidelines supplementing the aforementioned Fair Value policy in order to regulate even more precisely the determination of fair value and the related price controls on the financial instruments in the Company's portfolio, with particular regard to the funds category.

That being said, also in order to take into account the provisions of the letter to the Market published by IVASS on 14 July 2021, it should be noted that at 31 December 2022, the allocation of the fair value levels of financial instruments was carried out using a prudential approach, taking into account the implementations still in progress necessary to carry out the "Full look through approach" on all categories of funds held in the Company's portfolio. To this end, it should be noted that the Company reclassified from fair value Level 3 to Level 2 about €3.6 billion referring almost exclusively to class III funds.

Finally, with regard to the Parent Company, following the conversion on 29 July 2022 of part of the Visa Series C shares into Visa Series A Preferred Stock, about 18 million of the C shares were reclassified from Level 3 to Level 2.

# 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 2022, classified by level in the fair value hierarchy.

## Fair value hierarchy

Description (€m)	31.12.2022				31.12.2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets attributable to BancoPosta RFC	33,017	6,274	20	39,311	37,290	1,209	39	38,538
Financial assets at FVTOCI	33,017	144	-	33,161	37,290	336	-	37,626
Fixed income securities	33,017	144	-	33,161	37,290	336	-	37,626
Financial assets at FVTPL	-	20	20	40	-	-	39	39
Equity instruments	-	20	20	40	-	-	39	39
Derivative financial instruments	-	6,110	-	6,110	-	873	-	873
Financial assets outside ring-fence	434	-	103	537	-	3	75	78
Financial assets at FVTOCI	434	-	103	537	-	-	75	75
Fixed income securities	91	-	-	91	-	-	-	-
Equity instruments	343	-	103	446	-	-	75	75
Derivative financial instruments	-	-	-	-	-	3	-	3
<b>Total assets at fair value</b>	<b>33,451</b>	<b>6,274</b>	<b>123</b>	<b>39,848</b>	<b>37,290</b>	<b>1,212</b>	<b>114</b>	<b>38,616</b>
Financial liabilities attributable to BancoPosta RFC	-	(971)	(4)	(975)	-	(5,460)	(3)	(5,463)
Derivative financial instruments	-	(971)	(4)	(975)	-	(5,460)	(3)	(5,463)
Financial liabilities outside the ring-fence	-	-	-	-	-	(3)	-	(3)
Derivative financial instruments	-	-	-	-	-	(3)	-	(3)
<b>Total liabilities at fair value</b>	<b>-</b>	<b>(971)</b>	<b>(4)</b>	<b>(975)</b>	<b>-</b>	<b>(5,463)</b>	<b>(3)</b>	<b>(5,466)</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.

The increase compared to 31 December 2021 in the item Shares classified in Level 1, refers to the fair value of the shares of Nexi SpA acquired by Poste Italiane following the merger by incorporation of the subsidiary PSIA Srl, effective as of 1 November 2022.

## 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 securities 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<sup>235</sup> – 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>236</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>237</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>238</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.

235. As of the last quarter of 2022, BancoPosta also holds German and French government bonds in its portfolio that are not currently hedged.

236. 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.

237. 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).

238. 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.

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>239</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>240</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 deposits as collateral 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>241</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.

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>242</sup>. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

239. 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.

240. Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

241. 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.

242. Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

## 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, 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 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>243</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>244</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.

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>245</sup>. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

243. 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.

244. 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.

245. Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

## Variable rate bond hedges

The Poste Italiane Group is exposed to the risk of cash flow volatility in relation to the €50 million bond issue of 25 October 2013, which calls for annual variable interest payments.

The exposure to this risk is hedged through an interest rate swap to hedge cash flows whereby the Parent Company took on the obligation to pay a fixed rate and sold the variable interest payable by the bond. The hedge covers the interest rate risk while the implicit credit risk is not hedged.

The effectiveness of the hedges is tested retrospectively and prospectively by using the "Dollar offset through the hypothetical derivative" approach.

## 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	
Cash flow hedges - Interest rate risk				
Forward purchases				
Nominal	3,433	-	-	3,433
Settlement price	3,209	-	-	3,209
Forward sales				
Nominal	1,099	-	-	1,099
Settlement price	1,390	-	-	1,390
Interest rate swaps				
Nominal	190	75	2,728	2,993
Average rate %	4.955%	5.843%	3.507%	3.665%

## Time distribution based on remaining duration of fair value hedge contracts

	Maturity			Total
(€m)	Up to 1 year	1 - 5 years	Over 5 years	
Fair value hedges - Interest rate risk				
Interest rate swaps				
Nominal	-	4,021	27,915	31,936

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

	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
(€m)		Assets	Liabilities	Assets	Liabilities		
Hedged items							
Fixed income instruments, of which:		23,743	-	(2,714)	141	(11,120)	(1,308)
at amortised cost		12,091	-	(2,714)	-	(5,398)	(570)
at FVTOCI		11,652	-		-	(5,721)	(738)
Repurchase agreements		-	(3,863)		141	141	
Hedging instruments							
Interest rate swaps	31,936	5,760	(342)			10,995	
Profits/(losses) on hedging recognised in P&L						17	

\* Not including provision to cover expected losses.

## Cash flow hedges - Rate risk

	Nominal	Carrying amount		Change in value used to recognise ineffective portion of hedge	Cash flow hedge		
(€m)		Assets	Liabilities		Hedge reserve	Discontinued	
Hedged items							
Fixed income instruments, of which:			-	(49)			
at amortised cost		252	-	(92)			
at FVTOCI		3,936	-	43			
Bond		-	(50)	3			
Forward purchases instruments				92			
Hedging instruments							
Forward purchases	3,433	4	(96)	(92)	(37)	-	-
Forward sales	1,099	346	-	346	346	-	-
Interest rate swaps	2,993	-	(531)	(293)	(486)	-	-
Profits/(losses) on hedging recognised in P&L				7			



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	277	(410)	-
Bond	1	1	-
<b>Total</b>	<b>278</b>	<b>(409)</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 2022. 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 €31,936 million, almost entirely held by BancoPosta RFC. For almost all of these instruments, the cash flows at 31 December 2022 are discounted at the EONIA rate (ESTR + 8.5 bps) and not 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

With reference to **Postel**, an audit regarding income tax and withholding tax came to an end on 8 October 2015, with delivery of a tax audit report, contesting the right to deduct VAT and the deductibility of IRAP, in relation to the alleged failure to pay social security contributions for employees and/or contractors used by a supplier between 2010 and 2014. In relation to the notices of assessment for the 2010 and 2011 periods, Postel has decided to avail itself of the facilitated definition pursuant to article 11 of the Law Decree no. 50 of 24 April 2017, while with regard to the other assessment periods, the tax authorities have notified:

- with regard to the 2012 tax year, on 25 November 2016, additional IRES, IRAP, VAT and withholding tax of €0.1 million, plus penalties and interest. The Lazio Regional Tax Tribunal rejected the appeal by the Agenzia delle Entrate, ordering it to pay costs in favour of the Company, which were settled in February 2022. The Company is awaiting the repayment of the sums provisionally advanced;
- with regard to the 2014 tax year, on 19 April 2019, the tax authorities requested the payment of additional VAT, IRES, IRAP and withholdings amounting to a total of approximately €0.25 million, plus penalties and interest. With a judgment dated 22 October 2020, the Regional Tax Tribunal of Rome fully accepted the appeal filed in the interest of the Company and annulled the notice of assessment issued in relation to the 2014 tax period. The Company is awaiting the repayment of the sums provisionally advanced.

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. On 20 July, the hearing to discuss the 2014 VAT appeal was held and the PTC, accepting the company's requests, postponed the discussion 'to a new role' (i.e., without setting a precise date for the next hearing) in order to allow time to complete negotiations with the Lazio Regional Tax Office (DRE). The purview with adjournment has not yet been notified by the commission.

In addition, on 27 May 2021, the DRE served a further notice of assessment for the tax year 2015 similar to the one already filed for the year 2014 in which 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. This procedure is currently in progress.

In 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 Report on Findings of 29 November 2018 for all the years concerned, with the total amounts due being redetermined at approximately €0.185 million in total.

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 2022, 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 €27.02 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 CUAF 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.

Below are the further judgments already decided:

- With the judgment of 19 September 2019, the Court of Genoa confirmed the position, ordering Postel to pay INPS, by way of CUAF 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 judgment 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 parties are awaiting the setting of a new hearing.
- In a judgment 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 judgment of 2 February 2022, the Court of Appeal of Genoa dismissed the appeal brought by the Institute. INPS appealed in cassation and Postel joined the proceedings.
- By means of the judgments 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 judgments 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 brought an appeal in cassation against the judgment of 18 May 2022. As things stand, only Postel has lodged an appeal in cassation against the judgment of 6 June 2022.
- With a judgment published on 20 September 2022, the Court of Appeal of Genoa, partially reforming the first instance judgment of 29 December 2020, ordered the Company to pay the amount indicated in the Debit Notice in the amount of approximately €0.009 million. At present, the deadlines for filing a possible appeal to the Supreme Court are pending.

Additional administrative proceedings are still pending relating to the appeals against the notices of adjustment for the periods from May 2009 to November 2022.

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 judgments, the reasons given for the judgments 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 2022 amount to €12.56 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** of an investigation 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. Poste Italiane lodged an appeal against this measure before the Lazio Regional Administrative Court, which was not upheld and the relevant judgment was challenged before the Council of State. The setting of the hearing is now pending.

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, 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 and the hearing on the merits has been set for 19 April 2023.

On 19 November 2019, the AGCM initiated proceedings **PS11563** 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. Poste Italiane has appealed this decision to the Lazio Regional Administrative Court, and the hearing was held on 26 May 2021. The Lazio Regional Administrative Court’s judgment, which did not uphold the Poste Italiane appeal, was appealed before the Council of State, and the company is waiting for a hearing to be set. In any event, in May, the AGCM acknowledged that Poste had correctly complied with its requirements.

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 unjust

tifiably 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 has appealed this measure to the Lazio Regional Administrative Court, and the hearing was set for 19 April 2023.

On 14 October 2021, the Italian Antitrust Authority (AGCM) initiated proceedings against **PostePay** pursuant to Article 27, paragraph 3, of Legislative Decree no. 206 of 6 September 2005, as amended (Consumer Code), as well as pursuant to Article 6 of the Regulation on investigative proceedings into misleading and comparative advertising, unfair commercial practices, infringement of consumers' rights in contracts, breach of the prohibition on discrimination and unfair terms (Regulation), adopted by the Authority with a resolution dated 1 April 2015 and a simultaneous request for information pursuant to Article 12, paragraph 1 of the Regulation.

In summary, the AGCM, on the basis of a number of reports received from users of PosteMobile services, contested the unsolicited activation of an alleged service of continuation of outgoing traffic (voice, SMS and data) in the event that the user's rechargeable SIM card ran out of credit or had insufficient credit at the time of renewal of the periodic offer. PostePay responded to the AGCM notice by clarifying that no continuity service is provided as part of PosteMobile offers.

At the end of the investigative phase of the proceedings, having obtained the opinion of the Italian Communications Authority (AGCOM, which did not find, let alone challenge, any regulatory complaints against the Company), on 9 August the AGCM notified PostePay of its final measure no. 30286, in which it found that PostePay had committed an infringement by claiming that, in the case of mobile telephone offers subscribed to with a flat fee, in the event credit is used up, the company charged a consumption-based fee – more expensive than the ordinary one – without adequate information. In the measure, the Company is therefore 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 remove the conduct".

The Company deemed it appropriate to lodge an appeal against the Measure before the Lazio Regional Administrative Court, filing the appeal 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.

On 7 November 2022, PostePay sent the required compliance report to the AGCM, which illustrated the measures adopted by PostePay to overcome - albeit having refuted the grounds thereof - the objections of the AGCM, which, on 2 December 2022, informed PostePay that it had acknowledged compliance with the measure.

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, the Company sent the AGCM a statement of defence in which, in addition to replying to the request for information contained in the writ of initiation, it highlighted its role as mere placement agent, the nature of the postal certificates and the inapplicability of the consumer discipline to the case at hand. 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. The Authority's Resolution was appealed before the Regional Administrative Court by the Company, which set a hearing on the merits for 7 June 2023. In line with the provisions of the final measure, on 3 February 2023, the Company sent its Report of Compliance with the AGCM's warning.



## Autorità per le Garanzie nelle Comunicazioni (AGCOM - the Italian Communications Authority)

Law Decree 201 of 6 December 2011, converted into Law 214 of 22 December 2011, transferred responsibility for regulation and supervision of the postal sector 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>246</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.
- 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. Poste Italiane has appealed this measure to 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 challenged this resolution by filing an appeal before the Lazio Regional Administrative Court (TAR), 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. Again, no Compensation Fund was established for 2013 and 2014 and, on 6 November 2017, Poste Italiane had filed a legal challenge before the Lazio Regional Administrative Court against the above resolution (the case is 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 has also established that no compensation fund was established for 2012 and on 13 November 2014, Poste Italiane filed an appeal before the Lazio Regional Administrative Court against the above resolution. The Regional Administrative Court, with judgment no. 11416, published on 5 September 2022, partially upheld the appeal on the verification of the burden for the years 2011-2012, recognising the non-activation of the compensation fund for the year 2011. Poste and AGCom appealed the Regional Administrative Court judgment to the Council of State and the hearing on the merits has been set for 18 May 2023.

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.

With Resolution no. 104/22/CONS of 7 April 2022, the AGCom dismissed the sanctioning proceedings, initiated with Notice of Objection no. **13/21/DSP**, for the failure to comply with five quality objectives on certain products included in the Universal Service for 2020, accepting the arguments expressed by Poste Italiane and recognising the qualification, in relation to the year 2020, of the SARS-Covid pandemic as a cause of force majeure. In the same Resolution, the Authority stated that, for the years

246. 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.

2021 and 2022, since the character of the unforeseeability of the event no longer applies, it will be the Company's responsibility to demonstrate that it has introduced the organisational measures necessary to guarantee compliance with the universal service quality obligations.

On 2 August 2022, with Notice of Objection no. **2/22/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 2021, identifying five objections. With Determination no. 27/22/DSP, notified on 12 October 2022, 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.

## 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.

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. Feedback will be provided by BancoPosta by the second quarter of 2023.

During the last quarter of 2022, the Bank of Italy conducted two inspections of **PostePay SpA - EMI RFC**, one "of a general nature" initiated in September and one concerning "unauthorised payment transactions, frauds and disallowances" initiated in November. Both inspections were completed in December. On 27 March 2023, the Bank of Italy delivered the results of the inspections conducted from 29 September 2022 until 16 December 2022. Said inspection was concluded with a "partially favourable" judgment. At the date of approval of these financial statements, the Company was still waiting to receive the results of the inspection launched in November.

In February 2023, the Bank of Italy initiated an inspection at PostePay SpA - EMI RFC, pursuant to Article 146, Legislative Decree no. 385 of 1 September 1993, aimed at verifying the procedures provided for by the PSD2 Directive to allow access to on-line payment accounts from Third Parties. The inspection was completed in March 2023 and the receipt of the inspection report is pending at the date of approval of this Annual Report.

## IVASS - Istituto per la Vigilanza sulle Assicurazioni (the insurance regulator)

With regard to the sanctioning proceedings arising from objections by the Supervisory Authority for the alleged breach of Article 183, paragraph 1, letter "a", of the Private Insurance Code and mainly relating to the lateness of the settlement of insurance benefits beyond the contractually established deadline - there are currently no pending proceedings

It should be noted that with reference to the dispute concerning the alleged delay in the settlement of life policies notified by IVASS to **Poste Vita** on 24 February 2021, the company opted, within the terms of the law, to pay the penalty of approximately €0.08 million, as per the injunction notified by IVASS on 29 September 2022.

With regard to the IVASS inspection - concerning profiles of **governance, management and control of investments and financial risks** concluded on 7 May 2021 - it should be noted that the related action plan, approved by the Company's Board of Directors on 22 October 2021, was fully completed in accordance with the time-frame envisaged in the plan.

With regard to the inspection aimed at verifying compliance with **anti-money laundering regulations**, jointly at **Poste Vita and Poste Italiane - BancoPosta RFC**, which was completed on 18 June 2021 and the results of which were notified to Poste Vita SpA at the Board of Directors' meeting of 30 September 2021, it is reported that at 31 December 2022, all the actions identified had been completed within the planned time-frame.

On 7 March this year, **Poste Vita** was notified by the Supervisory Authority of the start of an inspection to verify the management process of dormant policies.

## Covip

With reference to the COVIP inspection on the "Postaprevidenza Valore" Individual Pension Plan ("PIP"), the results of which were notified to the Company with a communication dated 27 May 2022, the Company's Board of Directors approved, at its meeting held on 26 July 2022, a detailed action plan aimed at strengthening the processes, in addition to what was already indicated in the action plan approved by the Board of Directors on 8 June 2022. At 31 December 2022, all the actions envisaged in the plan had been completed and the planned timetable respected.

## 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 12 July 2023.



## 10. Material non-recurring events and/or transactions

A brief summary of the impact of material non-recurring events and transactions<sup>247</sup> involving the Poste Italiane Group in 2022, is provided below, as required by CONSOB ruling DEM/6064293 of 28 July 2006:

- establishment of a provision for risks for tax credits Law no. 77/2020 in the amount of €320 million to cover the probable liabilities analytically described in Note A10 - Tax Credits Law no. 77/2020.

## 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>248</sup> in 2022.

247. 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.

248. 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.

## 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*.

### Sourcesense SpA

On 24 January 2023, Sourcesense finalised the acquisition of **Eco-Mind Ingegneria Informatica Srl** 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 €1.1 million..

### Net Insurance SpA

On 28 September 2022, the Board of Directors of Poste Vita 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. Following the authorisations received from CONSOB, IVASS and AGCM, the acceptance period for the offers promoted by a corporate vehicle directly controlled by Poste Vita ("Net Holding") began on 27 February. The acceptance period for the offers will end on 6 April 2023. The transaction is expected to be completed by the first half of 2023.

### Plurima BidCo Srl

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.

# 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.

## 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 2022, 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 2022			31 December 2021		
		Nominal value	Carrying amount	Fair value	Nominal value	Carrying amount	Fair value
<b>Financial assets attributable to BancoPosta RFC</b>	<b>[A6]</b>						
Financial assets at amortised cost		6,442	6,766	11,832	7,972	8,763	9,261
Financial assets at FVTOCI		6,628	6,246	6,246	5,459	6,261	6,261
<b>Financial liabilities attributable to BancoPosta RFC</b>	<b>[B6]</b>						
Financial liabilities arising from repos		(13,486)	(13,342)	(12,993)	(14,847)	(14,837)	(14,826)
<b>Total</b>		<b>(416)</b>	<b>(330)</b>	<b>5,085</b>	<b>(1,416)</b>	<b>187</b>	<b>696</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 2022		31 December 2021	
	Nominal value	Carrying amount	Nominal value	Carrying amount
<b>Financial assets attributable to BancoPosta RFC</b>				
Financial assets at amortised cost				
Loans and receivables	<b>2,457</b>	<b>2,457</b>	<b>4,858</b>	<b>4,858</b>
Receivables used as collateral provided by CSAs	31	31	4,173	4,173
Receivables used as collateral provided by GMRAs	1,447	1,447	72	72
Receivables in the form of guarantee deposits (Clearing House margin requirements)	978	978	612	612
Receivables in the form of guarantee deposits (OTC Clearing House)	1	1	1	1
Fixed income instruments	<b>7,034</b>	<b>7,478</b>	<b>8,652</b>	<b>9,751</b>
Securities involved in repurchase agreements	6,442	6,766	7,972	8,763
Securities used as collateral provided by CSAs and GMRAs	245	247	480	610
Securities used as collateral for intraday credit from the Bank of Italy and for Sepa Direct Debits	347	465	200	378
Financial assets at FVTOCI				
Fixed income instruments	<b>8,899</b>	<b>8,469</b>	<b>6,814</b>	<b>7,965</b>
Securities involved in repurchase agreements	6,628	6,246	5,459	6,261
Securities used as collateral provided by CSAs and GMRAs	-	-	30	30
Securities used as collateral for intraday credit from the Bank of Italy and for Sepa Direct Debits	2,271	2,223	1,325	1,674
<b>Financial assets outside ring-fence</b>				
Financial assets at amortised cost				
Loans and receivables	-	-	<b>3</b>	<b>3</b>
Receivables used as collateral provided by CSAs			3	3
Receivables used as collateral provided by GMRAs			-	-
Financial assets at FVTOCI				
Fixed income instruments	-	-	-	-
Securities involved in repurchase agreements	-	-	-	-
<b>Total financial assets subject to encumbrances</b>	<b>18,390</b>	<b>18,404</b>	<b>20,327</b>	<b>22,577</b>

At 31 December 2022, the Parent Company has received financial assets as collateral for reversal repos, having a notional value of €4,425 million and a fair value of €4,521 million.

In addition, securities with a nominal value of €1,200 million are committed for repurchase agreements entered into with Cassa Compensazione e Garanzia in December 2022 and settled in early January 2023.

# 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 2022 is shown in the table below.

## Poste Italiane Group - Exposure to sovereign debt securities

Description (€m)	31.12.2022			31.12.2021		
	Nominal value	Carrying amount	Market value	Nominal value	Carrying amount	Market value
<b>Italy</b>	<b>138,017</b>	<b>126,397</b>	<b>122,321</b>	<b>135,674</b>	<b>156,775</b>	<b>157,449</b>
Financial assets at amortised cost	27,306	26,921	22,845	26,944	31,893	32,567
Financial assets at FVTOCI	110,698	99,463	99,463	108,717	124,867	124,867
Financial assets at FVTPL	13	14	14	13	15	15
<b>Austria</b>	<b>215</b>	<b>170</b>	<b>170</b>	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	215	170	170	-	-	-
Financial assets at FVTPL	-	-	-	-	-	-
<b>Belgium</b>	<b>2,876</b>	<b>2,123</b>	<b>2,123</b>	<b>132</b>	<b>151</b>	<b>151</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	2,876	2,123	2,123	132	151	151
Financial assets at FVTPL	-	-	-	-	-	-
<b>Finland</b>	<b>138</b>	<b>122</b>	<b>122</b>	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	138	122	122	-	-	-
Financial assets at FVTPL	-	-	-	-	-	-
<b>France</b>	<b>5,050</b>	<b>3,411</b>	<b>3,411</b>	<b>151</b>	<b>201</b>	<b>201</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	5,050	3,411	3,411	151	201	201
Financial assets at FVTPL	-	-	-	-	-	-
<b>Germany</b>	<b>851</b>	<b>792</b>	<b>792</b>	<b>215</b>	<b>235</b>	<b>235</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	851	792	792	215	235	235
Financial assets at FVTPL	-	-	-	-	-	-
<b>Ireland</b>	<b>455</b>	<b>372</b>	<b>372</b>	<b>10</b>	<b>13</b>	<b>13</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	455	372	372	10	13	13
Financial assets at FVTPL	-	-	-	-	-	-
<b>Netherlands</b>	<b>295</b>	<b>293</b>	<b>293</b>	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	295	293	293	-	-	-
Financial assets at FVTPL	-	-	-	-	-	-
<b>Portugal</b>	<b>416</b>	<b>295</b>	<b>295</b>	-	-	-
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	416	295	295	-	-	-
Financial assets at FVTPL	-	-	-	-	-	-
<b>Spain</b>	<b>3,860</b>	<b>2,261</b>	<b>2,261</b>	<b>1,280</b>	<b>1,870</b>	<b>1,870</b>
Financial assets at amortised cost	3	3	3	3	3	3
Financial assets at FVTOCI	3,857	2,258	2,258	1,277	1,867	1,867
Financial assets at FVTPL	-	-	-	-	-	-
<b>USA</b>	<b>50</b>	<b>38</b>	<b>38</b>	<b>25</b>	<b>23</b>	<b>23</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	50	38	38	25	23	23
Financial assets at FVTPL	-	-	-	-	-	-
<b>Other Countries</b>	<b>203</b>	<b>169</b>	<b>169</b>	<b>149</b>	<b>147</b>	<b>147</b>
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	203	169	169	149	147	147
Financial assets at FVTPL	-	-	-	-	-	-
<b>Total</b>	<b>152,426</b>	<b>136,444</b>	<b>132,367</b>	<b>137,636</b>	<b>159,415</b>	<b>160,089</b>

Below are details for Poste Italiane.

### Credit risk - Exposure to sovereign debt

Description (€m)	31 December 2022			31 December 2021		
	Nominal value	Carrying amount	Market value	Nominal value	Carrying amount	Market value
Financial assets attributable to BancoPosta RFC						
<b>Italy</b>	<b>62,793</b>	<b>57,997</b>	<b>54,214</b>	<b>56,443</b>	<b>67,521</b>	<b>67,988</b>
Financial assets at amortised cost	25,304	24,836	21,053	25,027	29,895	30,362
Financial assets at FVTOCI	37,489	33,161	33,161	31,416	37,626	37,626
Financial assets outside ring-fence						
<b>Italy</b>	<b>110</b>	<b>91</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial assets at FVTOCI	110	91	91	-	-	-
<b>Total</b>	<b>62,903</b>	<b>58,088</b>	<b>54,305</b>	<b>56,443</b>	<b>67,521</b>	<b>67,988</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 (€m)	Nature of entity	Fund activity	NAV		
			% Investment	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	30/12/2022	5,272
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	30/12/2022	4,413
LU1407712287 - MULTIFLEX - Strategic Insurance Distribution	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/12/2022	4,267
LU1407711800 - MULTIFLEX - Dynamic Multi Asset Fund	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/12/2022	3,770
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	30/12/2022	3,611
LU1808839242 - MULTIFLEX-OLYMP INSURN MA-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/12/2022	797
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	30/12/2022	778
LU1808838863 - MULTIFLEX-OLYMPIUM OPT MA-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/12/2022	533
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	30/12/2022	502
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	30/09/2022	487
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	30/09/2022	446
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	30/11/2022	429
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 retail use, located in the Eurozone and euro-denominated	100	30/09/2022	420
LU2051218035 - OLYMPIUM SEVERUM FUND	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/12/2022	410
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	30/09/2022	378
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	30/06/2022	280
LU1500341166 - MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/12/2022	273

## Annual Report 2022

Poste Italiane Group

ISIN – Name (€m)	Nature of entity	Fund activity	NAV		
			% Investment	Ref. date	Amount
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	30/06/2022	266
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	30/09/2022	246
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	100	30/09/2022	193
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	30/06/2022	163
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	30/09/2022	191
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	30/11/2022	140
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	30/06/2022	109
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 office use, located in the Eurozone and euro-denominated	100	30/06/2022	95
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	30/11/2022	80
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	30/09/2022	67
IT0004597396 - ADVANCE CAPITAL ENERGY FUND	Closed-end Fund of Funds within the scope of Directive 2011/61/EU	Investments in energy companies to achieve capital appreciation and realise relevant gains, after exit	86	30/09/2022	18



## 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. 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

ISIN – Name (€m)	Classification	Carrying amount	Maximum loss exposure	Difference between carrying amount and maximum exposure	Method to determine maximum loss exposure
LU1379774190 - MULTIFLEX-DIVERSIFIED DIS-CM	Financial assets at FVTPL	5,272	629	4,643	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
LU1407712014 - MULTIFLEX - Global Optimal Multi Asset Fund	Financial assets at FVTPL	4,413	436	3,977	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
LU1407712287 - MULTIFLEX - Strategic Insurance Distribution	Financial assets at FVTPL	4,267	392	3,874	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
LU1407711800 - MULTIFLEX - Dynamic Multi Asset Fund	Financial assets at FVTPL	3,770	381	3,389	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
LU1193254122 - MFX - GLOBAL FUND - ASSET GLOBAL FUND (PIMCO MULTI ASSET)	Financial assets at FVTPL	3,611	255	3,356	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
LU1808839242 - MULTIFLEX-OLYMP INSURN MA-CM	Financial assets at FVTPL	797	77	720	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
LU1500341240 - MULTIFLEX-LT OPTIMAL M/A-CM	Financial assets at FVTPL	778	80	699	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
LU1808838863 - MULTIFLEX-OLYMPIUM OPT MA-CM	Financial assets at FVTPL	533	54	479	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
LU1500341752 - MULTIFLEX-DYNAMIC LT M/A-CM	Financial assets at FVTPL	502	53	449	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
QU0006738052 - Prima EU Private Debt Opportunity Fund	Financial assets at FVTPL	487	55	432	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006744795 - Prima European Direct Lending 1 Fund	Financial assets at FVTPL	446	54	392	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0004937691 - PRIMA HEDGE PLATINUM GROWTH ISIN IE00BK1KDS71	Financial assets at FVTPL	429	24	405	99% VaR provided by the operator
IT0005174450 - DIAMOND EUROZONE FUND OFFICE UBS	Financial assets at FVTPL	420	165	254	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU2051218035 - OLYMPIUM SEVERUM FUND	Financial assets at FVTPL	410	82	329	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006745081 - Prima Real Estate Europe Fund I	Financial assets at FVTPL	378	171	208	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005247819 - Diamond Core	Financial assets at FVTPL	280	99	181	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1500341166 - MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND	Financial assets at FVTPL	273	28	246	Annual VaR 99.5% over a 5-year time horizon and 1-year half life
IT0005386666 - Fund i3-Dante segment Convivio	Financial assets at FVTPL	266	66	199	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets

## Annual Report 2022

Poste Italiane Group

ISIN – Name (€m)	Classification	Carrying amount	Maximum loss exposure	Difference between carrying amount and maximum exposure	Method to determine maximum loss exposure
QU0006746865 - ALC Prima European Private Credit Feeder Fund	Financial assets at FVTPL	246	28	218	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005215113 - CBRE DIAMOND FUND	Financial assets at FVTPL	193	60	133	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006742476 - PRIMA GLOBAL EQUITY PARTNERS FUND	Financial assets at FVTPL	191	96	95	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005212193 - DIAMOND ITALIAN PROPERTIES	Financial assets at FVTPL	163	59	103	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006738854 - Prima Credit Opportunity Fund	Financial assets at FVTPL	140	51	89	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210593 - DIAMOND OTHER SECTOR ITALY	Financial assets at FVTPL	109	39	70	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210387 - DIAMOND EUROZONE RETAIL PROPERTY FUND	Financial assets at FVTPL	95	35	60	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1581282842 - Indaco SICAV SIF - Indaco CIFC US Loan	Financial assets at FVTPL	80	17	63	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1081427665 - SHOPPING PROPERTY FUND 2	Financial assets at FVTPL	44	33	11	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0004597396 - ADVANCE CAPITAL ENERGY FUND	Financial assets at FVTPL	16	8	7	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.

### Asset class and reference markets relative to NAVs

Asset class (€m)	Fair Value
<b>Financial instruments</b>	
Corporate bonds	13,930
Government bonds	8,499
Other investments net of liabilities	2,411
Equity instruments	1,496
Cash	1,921
<b>Derivative financial instruments</b>	
Swaps	2
Futures	(13)
Forwards	361
<b>Total</b>	<b>28,607</b>

Market traded on and UCITS (€m)	Fair Value
Germany (Frankfurt, Berlin, Munich)	4,649
Dublin	7
New York	1,947
Trace	3,583
London	2,267
Paris	749
Euronext	3,449
Tokyo	821
Singapore	960
Euromtf	429
Luxembourg	115
Eurotlx	254
Hong Kong	274
Other	8,070
Funds	1,033
<b>Total</b>	<b>28,607</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.

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>249</sup>.

249. 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 and 2022-2024 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.

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 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 and 2022-2024 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.

## Determination of fair value and effects on profit or loss

The valuations were carried out using an internal pricing tool that adopts simulation models consistent with the requirements of the reference accounting standards and takes into account the specific characteristics of the Plan. 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 (€m)	IFRS 2 Reserve / Liabilities (€m)	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 (€)			
18-20 Phantom Stock LTIP										(0.3)	-	(1.8)
19-21 Performance Share LTIP	109	519,256	ca. 43,800	28/05/19	6.19	07/10/19	8.29	07/10/19	8.88	0.3	3.9	(2.4)
20-22 Performance Share LTIP	118	952,522	-	05/03/20	5.42	12/11/20	3.91	12/11/20	4.64	1.7	5.3	-
21-23 Performance Share LTIP	160	1,108,088	-	28/05/21	8.23	28/05/21	8.23	28/05/21	9.22	3.7	7.2	-
22-24 Performance Share LTIP	202	971,219	-	27/05/22	4.50	27/05/22	4.50	27/05/22	5.48	1.9	1.9	-
Total										7.3	18.3	(4.2)

## Poste Italiane SpA

The effects on profit or loss of the above "Performance Share" and "Phantom Stock" Long-Term Incentive Schemes at 31 December 2022 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 (€m)	IFRS 2 Reserve / Liabilities (€m)	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 (€)			
18-20 Phantom Stock LTIP										(0.2)	-	(1.3)
19-21 Performance Share LTIP	103	501,714	ca. 43,800	28/05/19	6.19	07/10/19	8.29	07/10/19	8.88	0.3	3.8	(2.4)
20-22 Performance Share LTIP	109	906,626	-	05/03/20	5.42	12/11/20	3.91	12/11/20	4.64	1.6	5.1	-
21-23 Performance Share LTIP	148	1,054,827	-	28/05/21	8.23	28/05/21	8.23	28/05/21	9.22	3.5	6.8	-
22-24 Performance Share LTIP	185	904,378	-	27/05/22	4.50	27/05/22	4.50	27/05/22	5.48	1.8	1.8	-
Totale										7.0	17.5	(3.7)

## 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 duration of five years and will end with the assignment of all stock options.

The cost recognised in the period 2022 was approximately €0.5 million, whilst the specific equity reserve was approximately €1.5 million.

## 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 2017 and 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 and MBO 2022), 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>250</sup> for the Other Beneficiaries.

The allocation of Phantom Stocks (MBO 2017 and 2018) and Rights to receive Shares (MBO 2019, 2020, 2021 and 2022) is subject to the existence of a Hurdle Condition (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).

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 and liquidity requirements have been met. The effects on profit or loss and on equity are recognised in the period in which the instruments vest.

250. For the MBO 2021 and MBO 2022 only, the pro-rata years are 4, although for the fourth year only a cash payment is provided.

## Determination of fair value and effects on profit or loss

(€m)	Units (No. of Phantom Stocks / Rights to receive shares)	Operating Cost	IFRS 2 Reserve / Liabilities	Payments / Countervalue delivery of treasury shares
<b>Incentive plans</b>				
Mbo bp 17-18	41,317	(0.2)	0.4	(0.5)
Mbo bp 19-20-21-22*	226,890	0.7	1.7	(0.2)
<b>Total</b>		<b>0.5</b>	<b>2.1</b>	<b>(0.7)</b>

\* Mbo bp 22 estimated on the basis of the best available information, pending the actual finalisation of the system, in order to capture the cost of the service received.

## 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.

(€m)	Number of Phantom Stocks	Operating Cost	Liabilities	Payments
<b>Severance payments on termination of employment</b>				
Mbo bp 17-18	7,026	(0.2)	0.1	(0.5)
<b>Total</b>		<b>(0.2)</b>	<b>0.1</b>	<b>(0.5)</b>

## Scope of consolidation and highlights of investments

### Scope of consolidation

Name (€m)	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 Power Srl (*)	Milan (Italy)	Euro	65	Poste Italiane SpA	70.00%	70.00%
Agile LAB Srl (*)	Milan (Italy)	Euro	54	Agile Power Srl	100.00%	70.00%
Agile Skill Srl (*)	Catania (Italy)	Euro	10	Agile LAB Srl	100.00%	70.00%
Agile Next Srl (*)	Bari (Italy)	Euro	10	Agile LAB Srl	100.00%	70.00%
AIM2 Srl (*)	Milan (Italy)	Euro	10	Agile Power Srl	100.00%	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	60.00%	42.00%



				Poste Italiane SpA	51.00%	
				SDA Express Courier SpA	19.00%	
Consorzio Logistica Pacchi ScpA	Rome (Italy)	Euro	516	Poste Air Cargo Srl	5.00%	100.00%
				Postel SpA	15.00%	
				Poste Assicura SpA	5.00%	
				Nexive Network Srl	5.00%	
Consorzio per i Servizi di Telefonia Mobile ScpA	Rome (Italy)	Euro	120	Poste Italiane SpA	51.00%	100.00%
				PostePay SpA	49.00%	
Consorzio PosteMotori	Rome (Italy)	Euro	120	Poste Italiane SpA	58.12%	80.75%
				Postel SpA	22.63%	
Europa Gestioni Immobiliari SpA	Roma (Italia)	Euro	103,200	Poste Italiane SpA	55.00%	100.00%
				Poste Vita SpA	45.00%	
LIS Holding SpA	Milan (Italy)	Euro	2,582	PostePay SpA	100.00%	100.00%
LIS Pay SpA	Milan (Italy)	Euro	56,600	LIS Holding SpA	100.00%	100.00%
Logos Srl (*)	Milan (Italy)	Euro	10	Plurima	100.00%	70.00%
MLK Deliveries SpA	Rome (Italy)	Euro	333	Poste Italiane SpA	70.00%	70.00%
Net Holding SpA	Rome (Italy)	Euro	100	Poste Vita SpA	100.00%	100.00%
Nexive Network Srl	Milan (Italy)	Euro	50	Poste Italiane SpA	100.00%	100.00%
Nexive Scarl	Milan (Italy)	Euro	28	Poste Italiane SpA	82.14%	82.14%
PatentiViaPoste ScpA	Rome (Italy)	Euro	120	Poste Italiane SpA	69.65%	86.86%
				Postel SpA	17.21%	
Poste Air Cargo Srl	Rome (Italy)	Euro	1,000	Poste Italiane SpA	100.00%	100.00%
Plurima Bidco Srl	Rome (Italy)	Euro	1,000	Poste Welfare Servizi Srl	70.00%	70.00%
Plurima SpA (*)	Milan (Italy)	Euro	8,544	Plurima Bidco Srl	100.00%	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 Vita 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	2,000	Sengi Express Limited	100.00%	40.00%
sennder Italia Srl	Milan (Italy)	Euro	46	Poste Italiane SpA	65.00%	65.00%
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%

**COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD****Subsidiaries:**

Address Software Srl	Rome (Italy)	Euro	10	Postel SpA	51.00%	51.00%
Indabox Srl	Rome (Italy)	Euro	50	MLK Deliveries SpA	100.00%	70.00%
Kipoint SpA	Rome (Italy)	Euro	500	SDA Express Courier SpA	100.00%	100.00%

**Associates:**

Anima Holding SpA	Milan (Italy)	Euro	7,292	Poste Italiane SpA	11.02%	11.02%
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## Annual Report 2022

Poste Italiane Group

Conio Inc.	San Francisco (USA)	USD	13,356	Poste Italiane SpA	16.29%	16.29%
Conio Srl	Milan (Italy)	Euro	15	Conio Inc.	100.00%	16.29%
Eurizon Capital Real Asset SGR SpA	Milan (Italy)	Euro	4,167	Poste Vita SpA	20.00%	40%****
				Banco Posta Fondi SpA SGR	20.00%	
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%

\* 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 Financial 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.

### List of investments accounted for using the equity method and statement of financial position and profit or loss data

Name (Registered office) (€k)	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	512	51.00%	1,639	635	1,004	1,116	108
Anima Holding SpA (Milan) (a)	Associate	212,928	11.02%	2,393,319	1,011,106	1,382,213	792,579*	86,579
Conio Inc. (San Francisco) (b)	Associate	593	16.29%	14,095	3,568	10,527	-	(752)
Eurizon Capital Real Asset SGR SpA	Associate	3,968	40.00%	13,544	6,571	6,973	7,569*	1,175
Financit SpA (Rome)	Associate	35,872	40.00%	1,579,077	1,515,311	63,766	48,454*	13,724
Indabox Srl (Rome)	Subsidiary	419	70.00%	533	197	336	579	21
ItaliaCamp Srl (Roma) (c)	Associate	500	19.40%	5,581	2,860	2,721	3,143	123
Kipoint SpA (Rome)	Subsidiary	2,406	100.00%	6,616	4,210	2,406	5,836	400
Replica SIM SpA (Milan)	Associate	9,421	45.00%	65,818	56,193	9,625	5,352*	(1,045)
Other SDA Express Courier associate	Associates	4						

a. Data derived from the latest consolidated interim accounts for the period ended 30 September 2022 approved by the company's board of directors.

b. The statement of financial position values also include the valuation of the company Conio srl wholly owned by Conio Inc.

c. Figures taken from the company's latest financial statements approved by the Board at 31.12.2021.

d. Refers to Speedy Express Courier S.r.l. in liquidation.

\* 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.

Group companies (€k)	Grantor/beneficiary	Purpose	Amount disbursed/ received
<b>Grants received</b>			
Poste Italiane	MUR	Research and Development Projects	173
Poste Italiane	MIMIT	Polis Project - Houses of Digital Citizenship Services	125,000
<b>Total</b>			<b>125,173</b>
<b>Grants disbursed</b>			
Poste Italiane	Fondazione Intercultura Onlus	Donation	114
Poste Italiane	Fondazione nuovo millennio scuola politica	Donation	25
Poste Italiane	Comunità di Sant Egidio acap onlus	Donation	20
Poste Italiane	Comunità di San Patrignano	Donation	20
Poste Italiane	Associazione YOLK	Donation	20
Poste Italiane	Associazione Rondine Cittadella della Pace	Donation	20
Poste Italiane	Sanità di Frontiera Onlus	Donation	20
Poste Italiane	Associazione ISMEO	Donation	15
Poste Italiane	Associazione Parent Project aps	Donation	15
Poste Italiane	Associazione Piero Farulli	Donation	10
Poste Italiane	Fondazione Aila Onlus	Donation	10
Poste Italiane	Save the children Italia Onlus	Donation	10
Poste Italiane	Associazione Corri la Vita Onlus	Donation	10
Poste Italiane	Comitato Italiano per l'UNICEF Fondazione Onlus	Donation	10
Poste Italiane	Vicariato di Roma	Donation	10
<b>Total</b>			<b>329</b>

## Postal saving

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 saving

Description (€m)	31.12.2022	31.12.2021
Post office savings books	90,850	99,254
Interest-bearing Postal Certificates	237,888	235,625
Cassa Depositi e Prestiti	192,644	185,016
Ministry of the Economy and Finance - MEF	45,244	50,609
<b>Total</b>	<b>328,738</b>	<b>334,879</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 €11,927 million at 31 December 2022 (€12,562 million at 31 December 2021).

## Commitments

The Group's purchase commitments break down as follows.

### Commitments

Description (€m)	31.12.2022	31.12.2021
Lease arrangements	26	28
Contracts to purchase property, plant and equipment	89	92
Contracts to purchase intangible assets	12	20
<b>Total</b>	<b>127</b>	<b>140</b>

Poste Italiane SpA's purchase commitments break down as follows.

### Commitments

Description (€m)	31.12.2022	31.12.2021
Lease arrangements	17	27
Contracts to purchase property, plant and equipment	90	93
Contracts to purchase intangible assets	12	20
<b>Total</b>	<b>119</b>	<b>140</b>

At 31 December 2022, the item Lease contracts includes commitments that do not fall under IFRS 16 - Leases.

In addition, at 31 December 2022, PostePay takes over:

- purchases of electricity on forward markets for €32 million;
- purchases of natural gas on the futures markets for €152 million.

## Guarantees

Unsecured guarantees issued by the Group and Poste Italiane SpA are as follows:

### Guarantees

Description (€m)	31.12.2022	31.12.2021
<b>Sureties and other guarantees issued:</b>		
by banks/insurance companies in the interests of Group companies in favour of third parties	698	447
by the Group in its own interests in favour of third parties	55	55
<b>Total</b>	<b>753</b>	<b>502</b>

### Guarantees

Description (€m)	31.12.2022	31.12.2021
<b>Sureties and other guarantees issued:</b>		
by banks in the interests of Poste Italiane SpA in favour of third parties	373	350
by Poste Italiane SpA in the interests of subsidiaries in favour of third parties	215	37
letters of patronage issued by Poste Italiane SpA in the interests of subsidiaries	61	55
<b>Total</b>	<b>649</b>	<b>442</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 SpA.

### Beni di terzi

Description (€m)	31.12.2022	31.12.2021
Bonds subscribed by customers held at third-party banks	3,431	1,799
Other assets	344	-
<b>Total</b>	<b>3,775</b>	<b>1,799</b>

In addition to the above, at 31 December 2022, Poste Italiane SpA holds a further €2 million in assets belonging to Group companies.

## Assets in the process of allocation

At 31 December 2022, 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>251</sup> payable to the Parent Company's auditor, Deloitte & Touche, and companies within its network for 2022, presented in accordance with art. 149 *duodecies* of the CONSOB's Regulations for Issuers:

### Disclosure of fees paid to Independent Auditors

Type of services (€k)	Entity providing the service	2022 fees
<b>Poste Italiane SpA</b>		
Audit	Deloitte & Touche SpA	1,394
Audit	Rete Deloitte & Touche	-
Attestation services	Deloitte & Touche SpA	599
Attestation services	Rete Deloitte & Touche	-
Other services	Deloitte & Touche SpA	17
Other services	Rete Deloitte & Touche	20
<b>Subsidiaries of Poste Italiane SpA</b>		
Audit*	Deloitte & Touche SpA	2,158
Audit	Rete Deloitte & Touche	52
Attestation services	Deloitte & Touche SpA	671
Attestation services	Rete Deloitte & Touche	-
Other services	Deloitte & Touche SpA	-
Other services	Rete Deloitte & Touche	10
<b>Total</b>		<b>4,921</b>

\* Includes the costs of auditing the funds managed by BPF SGR charged to savers for a total fee of €203 thousand (100%).

251. 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.

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# 14





# BANCOPOSTA RFC SEPARATE REPORT FOR THE YEAR ENDED

31 DECEMBER **2022**

## 14

# BANCOPOSTA RFC SEPARATE REPORT FOR THE YEAR ENDED

31 DECEMBER 2022

## Table of contents

<b>Financial Statements</b>	792
Statement of financial position	792
Statement of profit or loss	794
Statement of comprehensive income	795
Statement of changes in equity	796
Statement of cash flows	798
<hr/>	
<b>Notes</b>	800
Part A – Accounting policies	800
Part B – Information on the statement of financial position	822
Part C – Information on profit or loss	850
Part D – Comprehensive Income	864
Part E – Information on risks and related hedging policies	865
Part F – Information on Equity	916
Part G – Business combinations	920



Part H – Related party transactions	920
Part I – Share-based payment arrangements	925
Part L – Operating segments	928
Part M – Information on leases	928

# Financial Statements

## Statement of financial position

Assets (figures in €)	31 December 2022	31 December 2021
10. Cash and cash equivalents	5,874,003,873	7,680,326,129
20. Financial assets measured at fair value through profit or loss	39,768,823	38,871,402
<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>	39,768,823	38,871,402
30. Financial assets measured at fair value through other comprehensive income	33,161,038,504	37,626,169,600
40. Financial assets measured at amortised cost	46,576,120,582	53,733,427,641
<i>a) due from banks</i>	1,499,841,103	3,378,615,492
<i>b) due from customers</i>	45,076,279,479	50,354,812,149
50. Hedging derivatives	6,109,461,206	873,376,627
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	1,157,311,589	282,549,035
<i>a) current</i>	-	-
<i>b) deferred</i>	1,157,311,589	282,549,035
110. Non-current assets and disposal groups held for sale	-	-
120. Other assets	11,520,235,265	8,837,599,833
<b>Total assets</b>	<b>104,437,939,842</b>	<b>109,072,320,267</b>

# Statement of financial position

Liabilities and equity (figures in €)	31 December 2022	31 December 2021
10. Financial liabilities measured at amortised cost	98,944,279,492	95,798,713,409
<i>a) due to banks</i>	12,849,764,915	10,700,636,405
<i>b) due to customers</i>	86,094,514,577	85,098,077,004
<i>c) debt securities in issue</i>	-	-
20. Financial liabilities held for trading	4,002,715	2,633,070
30. Financial liabilities designated at fair value	-	-
40. Hedging derivatives	970,662,525	5,460,693,418
50. Adjustments for changes in hedged financial liabilities portfolio (+/-)	-	-
60. Tax liabilities	225,575,165	670,198,017
<i>a) current</i>	-	-
<i>b) deferred</i>	225,575,165	670,198,017
70. Liabilities associated with non-current assets held for sale and discontinued operations	-	-
80. Other liabilities	2,789,296,794	2,535,136,332
90. Employee termination benefits	1,982,574	2,704,777
100. Provisions for risks and charges:	188,060,241	229,066,582
<i>a) commitments and guarantees given</i>	-	-
<i>b) pensions and similar obligations</i>	-	-
<i>c) other provisions for risks and charges</i>	188,060,241	229,066,582
110. Valuation reserves	(2,223,281,867)	1,117,995,952
120. Redeemable shares	-	-
130. Equity instruments	350,000,000	350,000,000
140. Reserves	2,585,050,876	2,396,824,468
150. Share premium reserve	-	-
160. Share capital	-	-
170. Treasury shares (-)	-	-
180. Profit/(Loss) for the year (+/-)	602,311,327	508,354,242
<b>Total liabilities and equity</b>	<b>104,437,939,842</b>	<b>109,072,320,267</b>

# Statement of profit or loss

Items (figures in €)	FY 2022	FY 2021
10. Interest and similar income	2,094,920,984	1,532,606,306
<i>of which: interest income calculated using the effective interest method</i>	2,094,920,984	1,532,606,306
20. Interest expense and similar charges	(172,077,432)	(91,396,159)
<b>30. Net interest income</b>	<b>1,922,843,552</b>	<b>1,441,210,147</b>
40. Fee income	3,453,985,229	3,588,811,008
50. Fee expenses	(216,167,715)	(267,375,205)
<b>60. Net fee and commission income</b>	<b>3,237,817,514</b>	<b>3,321,435,803</b>
70. Dividends and similar income	327,077	424,218
80. Profits/(Losses) on trading	(67,898,766)	(2,020,324)
90. Profits/(Losses) on hedging	17,696,651	5,102,964
100. Profits/(Losses) on disposal or repurchase of:	334,675,035	406,995,968
<i>a) financial assets measured at amortised cost</i>	76,793,562	(94,826,393)
<i>b) financial assets measured at fair value through other comprehensive income</i>	257,881,473	501,822,361
<i>c) financial liabilities</i>	-	-
110. Profits/(Losses) on other financial assets/liabilities measured at fair value through profit or loss	900,441	7,297,977
<i>a) financial assets and liabilities designated at fair value</i>	-	-
<i>b) other financial assets mandatorily measured at fair value</i>	900,441	7,297,977
<b>120. Net interest and other banking income</b>	<b>5,446,361,504</b>	<b>5,180,446,753</b>
130. Net losses/recoveries due to credit risk on:	(662,841)	3,853,315
<i>a) financial assets measured at amortised cost</i>	3,446,818	(1,994,491)
<i>b) financial assets measured at fair value through other comprehensive income</i>	(4,109,659)	5,847,806
140. Profits/(Losses) from contract amendments without termination	-	-
<b>150. Net income from banking activities</b>	<b>5,445,698,663</b>	<b>5,184,300,068</b>
160. Administrative expenses:	(4,626,709,711)	(4,446,377,277)
<i>a) personnel expenses</i>	(32,160,730)	(33,417,194)
<i>b) other administrative expenses</i>	(4,594,548,981)	(4,412,960,083)
170. Net provisions for risks and charges	21,106,716	(48,261,096)
<i>a) commitments and guarantees given</i>	-	-
<i>b) other net provisions</i>	21,106,716	(48,261,096)
180. Net losses/recoveries on property, plant and equipment	-	-
190. Net losses/recoveries on intangible assets	-	-
200. Other operating income/(expense)	(6,367,366)	7,855,729
<b>210. Operating expenses</b>	<b>(4,611,970,361)</b>	<b>(4,486,782,644)</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>833,728,302</b>	<b>697,517,424</b>
270. Taxes on income from continuing operations	(231,416,975)	(189,163,182)
<b>280. Income/(Loss) after tax from continuing operations</b>	<b>602,311,327</b>	<b>508,354,242</b>
290. Income/(Loss) after tax from discontinued operations	-	-
<b>300. Profit/(Loss) for the year</b>	<b>602,311,327</b>	<b>508,354,242</b>

# Statement of comprehensive income

Items (figures in €)	FY 2022	FY 2021
<b>10. Profit/(Loss) for the year</b>	<b>602,311,327</b>	<b>508,354,242</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	444,222	(105,828)
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	(93,507,071)	(133,986,689)
130. Hedges (elements not designated)	-	-
140. Financial assets (other than equity instruments) measured at fair value through other comprehensive income	(3,248,214,970)	(1,026,193,773)
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>(3,341,277,819)</b>	<b>(1,160,286,290)</b>
<b>180. Comprehensive income (Items 10+170)</b>	<b>(2,738,966,492)</b>	<b>(651,932,048)</b>

# Statement of changes in equity

(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*					
<b>Balance at 31.12.2021</b>	-	-	-	1,185,795,168	1,211,029,300	1,117,995,952	350,000,000	-	508,354,242	4,373,174,662
Adjustments to opening balances	-	-	-	-	-	-	-	-	-	-
<b>Balance at 01.01.2022</b>	-	-	-	1,185,795,168	1,211,029,300	1,117,995,952	350,000,000	-	508,354,242	4,373,174,662
<b>Attribution of retained earnings</b>	-	-	-	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)
<b>Changes during the year</b>	-	-	-	(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)
<b>Equity at al 31.12.2022</b>	-	-	-	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.



(figures in €)	31 December 2021									
	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*					
<b>Balance at 31.12.2020</b>	-	-	-	1,142,026,750	1,210,555,351	2,278,282,242	-	-	628,795,707	5,259,660,050
Adjustments to opening balances	-	-	-	-	-	-	-	-	-	-
<b>Balance at 01.01.2021</b>	-	-	-	1,142,026,750	1,210,555,351	2,278,282,242	-	-	628,795,707	5,259,660,050
<b>Attribution of retained earnings</b>	-	-	-	50,000,000	-	-	-	-	(628,795,707)	(578,795,707)
Reserves	-	-	-	50,000,000	-	-	-	-	(50,000,000)	-
Dividends and other attributions	-	-	-	-	-	-	-	-	(578,795,707)	(578,795,707)
<b>Changes during the year</b>	-	-	-	(6,231,582)	473,949	(1,160,286,290)	350,000,000	-	508,354,242	(307,689,681)
Movements in reserves	-	-	-	(6,231,582)	473,949	-	-	-	-	(5,757,633)
Equity-related transactions	-	-	-	-	-	-	350,000,000	-	-	350,000,000
Issuance of new shares	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Payment of extraordinary dividends	-	-	-	-	-	-	-	-	-	-
Movements in equity instruments	-	-	-	-	-	-	350,000,000	-	-	350,000,000
Derivatives on own shares	-	-	-	-	-	-	-	-	-	-
<i>Stock options</i>	-	-	-	-	-	-	-	-	-	-
Comprehensive income for 2021	-	-	-	-	-	(1,160,286,290)	-	-	508,354,242	(651,932,048)
<b>Equity at 31.12.2021</b>	-	-	-	1,185,795,168	1,211,029,300	1,117,995,952	350,000,000	-	508,354,242	4,373,174,662

\* This item represents the Reserve for BancoPosta RFC of €1,210 million and also includes the Reserve for Incentive Plans of €1 million.

# Statement of cash flows

## Indirect method

(figures in €)	FY 2022	FY 2021
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Cash flow from operations</b>	<b>154,644,935</b>	<b>465,820,695</b>
- Profit/(Loss) for the year (+/-)	602,311,327	508,354,242
- gains/(losses) on financial assets held for trading and on assets and liabilities measured at fair value through profit or loss (-/+)	(430,198)	(3,691,029)
- gains/(losses) on hedging activities (-/+)	(17,696,651)	(5,102,964)
- net losses/recoveries due to credit risk (+/-)	662,841	(3,853,315)
- net losses/recoveries on property, plant and equipment and intangible assets (+/-)	-	-
- net provisions and other expenses/income (+/-)	(21,283,747)	49,050,911
- unpaid taxes and duties (+)	231,416,975	189,163,183
- net losses/recoveries on discontinued operations after tax (+/-)	-	-
- other adjustments (+/-)	(640,335,612)	(268,100,333)
<b>2. Cash flow from/(used for) financial assets</b>	<b>(6,517,696,229)</b>	<b>(6,489,961,884)</b>
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	3,021	40,778,935
- financial assets measured at fair value through other comprehensive income	(5,732,455,821)	2,808,435,820
- financial assets measured at amortised cost	1,668,352,514	(3,241,086,579)
- other assets	(2,453,595,943)	(6,098,090,060)
<b>3. Cash flow from/(used for) financial liabilities</b>	<b>4,880,661,871</b>	<b>7,532,044,970</b>
- financial liabilities measured at amortised cost	3,278,813,669	9,692,424,923
- financial liabilities held for trading	-	(22,274,052)
- financial liabilities designated at fair value	-	-
- other liabilities	1,601,848,202	(2,138,105,901)
<b>Net cash flow from/(used for) operating activities</b>	<b>(1,482,389,423)</b>	<b>1,507,903,781</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash flow from</b>	<b>-</b>	<b>-</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>	<b>-</b>	<b>-</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>-</b>	<b>-</b>
<b>C. FINANCING ACTIVITIES</b>		
- issuance/purchase of treasury shares	-	-
- issuance/purchase of equity instruments	-	350,000,000
- dividends and other payments	(324,777,317)	(586,993,882)
<b>Net cash flow from/(used for) financing activities</b>	<b>(324,777,317)</b>	<b>(236,993,882)</b>
<b>NET CASH FLOW GENERATED/(USED) DURING THE YEAR</b>	<b>(1,807,166,740)</b>	<b>1,270,909,899</b>

KEY:  
(+) from  
(-) used for

## Reconciliation

Items (figures in €)	FY 2022	FY 2021
Cash and cash equivalents at beginning of the year	7,680,326,129	6,408,027,698
Net cash flow generated/(used) during the year	(1,807,166,740)	1,270,909,899
Cash and cash equivalents: effect of exchange rate fluctuations	844,484	1,388,532
<b>Cash and cash equivalents at end of the year</b>	<b>5,874,003,873</b>	<b>7,680,326,129</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 (“SIC”), adopted by the European Union and contained in the EU Regulations in force at 31 December 2022, regarding which no derogations were made.

#### Accounting standards and interpretations applicable from 1 January 2022 and those soon to be effective

The relevant information is provided in note 2.5 – *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 seventh<sup>252</sup> 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 21 December 2021 “Update of the additions to 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 2022, 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.

<sup>252</sup> In November 2022, the Bank of Italy published the eighth update of Circular no. 262/2005 to take into account the new international accounting standard IFRS 17 (which, as of 1 January 2023, will replace the current accounting standard IFRS 4) and the consequent changes introduced in other international accounting standards, including IAS 1 and IFRS 7. The changes introduced, effective for financial statements closed or ongoing at 31 December 2023, are not applicable to BancoPosta RFC.

The statement of cash flows has been prepared under the indirect method<sup>253</sup>. All figures in the notes are stated in millions of euros; in addition, the tables with nil balances have not been included.

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 2021.

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 and, subsequently BancoPosta RFC, prepare their financial statements on a going concern basis, also taking account the Group's economic and financial outlook, as reflected in the "2023 Budget and the economic and financial prospects for the 2024-2025 two-year period approved by the Board of Directors at its meeting of 29 March 2023.

BancoPosta's accounting policies, which 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 2022.

253. 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.

## 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 2022 as shown below:

€m	31.12.2022	of which intersegment	31.12.2021	of which intersegment
<b>Assets</b>				
10. Cash and cash equivalents	5,874	-	7,680	-
20. Financial assets measured at fair value through profit or loss	40	-	39	-
<i>a) financial assets held for trading</i>	-	-	-	-
<i>b) financial assets measured at fair value</i>	-	-	-	-
<i>c) other financial assets mandatorily measured at fair value</i>	40	-	39	-
30. Financial assets measured at fair value through other comprehensive income	33,161	-	37,626	-
40. Financial assets measured at amortised cost	46,576	349	53,733	179
<i>a) due from banks</i>	1,500	-	3,379	-
<i>b) due from customers</i>	45,076	349	50,354	179
50. Hedging derivatives	6,109	-	873	-
100. Tax assets	1,157	-	283	-
120. Other assets	11,521	44	8,838	75
<b>A Total assets</b>	<b>104,438</b>	<b>393</b>	<b>109,072</b>	<b>254</b>
<b>Liabilities and equity</b>				
10. Financial liabilities measured at amortised cost	98,944	227	95,798	172
<i>a) due to banks</i>	12,850	-	10,700	-
<i>b) due to customers</i>	86,094	227	85,098	172
<i>c) debt securities in issue</i>	-	-	-	-
20. Financial liabilities held for trading	4	-	3	-
40. Hedging derivatives	971	-	5,461	-
60. Tax liabilities	226	-	670	-
80. Other liabilities	2,789	36	2,535	4
90. Employee termination benefits	2	-	3	-
100. Provisions for risks and charges	188	-	229	-
110. Valuation reserves	(2,223)	-	1,118	-
130. Equity instruments	350	-	350	-
140. Reserves	2,585	-	2,397	-
180. Profit/(Loss) for the year (+/-)	602	-	508	-
<b>B Total liabilities and equity</b>	<b>104,438</b>	<b>263</b>	<b>109,072</b>	<b>176</b>
<b>A-B Net intersegment balances</b>		<b>130</b>		<b>78</b>

The provision of services to BancoPosta RFC by Poste Italiane SpA functions is governed by the specific *Regulation governing the process of awarding and outsourcing of BancoPosta RFC*, approved by the Board of Directors of Poste Italiane SpA<sup>254</sup>.

254. At its meeting of 24 June 2022, 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.

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 Company'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 2021, 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 Guidelines, which expired on 31 December 2022 and are being renewed for the three-year period 2023-2025, were notified to the Bank of Italy pursuant to the Supervisory Provisions, 60 days before the actual start. The Supervisory Authority gave a positive opinion to proceed. 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 2022 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 2022.

## 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, 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. Poste Italiane lodged an appeal against this measure before the Lazio Regional Administrative Court, which was not upheld and the relevant judgment was challenged before the Council of State. The setting of the hearing is now pending.

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 the AGCM a statement of defence in which, in addition to replying to the request for information contained in the writ of initiation, it highlighted its role as mere placement agent, the nature of the postal certificates and the inapplicability of the consumer discipline to the case at hand. 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. The Authority's Resolution was appealed before the Regional Administrative Court by the Company, which set a hearing on the merits for 7 June 2023. In line with the provisions of the final measure, on 3 February 2023, the Company sent its Report of Compliance with the AGCM's warning.

## 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.

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 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 (“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. Feedback will be provided by BancoPosta by the second quarter of 2023.

## IVASS - Istituto per la Vigilanza sulle Assicurazioni (the insurance regulator)

With regard to the audit aimed at verifying compliance with anti-money laundering regulations, jointly, at Poste Vita and Poste Italiane, with reference to the BancoPosta RFC, which was completed on 18 June 2021 and the results of which were notified to Poste Vita SpA at the Board of Directors’ meeting of 30 September 2021, it is reported that at 31 December 2022, all the actions identified had been completed within the planned time-frame.

## 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 12 July 2023.



### 4.3 Risks, uncertainties and impacts of the Covid-19 epidemic

At 31 December 2022, following the scenario improvement, the risks and uncertainties arising from Covid-19 are negligible and are not reflected in the assessment of expected losses.

### 4.4 Material events during the year

The year under review was characterised by the beginning of the crisis between the European countries Russia-Ukraine.

In order to assess the impact of the conflict on the Group, an assessment was made of the current and potential future impacts and of the sanctions imposed on Russia by state and supranational authorities, on the Group's activities, financial position and results of operations in view of the available evidence and the scenarios that could be envisaged at the date of preparation of the following separate report.

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.

### 4.5 Reform of rate benchmark

For an analysis of the effects of the rate benchmark reform, please refer to the information provided in Part E..

## 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.

#### 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>255</sup>;

255. 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.

- 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”.

## **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.

# **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.

## **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).

In addition to debt securities that meet the aforementioned characteristics, this item comprises also equity instruments that would otherwise be measured at fair value through profit or loss, for which the election was made to report any subsequent changes in fair value through other comprehensive income (FVTOCI option).

## **c) measurement and recognition of gains and losses**

Financial assets other than equity instruments 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".

Equity instruments which the Company elected to classify in this item are measured at fair value and any changes in such fair value are recognised in line "Item 110 – Valuation reserves" without subsequent recycling to profit or loss, not even in case of sale. The only component that is reported in profit or loss is the related dividends.

#### **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.

#### **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 hedge:

- fair value hedges: 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;
- 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, 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. 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 loans 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

Financial liabilities held for trading consist of derivatives which do not qualify for classification as hedging instruments in accordance with accounting standards, or originally obtained as a hedge which was subsequently discontinued. 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

Revenue deriving from contracts with customers reflects the consideration to which the entity expects to be entitled in exchange for those goods and services (transaction price).

In accordance with IFRS 15, revenue is recognised on the basis of a 5-step framework, which consists of the following:

1. identify the contract with the customer (sales contracts except lease contracts, insurance contracts, financial instruments and non-monetary exchanges);
2. identify the performance obligations, which can be defined as the explicit or implicit promise to transfer a distinct good or service to the customer;
3. determine the transaction price;
4. in case of bundles of goods or services involving different performance obligations, allocate the transaction price to the performance obligation; to that end, it is necessary to estimate the stand-alone selling price of each component;
5. recognise revenue when or as the entity fulfils the performance obligation, that is upon delivery of the good or service to the customer. Performance obligations can be fulfilled:
  - “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).

Every single supplier obligation with the customer is considered, measured and recognised separately. This approach involves a preliminary accurate analysis of the contract to identify every “single product/service” or every “single component” of a product/service that the supplier promises to provide, attributing to each the relevant consideration, and to monitor each such obligation during the life of the contract (in terms both of manner and timing of fulfilment and the customer's level of satisfaction).

For revenue recognition purposes, so-called variable components of the consideration (discounts, rebates, price concessions, incentives, penalties and other similar) are included to supplement or adjust the transaction price. Among the variable components of the consideration, of particular importance are the penalties (other than those provided for compensation for damages), which IFRS 15 provides to be recorded as a direct decrease in revenue, instead of allocating them to a provision for risks and charges.

In the presence of multiple performance obligations, the total transaction price is allocated to each performance obligation to the extent of the consideration that the entity is entitled to receive for the transfer of the relevant goods and services to the customer. The transaction price will be allocated on the basis of the standalone selling price of the goods and services associated with the performance obligation. The standalone selling price is the price at which an entity would sell the goods and services separately to the customer, under similar circumstances and to similar customers. If the standalone selling price is not observable, the Company would need to estimate it considering all the information available (market conditions, information on the customer or the class of customers) and the estimation methods used in similar circumstances.

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 Euro zone government bonds, in which deposits paid into accounts by private customers and tax credits Law no. 77/2020 are invested.

Moreover, dividends are recognised in profit or loss when the right to receive payment is established, which generally corresponds with approval of the distribution by the shareholders of the investee company.

## 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 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 as 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>256</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 performed and the documents published by the main Italian supervisory bodies<sup>257</sup>, although the definition of financial assets in IAS 32 is not directly applicable to this case, it is considered that an accounting model based on IFRS 9 represents the most appropriate accounting policy since:

- 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).

Consequently, these receivables are recorded at the date of purchase at their fair value (coinciding with the price paid) and subsequently measured:

256. 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.

257. 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”.



- at amortised cost, if acquired for use in offsetting tax or social security payables by Poste Italiane SpA, based on the provisions of the relevant regulations ("Hold to Collect" - HTC business model);
- at fair value through comprehensive income, if also purchased for eventual sale to third parties ("Hold to Collect and Sell" - HTCS business model). 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".

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.

**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 for the part accrued until 31 December 2006. In fact, following the reform of the supplementary pension fund, from 1 January 2007 vesting employee termination benefits (TFR) must be paid into a supplementary pension fund or into a Treasury Fund set up by INPS. Accordingly, BancoPosta RFC's defined benefit liability is applicable only to the provisions made up to 31 December 2006<sup>258</sup>.

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 compliance

258. Where, following entry into effect of the new legislation, the employee has not exercised any option regarding the investment of vested employee termination benefits, the Company has remained liable to pay the benefits until 30 June 2007, or until the date, between 1 January 2007 and 30 June 2007, on which the employee exercised a specific option. Where no option was exercised, from 1 July 2007 vested employee termination benefits have been paid into a supplementary pension fund.

with IAS 19. 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 into account the employee termination benefits accrued for work already performed and is based on actuarial assumptions that mainly concern: demographic assumptions (e.g. employee turnover and mortality) and financial assumptions (such as rate of inflation and a discount rate consistent with that of the liability). As BancoPosta RFC is not liable for employee termination benefits accruing after 31 December 2006, the actuarial calculation of employee termination benefits no longer takes account of future salary increases. 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.

Below is a description of the accounting treatments that require greater subjectivity in the preparation of estimates, also taking into account the geopolitical uncertainty arising from the war between the European countries Russia-Ukraine and the particular nature 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, stage allocation is not applied 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 - 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. These assumptions, which are based on the Group's experience and relevant best practices, are subject to periodic reviews.

# 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 2021. 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 1 bond price quotations incorporate a credit risk component.

**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>259</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 equity instruments for which no price is observable directly or indirectly in the market:

- equities;
- tax credits Law no. 77/2020<sup>260</sup>.

## 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.
  - 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.

259. 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.

260. As of 1 October 2022 these credits are measured at amortised cost.

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.

## 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 31.14%.

## 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 (€m)	31.12.2022			31.12.2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	-	20	20	-	-	39
a) financial assets held for trading	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	20	20	-	-	39
2. Financial assets measured at fair value through other comprehensive income	33,017	144	-	37,290	336	-
3. Hedging derivatives	-	6,109	-	-	873	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
<b>Total</b>	<b>33,017</b>	<b>6,273</b>	<b>20</b>	<b>37,290</b>	<b>1,209</b>	<b>39</b>
1. Financial liabilities held for trading	-	-	4	-	3	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	971	-	-	5,461	-
<b>Total</b>	<b>-</b>	<b>971</b>	<b>4</b>	<b>-</b>	<b>5,464</b>	<b>-</b>

## A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (Level 3)

(€m)	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>39</b>	-	-	<b>39</b>	-	-	-	-
<b>2. Increases</b>	-	-	-	-	-	-	-	-
2.1. Purchases	-	-	-	-	-	-	-	-
2.2. Profit recognition:	-	-	-	-	-	-	-	-
2.2.1. Profit or loss	-	-	-	-	-	-	-	-
- 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>(19)</b>	-	-	<b>(19)</b>	-	-	-	-
3.1. Sales	-	-	-	-	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-
3.3. Impairment recognition:	(1)	-	-	(1)	-	-	-	-
3.3.1. Profit or loss	(1)	-	-	(1)	-	-	-	-
- of which losses	(1)	-	-	(1)	-	-	-	-
3.3.2. Equity	-	x	x	x	-	-	-	-
3.4. Transfers to other levels	(18)	-	-	(18)	-	-	-	-
3.5. Other decreases	-	-	-	-	-	-	-	-
<b>4. Closing balance</b>	<b>20</b>	-	-	<b>20</b>	-	-	-	-

In the period under review, the changes relate for €1 million to the negative change in fair value of the Series C Visa Incorporated Convertible Participating Preferred Stock and for €18 million to the transfer from Level 3 to Level 2 of part of the Visa Incorporated Series C Preferred Stock converted into Series A Preferred Stock on 29 July 2022, as described in Part B, Section 2 of Assets.

## 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 (€m)	Total at 31.12.2022				Total at 31.12.2021			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	46,576	20,927	4,082	17,519	53,733	30,244	3,418	20,623
2. Property, plant and equipment held for investment purposes	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups held for sale	-	-	-	-	-	-	-	-
<b>Total</b>	<b>46,576</b>	<b>20,927</b>	<b>4,082</b>	<b>17,519</b>	<b>53,733</b>	<b>30,244</b>	<b>3,418</b>	<b>20,623</b>
1. Financial liabilities measured at amortised cost	98,944	-	9,776	88,819	95,799	-	13,249	82,539
2. Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
<b>Total</b>	<b>98,944</b>	<b>-</b>	<b>9,776</b>	<b>88,819</b>	<b>95,799</b>	<b>-</b>	<b>13,249</b>	<b>82,539</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 as they are all measured at amortised cost at 31 December 2022 with a carrying amount of €8,600 million (€2,708 million at 31 December 2021) and a fair value of €7,824 million (€2,674 million at 31 December 2021). 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 31.12.2022	Total at 31.12.2021
a) Cash	3,984	2,906
b) Current accounts and demand deposits with central banks	1,885	4,771
c) Current accounts and demand deposits with banks	5	3
<b>Total</b>	<b>5,874</b>	<b>7,680</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 (€1,094 million) and service companies<sup>261</sup> (€2,890 million). Cash includes foreign banknotes equivalent to €23 million.

The decrease with respect to 31 December 2021 is due to the decrease in the sub-item “Current accounts and demand deposits with Central Banks” mainly as a result of the purchase of tax credits, pursuant to Law Decree no. 34/2020, through the surplus liquidity deriving from deposits from private individuals deposited on the account opened with the Bank of Italy, partially offset by the increase in the sub-item “Cash” due to higher amounts held with the Service Companies.

#### 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 2022 or 31 December 2021. BancoPosta RFC entered into transactions to acquire and immediately dispose of debt securities and equities on behalf of certain customers.

At 31 December 2022 and 31 December 2021, there were no financial assets in the portfolio designated at fair value under the fair value option.

261. They carry out transport and custody of valuables awaiting payment to the State Treasury.

## 2.5 Other financial assets mandatorily measured at fair value: breakdown by type

Items/Amounts (€m)	Total at 31.12.2022			Total at 31.12.2021		
	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>	-	20	20	-	-	39
<b>3. UCIs</b>	-	-	-	-	-	-
<b>4. Loans</b>	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
<b>Total</b>	-	20	20	-	-	39

Equity instruments comprise:

- for €20 million, the fair value of 32,059 Visa Incorporated preference shares (Series C Convertible Participating Preferred Stock) assigned following the completion of the sale of the Visa Europe Ltd. share to Visa Incorporated in 2016; these shares are convertible to ordinary shares at the rate of 3.634<sup>262</sup> ordinary shares for each C share and are discounted accordingly at a suitable rate to take account of their illiquidity. The process of determining the proportion of convertibility and related rate of Visa Incorporated Series C Convertible Participating Preferred Stock continued during the year, partially concluded on 29 July 2022 with the grant of 1,019 preference shares of Visa Incorporated Series A Preferred Stock;
- for €20 million, the fair value of 1,019 Visa Incorporated preference shares (Series A Preferred Stock); these shares are convertible into ordinary shares on the basis of a ratio of 100 ordinary shares for every share of Class A Preferred Stock.

The overall net change in fair value during the year is a positive €1 million and is recorded in profit or loss under "Item 110 - Profits (Losses) of other financial assets and liabilities mandatorily measured at fair value through profit or loss".

262. Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, as of the reporting date, were considered as merely contingent.

## 2.6 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

(€m)	Total at 31.12.2022	Total at 31.12.2021
<b>1. Equity instruments</b>	<b>40</b>	<b>39</b>
of which: banks	-	-
of which: other financial companies	40	39
of which: non-financial companies	-	-
<b>2. Debt securities</b>	<b>-</b>	<b>-</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>-</b>	<b>-</b>
<b>4. Loans</b>	<b>-</b>	<b>-</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>40</b>	<b>39</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 31.12.2022			Total at 31.12.2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>1. Debt securities</b>	<b>33,017</b>	<b>144</b>	<b>-</b>	<b>37,290</b>	<b>336</b>	<b>-</b>
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	33,017	144	-	37,290	336	-
<b>2. Equity instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>33,017</b>	<b>144</b>	<b>-</b>	<b>37,290</b>	<b>336</b>	<b>-</b>

Investments in debt securities are recognised at fair value, for €33,161 million (of which €265 million in accrued interest).

## 3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

Items/Amount (€m)	Total at 31.12.2022	Total at 31.12.2021
<b>1. Debt securities</b>	<b>33,161</b>	<b>37,626</b>
a) Central banks	-	-
b) Public Administration entities	33,161	37,626
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
<b>2. Equity instruments</b>	<b>-</b>	<b>-</b>
a) Banks	-	-
b) Other issues:	-	-
- other financial companies	-	-
of which: insurance companies	-	-
- non-financial companies	-	-
- other	-	-
<b>3. Loans</b>	<b>-</b>	<b>-</b>
a) Central banks	-	-
b) Public Administration entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Household	-	-
<b>Total</b>	<b>33,161</b>	<b>37,626</b>

Debt securities issued by governments include Euro zone fixed income government bonds, mainly represented by Italian government bonds with a nominal value of €37,489 million. Total fair value fluctuation for the period was negative for €10,126 million, with losses of €4,405 million recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges, and a loss of €5,721 million recognised through profit or loss in relation to the hedged portion. The decrease in this item is mainly due to the negative fair value fluctuation mentioned above, partially offset by higher purchases than sales/reimbursements during the year.

Securities with a nominal value of €8,899 million are encumbered as follows:

- €6,628 million, carried at fair value for €6,246 million (Part B, Other Information, Table 3), and delivered to counterparties in connection with repurchase agreements concluded prior to 31 December 2022;
- €2,271 million, carried at fair value for €2,223 million, and delivered to the Bank of Italy to secure an intraday credit line.

In addition, securities with a nominal value of €829 million are committed for repurchase agreements entered into with Cassa Compensazione e Garanzia in December 2022 and settled in early January 2023.

### 3.3 Financial assets measured at fair value through other comprehensive income: gross amount and total impairment losses

(€m)	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	33,177	-	-	-	-	16	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
<b>Total at 31.12.2022</b>	<b>33,177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total at 31.12.2021</b>	<b>37,638</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</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 2022 amount to €16 million (€12 million at 31 December 2021).

## Section 4 – Financial assets measured at amortised cost – Item 40

### 4.1 Financial assets measured at amortised cost: breakdown of amounts due from banks by type

Type of transactions/Amounts (€m)	Total at 31.12.2022						Total at 31.12.2021					
	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>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>1,500</b>	-	-				<b>3,379</b>	-	-			
1. Loans	1,500	-	-				3,379	-	-			
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2 Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
1.3 Other loans:	1,500	-	-	X	X	X	3,379	-	-	X	X	X
- Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
- Lease financing	-	-	-	X	X	X	-	-	-	X	X	X
- Other	1,500	-	-	X	X	X	3,379	-	-	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>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>3,379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,379</b>

"Other loans, Other" includes cash collateral held by counterparties for interest rate swaps (€21 million as collateral pursuant to Credit Support Annexes), entered into for cash flow and fair value hedging purposes by BancoPosta RFC, and repurchase agreements (€1,447 million as collateral pursuant to specific Global Master Repurchase Agreements). The year-on-year decrease in amounts due for guarantee deposits is due to the upward shift in the interest rate curve, which mainly generated a decrease in amounts paid to counterparties with which interest rate swap transactions are in place as a result of the positive change in the fair value of hedging derivatives, partially offset by the increase in amounts paid to counterparties with which repo transactions are in place as a result of the negative change in the fair value of collateral securities.

In addition, "Other loans, Other" includes trade receivables for €32 million arising from contracts with customers, accounted for in accordance with IFRS 15 (€66 million at 31 December 2021) mainly relating to financial services and personal loan distribution..

## 4.2 Financial assets measured at amortised cost: breakdown of due from customers by type

Type of transactions/Amounts (€m)	Total at 31.12.2022						Total at 31.12.2021					
	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>17,377</b>	-	-				<b>17,244</b>	-	-			
1.1 Current accounts	7	-	-	x	x	x	5	-	-	x	x	x
1.2 Reverse repurchase agreements	1,358	-	-	x	x	x	-	-	-	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	16,012	-	-	x	x	x	17,239	-	-	x	x	x
<b>2. Debt securities</b>	<b>27,699</b>	-	-				<b>33,110</b>	-	-			
2.1 Structured securities	-	-	-	x	x	x	-	-	-	x	x	x
2.2 Other debt securities	27,699	-	-	x	x	x	33,110	-	-	x	x	x
<b>Total</b>	<b>45,076</b>	-	-	<b>20,927</b>	<b>4,082</b>	<b>16,019</b>	<b>50,354</b>	-	-	<b>30,244</b>	<b>3,418</b>	<b>17,244</b>

A description of "Loans" is provided below.

At 31 December 2022 there are reverse repurchase agreements of €4,575 million (€1,577 million as at 31 December 2021) entered into with Cassa di Compensazione e Garanzia SpA (hereinafter the CC&G) for the temporary use of liquidity from private funding. These transactions are guaranteed by securities for a total nominal amount of €4,425 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 2022, already included in the exposure to net balances, amounted to €3,217 million (€1,577 million at 31 December 2021).

"Other loans" primarily consist of:

- €12,124 million, of which €222 million being accrued interest and collected in March 2023, public customers' current account deposits deposited with the MEF (€12,724 million at 31 December 2021), which earn a variable rate of return, calculated on a basket of government securities<sup>263</sup>. The deposit has been adjusted to reflect accumulated impairments of €5 million, to reflect the risk of counterparty default (unchanged compared to 31 December 2021). During the 2022 financial year, hedging (management) derivative contracts were concluded on the 10-year index-linked remuneration component. The hedging transaction

263. 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.

**Annual Report 2022**

Poste Italiane Group

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 generated negative effects of €71 million recognised in the Statement of profit or loss in "Item 80 - Net trading income";

- €1,997 million, of which €6 million for interest accrued, deposits at the MEF (the "Buffer account"), remunerated at the Euro Short Term Rate (ESTR) from 1 January 2022<sup>264,265</sup>;
- €989 million from amounts due for guarantee deposits, of which: (i) €10 million for sums paid to counterparties with which interest rate swap transactions are outstanding (collateral provided for in specific Credit Support Annexes); (ii) €978 million for sums paid to CC&G for outstanding repo transactions (€613 million) and as a pre-financed contribution to the Default Fund<sup>266</sup> (€365 million); (iii) €1 million for sums paid as collateral within the framework of clearing systems with central counterparties for over-the-counter (OTC) transactions<sup>267</sup> in derivatives;
- €349 million in amounts receivable from Poste Italiane SpA's functions outside the ring-fence, €348 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;
- €280 million in amounts due from Poste Vita for commissions on the placement of insurance policies;
- €141 million in amounts due from PostePay for product placement services related to the payments business;
- €21 million in fees receivable from Cassa Depositi e Prestiti during the year in connection with the postal savings service pertaining to the year. The decrease of €366 million compared to 31 December 2021 reflects the new billing and payment methods on a monthly basis and no longer on a quarterly basis, introduced by the Agreement of 23 December 2021, effective from 1 January 2022;
- €20 million in amounts due for the payment of pensions and vouchers 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 €774 million (€823 million at 31 December 2021). These are mainly due to financial services, pension payments, interest on postal deposits, and personal loan distribution, net of any loss provisions for €41 million (€42 million at 31 December 2021). 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 €28,304 million. Their carrying amount of €27,699 million reflects the amortised cost of unhedged fixed income bonds, totalling €15,614 million, the amortised cost of fair-value hedged fixed income bonds, totalling €14,799 million, decreased by €2,714 million to take into account the effects of the hedge (€2,188 million related to 2021). The value of these securities was adjusted to take into account the related impairments. Accumulated impairments at 31 December 2022 amount to approximately €13 million (€11 million at 31 December 2021).

At 31 December 2022 the total fair value of these instruments, inclusive of €226 million in accrued interest, amounts to €23,651 million, of which €20,927 million classified in Level 1 of the fair value hierarchy and €2,724 million classified in Level 2.

Securities with a nominal value of €7,034 million are encumbered as follows:

- €6,442 million, carried at amortised cost for €6,766 million (Part B, Other Information, Table 3), and delivered to counterparties in connection with repurchase agreements concluded at 31 December 2022;
- €245 million, carried at amortised cost for €247 million (Part B, Other Information, Table 3), and delivered to counterparties in connection with interest rate swaps and repurchase agreements concluded in the year under review;
- €36 million, carried at amortised cost for €36 million and delivered as collateral to the Bank of Italy in relation to the clearing service offered by the Bank of Italy for the execution of Sepa Direct Debits;
- €311 million, carried at amortised cost for €429 million, and delivered to the Bank of Italy to secure an intraday credit line.

In addition, securities with a nominal value of €371 million are committed for repurchase agreements entered into with Cassa Compensazione e Garanzia in December 2022 and settled in early January 2023.

264. Until 31 December 2021, these deposits are remunerated at a variable rate calculated on the basis of the Euro OverNight Index Average (EONIA), the rate applied in overnight lending and calculated as the weighted average of overnight rates for transactions on the interbank market reported to ECB by a panel of banks operating in the euro zone (the biggest banks in all the euro zone countries).

265. 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.

266. 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.

267. Securities market not subject to any specific regulation on the organisation and operation of the market itself.



### 4.3 Financial assets measured at amortised cost: breakdown of amounts due from customers by debtor/issuer

Type of transactions/Amounts (€m)	Total at 31.12.2022			Total at 31.12.2021		
	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>27,699</b>	-	-	<b>33,110</b>	-	-
a) Public Administration entities	24,708	-	-	29,895	-	-
b) Other financial companies	2,991	-	-	3,215	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	-	-	-	-	-	-
<b>2. Loans to:</b>	<b>17,377</b>	-	-	<b>17,244</b>	-	-
a) Public Administration entities	14,176	-	-	14,768	-	-
b) Other financial companies	2,823	-	-	2,278	-	-
of which: insurance companies	288	-	-	230	-	-
c) Non-financial companies	372	-	-	194	-	-
d) Households	6	-	-	4	-	-
<b>Total</b>	<b>45,076</b>	-	-	<b>50,354</b>	-	-

Securities related to "Other financial companies" for €2,863 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

(€m)	Gross amount				Total impairment losses				Total partial write-offs*
	Stage 1 of which: Instruments with low credit risk	Stage 2	Stage 3	Acquired or originated impaired financial assets	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets	
Debt securities	27,712	-	-	-	13	-	-	-	-
Loans	18,076	-	863	-	5	57	-	-	-
<b>Total at 31.12.2022</b>	<b>45,788</b>	-	<b>863</b>	-	<b>18</b>	<b>57</b>	-	-	-
<b>Total at 31.12.2021</b>	<b>52,861</b>	-	<b>946</b>	<b>12</b>	<b>16</b>	<b>58</b>	<b>12</b>	-	-

\* Amount reported for disclosure purposes.

## Section 5 – Hedging derivatives – Item 50

### 5.1 Hedging derivatives by type of hedge and level

(€m)	Fair Value at 31.12.2022			Notional amount* at 31.12.2022	Fair Value at 31.12.2021			Notional amount* at 31.12.2021
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>A. Financial derivatives</b>	-	6,109	-	27,646	-	873	-	14,008
1) Fair value	-	5,759	-	25,840	-	797	-	11,879
2) Cash flow	-	350	-	1,806	-	76	-	2,129
3) Foreign investments	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flow	-	-	-	-	-	-	-	-
<b>Total</b>	-	6,109	-	27,646	-	873	-	14,008

\* 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 change from 31 December 2021 is commented on in Part B - Section 4 of Liabilities.

During the 2022 financial year, derivative assets (fair value hedges) with a total notional amount of €7,883 million (of which €970 million related to hedging transactions for which the underlying security was also sold) were extinguished early, with the aim of consolidating a fixed return in line with the market situation while improving the income profile of a portion of the portfolio for subsequent years as well.

### 5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge (€m)		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	2,946	-	-	-	X	X	X	-	X	X
2.	Financial assets measured at amortised cost	2,813	X	-	-	X	X	X	-	X	X
3.	Portfolio	X	X	X	X	X	X	-	X	-	X
4.	Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets		5,759	-	-	-	-	-	-	-	-	-
1.	Financial liabilities	-	X	-	-	-	-	X	-	X	X
2.	Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities		-	-	-	-	-	-	-	-	-	-
1.	Expected transactions	X	X	X	X	X	X	X	350	X	X
2.	Portfolio of financial assets and liabilities	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 (€m)	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	-	-	7	-	29	5	36	6
Deferred tax assets through equity	786	147	153	29	-	-	-	-	939	176
<b>Total 2022</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>
Deferred tax assets through profit or loss	-	1	-	-	11	-	36	7	47	8
Deferred tax assets through equity	119	22	73	14	-	-	-	-	192	36
<b>Total 2021</b>	<b>119</b>	<b>23</b>	<b>73</b>	<b>14</b>	<b>11</b>	<b>-</b>	<b>36</b>	<b>7</b>	<b>239</b>	<b>44</b>

## 10.2 Deferred tax liabilities: breakdown

Descrizione (milioni di euro)	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	163	30	26	5	189	35
<b>Total 2022</b>	<b>163</b>	<b>31</b>	<b>26</b>	<b>5</b>	<b>189</b>	<b>36</b>
Deferred tax liabilities through profit or loss	-	1	-	-	-	1
Deferred tax liabilities through equity	521	98	42	8	563	106
<b>Total 2021</b>	<b>521</b>	<b>99</b>	<b>42</b>	<b>8</b>	<b>563</b>	<b>107</b>

## 10.3 Changes in deferred tax assets through profit or loss

(€m)	Total at 31.12.2022	Total at 31.12.2021
<b>1. Opening balance</b>	<b>55</b>	<b>55</b>
<b>2. Increases</b>	<b>1</b>	<b>2</b>
2.1 Deferred tax assets recognised in the year	1	2
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) write-backs	1	2
d) other	-	-
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>(14)</b>	<b>(2)</b>
3.1 Deferred tax assets derecognised in the year	(14)	(2)
a) reversals	(14)	-
b) write-downs of non-recoverable items	-	(2)
c) due to changes in accounting policies	-	-
d) other	-	-
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>42</b>	<b>55</b>

## 10.4 Changes in deferred tax liabilities through profit or loss

(€m)	Total at 31.12.2022	Total at 31.12.2021
<b>1. Opening balance</b>	<b>(1)</b>	<b>(3)</b>
<b>2. Increases</b>	<b>(1)</b>	<b>-</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>1</b>	<b>2</b>
3.1 Deferred tax liabilities derecognised in the year	1	2
a) reversals	1	2
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 31.12.2022	Total at 31.12.2021
<b>1. Opening balance</b>	<b>228</b>	<b>75</b>
<b>2. Increases</b>	<b>927</b>	<b>174</b>
2.1 Deferred tax assets recognised in the year	927	174
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	927	174
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>(40)</b>	<b>(21)</b>
3.1 Deferred tax assets derecognised in the year	(40)	(21)
a) reversals	(3)	(20)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) other	(37)	(1)
3.2 Reductions of tax rates	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>1,115</b>	<b>228</b>

## 10.6 Changes in deferred tax liabilities through equity

(€m)	Total at 31.12.2022	Total at 31.12.2021
<b>1. Opening balance</b>	<b>(669)</b>	<b>(976)</b>
<b>2. Increases</b>	<b>(172)</b>	<b>(32)</b>
2.1 Deferred tax liabilities recognised in the year	(172)	(32)
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	(172)	(32)
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>617</b>	<b>339</b>
3.1 Deferred tax liabilities derecognised in the year	617	339
a) reversals	158	142
b) due to changes in accounting policies	-	-
c) other	459	197
3.2 Reductions of tax rates	-	-
3.3 Other decreases	-	-
<b>4. Closing balance</b>	<b>(224)</b>	<b>(669)</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 positive change in deferred tax assets and liabilities recognised in equity mainly reflects the decreasing 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

Items/Amounts (€m)	Total at 31.12.2022	Total at 31.12.2021
Tax credits Law no. 77/2020	8,600	6,008
Tax credits at amortised cost	8,600	2,707
Tax credits measured at fair value through other comprehensive income	-	3,301
Items in process	583	564
Tax receivables from revenue agency	408	412
Current tax assets receivable from Poste Italiane SpA outside the ring-fence	43	75
Other items	1,886	1,779
<b>Total</b>	<b>11,520</b>	<b>8,838</b>

Tax credits Law no. 77/2020, amounting to €8,600 million, relate to purchases made by Poste Italiane SpA and allocated to BancoPosta against free capital resources as well as resources subject<sup>268</sup> and not subject to the obligation to use them 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.

During the year, tax credits previously measured at fair value through other comprehensive income were reclassified to Tax credits at amortised cost. The reclassification, effective as of 1 October 2022, became necessary as a result of the lack of development in the market for second sales between financial intermediaries, which therefore required BancoPosta RFC to revise its business model for these loans.

Changes in these receivables during 2022 are shown below:

(€m)	Tax credits at amortised cost	Financial assets measured at FV through other comprehensive income	Total at 31.12.2022
<b>1. Opening balance</b>	<b>2,707</b>	<b>3,301</b>	<b>6,008</b>
<b>2. Increases</b>	<b>6,001</b>	<b>84</b>	<b>6,085</b>
2.1 Purchases	3,174	-	3,174
2.2 Increases in fair value	-	-	-
2.3 Transfers from other portfolios	2,508	-	2,508
2.4 Other movements	319	84	403
<b>3. Decreases</b>	<b>(108)</b>	<b>(3,385)</b>	<b>(3,493)</b>
3.1 Sales	-	-	-
3.2 Redemptions	(107)	(754)	(861)
3.3 Negative changes in fair value	-	(122)	(122)
3.4 Transfers to other portfolios	-	(2,508)	(2,508)
3.5 Other movements	(1)	(1)	(2)
<b>4. Closing balance</b>	<b>8,600</b>	<b>-</b>	<b>8,600</b>

268. 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.

The main changes during the year relate to:

- purchases of €3,174 million, entirely related to receivables measured at amortised cost;
- Income accrued during the period amounting to €273 million, of which approximately €189 million relating to receivables at amortised cost and €84 million relating to tax credits measured at fair value through other comprehensive income;
- negative fair value changes of €122 million related to receivables measured at fair value through comprehensive income (from 1 January to 30 September 2022);
- reclassification of tax credits measured at fair value through other comprehensive income to the category of tax credits measured at amortised cost in the amount of €2,508 million;
- reimbursements for capital outside ring-fence in the amount of €861 million.

Other increases include income accrued during the period in the amount of €273 million and the positive effects, totalling €130 million, recognised on 1 October 2022 as an increase in Equity, following the reclassification of tax credits to the amortised cost category.

At 31 December 2022, the fair value<sup>269</sup> of tax credits at amortised cost is €7,824 million. At that date, the fair value of only the tax credits subject to reclassification was €2,425 million; the overall change in fair value recognised during the year, a negative €14 million, would have been recognised in Equity in the absence of the reclassification.

Tax assets primarily relate to payments on account to the tax authorities, of which €386 million to be recovered from customers for virtual stamp duty payable in 2023 and €8 million for withholding tax on interest paid to current account holders for 2022.

The sub-item "Items in process" includes:

- €65 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 €34 million;
- amounts due from the commercial partners for providing PostePay top-ups for €15 million;
- account maintenance and custody fees of €14 million to be debited to customers;
- amounts to be charged to PostePay SpA for €80 million (mainly in the first few days of 2023).

"Other items" include mainly:

- €1,738 million in stamp duty accrued to 31 December 2022 payable by holders of outstanding Interest-bearing Postal Certificates<sup>270</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;
- €102 million relating to stamp duty charged to Postal Savings Books, which BancoPosta RFC pays in virtual form as required by law.

269. In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 3.

270. 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).



Movements in current tax assets and liabilities receivable from and payable to Poste Italiane SpA outside the ring-fence are shown below:

Description (€m)	Current tax 2022			Current tax 2021		
	IRES	IRAP	Total	IRES	IRAP	Total
	Assets/(Liabilities) due from and to Poste Italiane outside the ring- fence	Assets/(Liabilities) due from and to Poste Italiane outside the ring- fence		Assets/(Liabilities) due from and to Poste Italiane outside the ring- fence	Assets/(Liabilities) due from and to Poste Italiane outside the ring- fence	
<b>Opening balance</b>	<b>67</b>	<b>8</b>	<b>75</b>	<b>(22)</b>	<b>2</b>	<b>(20)</b>
Payments	107	32	139	218	39	257
on account for the current year	107	32	139	170	34	204
on balance payable for the previous year	-	-	-	48	5	53
Provisions to Profit or loss	(182)	(36)	(218)	(157)	(33)	(190)
current tax	(183)	(36)	(219)	(168)	(34)	(202)
changes in current taxation for previous years	1	-	1	11	1	12
Provisions in Equity	4	-	4	2	-	2
Other	8	-	8	26	-	26
<b>Closing balance</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>67</b>	<b>8</b>	<b>75</b>
of which:						
Current tax assets due from Poste Italiane outside the ring-fence (Item 120 Assets)	36	7	<b>43</b>	67	8	<b>75</b>
Current tax liabilities due to Poste Italiane outside the ring-fence (Item 80 Liabilities)	(32)	(3)	<b>(35)</b>	-	-	-

Current tax receivables, totalling €43 million, mainly refer to receivables recognised as a result: (i) the signing of the agreement on the Patent Box for the years 2016-2019 (€20 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.

# 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

Type of transactions/Amounts (€m)	Total at 31.12.2022				Total at 31.12.2021			
	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>12,849</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>10,701</b>	<b>x</b>	<b>x</b>	<b>x</b>
2.1 Current accounts and demand deposits	520	x	x	x	707	x	x	x
2.2 Time deposits	-	x	x	x	-	x	x	x
2.3 Loans	8,689	x	x	x	9,773	x	x	x
2.3.1 Repurchase agreements	8,689	x	x	x	9,773	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	3,640	x	x	x	221	x	x	x
<b>Total</b>	<b>12,849</b>	<b>-</b>	<b>8,348</b>	<b>4,160</b>	<b>10,701</b>	<b>-</b>	<b>9,760</b>	<b>928</b>

At 31 December 2022, €8,689 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 €6,972 million in Long Term Repos and €1,717 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 2022, 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” mainly consists of guarantee deposits of €3,636 million relating to sums received from counterparties with which interest rate swap transactions are in place (provided for in specific Credit Support Annexes) as part of the cash flow hedge and fair value hedge policies adopted by BancoPosta RFC (€219 million at 31 December 2021 for guarantee deposits relating to sums received from counterparties for repo transactions in place at that date). The increase in this sub-item compared to 31 December 2021 was due to the positive change in the fair value of derivatives following the rise in the interest rate curve.

BancoPosta RFC has uncommitted overnight lines of credit amounting to €1,005 million, overdraft facilities for €144 million and arrangements for the issue of personal guarantees for €298 million granted to Poste Italiane SpA, undrawn at 31 December 2022.

In addition, from 26 June 2020, it may access a 3-year committed facility granted by Cassa Depositi e Prestiti for repurchase agreements up to a maximum of €4.25 billion, unused at 31 December 2022.

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 €2,582 million, and the facility is unused at 31 December 2022.

## 1.2 Financial liabilities measured at amortised cost: breakdown of amounts due to customers by type

Type of transactions/Amounts (€m)	Total at 31.12.2022				Total at 31.12.2021			
	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	77,767	x	x	x	76,948	x	x	x
2. Time deposits	-	x	x	x	-	x	x	x
3. Loans	5,605	x	x	x	6,927	x	x	x
3.1 Repurchase agreements	1,436	x	x	x	3,487	x	x	x
3.2 Other	4,169	x	x	x	3,440	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	2,723	x	x	x	1,223	x	x	x
<b>Totale</b>	<b>86,095</b>	<b>-</b>	<b>1,428</b>	<b>84,659</b>	<b>85,098</b>	<b>-</b>	<b>3,489</b>	<b>81,611</b>

The sub-item "Current accounts and demand deposits" include €9,401 million in postal current accounts held by PostePay SpA relating mainly to the deposit of funding from prepaid cards, €179 million in postal current accounts held by PosteVita SpA and €227 million in current accounts held by Poste Italiane outside the ring-fence.

At 31 December 2022 "Loans, repurchase agreements" amount to €4,653 million, reflecting transactions entered into with CC&G in relation to securities with a nominal amount of €4,595 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 2022, already included in the exposure to net balances, amounted to €3,217 million (€1,577 million at 31 December 2021).

The sub-item "Loans, Other" consist of the net amount of €4,168 million deposited in the MEF account held at the Treasury, which breaks down as follows:

- the balance of cash flows for advances, amounting to €4,083 million, represents the net amount payable as a result of advances from the MEF to meet the cash requirements of BancoPosta;
- net cash flow receivable for postal savings management of €84 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 2022, the balance consisted of a payable of €16 million owed to Cassa Depositi e Prestiti and a receivable of €100 million owed to the MEF for issues of postal savings bonds attributable to Cassa Depositi e Prestiti;
- liabilities in connection with robberies suffered by Post Offices of €155 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 due for operational risks for €14 million regard the portion of advances obtained 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 €1,028 million and endorsed cheques in circulation for €475 million and guarantee deposits for €1,188 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

Type of transactions/Amounts (€m)	Total at 31.12.2022					Total at 31.12.2021				
	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		-	-	4			-	3	-	
1.1 Trading	X	-	-	-	X	X	-	-	-	X
1.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	4	X	X	-	3	-	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>	-	-	-	4	-	-	-	3	-	-
<b>Total (A+B)</b>	-	-	-	4	-	-	-	3	-	-

\* 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 198,000 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

(€m)	Fair Value at 31.12.2022			Notional amount* at 31.12.2022	Fair Value at 31.12.2021			Notional amount* at 31.12.2021
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>A. Financial derivatives</b>	-	971	-	11,832	-	5,461	-	27,711
1) Fair value	-	344	-	6,096	-	5,197	-	25,991
2) Cash flow	-	627	-	5,736	-	264	-	1,720
3) Foreign investments	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flow	-	-	-	-	-	-	-	-
<b>Total</b>	-	971	-	11,832	-	5,461	-	27,711

\* 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 compared to 31 December 2021 in liabilities for fair value hedging financial derivatives is due to the rise in the interest rate curve, which was also reflected in Assets, increasing the fair value hedging financial derivatives shown in “Item 50 - Hedging Derivatives”.

### 4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

Transactions/Type of hedge (€m)		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	95	-	-	-	x	x	x	531	x	x
2.	Financial assets measured at amortised cost	93	x	-	-	x	x	x	-	x	x
3.	Portfolio	x	x	x	x	x	x	-	x	-	x
4.	Other transactions	-	-	-	-	-	-	x	-	x	-
Total assets		188	-	-	-	-	-	-	531	-	-
1.	Financial liabilities	156	x	-	-	-	-	x	-	x	x
2.	Portfolio	x	x	x	x	x	x	-	x	-	x
Total liabilities		156	-	-	-	-	-	-	-	-	-
1.	Expected transactions	x	x	x	x	x	x	x	96	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 31.12.2022	Total at 31.12.2021
Tax payables to revenue agency	1,806	1,638
Items in process	685	626
- amounts to be credited to Postal Savings Books	183	125
- other	502	501
Due to suppliers	114	132
Amounts due to customers	71	56
Contract liabilities	68	68
Due to Poste Italiane outside the ring-fence:	35	3
- current tax liabilities	35	-
- contribution of Debit Business	-	3
Amounts due to staff	8	9
Other items	2	3
<b>Total</b>	<b>2,789</b>	<b>2,535</b>

The sub-item “Tax payables to revenue agency” mainly includes:

- €1,738 million in stamp duty accrued to 31 December 2022 on outstanding Interest-bearing Postal Certificates in accordance with the requirements referenced in Part B, Assets, Table 12.1;
- €29 million in tax withholdings on current account interest earned by customers.

“Items in process, various” refer, among other things, to domestic and foreign transfers for €80 million, and to BancoPosta's operations for amounts to be credited to customers, mainly in the first few days of 2023, of which €183 million relating to cheques to be credited to savings books.

The sub-item “Due to suppliers” mainly includes €102 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:

Description (€m)	Balance at 31.12.2021	Increases / (Decreases)	Change due to recognition of revenue for period	Balance at 31.12.2022
Liabilities for fees to be refunded	68	(49)	49	68
<b>Total</b>	<b>68</b>	<b>(49)</b>	<b>49</b>	<b>68</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 31.12.2022	Total at 31.12.2021
<b>A. Opening balance</b>	<b>3</b>	<b>3</b>
<b>B. Increases</b>	<b>-</b>	<b>-</b>
B.1 Provisions for the year	-	-
B.2 Other changes	-	-
<b>C. Decreases</b>	<b>(1)</b>	<b>-</b>
C.1 Benefits paid	-	-
C.2 Other changes	(1)	-
<b>D. Closing balance</b>	<b>2</b>	<b>3</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 computations for which the following assumptions were used in 2022 and 2021:

#### Economic and financial assumptions

	31.12.2022
Discount rate	3.63%
Inflation rate	2.30%
Annual rate of increase of employee termination benefits	3.225%

## Demographic assumptions

	31.12.2022
Mortality	ISTAT 2018
Disability	INPS tables broken down by age and gender
Rate of employee turnover	Specific table with rates differentiated by length of service. The average length of service for participants corresponds to an annual rate of 2.00%
Advance rate	0.40% for lengths of service of at least 8 years
Pensionable age	Achievement of general mandatory insurance requirements

## Actuarial gains/(losses)

(€m)	31.12.2022	31.12.2021
Change in demographic assumptions	-	-
Change in financial assumptions	-	-
Other experience-related adjustments	0.6	0.1
<b>Total</b>	<b>0.6</b>	<b>0.1</b>

## Sensitivity analysis

	Employee termination benefits at 31.12.2022
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

	31.12.2022
Service Cost	-
Average duration of defined benefit plan	11.3
Average employee turnover	2.00%



## Section 10 – Provisions for risks and charges – Item 100

### 10.1 Provisions for risks and charges: breakdown

Items/Amounts	Total at 31.12.2022	Total at 31.12.2021
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	188	229
4.1 litigation	78	94
4.2 personnel expenses	1	1
4.3 other	109	134
<b>Total</b>	<b>188</b>	<b>229</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>	-	-	<b>229</b>	<b>229</b>
<b>B. Increases</b>	-	-	<b>12</b>	<b>12</b>
B.1 Provisions for the year	-	-	12	12
B.2 Changes due to passage of time	-	-	-	-
B.3 Changes due to changed discount rates	-	-	-	-
B.4 Other changes	-	-	-	-
<b>C. Decreases</b>	-	-	<b>(53)</b>	<b>(53)</b>
C.1 Uses during the year	-	-	(20)	(20)
C.2 Changes due to changed discount rates	-	-	-	-
C.3 Other changes	-	-	(33)	(33)
<b>D. Closing balance</b>	-	-	<b>188</b>	<b>188</b>

The main changes are commented in the remainder of this section.

### 10.6 Provisions for risks and charges - other provisions

Description	Total at 31.12.2022	Total at 31.12.2021
<b>Litigation</b>	<b>78</b>	<b>94</b>
Provisions for disputes with third parties	78	94
Provisions for disputes with staff	-	-
<b>Provisions for personnel expenses</b>	<b>1</b>	<b>1</b>
<b>Other provisions</b>	<b>109</b>	<b>134</b>
Provisions for operational risk	109	134
<b>Total</b>	<b>188</b>	<b>229</b>

**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. Net transfers of the year, totalling €10 million, refer to the 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.

**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. The net transfers for the year, totalling €11 million, mainly reflect the prescription of certain stocks related to the funds transfer business and the adjustment of estimates of risks related to the distribution of postal savings products as well as fraud.

## 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 2022, the retained earnings reserve amounted to €1,373 million, increased by the allocation of €200 million as resolved by the Shareholders' Meeting of 27 May 2022 and decreased by €12 million for interest expenses accrued 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 equity instruments for BancoPosta RFC refer to a perpetual subordinated loan with a non-call period of 8 years, with a nominal value of €350 million granted on 30 June 2021 with the aim of strengthening BancoPosta's Leverage Ratio (Basel III) and Tier 1 ratio<sup>271</sup>.

Here are the main features of the loan:

- 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%.

271. 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 31.12.2022	Total at 31.12.2021
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired		
<b>1. Commitments to disburse funds</b>	<b>2,260</b>	-	-	-	<b>2,260</b>	-
a) Central banks	-	-	-	-	-	-
b) Public Administration entities	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-
d) Other financial companies	2,260	-	-	-	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>	-	-	-	<b>2,260</b>	-

Commitments to disburse funds refer to the settlement value of reverse repo transactions traded in December 2022 and settled in early January 2023.

### 3. Assets pledged as collateral for liabilities and commitments

Portfolios (€m)	Total at 31.12.2022	Total at 31.12.2021
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	6,246	6,291
3. Financial assets measured at amortised cost	7,013	9,372
4. Property, plant and equipment	-	-
of which: property, plant and equipment qualifying as inventories	-	-

"Financial assets measured at fair value through other comprehensive income" relate to securities used as collateral in repurchase agreements delivered as collateral to counterparties in interest rate swaps with negative fair value; "Financial assets measured at amortised cost" relate to securities used as collateral in repurchase agreements and securities provided as collateral to counterparties in interest rate swaps with negative fair value and in loan repurchase agreements.

## 4. Brokerage and management on behalf of third parties

Type of services (€m)	Amount
<b>1. Execution of orders on behalf of customers</b>	-
a) purchases	-
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>73,927</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) other third-party securities in custody (excluding portfolio management): other	8,135
1. securities issued by the reporting bank	-
2. other securities	8,135
c) third-party securities deposited with third parties	8,135
d) own securities deposited with third parties	65,792
<b>4. Other transactions</b>	<b>252,528</b>
a) Postal Savings Books	90,840
b) Interest-bearing Postal Certificates	161,689

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 master netting agreements or similar arrangements

Technical forms (€m)	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 2022 (f=c-d-e)	Net amount at 31 December 2021
				Financial instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	6,109	-	6,109	1,197	4,821	91	-
2. Repurchase agreements	4,575	3,217	1,358	1,358	-	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
<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>91</b>	<b>x</b>
<b>Total at 31.12.2021</b>	<b>2,450</b>	<b>1,577</b>	<b>873</b>	<b>866</b>	<b>7</b>	<b>x</b>	<b>-</b>

## 6. 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)	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 2022 (f=c-d-e)	Net amount at 31 December 2021
				Financial instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	971	-	971	947	24	-	-
2. Repurchase agreements	13,342	3,217	10,125	9,236	889	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
<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>-</b>	<b>x</b>
<b>Total at 31.12.2021</b>	<b>20,298</b>	<b>1,577</b>	<b>18,721</b>	<b>14,640</b>	<b>4,000</b>	<b>x</b>	<b>81</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 carrying amounts, before and after the effects of accounting netting, of repo transactions that meet the conditions necessary for the recognition of such effects;
- the carrying amounts relating to derivative transactions and repurchase agreements 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 (€m)	Debt securities	Loans	Other transactions	FY 2022	FY 2021
<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>	<b>822</b>	-	<b>x</b>	<b>822</b>	<b>821</b>
<b>3. Financial assets measured at amortised cost</b>	<b>1,023</b>	-	-	<b>1,023</b>	<b>699</b>
3.1 Due from banks	8	-	-	8	1
3.2 Due from customers	1,015	-	-	1,015	698
<b>4. Hedging derivatives</b>	<b>x</b>	<b>x</b>	<b>(58)</b>	<b>(58)</b>	<b>(88)</b>
<b>5. Other assets</b>	<b>x</b>	<b>x</b>	<b>273</b>	<b>273</b>	<b>58</b>
<b>6. Financial liabilities</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>35</b>	<b>43</b>
<b>Total</b>	<b>1,845</b>	-	<b>215</b>	<b>2,095</b>	<b>1,533</b>
of which: interest income on impaired financial assets	-	-	-	-	-
of which: interest income on finance leases	-	-	-	-	-

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 with respect to the previous year is primarily due to the upturn in the interest rate curve, which resulted in higher income on deposits from public customers remunerated at a variable rate as described in Part B - Section 4 of Assets, and higher interest income on tax credits, which were allocated to BancoPosta RFC mainly from the second half of 2021.

### 1.3 Interest expense and similar charges: breakdown

Items/Technical forms (€m)	Payables	Securities	Other transactions	FY 2022	FY 2021
<b>1. Financial liabilities measured at amortised cost</b>	<b>(148)</b>	<b>-</b>	<b>-</b>	<b>(148)</b>	<b>(71)</b>
1.1 Due to Central Banks	-	x	x	-	-
1.2 Due to banks	(22)	x	x	(22)	(34)
1.3 Due to customers	(126)	x	x	(126)	(37)
1.4 Debt securities in issue	x	-	x	-	-
<b>2. Financial liabilities held for trading</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Financial liabilities measured at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4. Other liabilities and provisions</b>	<b>x</b>	<b>x</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Hedging derivatives</b>	<b>x</b>	<b>x</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Financial assets</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>(24)</b>	<b>(20)</b>
<b>Total</b>	<b>(148)</b>	<b>-</b>	<b>-</b>	<b>(172)</b>	<b>(91)</b>
of which: interest expense on lease payables	-	-	-	-	-

The sub-item "Financial Assets" mainly includes interest expense accrued on the deposits on the so-called "conto di gestione" with the Bank of Italy for €12 million and on the deposit with the MEF (so-called Buffer account) for €4 million, and interest expense accrued on repurchase agreements for €5 million.

The increase in the item interest expense and similar charges compared to the previous year is mainly due to the interest paid to public customers for deposits in postal current accounts, following the rise in the interest rate curve.

### 1.5 Differentials related to hedge transactions

Items (€m)	FY 2022	FY 2021
A. Positive hedge differentials	93	43
B. Negative hedge differentials	(151)	(131)
<b>C. Balance (A-B)</b>	<b>(58)</b>	<b>(88)</b>

The increase in this item compared to the year 2021 is mainly due to the effects of the upward shift in the interest rate curve and the decrease in the fair value hedges in place for 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

Type of services/Amounts (€m)	FY 2022	FY 2021
<b>a) Financial instruments</b>	<b>6</b>	<b>2</b>
1. Securities placements	5	1
1.1 On a firm and/or irrevocable commitment basis	-	-
1.2 Without irrevocable commitment	5	1
2. Receipt 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>	<b>-</b>	<b>-</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>-</b>	<b>-</b>
<b>d) Clearing and settlement</b>	<b>-</b>	<b>-</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>-</b>	<b>-</b>
<b>g) Trust activity</b>	<b>-</b>	<b>-</b>
<b>h) Payment services</b>	<b>728</b>	<b>796</b>
1. Currency accounts	290	233
2. Credit cards	-	-
3. Other debit and payment cards	-	26
4. Bank transfers and other payment orders	63	61
5. Other fees related to payment services	375	476
<b>i) Distribution of third-party services</b>	<b>2,697</b>	<b>2,776</b>
1. Collective portfolio management	-	-
2. Insurance products	538	489
3. Other products	2,159	2,287
of which: individual portfolio management	1	-
<b>j) Structured finance</b>	<b>-</b>	<b>-</b>
<b>k) Securitisation servicing</b>	<b>-</b>	<b>-</b>
<b>l) Commitments to disburse funds</b>	<b>-</b>	<b>-</b>
<b>m) Financial guarantees given</b>	<b>-</b>	<b>-</b>
of which: credit derivatives	-	-
<b>n) Financing transactions</b>	<b>-</b>	<b>-</b>
of which: for factoring transactions	-	-
<b>o) FX trading</b>	<b>1</b>	<b>-</b>
<b>p) Commodities</b>	<b>-</b>	<b>-</b>
<b>q) Other fee and commission income</b>	<b>20</b>	<b>13</b>
of which: for management of multilateral trading facilities	-	-
of which: for management of organised trading facilities	-	-
<b>Totale</b>	<b>3,454</b>	<b>3,589</b>



Commissions for “distribution of third-party services” include, in relation to other products, interest on postal deposits relating for €1,600 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, effective from 1 January 2021.

The decrease in this item with respect to the previous year was substantially due to the reduction in commissions on postal savings collection activities as a result of the contraction in inflows conditioned by the macroeconomic context of the year and the reduction in commissions on payment services mainly related to pay slips, partially offset by the positive effects of the placement of insurance products and products issued by PostePay SpA.

## Revenue from contracts with customers

Description (€m)	FY 2022	FY 2021
<b>Financial instruments</b>	<b>6</b>	<b>2</b>
Recognised at a point in time	-	-
Recognised over time	6	2
<b>Custody and administration</b>	<b>2</b>	<b>2</b>
Recognised at a point in time	-	-
Recognised over time	2	2
<b>Payment services</b>	<b>728</b>	<b>796</b>
Recognised at a point in time	229	278
Recognised over time	499	517
<b>Distribution of third-party services</b>	<b>2,697</b>	<b>2,776</b>
Recognised at a point in time	-	-
Recognised over time	2,697	2,776
<b>FX trading</b>	<b>1</b>	<b>-</b>
Recognised at a point in time	1	-
Recognised over time	-	-
<b>Other fee and commission income</b>	<b>20</b>	<b>13</b>
Recognised at a point in time	-	-
Recognised over time	20	13
<b>Total</b>	<b>3,454</b>	<b>3,589</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 2022	FY 2021
<b>A. own branches:</b>	<b>2,702</b>	<b>2,777</b>
1. portfolio management	-	-
2. securities placements	5	1
3. third-party products and services	2,697	2,776
<b>B. door-to-door:</b>	<b>-</b>	<b>-</b>
1. portfolio management	-	-
2. securities placements	-	-
3. third-party products and services	-	-
<b>C. other distribution channels:</b>	<b>-</b>	<b>-</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 2022	FY 2021
<b>a) Financial instruments</b>	<b>-</b>	<b>-</b>
of which: financial instrument trading	-	-
of which: financial instrument placements	-	-
of which: individual portfolio management	-	-
- Own	-	-
- For third parties	-	-
<b>b) Clearing and settlement</b>	<b>-</b>	<b>-</b>
<b>c) Custody and administration</b>	<b>-</b>	<b>1</b>
<b>d) Collection and payment services</b>	<b>214</b>	<b>265</b>
of which: credit cards, debit cards and other payment cards	-	-
<b>e) Securitisation servicing</b>	<b>-</b>	<b>-</b>
<b>f) Commitments to receive funds</b>	<b>-</b>	<b>-</b>
<b>g) Financial guarantees received</b>	<b>-</b>	<b>-</b>
of which: credit derivatives	-	-
<b>h) Door-to-door marketing of financial instruments, products and services</b>	<b>-</b>	<b>-</b>
<b>i) FX trading</b>	<b>-</b>	<b>-</b>
<b>j) Other fee and commission expense</b>	<b>2</b>	<b>1</b>
<b>Total</b>	<b>216</b>	<b>267</b>

Fee and commission expense for collection and payment services mainly relate 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 €0.3 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

Transactions/Profit components (€m)	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>	-	4	-	-	4
1.1 Debt securities	-	-	-	-	-
1.2 Equity instruments	-	-	-	-	-
1.3 UCIs	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	4	-	-	4
<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>	x	x	x	x	1
<b>4. Derivative instruments</b>	-	-	(1)	(72)	(73)
4.1 Financial derivatives:	-	-	(1)	(72)	(73)
- on debt securities and interest rates	-	-	-	(71)	(71)
- on equity instruments and share indices	-	-	(1)	(1)	(2)
- 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>	-	4	(1)	(72)	(68)

## Section 5 – Profits/(losses) on hedging – Item 90

## 5.1 Profits/(losses) on hedging: breakdown

Profit components/Amounts (€m)	FY 2022	FY 2021
<b>A. Income on:</b>		
A.1 Fair value hedge derivatives	11,137	3,144
A.2 Hedged financial assets (fair value)	1	625
A.3 Hedged financial liabilities (fair value)	141	1
A.4 Cash flow hedge derivatives	1	-
A.5 Foreign currency assets and liabilities	-	-
<b>Gross hedging income (A)</b>	<b>11,280</b>	<b>3,770</b>
<b>B. Cost of:</b>		
B.1 Fair value hedge derivatives	(141)	(625)
B.2 Hedged financial assets (fair value)	(11,121)	(3,139)
B.3 Hedged financial liabilities (fair value)	-	-
B.4 Cash flow hedge derivatives	-	(1)
B.5 Foreign currency assets and liabilities	-	-
<b>Gross hedging cost (B)</b>	<b>(11,262)</b>	<b>(3,765)</b>
<b>C. Profits/(Losses) on hedging (A – B)</b>	<b>18</b>	<b>5</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 2022			FY 2021		
	Profits	Losses	Net result	Profits	Losses	Net result
<b>A. Financial assets</b>						
1. Financial assets measured at amortised cost	130	(53)	77	1	(96)	(95)
1.1 Due from banks	-	-	-	-	-	-
1.2 Due from customers	130	(53)	77	1	(96)	(95)
2. Financial assets measured at fair value through other comprehensive income	262	(4)	258	504	(2)	502
2.1 Debt securities	262	(4)	258	504	(2)	502
2.2 Loans	-	-	-	-	-	-
<b>Total assets (A)</b>	<b>392</b>	<b>(57)</b>	<b>335</b>	<b>505</b>	<b>(98)</b>	<b>407</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 components (€m)	Unrealised Gains (A)	Realised gains (B)	Unrealised Losses (C)	Realised losses (D)	Net result [(A+B)-(C+D)]
<b>1. Financial assets</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>
1.1 Debt securities	-	-	-	-	-
1.2 Equity instruments	2	-	1	-	1
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>-</b>
<b>Total</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</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 components (€m)	Impairment losses (1)						Recoveries (2)				FY 2022	FY 2021
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets			
				Write-off	Other					Write-off		
A. Due from banks	-	-	-	-	-	-	-	-	-	-	-	-
- Loans	-	-	-	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Due from customers	(4)	(9)	-	-	-	-	1	3	12	-	3	(2)
- Loans	(1)	(9)	-	-	-	-	-	3	12	-	5	(6)
- Debt securities	(3)	-	-	-	-	-	1	-	-	-	(2)	4
Total	(4)	(9)	-	-	-	-	1	3	12	-	3	(2)

## 8.2 Net losses/recoveries due to credit risk related to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Profit components (€m)	Impairment losses (1)						Recoveries (2)				FY 2022	FY 2021
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets			
			Write-off	Other	Write-off	Other						
A. Debt securities	(5)	-	-	-	-	-	1	-	-	-	(4)	6
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- to customers	-	-	-	-	-	-	-	-	-	-	-	-
- to bank	-	-	-	-	-	-	-	-	-	-	-	-
Total	(5)	-	-	-	-	-	1	-	-	-	(4)	6

Total net losses relate to the combined effect of: (i) net losses on debt securities of €6 million, mainly due to the adjustment of creditworthiness; (ii) net recoveries on loans of €5 million, due to recoveries of €12 million, following the signing of a settlement agreement for an impaired loan, the allowance for which allocated at the time was released to Profit or loss as it was collected in January 2023, partly offset by operating losses on postal current accounts.

## 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 (€m)	FY 2022	FY 2021
1) Employees	(32)	(33)
a) wages and salaries	(23)	(23)
b) social security	(5)	(6)
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>(32)</b>	<b>(33)</b>

### 10.2 Average number of employees by category\*

	FY 2022	FY 2021
<b>Employees</b>	<b>397</b>	<b>390</b>
a) executives	28	27
b) middle managers	298	291
c) other employees	71	72
<b>Other employees</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>397</b>	<b>390</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

Type of expenses/Amounts (€m)	FY 2022	FY 2021
1) Cost of services provided by Poste Italiane SpA	(4,551)	(4,379)
2) Advisory and other professional services	(14)	(17)
3) Taxes, penalties and duties	(30)	(17)
4) Other expenses	-	-
<b>Total</b>	<b>(4,595)</b>	<b>(4,413)</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

Items/Profit components (€m)	Provisions	Reversals	Net profit/(loss) for 2022	Net profit/(loss) for 2021
Provisions for litigation	(2)	12	10	(31)
Provisions for other risks and charges	(9)	20	11	(17)
<b>Total</b>	<b>(11)</b>	<b>32</b>	<b>21</b>	<b>(48)</b>

The main provisions and releases are discussed in Part B – Section 10 of Liabilities.

The increase of €69 million compared with the previous year mainly reflects the reversal through Profit or loss recognised during the year as a result of the lapse of certain stocks relating to the funds transfer business and the adjustment of the estimate of certain risks associated with the distribution of postal savings products and litigation with third parties.

## 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/(expenses) – Item 200

### 14.1 Other operating expenses: breakdown

Profit components/Amounts (€m)	FY 2022	FY 2021
1. Burglaries and theft	(2)	(2)
2. Other expenses	(25)	(15)
<b>Total</b>	<b>(27)</b>	<b>(17)</b>

### 14.2 Other operating income: breakdown

Profit components/Amounts (€m)	FY 2022	FY 2021
1. Other revenue from contracts with customers	5	8
2. Other operating income	16	17
<b>Total</b>	<b>21</b>	<b>25</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 2022	FY 2021
1. Current taxes (-)	(219)	(202)
2. Increase/(decrease) in current taxes of prior period taxation (+/-)	1	12
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 (+/-)	(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>(231)</b>	<b>(189)</b>

### 19.2 Reconciliation between theoretical tax charge at statutory rate and effective tax charge

Description (€m)	FY 2022		FY 2021	
	IRES	Tax Rate	IRES	Tax Rate
<i>Profit before tax</i>	834		698	
Theoretical tax charge	200	24.0%	167	24.0%
Effect of increases/(decreases) on theoretical tax charge				
Net provisions for risks and charges and impairments of receivables	(1)	-0.1%	6	0.9%
Taxation for previous years	(1)	-0.1%	(10)	-1.4%
Other	(4)	-0.5%	(5)	-0.7%
<b>Effective tax (before recognition of the Patent Box tax effect)</b>	<b>194</b>	<b>23.3%</b>	<b>158</b>	<b>22.7%</b>
Patent Box tax effect	-	0.0%	(1)	-0.1%
<b>Effective tax charge</b>	<b>194</b>	<b>23.3%</b>	<b>157</b>	<b>22.6%</b>

Description (€m)	FY 2022		FY 2021	
	IRAP	Tax Rate	IRAP	Tax Rate
<i>Profit before tax</i>	834		698	
Theoretical tax charge	37	4.5%	31	4.5%
Effect of increases/(decreases) on theoretical tax charge				
Provisions for risks and charges	(1)	-0.1%	1	0.1%
Other	1	0.1%	-	0.0%
<b>Effective tax (before recognition of the Patent Box tax effect)</b>	<b>37</b>	<b>4.5%</b>	<b>32</b>	<b>4.6%</b>
Patent Box tax effect	-	0.0%	-	0.0%
<b>Effective tax charge</b>	<b>37</b>	<b>4.5%</b>	<b>32</b>	<b>4.6%</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 2022	FY 2021
<b>10. Profit/(Loss) for the year</b>	<b>602</b>	<b>508</b>
<b>Other components of comprehensive income not reclassified to profit or loss</b>		
20. Equity instruments measured at fair value through other comprehensive income:	-	-
a) changes in fair value	-	-
b) transfers to other equity	-	-
30. Financial liabilities measured at fair value through profit or loss (changes in own credit rating):	-	-
a) changes in fair value	-	-
b) transfers to other equity	-	-
40. Hedges of equity instruments measured at fair value through other comprehensive income:	-	-
a) changes in fair value (hedged instrument)	-	-
b) changes in fair value (hedging instrument)	-	-
50. Property, plant and equipment	-	-
60. Intangible assets	-	-
70. Defined benefit plans	1	-
80. Non-current assets and disposal groups held for sale	-	-
90. Share of valuation reserve attributable to equity-accounted investments	-	-
100. Tax expense on other comprehensive income not reclassified to profit or loss	-	-
<b>Other components of comprehensive income reclassified to profit or loss</b>		
110. Hedges of foreign investments:	-	-
a) changes in fair value	-	-
b) reclassified to profit or loss	-	-
c) other changes	-	-
120. Foreign exchange differences:	-	-
a) changes in fair value	-	-
b) reclassified to profit or loss	-	-
c) other changes	-	-
130. Cash flow hedges:	(130)	(187)
a) changes in fair value	280	(178)
b) reclassified to profit or loss	(410)	(9)
c) other changes	-	-
of which: result of net positions	-	-
140. Hedges (elements not designated):	-	-
a) changes in value	-	-
b) reclassified to profit or loss	-	-
c) other changes	-	-
150. Financial assets (other than equity instruments) measured at fair value through other comprehensive income:	(4,544)	(1,433)
a) changes in fair value	(4,527)	(1,007)
b) reclassified to profit or loss	(147)	(426)
- impairment losses due to credit risk	4	(6)
- realised gains/(losses)	(151)	(420)
c) other changes	130	-
160. Non-current assets and disposal groups held for sale:	-	-
a) changes in fair value	-	-
b) reclassified to profit or loss	-	-
c) other changes	-	-
170. Share of valuation reserves attributable to equity-accounted investments:	-	-
a) changes in fair value	-	-
b) reclassified to profit or loss	-	-
- impairment losses	-	-
- realised gains/(losses)	-	-
c) other changes	-	-
180. Tax expense on other comprehensive income reclassified to profit or loss	1,332	460
<b>190. Total other comprehensive income</b>	<b>(3,341)</b>	<b>(1,160)</b>
<b>200. Comprehensive income (Items 10+190)</b>	<b>(2,739)</b>	<b>(652)</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>272</sup>, whilst deposits by Public Administration entities are deposited with the MEF.

In 2022, 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 2022 financial year was characterised by an increase in yields on Italian government bonds (the 10-year BTP went from 1.17% to 4.72%), which brought the BTP-Bund spread to 214 basis points compared to 135 last year. These movements led to a reduction 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 20.3% at 31 December 2022. With reference to the Leverage Ratio, the latter had a value, again at year-end, of 2.9%; the evolution of the indicator compared to 31 December 2021 was affected by the loss of the benefits of the sterilisation of deposits in "Cash and deposits with the central bank", applied until the first quarter of 2022 due to the Covid emergency.

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 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, including through the progressive implementation of adequate IT tools. In this context, the Internal Control and Risk Management System Guideline (SCIGR), approved by the Board of Directors on 16 February 2021, represents the regulatory tool for the integrated regulation of the Internal Control and Risk Management System of BancoPosta RFC. 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 to replace the previous Finance, Savings and Investment Committee, with the aim 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;

272. 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") or other transferable tax credits pursuant to current legislation.

- 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 2023;
- cash collateral for outstanding transactions with banks and customers, in accordance with agreements intended to mitigate counterparty risk (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>273</sup>.

The standardised approach<sup>274</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:

273. 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.

274. 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.

- the “standardised” approach<sup>275</sup>, is used for interest rate swaps and forward purchases of government securities;
- Credit Risk Mitigation (CRM) techniques, the Full Method<sup>276</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:

- 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 income 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 homogenous 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);

275. 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.

276. 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.



- an additive factor to mitigate the non-linearity of the PD vis-à-vis the rating classes<sup>277</sup>;
- a judgemental factor to be used only in the presence of sudden changes in the creditworthiness not yet reflected by the rating<sup>278</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 respect to payment delays, the definition of default is based on the following approach:

- late payments, even by one day, or debt renegotiation for financial instruments with sovereign counterparties;
- payments 90 days past due, for financial instruments with banking and corporate counterparties.

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 are used to calculate the PD of sovereign counterparties; with regard to 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>279</sup>.

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 could be directly the rating or, alternatively, 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.

277. 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.

278. 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.

279. 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.

Finally, the potential effects on the economic scenario arising from the conflict between Russia and Ukraine are currently difficult to foresee, and any changes in the estimates for determining PD will be reflected in the financial statements prepared in subsequent periods (see also in this regard the section “Material events during the year” in Part A, Section 4 - *Other information*).

## 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 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 2022. 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's which govern the collateralisation, in cash or government securities, of derivative transactions and repurchase agreements, respectively. In addition, as of 2021, BancoPosta RFC have started trading in OTC derivatives with Qualified Central Counterparty clearing for which specific margins are provided for through clearing brokers. 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 2022, unsecured trade receivables minus the relevant loss provisions amount to €806 million.

At 31 December 2022, BancoPosta RFC does not hold financial assets secured by guarantees or other credit risk mitigating instruments for which no loss provisions have been made (except for the temporary use of liquidity in reverse repurchase agreements).

There was no impact from the Covid-19 pandemic on guarantees and other credit risk mitigation instruments.

### 3. Credit-impaired financial assets

In January 2023, BancoPosta RFC collected €12 million in respect of unduly deducted items classified in 2021 as impaired loans that were fully impaired; this asset was reclassified at 31 December 2022 to non-impaired loans, recognising the recovery of the impairment provision of €12 million in item 130 of the Statement of profit or loss.

## 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	-	-	-	25	46,551	46,576
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	33,161	33,161
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 31.12.2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>79,712</b>	<b>79,737</b>
<b>Total at 31.12.2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>91,303</b>	<b>91,359</b>

### A.1.2 Distribution of credit exposure by portfolio and credit quality (gross and net amounts)

Portfolios/quality (€m)	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	-	-	-	-	46,651	75	46,576	46,576
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	33,177	16	33,161	33,161
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 31.12.2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,828</b>	<b>91</b>	<b>79,737</b>	<b>79,737</b>
<b>Total at 31.12.2021</b>	<b>12</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>91,445</b>	<b>86</b>	<b>91,359</b>	<b>91,359</b>

\* Amount reported for disclosure purposes.

Portfolios/quality (€m)	Assets of evidently low credit quality		Other assets
	Cumulative losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	-
2. Hedging derivatives	-	-	6,109
<b>Total at 31.12.2022</b>	<b>-</b>	<b>-</b>	<b>6,109</b>
<b>Total at 31.12.2021</b>	<b>-</b>	<b>-</b>	<b>873</b>

### A.1.3 Distribution of financial assets by past due categories (carrying amounts)

Portfolios/stages of risk (€m)	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	-	-	12	5	2	6	-	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total at 31.12.2022</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>Total at 31.12.2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>2</b>	<b>16</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/ recoveries and overall provisions

Causes/stages of risk (€m)	Total impairment losses																	
	Assets in stage 1							Assets in stage 1							Assets in stage 3			
	Due from banks or central banks on demand	Financial assets measured at amortised cost	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 or central banks on demand	Financial assets measured at amortised cost	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 or central banks on demand	Financial assets measured at amortised cost	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	12	-	-	28	-	58	-	-	33	25	-	12	-	-	12	-
Increases in acquired or originated financial assets	-	1	3	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-
Derecognitions other than write-offs	-	(1)	(1)	-	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-
Net impairment losses/ recoveries due to credit risk (+/-)	-	2	2	-	-	4	-	6	-	-	8	(2)	-	(12)	-	-	(12)	-
Contract amendments without termination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in profit or loss	-	-	-	-	-	-	-	(7)	-	-	(7)	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total closing impairment losses	-	18	16	-	-	34	-	57	-	-	34	23	-	-	-	-	-	-
Recovery of amounts on written-off financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Causal/stadi di rischio (milioni di euro)	Total impairment losses							Total provisions for commitments to disburse funds and financial guarantees given					Total
	Acquired or originated impaired financial assets												
	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment		Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees issued acquired or originated impaired			
Total opening impairment losses	-	-	-	-	-	-	-	-	-	-	-	98	
Increases in acquired or originated financial assets	-	-	-	-	-	-	-	-	-	-	-	4	
Derecognitions other than write-offs	-	-	-	-	-	-	-	-	-	-	-	(2)	
Net impairment losses/ recoveries due to credit risk (+/-)	-	-	-	-	-	-	-	-	-	-	-	(2)	
Contract amendments without termination	-	-	-	-	-	-	-	-	-	-	-	-	
Changes in estimation method	-	-	-	-	-	-	-	-	-	-	-	-	
Write-offs recognised directly in profit or loss	-	-	-	-	-	-	-	-	-	-	-	(7)	
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	
Total closing impairment losses	-	-	-	-	-	-	-	-	-	-	-	91	
Recovery of amounts on written-off financial assets	-	-	-	-	-	-	-	-	-	-	-	-	
Write-offs recognised directly in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	

The decrease in the provision to cover expected losses is mainly due to the release to Profit or loss, following the signing of a settlement agreement, of a €12 million impairment provision previously allocated on an impaired loan and collected in January 2023. This decrease was partly offset by higher provisions to cover expected losses mainly on the securities portfolio and deposits with the MEF following the adjustment of creditworthiness.

### 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 (€m)	Gross values/nominal value					
	Transfers between stage one and stage two		Transfers between stage two and stage three		Transfers between stage one and stage three	
	From stage one to stage two	From stage two to stage one	From stage two to stage three	From stage three to stage two	From stage one to stage three	From stage three to stage one
1. Financial assets measured at amortised cost	-	-	-	-	-	12
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 31.12.2022</b>	-	-	-	-	-	<b>12</b>
<b>Total at 31.12.2021</b>	-	-	-	-	-	-

### A.1.6 On- and off-balance-sheet credit exposures to banks: gross and net amounts

Types of exposures/Amounts (€m)	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>										
<b>A.1 Demand</b>										
a) Non-performing	-	X	-	-	-	X	-	-	-	-
b) Performing	1,890	1,890	-	X	-	-	X	-	1,890	-
<b>A.2 Other</b>										
a) Bad loans	-	X	-	-	-	X	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	X	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	X	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	X	-	-	-	-
c) Non-performing past-due exposures	-	X	-	-	-	X	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	X	-	-	-	-
d) Performing past-due exposures	2	-	2	X	-	-	X	-	2	-
- of which: forborne exposures	-	-	-	X	-	-	X	-	-	-
e) Other performing exposures	1,498	1,468	30	X	-	-	X	-	1,498	-
- of which: forborne exposures	-	-	-	X	-	-	X	-	-	-
<b>TOTAL A</b>	<b>3,390</b>	<b>3,358</b>	<b>32</b>	-	-	-	-	-	<b>3,390</b>	-
<b>B. Off-balance sheet credit exposures</b>										
a) Non-performing	-	X	-	-	-	X	-	-	-	-
b) Performing	4,613	-	-	X	-	-	X	-	4,613	-
<b>TOTAL B</b>	<b>4,613</b>	-	-	-	-	-	-	-	<b>4,613</b>	-
<b>TOTAL A+B</b>	<b>8,003</b>	<b>3,358</b>	<b>32</b>	-	-	-	-	-	<b>8,003</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>280</sup>, and Repo financing with Securities Financing Transactions (SFT)<sup>281</sup> margins.

#### A.1.7 On- and off-balance-sheet credit exposures to customers: gross and net amounts

Types of exposures/Amounts (€m)	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: forborne exposures	-	X	-	-	-	-	X	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-
c) Non-performing past-due exposures	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-
d) Performing past-due exposures	78	12	66	X	-	55	-	55	X	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-
e) Other performing exposures	78,250	77,485	765	X	-	36	35	1	X	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-
<b>TOTAL A</b>	<b>78,328</b>	<b>77,497</b>	<b>831</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>35</b>	<b>56</b>	<b>-</b>	<b>-</b>
<b>B. Off-balance sheet credit exposures</b>										
a) Non-performing	-	X	-	-	-	-	X	-	-	-
b) Performing	6,982	2,260	-	X	-	-	-	-	X	-
<b>TOTAL B</b>	<b>6,982</b>	<b>2,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL A+B</b>	<b>85,310</b>	<b>79,757</b>	<b>831</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>35</b>	<b>56</b>	<b>-</b>	<b>-</b>

\* Amount reported for disclosure purposes.

"Off-balance sheet exposures, Performing" relate to the counterparty risk associated with derivative transactions with a positive fair value gross of any outstanding netting agreements and the credit risk associated with commitments to disburse funds as a result of repo transactions entered into at year-end 2022 and settled in early 2023.

280. 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.

281. As defined in the prudential requirements.

## A.1.9 On-balance sheet credit exposures to customers: trends in gross non-performing exposures

Causes/Categories (€m)			Non-performing past-due
	Bad loans	Unlikely to pay	
<b>A. Opening gross exposure</b>	-	-	<b>12</b>
- of which: transferred and not derecognised	-	-	-
<b>B. Increases</b>	-	-	-
B.1 Transfers from performing exposures	-	-	-
B.2 Transfers from acquired or originated impaired financial assets	-	-	-
B.3 Transfers from other categories of non-performing exposures	-	-	-
B.4 Contract amendments without termination	-	-	-
B.5 Other increases	-	-	-
<b>C. Decreases</b>	-	-	<b>(12)</b>
C.1 Transfers to performing exposures	-	-	(12)
C.2 Write-off	-	-	-
C.3 Collections	-	-	-
C.4 Proceeds on disposal	-	-	-
C.5 Losses on disposal	-	-	-
C.6 Transfers to other categories of non-performing exposures	-	-	-
C.7 Contract amendments without termination	-	-	-
C.8 Other decreases	-	-	-
<b>D. Closing gross exposure</b>	-	-	-
- of which: transferred and not derecognised	-	-	-

## A.1.11 On-balance-sheet non-performing credit exposures to customers: trends in overall impairment losses/ recoveries

Causes/Categories (€m)	Bad loans		Unlikely to pay		Non-performing past-due	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
<b>A. Total opening impairment losses</b>	-	-	-	-	<b>12</b>	-
- of which: transferred and not derecognised	-	-	-	-	-	-
<b>B. Increases</b>	-	-	-	-	-	-
B.1 Impairment losses to acquired or originated impaired financial assets	-	X	-	X	-	X
B.2 Other impairment losses	-	-	-	-	-	-
B.3 Losses on disposal	-	-	-	-	-	-
B.4 Transfers from other categories of non-performing exposures	-	-	-	-	-	-
B.5 Contract amendments without termination	-	-	-	-	-	-
B.6 Other increases	-	-	-	-	-	-
<b>C. Decreases</b>	-	-	-	-	<b>(12)</b>	-
C.1 Reversal of impairment losses on valuation	-	-	-	-	(12)	-
C.2 Reversal of impairment losses on collection	-	-	-	-	-	-
C.3 Proceeds on disposal	-	-	-	-	-	-
C.4 Write-off	-	-	-	-	-	-
C.5 Transfers to other categories of non-performing exposures	-	-	-	-	-	-
C.6 Contract amendments without termination	-	-	-	-	-	-
C.7 Other decreases	-	-	-	-	-	-
<b>D. Total closing impairment losses</b>	-	-	-	-	-	-
- of which: transferred and not derecognised	-	-	-	-	-	-



## 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)

Esposizioni (milioni di euro)	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>448</b>	<b>563</b>	<b>42,647</b>	-	-	-	<b>2,993</b>	<b>46,651</b>
- Stage 1	448	557	42,362	-	-	-	2,421	45,788
- Stage 2	-	6	285	-	-	-	572	863
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
<b>B. Financial assets measured at fair value through other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>33,177</b>	-	-	-	<b>-</b>	<b>33,177</b>
- Stage 1	-	-	33,177	-	-	-	-	33,177
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
<b>C. Financial assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	-	-	<b>-</b>	<b>-</b>
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
<b>Total (A + B + C)</b>	<b>448</b>	<b>563</b>	<b>75,824</b>	-	-	-	<b>2,993</b>	<b>79,828</b>
<b>D. Commitments to disburse funds and financial guarantees given</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	-	-	<b>2,260</b>	<b>2,260</b>
- Stage 1	-	-	-	-	-	-	2,260	2,260
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired	-	-	-	-	-	-	-	-
<b>Total (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	-	-	<b>2,260</b>	<b>2,260</b>
<b>Total (A + B + C + D)</b>	<b>448</b>	<b>563</b>	<b>75,824</b>	-	-	-	<b>5,253</b>	<b>82,088</b>

Stage 2 reflects mainly financial assets represented by trade receivables for which loss provisions are measured with the simplified approach.

The unrated exposures shown in the first stage refer mainly to outstanding transactions with Cassa Compensazione e Garanzia.

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

(€m)	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	Other derivatives				Public Administration entities	Banks	Other financial companies	Other entities		
								Central counterparties	Banks	Other financial companies	Other entities						
1. Guaranteed on-balance sheet credit exposures:																	
1.1 guaranteed in full	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Guaranteed off-balance sheet credit exposures:																	
2.1 guaranteed in full	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially guaranteed	3,939	3,939	-	-	262	3,636	-	-	-	-	-	-	-	-	-	-	3,898
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## A.3.2 Guaranteed on- and off-balance-sheet credit exposures to customers

(€m)	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	Other derivatives				Public Administration entities	Banks	Other financial companies	Other entities		
								Central counterparties	Banks	Other financial companies	Other entities						
1. Guaranteed on-balance sheet credit exposures:																	
1.1 guaranteed in full	1,359	1,358	-	-	-	-	-	-	-	-	-	1,358	-	-	-	1,358	
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.2 partially guaranteed	6,081	6,080	-	-	4,521	-	-	-	-	-	-	1,500	-	-	-	6,021	
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Guaranteed off-balance sheet credit exposures:																	
2.1 guaranteed in full	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 partially guaranteed	4,539	4,539	-	-	3,115	1,188	-	-	-	-	-	-	-	-	-	4,303	
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Cash credit exposures refer to:

- repo transactions managed through the Central Counterparty that meet the requirements of IAS 32 and are therefore offset in the financial statements in the amount of €3,217 million;
- fixed-rate securities with a nominal amount of €3,000 million issued by Cassa Depositi e Prestiti and guaranteed by the Italian State.

Off-balance sheet credit exposures refer to derivative transactions with a positive net fair value and to commitments to disburse funds related to repurchase agreements with Cassa Compensazione e Garanzia that have been entered into and not yet settled.

## 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	72,173	37	5,686	2	288	-	372	29	6	23
- of which: forborne exposures	-	-	-	-	-	-	-	-	-	-
<b>Total A</b>	<b>72,173</b>	<b>37</b>	<b>5,686</b>	<b>2</b>	<b>288</b>	<b>-</b>	<b>372</b>	<b>29</b>	<b>6</b>	<b>23</b>
<b>B. Off-balance sheet credit exposures</b>										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	3,209	-	3,773	-	-	-	-	-	-	-
<b>Total B</b>	<b>3,209</b>	<b>-</b>	<b>3,773</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>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>Total (A+B) at 31.12.2021</b>	<b>82,289</b>	<b>31</b>	<b>5,741</b>	<b>2</b>	<b>230</b>	<b>-</b>	<b>195</b>	<b>41</b>	<b>4</b>	<b>24</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	77,134	91	1,103	-	-	-	-	-	-	-
<b>Total A</b>	<b>77,134</b>	<b>91</b>	<b>1,103</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	5,469	-	1,513	-	-	-	-	-	-	-
<b>Total B</b>	<b>5,469</b>	<b>-</b>	<b>1,513</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>Total (A+B) at 31.12.2021</b>	<b>87,047</b>	<b>98</b>	<b>1,182</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	3	9	13	4	77,113	50	5	28
<b>TOTAL A</b>	<b>3</b>	<b>9</b>	<b>13</b>	<b>4</b>	<b>77,113</b>	<b>50</b>	<b>5</b>	<b>28</b>
<b>B. Off-balance sheet credit exposures</b>								
B.1 Non-performing exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	-	-	-	-	5,469	-	-	-
<b>TOTAL B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,469</b>	<b>-</b>	<b>-</b>	<b>-</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>
<b>TOTAL (A+B) at 31.12.2021</b>	<b>2</b>	<b>9</b>	<b>1</b>	<b>16</b>	<b>87,040</b>	<b>45</b>	<b>4</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	2,395	-	995	-	-	-	-	-	-	-
<b>TOTAL A</b>	<b>2,395</b>	<b>-</b>	<b>995</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	737	-	3,859	-	-	-	-	-	-	-
<b>TOTAL B</b>	<b>737</b>	<b>-</b>	<b>3,859</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>TOTAL (A+B) at 31.12.2021</b>	<b>5,398</b>	<b>-</b>	<b>3,379</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	204	-	-	-	2,191	-	-	-
<b>TOTAL A</b>	<b>204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,191</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Off-balance sheet credit exposures</b>								
B.1 Non-performing exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	534	-	-	-	203	-	-	-
<b>TOTAL B</b>	<b>534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203</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>TOTAL (A+B) at 31.12.2021</b>	<b>438</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>4,959</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 77% 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.

<b>Large exposure</b>	
a) Carrying amount (€m)	87,576
b) Weighted amount (€m)	1,322
c) Number	7

## 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				Related 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>	<b>6,246</b>	-	<b>6,246</b>	-	<b>6,668</b>	-	<b>6,668</b>
1. Debt securities	6,246	-	6,246	-	6,668	-	6,668
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
<b>E. Financial assets measured at amortised cost</b>	<b>6,766</b>	-	<b>6,766</b>	-	<b>6,674</b>	-	<b>6,674</b>
1. Debt securities	6,766	-	6,766	-	6,674	-	6,674
2. Loans	-	-	-	-	-	-	-
<b>TOTAL at 31.12.2022</b>	<b>13,012</b>	-	<b>13,012</b>		<b>13,342</b>	-	<b>13,342</b>
<b>TOTAL at 31.12.2021</b>	<b>15,024</b>	-	<b>15,024</b>		<b>14,837</b>	-	<b>14,837</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 2022, there were financial liabilities for trading deriving exclusively from the stipulation of a forward contract for the sale of 198 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>282</sup>.

282. Duration is the indicator used to estimate the percentage change in price in response to a shift in market returns.



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 20 years is used for retail customer deposits, 10 years for business customer deposits and Postepay cards<sup>283</sup>, and 5 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 Board of Directors of Poste Italiane SpA.

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. 2022 witnessed an average increase in the yields on Italian government bonds compared with the previous year and, at 31 December 2022, the spread between ten-year Italian government bonds and German bunds is approximately 214 bps, up on the figure for the previous year (135 bps at 31 December 2021).

In the reporting period, the transactions described above resulted in the portfolio of financial assets measured at fair value through other comprehensive income (notional of around €37 billion), held by BancoPosta RFC, in an overall net decrease in fair value of approximately €10.1 billion: this change was partly recognised in profit or loss for a negative amount of approximately €5.7 billion relating to the change in the fair value of securities hedged against interest rate risk, whilst the negative change in the fair value of unhedged securities and the spread risk component (not hedged) was reflected in equity for approximately €4.4 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.

283. 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

Type/Time-to-maturity (€m)	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>19,039</b>	<b>9,659</b>	<b>4,028</b>	<b>2,774</b>	<b>9,586</b>	<b>7,371</b>	<b>32,382</b>	<b>-</b>
1.1 Debt securities	-	4,719	4,028	2,774	9,586	7,371	32,382	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	4,719	4,028	2,774	9,586	7,371	32,382	-
1.2 Due from banks	3,385	-	-	-	-	-	-	-
1.3 Due from customers	15,654	4,940	-	-	-	-	-	-
- current accounts	6	-	-	-	-	-	-	-
- other loans	15,648	4,940	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	15,648	4,940	-	-	-	-	-	-
<b>2. On-balance sheet liabilities</b>	<b>87,315</b>	<b>5,488</b>	<b>883</b>	<b>-</b>	<b>6,972</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.1 Due to customers	83,159	4,220	433	-	-	-	-	-
- current accounts	77,768	-	-	-	-	-	-	-
- other deposits	5,391	4,220	433	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	5,391	4,220	433	-	-	-	-	-
2.2 Due to banks	4,156	1,268	450	-	6,972	-	-	-
- current accounts	520	-	-	-	-	-	-	-
- other deposits	3,636	1,268	450	-	6,972	-	-	-
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	-	1,390	-	-	868	2,233	-	-
+ Short positions	-	1,928	565	716	-	375	648	-
3.2 Without underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	15,251	-	3,045	13,855	1,075	1,653	-
+ Short positions	-	5,516	-	3,848	-	500	25,015	-
<b>4. Other off-balance sheet transactions</b>								
+ Long positions	-	2,260	-	-	-	-	-	-
+ Short positions	-	2,260	-	-	-	-	-	-

## 1. Banking Book: Time-to-maturity (repricing date) of financial assets and financial liabilities

Currency: US dollar

Type/Time-to-maturity (€m)	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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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

Type/Time-to-maturity (€m)	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>2</b>	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Due from banks	2	-	-	-	-	-	-	-
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

Type/Time-to-maturity (€m)	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 2022 had a duration of 5.01 for the portfolio of securities and derivatives (31 December 2021: 5.15)<sup>284</sup>. The sensitivity analysis is shown in the table.

### Fair value interest rate risk

Analysis date (€m)	Notional value*	Fair value	Change in value		Net interest and other banking income		Equity reserves before taxation	
			+100bps	-100bps	+100bps	-100bps	+100bps	-100bps
2022 effects								
Financial assets measured at fair value through other comprehensive income								
Fixed income securities	37,489	33,161	(805)	784	-	-	(805)	784
Tax credits Law no. 77/2020	-	-	-	-	-	-	-	-
Assets - Hedging derivatives	1,806	350	79	(95)	-	-	79	(95)
Liabilities - Hedging derivatives	2,793	(96)	(148)	158	-	-	(148)	158
Variability at 31 December 2022	42,088	33,415	(874)	847	-	-	(874)	847
2021 effects								
Financial assets measured at fair value through other comprehensive income								
Fixed income securities	31,415	37,626	(717)	600	-	-	(717)	600
Tax credits Law no. 77/2020	3,538	3,301	(65)	67	-	-	(65)	67
Assets - Hedging derivatives	2,129	77	220	(257)	-	-	220	(257)
Liabilities - Hedging derivatives	-	-	-	-	-	-	-	-
Variability at 31 December 2021	37,082	41,004	(562)	410	-	-	(562)	410

\* 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, the risk in question concerns:

- in relation to financial assets measured at fair value through other comprehensive income, fixed income Government bonds for €33,161 million, consisting of fixed income bonds for €17,126 million, variable rate securities for €491 million, variable rate bonds swapped into fixed income bonds through interest rate swaps of cash flow hedges for €3,117 million, inflation-linked bonds for €775 million and fixed income bonds swapped into variable rate instruments through fair value hedge derivatives for €11,652 million (of which €4,078 million with forward starts);
- in relation to hedge derivatives, forward sales of government bond for a notional amount of €1,390 million and forward purchases of government bonds for a notional amount of €3,209 million, classified as cash flow hedges.

284. At 31 December 2021, the duration of tax credits measured at fair value through other comprehensive income was 2; these credits are measured at amortised cost as of 1 October 2022.

## 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 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>285</sup> has been calculated by applying a shift of +/- 100 bps to the yield curve for Italian government bonds.

### Fair value spread risk

Analysis date (€m)	Notional value*	Fair value	Change in value		Net interest and other banking income		Equity reserves before taxation	
			+100bps	-100bps	+100bps	-100bps	+100bps	-100bps
2022 effects								
Financial assets measured at fair value through other comprehensive income								
Fixed income securities	37,489	33,161	(2,830)	3,343	-	-	(2,830)	3,343
Assets - Hedging derivatives	1,806	350	78	(94)	-	-	78	(94)
Liabilities - Hedging derivatives	2,793	(96)	(156)	166	-	-	(156)	166
Variability at 31 December 2022	42,088	33,415	(2,908)	3,415	-	-	(2,908)	3,415
2021 effects								
Financial assets measured at fair value through other comprehensive income								
Fixed income securities	31,415	37,626	(4,305)	5,198	-	-	(4,305)	5,198
Assets - Hedging derivatives	2,129	77	227	(264)	-	-	227	(264)
Liabilities - Hedging derivatives	-	-	-	-	-	-	-	-
Variability at 31 December 2021	33,544	37,703	(4,078)	4,934	-	-	(4,078)	4,934

\* 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 2022 amounted to €27,699 million (nominal value of €28,304 million) and have a fair value of €23,651 million, would be reduced in fair value by approximately €2.45 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.

In addition to sensitivity analyses, BancoPosta RFC monitors fair value interest rate risk by computing maximum potential loss or VaR - Value at Risk. The results of the VaR analysis regarding the variability of spread risk are shown below.

285. For sensitivity purposes, the swap rate curve and the BTP curve were used (10-year swap rate of 320 bps and the spread of the BTP compared to the 10-year swap rate of 151 bps).

## Spread risk - VaR analyses

Analysis date (€m)	Risk exposure		SpreadVaR
	Notional	Fair value	
2022 effects			
Financial assets measured at fair value through other comprehensive income			
Fixed income instruments*	37,489	33,161	373
Derivative financial instruments			
Cash flow hedges **	3,209	(92)	31
Variability at 31 December 2022	40,698	33,069	384
2021 effects			
Financial assets measured at fair value through other comprehensive income			
Fixed income instruments*	31,415	37,626	267
Derivative financial instruments			
Cash flow hedges **	-	-	-
Variability at 31 December 2021	31,415	37,626	267

\* The VaR for fixed-income securities also takes into account forward sales transactions.

\*\* The VaR for hedging derivatives refers to total forward purchase transactions.

Maximum potential loss (VaR - Value at Risk), a statistical estimation with a time horizon of 1 day and a confidence level of 99%, is also computed by BancoPosta RFC to monitor market risk. Risk analysis performed through VAR takes into account the historical variability of the risk (spread) in question, in addition to modelling parallel shifts of the yield curve.

In order to jointly monitor spread and fair value interest rate risks, the following table shows the results of the VaR analysis conducted with reference to financial assets measured at fair value through other comprehensive income and the relevant derivative financial instruments, taking into account the variability of both risk factors:

(€m)	2022	2021
Average VaR	(454)	(586)
Minimum VaR	(285)	(287)
Maximum VaR	(641)	(1,626)

Taking into account both financial assets measured at fair value through other comprehensive income (including the related hedges outstanding) and forward sales, the combined analysis of spread risk and fair value interest rate risk at 31 December 2022 results in a potential loss of €513 million (VaR at the end of the period). The increase in VaR at the end of the period, compared with the €337 million at 31 December 2021, reflects the increase in market volatility during the year.



## Cash flow interest rate risk

The sensitivity to cash flow interest rate risk at 31 December 2021 and 31 December 2022 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

(€m)	2022			2021		
	Risk exposure	Net interest and other banking income		Risk exposure	Net interest and other banking income	
		+100 bps	-100 bps		+100 bps	-100 bps
Cash						
- Deposits with Bank of Italy	1,885	19	(19)	4,771	48	(48)
- Deposits with banks	5	-	-	4	-	-
Financial assets measured at amortised cost						
Due from banks						
- Collateral guarantees	1,468	15	(15)	3,313	33	(33)
Due from customers						
- Deposits at MEF (PA deposits)	11,907	119	(119)	12,712	127	(127)
- Deposits at MEF (private customer deposits)	1,991	20	(20)	1,990	20	(20)
- Collateral guarantees	989	10	(10)	1,545	15	(15)
- Due from Poste Italiane SpA outside the ring-fence	349	3	(3)	175	2	(2)
- Fixed income instruments	8,115	81	(81)	5,770	58	(58)
Financial assets measured at fair value through other comprehensive income						
- Fixed income instruments	10,540	105	(105)	9,800	98	(98)
Financial liabilities measured at amortised cost						
Due to banks						
- Collateral guarantees	(3,636)	(36)	36	(219)	(2)	2
- Repurchase agreements	(3,996)	(40)	40	(2,956)	(30)	30
Due to customers						
- Collateral guarantees	(1,188)	(12)	12	(9)	-	-
<b>Total variability</b>	<b>28,429</b>	<b>284</b>	<b>(284)</b>	<b>36,896</b>	<b>369</b>	<b>(369)</b>

Cash flow interest rate risk at 31 December 2022 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 bonds issued by the Italian State swapped in variable rate bonds through fair value hedge derivatives for a total nominal amount of €18,655 million mainly including: (i) Italian government bonds for €3,850 million, whose fair value hedge will start to take effect in the 12 months following the period under review; (ii) inflation-linked bonds issued by the Italian Republic with a nominal amount of €150 million;
- variable-rate bonds issued by the Italian State with a total nominal value of €500 million;
- receivables for a total amount of €2,457 million for security deposits provided as collateral for derivative liabilities and repurchase agreements;
- payables for a total amount of €4,824 million for guarantee deposits provided as collateral for derivative liabilities;
- 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 2022 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 €1,022 million and a carrying amount of €1,110 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

Analysis date (€m)	Exposure	Change in value		Net interest and other banking income		Equity reserves before taxation	
		+ Vol	- Vol	+ Vol	- Vol	+ Vol	- Vol
2022 effects							
Financial assets measured at fair value through profit or loss							
Equity instruments	40	12	(12)	12	(12)	-	-
Financial liabilities held for trading	(4)	(12)	12	(12)	12	-	-
Variability at 31 December 2022	36	-	-	-	-	-	-
2021 effects							
Financial assets measured at fair value through profit or loss							
Equity instruments	39	10	(10)	10	(10)	-	-
Financial liabilities held for trading	(3)	(9)	9	(9)	9	-	-
Variability at 31 December 2021	36	1	(1)	1	(1)	-	-

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 and Series A 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. The shares' price risk is also monitored through the computation of VaR.

The VaR sensitivity analyses are shown below:

(€m)	2022	2021
Closing VaR	-	-
Average VaR	-	-
Minimum VaR	-	-
Maximum VaR	-	(1)

## 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>286</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.

286. The exchange rate risk relating to VISA shares was mitigated through a forward sale transaction carried out during 2021.

## B. Foreign exchange hedges

### Quantitative information

#### 1. Distribution of assets, liabilities and derivatives by currency

Items (€m)	Currency					
	US Dollar	Swiss Franc	GB Sterling	Japanese Yen	Tunisian Dinar	Other currencies
<b>A. Financial assets</b>	<b>41</b>	<b>2</b>	<b>1</b>	-	-	-
A.1 Debt securities	-	-	-	-	-	-
A.2 Equity instruments	40	-	-	-	-	-
A.3 Due from banks	1	2	1	-	-	-
A.4 Due from customers	-	-	-	-	-	-
A.5 Other financial assets	-	-	-	-	-	-
<b>B. Other assets</b>	<b>17</b>	<b>4</b>	<b>2</b>	-	-	-
<b>C. Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. Financial derivatives</b>						
- Options						
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives						
+ Long positions	35	-	-	-	-	-
+ Short positions	39	-	-	-	-	-
<b>Total assets</b>	<b>93</b>	<b>6</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>39</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position (+/-)</b>	<b>54</b>	<b>5</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>

“Other assets” relate to foreign currencies held in post offices for the foreign exchange service.

## 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

Analysis date (€m)	USD position (\$000)	EUR position (\$000)	Change in value		Net interest and other banking income		Equity reserves before taxation	
			+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days
2022 effects								
Financial assets measured at fair value through profit or loss								
Equity instruments	42	40	4	(4)	4	(4)	-	-
Liabilities held for trading	(4)	(4)	(4)	4	(4)	4	-	-
Variability at 31 December 2022	38	36	-	-	-	-	-	-
2021 effects								
Financial assets measured at fair value through profit or loss								
Equity instruments	44	39	2	(2)	2	(2)	-	-
Liabilities held for trading	(3)	(3)	(2)	2	(2)	2	-	-
Variability at 31 December 2021	41	36	-	-	-	-	-	-

## 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 (€m)	Total at 31.12.2022				Total at 31.12.2021			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity instruments and equity indexes	-	35	-	-	-	35	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	35	-	-	-	35	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	-	35	-	-	-	35	-	-

## A.2 Trading financial derivatives: gross positive and negative fair value - breakdown by product

Types of derivative (€m)	Total at 31.12.2022				Total at 31.12.2021			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Positive fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
2. Negative fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	(4)	-	-	-	(3)	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	(4)	-	-	-	(3)	-	-

### A.3 OTC trading financial derivatives: notional amounts, gross positive and negative fair value by counterparty

Underlying assets (€m)	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	-	35	-	-
- positive fair value	-	-	-	-
- negative fair value	-	(4)	-	-
<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

Underlying assets/Residual life (€m)	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	35	-	-	35
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
<b>Total at 31.12.2022</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>
<b>Total at 31.12.2021</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>35</b>

## 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 2022. These instruments are subject to daily collateralisation remunerated to EONIA (from 2022 ESTR + 8.5 bps).

In particular, BancoPosta RFC hold interest rate swaps designated as fair value hedge that have the “EURIBOR-indexed variable “leg” with a notional amount of €31,936 million. With particular reference to almost all of these instruments, the cash flows at 31 December 2022 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 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 carry 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 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 maturing bonds held in portfolio;
- **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>287</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;
- 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>288</sup>, using the approaches illustrated in the following notes.

287. For Repos, hedging is performed by defining the variable-rate component simply indexed to EURIBOR and the fixed-rate component incorporating market conditions.

288. 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.

The retrospective effectiveness test is run by utilising the “dollar offset approach through the hypothetical derivative<sup>289</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>290</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 swaps hedging repurchase agreements, 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>291</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>292</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;

289. 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).

290. 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.

291. Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

292. 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.

- 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>293</sup>. The hedge is considered effective if the hedge ratio falls in the interval between 80% and 125%.

## Quantitative information

### A. Hedging financial derivatives

#### A.1 Hedging financial derivatives: year-end notional amounts

Underlying assets/Types of derivative (€m)	Total at 31.12.2022				Total at 31.12.2021			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	-	39,478	-	-	-	41,719	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	34,879	-	-	-	39,590	-	-
c) Forwards	-	4,599	-	-	-	2,129	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity instruments and equity indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	-	39,478	-	-	-	41,719	-	-

293. Calculated by assuming a parallel shift of +/- 100 bps of the yield curves.

## A.2 Hedging financial derivatives: gross positive and negative fair value – breakdown by product

Types of derivatives (€m)	Positive and negative fair value								Change in value used to recognise ineffective portion of hedge	
	Total at 31.12.2022				Total at 31.12.2021				Total at 31.12.2022	Total at 31.12.2021
	Over the counter			Organised markets	Over the counter			Organised markets		
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements			
<b>1. Positive fair value</b>										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	5,759	-	-	-	796	-	-	9,738	925
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	350	-	-	-	77	-	-	350	77
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>6,109</b>	-	-	-	<b>873</b>	-	-	<b>10,088</b>	<b>1,002</b>
<b>1. Negative fair value</b>										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	(875)	-	-	-	(5,461)	-	-	962	1,299
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	(96)	-	-	-	-	-	-	(96)	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>(971)</b>	-	-	-	<b>(5,461)</b>	-	-	<b>866</b>	<b>1,299</b>

### A.3 OTC hedging financial derivatives: notional amounts, gross positive and negative fair value by counterparty

Underlying assets (€m)	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	-	30,132	9,346	-
- positive fair value	-	4,596	1,513	-
- negative fair value	-	(675)	(296)	-
<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

Underlying assets/Residual life (€m)	1 year or less	1 -5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	4,739	4,096	30,643	39,478
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 31.12.2022</b>	<b>4,739</b>	<b>4,096</b>	<b>30,643</b>	<b>39,478</b>
<b>Total at 31.12.2021</b>	<b>5,185</b>	<b>215</b>	<b>36,319</b>	<b>41,719</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)	Cumulative changes in fair value of hedged instrument	Micro-hedges Termination of the hedge: residual cumulative changes in fair value	Change in value use to recognise ineffective portion of hedge	Micro- hedges: carrying amount
<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	11,652	-	(2,840)	(738)	(5,721)	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	12,085	-	(2,714)	(570)	(5,398)	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 31.12.2022</b>	<b>23,737</b>	<b>-</b>	<b>(5,554)</b>	<b>(1,308)</b>	<b>(11,119)</b>	<b>-</b>
<b>Total at 31.12.2021</b>	<b>43,711</b>	<b>-</b>	<b>4,362</b>	<b>-</b>	<b>(2,514)</b>	<b>-</b>
<b>B. Liabilities</b>						
<b>1. Financial liabilities measured at amortised cost - hedging:</b>						
1.1 Debt securities and interest rates	(3,863)	-	141	-	141	X
1.2 Currencies and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
<b>Total at 31.12.2022</b>	<b>(3,863)</b>	<b>-</b>	<b>141</b>	<b>-</b>	<b>141</b>	<b>-</b>
<b>Total at 31.12.2021</b>	<b>(2,960)</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</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	43	(181)	-
1.2 Equity instruments and equity indexes	-	-	-
1.3 Currencies and gold	-	-	-
1.4 Receivables	-	-	-
1.5 Other	-	-	-
<b>2. Liabilities</b>			
2.1 Debt securities and interest rates	-	-	-
2.2 Currencies and gold	-	-	-
2.3 Other	-	-	-
<b>Total (A) at 31.12.2022</b>	<b>43</b>	<b>(181)</b>	<b>-</b>
<b>Total (A) at 31.12.2021</b>	<b>217</b>	<b>(50)</b>	<b>-</b>
<b>B. Hedges of foreign investments</b>	<b>X</b>	<b>-</b>	<b>-</b>
<b>Total (A+B) at 31.12.2022</b>	<b>43</b>	<b>(181)</b>	<b>-</b>
<b>Total (A+B) at 31.12.2021</b>	<b>217</b>	<b>(50)</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	(50)	-	-	-	-	-	-	-	-	-
Changes in fair value (effective portion)	280	-	-	-	-	-	-	-	-	-
Reclassifications to profit or loss	(411)	-	-	-	-	-	-	-	-	-
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	(181)	-	-	-	-	-	-	-	-	-



### 3.3 Other information on trading and hedging derivatives

#### A. Financial and credit derivatives

##### A.1 OTC financial and credit derivatives: net fair value by counterparty

At 31 December 2022 Banco Posta RFC had no master netting or similar agreements in place that meet the requirements of IAS 32, paragraph 42, regarding offsetting financial assets and liabilities. At 31 December 2022, BancoPosta RFC had outstanding OTC derivatives transactions with Qualified Central Counterparty clearing through clearing brokers for a notional amount of €1 million.

## 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, from 26 June 2020 BancoPosta RFC may access a three-year committed line of funding from Cassa Depositi e Prestiti for repurchase agreements of up to €4.25 billion.

In terms of BancoPosta RFC's operations, liquidity risk regards the deposits in current accounts and prepaid cards<sup>294</sup>, in euro zone government bonds or guarantees by the Italian state 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 20 years for retail customers, 10 years for business customers and Postepay cards and 5 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;
- 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's).

BancoPosta RFC's maturity mismatch approach entails an analysis of the mismatch between cash in and outflows for each time

<sup>294</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.

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>295</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.

295. 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

Items/Time-to-maturity (€m)	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 years	1 - 5 years	Over 5 years	Unspecified maturity
<b>A. On-balance sheet assets</b>	<b>17,009</b>	<b>6,738</b>	<b>87</b>	<b>90</b>	<b>1,757</b>	<b>2,229</b>	<b>3,625</b>	<b>15,143</b>	<b>54,633</b>	<b>-</b>
A.1 Government bonds	-	-	-	90	1,527	712	3,593	9,376	49,160	-
A.2 Other debt securities	-	-	-	-	22	11	32	500	2,500	-
A.3 UCIs	-	-	-	-	-	-	-	-	-	-
A.4 Due from	17,009	6,738	87	-	208	1,506	-	5,267	2,973	-
- Banks	1,917	1,468	-	-	-	-	-	-	-	-
- Customers	15,092	5,270	87	-	208	1,506	-	5,267	2,973	-
<b>B. On-balance sheet liabilities</b>	<b>83,995</b>	<b>7,731</b>	<b>129</b>	<b>844</b>	<b>1,607</b>	<b>882</b>	<b>-</b>	<b>7,153</b>	<b>-</b>	<b>-</b>
B.1 Deposits and current accounts	78,287	-	-	-	-	-	-	-	-	-
- Banks	520	-	-	-	-	-	-	-	-	-
- Customers	77,767	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	5,708	7,731	129	844	1,607	882	-	7,153	-	-
<b>C. Off-balance sheet transactions</b>										
C.1 Financial derivatives with exchange of principal										
- Long positions	-	-	-	954	436	-	-	920	2,513	-
- Short positions	-	-	-	882	1,046	565	716	-	1,099	-
C.2 Financial derivatives without exchange of principal										
- Long positions	-	-	-	3	218	65	504	-	-	-
- Short positions	-	-	-	-	230	26	415	-	-	-
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	-	2,210	50	-	-	-	-	-	-	-
- Short positions	-	2,260	-	-	-	-	-	-	-	-
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

Items/Time-to-maturity (€m)	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 years	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	1	-	-	-	-	-	-	-	-	-
- 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: Swiss franc

Items/Time-to-maturity (€m)	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 years	1 - 5 years	Over 5 years	Unspecified maturity
<b>A. On-balance sheet assets</b>	<b>2</b>	-	-	-	-	-	-	-	-	-
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCIs	-	-	-	-	-	-	-	-	-	-
A.4 Due from	2	-	-	-	-	-	-	-	-	-
- Banks	2	-	-	-	-	-	-	-	-	-
- 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

Items/Time-to-maturity (€m)	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 years	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	1	-	-	-	-	-	-	-	-	-
- 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 2022, 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 2021, and the monitoring of IT risk recovery plans continued.

The activities carried out in 2022 also included assessments of the risk profile related to the assignment and outsourcing of BancoPosta RFC, the definition 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 2022, 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	29
External fraud	40
Employee practices and workplace safety	7
Customers, products and business practices	36
Damage to material property	4
Business disruption and system failure	8
Execution, delivery and process management	98
<b>Total at 31 December 2022</b>	<b>222</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>296</sup>.

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>297</sup>. Compliance with the objective, threshold and limit system established by the RAF influences decisions regarding profit distributions as part of capital management.

296. Capital for regulatory purposes takes into account the provisions of the:

- "Regulation (EU) no. 2017/2395 amending Regulation (EU) no. 575/2013 as regards transitional arrangements to mitigate the impact of the introduction of IFRS 9 on own funds". BancoPosta RFC elected, under the applicable Regulation, to adopt a phase-in approach for the recognition of the effects of adjustments for expected losses over a transitory five-year period, mitigating the impact on CET1 with the application of decreasing percentages over time;
- "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" (so-called "Quick Fix"). BancoPosta RFC made use of the possibility, recognised by this legislation, to adopt the new percentages for the transitional period from 31 December 2020 to 31 December 2024.

297. A definition of the RAF is provided in the "Introduction" to Part E.



## B. Quantitative information

### B.1 Company equity: breakdown

Items/Amounts (€m)	Amount at 31.12.2022	Amount at 31.12.2021
1. Share capital	-	-
2. Share premium reserve	-	-
3. Reserves	2,585	2,397
- profit	1,373	1,186
a) legal	-	-
b) required by articles of association	-	-
c) treasury shares	-	-
d) other	1,373	1,186
- other	1,212	1,211
4. Equity instruments	350	350
5. (Treasury shares)	-	-
6. Valuation reserves	(2,223)	1,118
- 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	(2,092)	1,156
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flows edges	(129)	(36)
- 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	602	508
<b>Total</b>	<b>1,314</b>	<b>4,373</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.

"Equity instruments" include the capital contribution completed on 30 June 2021, through the granting of a perpetual subordinated loan, under terms and conditions that allow it to be counted as Additional Tier 1 capital ("AT 1").

## B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/Amounts (€m)	Total at 31.12.2022		Total at 31.12.2021	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	236	(2,328)	1,506	(344)
2. Equity instruments	-	-	-	-
3. Loans	-	-	-	-
<b>Total</b>	<b>236</b>	<b>(2,328)</b>	<b>1,506</b>	<b>(344)</b>

## B.3 Valuations reserves for financial assets measured at fair value through other comprehensive income: annual changes

(€m)	Debt securities	Equity instruments	Borrowings
<b>1. Opening balance</b>	<b>1,162</b>	-	-
<b>2. Increases</b>	<b>17</b>	-	-
2.1 Increases in fair value	7	-	-
2.2 Impairment losses due to credit risk	5	x	-
2.3 Reclassification to profit or loss of negative reserve for realised losses	5	x	-
2.4 Transfers to other equity (equity instruments)	-	-	-
2.5 Other changes	-	-	-
<b>3. Decreases</b>	<b>(3,271)</b>	-	-
3.1 Decreases in fair value	(3,157)	-	-
3.2 Recoveries due to credit risk	(1)	-	-
3.3 Reclassification to profit or loss of positive reserve for realised gains	(113)	x	-
3.4 Transfers to other equity (equity instruments)	-	-	-
3.5 Other changes	-	-	-
<b>4. Closing balance</b>	<b>(2,092)</b>	-	-

## B.4 Valuation reserves for defined benefit plans: annual changes

(€m)	Total at 31.12.2022	Total at 31.12.2021
<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 Common Equity Tier 1 (CET 1 and AT1) and consist of:

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>298</sup>;
- undistributed earnings, being BancoPosta RFC's profits appropriated on approval of Poste Italiane SpA's financial statements.

Additional Tier 1 ("AT 1") includes the capital injection of €350 million finalised on 30 June 2021.

At 31 December 2022, own funds amounted to €2,968 million and €24 million derived from the application of the transitional mitigation provisions of IFRS 9 on Financial Assets measured at amortised cost<sup>299</sup>.

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): 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 - RWA<sup>300</sup>), 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.

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 2022 BancoPosta RFC complies with the requirements of the prudential regulations in force, with a Tier 1 ratio and a Total Capital ratio of 23.1% and a CET1 ratio of 20.3%, 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").

298. Contributions from non-controlling shareholders to BancoPosta RFC are excluded, as they are not provided for in the special regulations governing the ring-fence.

299. Of which €15 million related to the period from 2020 to 2022 and calculated in accordance with Regulation (EU) no. 2020/873 (so-called "Quick fix" CRR).

300. Risk weighted assets, or RWAs, are calculated by applying a risk weighting to the assets exposed to credit, counterparty, market and operational risks.

## 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 Financial 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.

## Impact of related party transactions on the financial position at 31 December 2022

Name (€m)	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>Related parties external to the Group</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 the financial position at 31 December 2021

Name (€m)	Total at 31.12.2021						
	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	-	179	-	75	-	172	4
<b>Direct subsidiaries</b>							
BancoPosta Fondi SpA SGR	-	21	-	-	-	6	3
Consorzio PosteMotori	-	11	-	-	-	18	-
EGI SpA	-	-	-	-	-	1	-
PatentiViaPoste ScpA	-	-	-	-	-	12	-
Poste Vita SpA	-	224	-	-	-	544	5
Postel SpA	-	-	-	-	-	1	-
PostePay SpA	-	72	-	78	-	8,284	122
SDA Express Courier SpA	-	-	-	-	-	4	-
<b>Indirect subsidiaries</b>							
Kipoint SpA	-	-	-	-	-	1	-
Poste Assicura SpA	-	7	-	-	-	11	-
Poste Insurance Broker	-	-	-	-	-	1	-
<b>Associates</b>							
Financit SpA	-	20	-	-	-	-	-
<b>Related parties external to the Group</b>							
MEF	-	14,755	-	-	-	3,441	-
Cassa Depositi e Prestiti Group	3,216	387	-	-	-	-	-
Monte dei Paschi Group	-	137	(117)	-	-	199	-
Other related parties external to the Group	-	-	-	-	-	-	-
Provision for doubtful debts due from external related parties	(1)	(5)	-	-	-	-	-
<b>Total</b>	<b>3,215</b>	<b>15,808</b>	<b>(117)</b>	<b>153</b>	<b>-</b>	<b>12,695</b>	<b>134</b>

## Impact of related party transactions on profit or loss for the year ended at 31 December 2022

Name (€m)	FY 2022							
	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>Related parties external to the Group</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>

## Impact of related party transactions on profit or loss for the year ended at 31 December 2021

Name (€m)	FY 2021							
	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	-	-	-	-	-	(4,379)	-
<b>Direct subsidiaries</b>								
BancoPosta Fondi SpA SGR	-	-	74	(14)	-	-	-	-
Consorzio PosteMotori	-	-	38	-	-	-	-	-
Poste Vita SpA	1	-	477	-	-	-	-	-
PostePay SpA	1	(30)	214	(250)	-	-	-	2
<b>Indirect subsidiaries</b>								
Poste Assicura SpA	-	-	43	-	-	-	-	-
Poste Insurance Broker	-	-	1	-	-	-	-	-
<b>Associates</b>								
Financit SpA	-	-	16	-	-	-	-	-
<b>Related parties external to the Group</b>								
MEF	28	(9)	62	-	-	1	-	-
Cassa Depositi e Prestiti Group	65	-	1,753	(1)	-	-	-	-
Enel Group	-	-	5	-	-	-	-	-
Eni Group	-	-	2	-	-	-	-	-
Monte dei Paschi Group	2	-	-	-	-	-	-	-
Other related parties external to the Group	-	-	-	-	-	-	(2)	-
<b>Total</b>	<b>98</b>	<b>(39)</b>	<b>2,685</b>	<b>(265)</b>	<b>-</b>	<b>1</b>	<b>(4,381)</b>	<b>2</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.

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>301</sup>.

For the 2021-2023 and 2022-2024 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.

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 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.

A further Retention Period of one year will be applied to both the up-front and deferred portions.

For BP Beneficiaries (including the General Manager) in relation to the 2021-2023 and 2022-2024 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.

## Determination of fair value and effects on profit or loss

The valuations were carried out using an internal pricing tool that adopts simulation models consistent with the requirements of the reference accounting standards and takes into account the specific characteristics of the Plan. 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).

301. 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%.

	Number of beneficiaries	Units (No. of phantom shares / Rights to receive shares)		Fair value at grant date		Exercise Cost	IFRS 2 Reserve / Liabilities	Payments / Delivery value of treasury shares
		Number of units	Of which under retention period	BP beneficiaries				
LTIP Plans				Grant date	Fair Value			
Phantom Stock 18-20 LTIP						(0.1)	-	(0.6)
Performance Share 19-21 LTIP	8	56,120	ca. 22,450	07/10/2019	8.29€	-	0.4	-
Performance Share 20-22 LTIP	10	61,663	-	12/11/2020	3.91€	0.1	0.3	-
Performance Share 21-23 LTIP	10	78,001	-	28/05/2021	8.23€	0.2	0.4	-
Performance Share 22-24 LTIP	12	62,436	-	27/05/2022	4.50€	0.1	0.1	-
<b>Total</b>						<b>0.4</b>	<b>1.2</b>	<b>(0.6)</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 2017 and 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 and MBO 2022), 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>302</sup> for the Other Beneficiaries.

The allocation of Phantom Stocks (MBO 2017 and 2018) and Rights to receive Shares (MBO 2019, MBO 2020, MBO 2021 and MBO 2022) 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).

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 and liquidity requirements have been met. The effects on profit or loss and on equity are recognised in the period in which the instruments vest.

302. For the MBO 2021 and MBO 2022 only, the pro-rata years are 4, although for the fourth year only a cash payment is provided.

## Determination of fair value and effects on profit or loss

The valuation was carried out using an internal pricing tool that adopts simulation models consistent with the requirements of the reference accounting standards and takes into account the specific characteristics of the Plan.

Incentive plans	Units (No. of phantom shares / Rights to receive shares)	Exercise Cost	IFRS 2 Reserve / Liabilities	Payments / Delivery value of treasury shares
MBO BP 17-18	20,967	(0.1)	0.2	(0.2)
MBO BP 19-20-21-22*	112,850	0.4	0.8	(0.1)
<b>Total</b>		<b>0.3</b>	<b>1.0</b>	<b>(0.3)</b>

\* Mbo bp 22 estimated on the basis of the best available information, pending the actual finalisation of the system, in order to capture 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.

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# POSTA TELEGRAF

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**VELOCITÀ**  
**DIALOGO**  
**Cortesia**  
**ASCOLTO**  
**RISPETTO**  
**Familiarità**  
**APERTURA**  
**Puntuale**  
**PRECISIONE**  
**VIGILANZA**  
**Empatia**







# REPORTS AND ATTESTATIONS



## 3

REPORTS AND  
ATTESTATIONS

## Table of contents

Reports and Attestations

938



## Attestation of the Consolidated Financial Statements of the Poste Italiane Group at 31 December 2022 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 2022 and 31 December 2022.

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 2022:

- 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, 29 March 2023

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 2022 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 2022 and 31 December 2022.

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 2022:

- 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.

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, 29 March 2023

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 2022, 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 association of chartered accountants) in April 2018 (“Code of Conduct”).

**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. This report also refers to the supervisory activity carried out by the former Control Body from 1 January to 27 May 2022.

Considering the applicability to the Company of the new 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 the 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.

In accordance with the provisions of Ministerial Decree 169/2020 and the subsequent Bank of Italy Order of 5 May 2021, the outcome of the audit was sent to the Supervisory Authority, which provided a positive response.

The Board of Statutory Auditors (“Board”) obtained the information necessary in order to carry out its appointed 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 meetings with the Company’s principal functions and - above all with internal auditing staff and the Supervisory Board - and with the Company’s management, as well as through ongoing contact with the Manager responsible for financial reporting (“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.

As of 10 March 2020, the meetings of all the Corporate Bodies, including those of the Board of Statutory Auditors, were held with all the participants connected by audio/video link in order to guarantee the measures to combat and contain the Covid-19 health emergency throughout the country, and, even after the state of emergency ceased, as of 31 March 2022 the meetings of the Corporate Bodies were held remotely, except for a few meetings held in person to necessarily fulfil certain formalities.

During the year 2022, the Board verified that the Company, considering the persistence of the Covid-19 variant infections, continued to implement numerous initiatives, reshaping the manner in which it provided its services according to the evolution of the epidemiological situation recorded from time to time and the consequent governmental measures. The Company, at Group level, has maintained flexible forms of employment (so-called smart working), while continuing to provide staff with the tools and equipment (e.g. PPE, Plexiglass panels, etc.) needed to carry

out their work safely. During the year 2022, global economic activity showed progressive signs of slowing down related to the Russian-Ukrainian conflict that started in February 2022. The unstable geopolitical situation continued during the year accompanied by the energy crisis, largely a consequence of the conflict, and by pressures on supply chains; to this was added the repeated rise in interest rates decided by the main central banks to mitigate the growth of inflation. 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 conflict.

The "Regulations governing the functioning of the Board of Statutory Auditors of Poste Italiane S.p.A.", adopted on 30 January 2020, 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, as well as the principles set out in the Corporate Governance Code for listed Companies and the Code of Conduct of the Board of Statutory Auditors of listed Companies.

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 By-laws, periodically 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.

These transactions are illustrated in the Report on Operations to which reference should be made, mentioning herein, due to their significance, the two transactions indicated below, i.e. the acquisition by Poste Italiane of a 70% stake in Sourcesense S.p.A. (“Sourcesense”) by adhering to the takeover bid for all the shares and warrants issued by Sourcesense, as well as the voluntary total takeover bid for shares and warrants for the acquisition of a majority shareholding in Net Insurance S.p.A. by Poste Vita S.p.A., which is still ongoing.

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 21624 of 10 December 2020 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.

Following the issue of the Consob Regulation, approved with resolution no. 21624 of 10 December 2020, in force since 1 July 2021, the BoD on 24 June 2021 approved the current Guidelines on the management of transactions with related and connected parties.

In view also of the provisions of the Consob Regulation, the Board of Statutory Auditors suggested strengthening the documentation supporting the occurrence of the conditions for exclusion in the case of “excluded transactions”. In particular, the Board of Statutory Auditors in the meeting of the CP Committee held on 10 May 2022, on the occasion of the presentation of transactions with related and connected parties concluded in the first quarter of 2022 (pursuant to paragraph 4.6.1 of the Guidelines), requested to supplement the Quarterly Report brought to the attention of the members of the CP Committee and of the Board of Statutory Auditors with additional documentation from which to infer the objective elements of evidence on the conditions equivalent to those of the market or standard with specific reference to Minor ordinary transactions concluded at conditions equivalent to those of the market or standard. Therefore, starting with the disclosure on transactions with related and connected parties concluded in the second quarter of 2022, presented on 27 September 2022, documentation was made available to the members of the CP Committee and the Board, signed by the Head of the Proposing function, in which both the reference parameters for the ordinariness 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 attested.

*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 28 March 2023, 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 2022 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 and Postel and Nexive.

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 in the second half of the year showed a residual number of exceptions, confirming that a consolidated level of maturity of Model 262 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 new provisions of the Business Crisis and Insolvency Code, the Manager responsible for financial reporting has integrated, at Group level, the current information flows provided for by Model 262, envisaging the development of an initial set of indicators by the Group Companies, subject to specific reporting, which allow for the timely detection of potential signs of business crisis and to provide assurance with respect to the assumption of business continuity. The results of the monitoring conducted at Group level did not show any values that would have detected possible states 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 responsible management; (ii) Independent Monitoring: independent checks on the operation of 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, with the support of external consultants; 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.

In addition to the activities carried out in order to comply with the new Business Crisis and Insolvency Code, the various project initiatives implemented during 2022 include:

- the definition of an integrated regulatory system within AFC with the aim of rationalising and standardising the different types of procedures in force (262, 231, accounting instructions, etc.), which regulate and formalise processes relevant to financial reporting. The new model makes it possible to streamline the activity of preparing and updating documents and promotes uniformity in the definition and application of rules for the proper functioning of operational processes;
- with reference to Nexive, the completion of the preparation of administrative-accounting procedures relating to the processes identified as significant for the Company (Liability Cycle, Intercompany Relations and Reporting Package), applying the methodology provided for by the 262 Governance Model. The assessment activities of the relevant controls on financial reporting (Independent

Monitoring, Self Assessment via GRC-Archer platform and ITGC) conducted by the Manager responsible for financial reporting in the second half of 2022 allowed to exclude significant deficiencies;

- with reference to the LIS Group, within the framework of the gradual extension of the process of assessing the control system, the Manager responsible for financial reporting started the activities for the application of the Group's Model 262 on the companies LIS Holding and LIS Pay, which will be included in the perimeter starting from the second half of 2023, envisaging, in a first phase, the identification of the processes that are most relevant for financial reporting purposes according to qualitative-quantitative criteria and, subsequently, the formalisation of the related 262 procedures through the application of the risk-based methodology. Subsequently to the controls defined, the usual evaluation activities of the control system provided for in the SCIIF Guideline will be conducted.

In terms of the planning of the 2023 activities of the Manager responsible for financial reporting, in addition to the continuous monitoring of the progress of the action plans foreseen as a result of the exceptions found by the assessment activities, the following are envisaged (i) assessment of the expansion of the set of indicators useful for the purposes of the requirements of the new Business Crisis and Insolvency Code: in particular, joint work will be carried out with the Group Companies in order to evaluate further expansion and customisation of the set of indicators, based on the characteristics of the business of the individual subsidiaries and (ii) gradual extension of Model 262 on the subsidiaries LIS Pay and LIS Holding.

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 5 April 2023, the Independent Auditor issued its reports on the separate and consolidated financial statements for the year ended 31 December 2022, prepared pursuant to art. 14 of Legislative Decree 39/2010 and art. 10 of Regulation (EU) 537/2014. Details of the opinions and statements are provided in the reports issued by the Independent Auditor.

In its audit reports on the financial statements, the Independent Auditor has:

- issued an opinion stating that Poste Italiane's separate and consolidated financial statements provide a true and fair view of the financial position of the Company and the Group at 31 December 2022 and of the results of operations and cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union and with the regulations issued in implementation of article 9 of Legislative Decree 38/05;
- stated that, as required by art. 14, paragraph 2 e) of Legislative Decree 39/10 and article 123-*bis*, paragraph 4 of the CLF, it has performed the audit procedures required under auditing standard (SA Italia) no. 720B in order to express an opinion of the consistency of the Report on Operations and of the specific information included in the Report on Corporate Governance and the Ownership Structure, referred to in article 123-*bis*, paragraph 4 of the CLF, with Poste Italiane's separate and consolidated financial statements for the year ended 31 December 2022 and on their compliance with the law, as well as issue a statement on material misstatements, if any. As a result, the Independent Auditor has also confirmed that the above Report on Operations and specific information included in the Report on Corporate



Governance and the Ownership Structure are consistent with Poste Italiane's separate and consolidated financial statements for the year ended 31 December 2022 and have been prepared in compliance with the law;

- noted that we have performed the procedures required by the auditing standard in order to express an opinion on the conformity of the Annual and Consolidated Financial Statements with the provisions of the Delegated Regulation (EU) 2019/815 stating that the Annual and Consolidated Financial Statements have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation and (ii) the Consolidated Financial Statements have been marked to all material aspects in accordance with the provisions of the Delegated Regulation. With reference to the consolidated financial statements, it has been specified that certain information contained in the notes to the consolidated financial statements when extracted from the XHTML format in an XBRL instance may be reproduced in a manner that is not identical to the corresponding information that can be displayed in the consolidated financial statements in XHTML format due to certain technical limitations.

The Independent Auditor's Reports do not contain qualifications or emphases of matter.

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 (respectively 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 LIS CGU (Payments and Mobile) and (ii) Assessment of the mathematical provisions for the consolidated financial statements), 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 aforementioned issues, the Board of Statutory Auditors requested further information from the AFC function, the Manager responsible for financial reporting, the CA/Legal Affairs function and the Independent Auditor, concerning (i) Accounting recognition of tax credits and assessment of risks related to the offsetting and recoverability of receivables in the portfolio (ii) Provision for staff leaving 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) Impairment of financial instruments, (v) Impairment test on the equity investment held in Anima Holding S.p.A., (vi) LIS Impairment test, (vii) Recoverability of certain significant credit exposures and, in particular, positions towards MISE and Egypt, (viii) ESMA disclosure on the impact of the first-time application of IFRS 17 “Insurance Contracts”, (ix) Acquisition transactions of LIS and Plurima Groups, with focus on purchase price allocation processes, (x) Follow-up on the remediation of SAP user profiles, (xi) European Single Electronic Format (ESEF).

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 AFC function, in the presence of the Independent Auditor, in order to have an update on the progress of the activities aimed at implementing the points of improvement suggested by the Independent Auditor in the Additional Report for the year 2021 pursuant to article 11 of Regulation (EU) 537/2014, noting that the suggestions have been positively accepted by the Company and that the activities for the improvement of the points identified have been started by the Company and are partially completed, as also indicated in the Additional Report for the year 2022 pursuant to article 11 of Regulation (EU) 537/2014. Specifically, the updating of the process for managing trade receivables is at an advanced stage, with a review of the methodology for calculating the estimate of expected losses, while the SAP utilities clean-up activity is still in progress.

With regard to the issue of the purchase of tax credits by Poste Italiane, a subject characterised by continuous interventions by the legislator and the publication of various Circulars issued by the Revenue Agency - Agenzia delle Entrate (“ADE”) aimed at clarifying the interpretation of tax regulations, as part of its supervisory activities, since 2021 the Board of Statutory Auditors has held various meetings, attended by the heads of the BancoPosta functions, CA/Legal Affairs, Administration, Finance and Control (“AFC”), AFC/Fiscal, Group CA/Anti-Money Laundering and the Independent Auditor, in order to examine the implications of the rules published 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. The Board held various meetings with the Head of the BancoPosta function and the Heads of BancoPosta’s control functions, details of which are provided in the BancoPosta RFC Section; during these meetings, the Board of Statutory Auditors constantly monitored the tax credit purchase process, requesting the inclusion in the 2021 audit plans of a general review of the processes for offering new products and services (product governance), also in light of the attention paid by various authorities on this matter (Antitrust, Consob, Bank of Italy) in order to prevent any process or regulatory compliance issues with an in-depth examination of the safeguards implemented from time to time on the basis of changes in the applicable legislation. The Board of Statutory Auditors also monitored the events that, starting from the end of 2021, saw the Company, as a third-party assignee in good faith, subject to several seizure orders of the tax credits assigned in its tax coffers, against which the Company promptly took legal action to have the sums released and also obtained some favourable orders of release of tax credits. In the course of 2022, the Court of Cassation rendered orders unfavourable to Poste in proceedings for the re-examination of the release orders, confirming the reconstruction postulated by the Public Prosecutor’s Office, recognising the legitimacy of the seizure orders due to the non-existence of the claims subject to the precautionary measure. The Board monitored the actions taken by the Company to protect its interests. Also in this circumstance, the Board followed the developments of the defensive activities activated by the Company in the opportune judicial venues for the release of the amounts subject to the orders of seizure of the tax credits in its tax coffers, monitoring the actions taken by the Company to mitigate the risks related to the precautionary proceedings in criminal proceedings. The

Company was supported in its assessments by external legal advisors, experts in criminal, civil and tax matters. From an accounting point of view, the Board positively evaluated the methodological framework used to determine the provision for risks and charges, having also consulted the Independent Auditor.

The Board of Statutory Auditors acknowledged the losses recognised on tax credits that were to be offset by 31 December 2022 and that were not offset due to the uncertainty of their existence; similarly, the Board of Statutory Auditors has examined in detail and endorsed the approach used to define the provision for risks and charges of € 320 million, which was based on a legal and accounting analysis conducted by the Company, also with the support of external legal, tax and accounting consultants, aimed at assessing overall the potential risks to which Poste Italiane could be exposed if the tax credits acquired over time by the Company were to derive from fraudulent conduct.

The determination of the allocation to the “Provisions for risks and charges” necessarily required the application of a significant degree of professional judgement, the main elements of uncertainty of which are attributable to the outcome of the proceedings underway, the identification of the claims and the result of the initiatives that will be activated by Poste Italiane to recover the amounts paid to the entities with respect to which cases of fraud have been ascertained. The Board of Statutory Auditors also noted that the Company prudentially did not consider both losses on receivables and provisions for risks and charges to be tax deductible and will submit a specific petition to verify their deductibility.

During 2022, 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 with mandatory disclosure in the 2022 financial statements. This standard has introduced a profound change in 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; specifically, IFRS 17 profoundly changes the representation of the profitability of the insurance business, moving from a presentation of results by volume (premiums issued and claims expenses) to a representation more focused on the margins of the contracts. During a number of specific meetings, the Board of

Statutory Auditors examined the activities implemented by both Poste Vita and Poste Italiane for the correct application of IFRS 17, specifically for the purposes of the Contractual Service Margin (“CSM”), which represents the expected value of policies that will be recognised in the statement of profit or loss over the life of the policy, for the determination of which it is necessary to first carry out the elimination of intercompany items and the allocation of internal and external costs incurred at consolidated level: consequently, the Group’s CSM may be different from that calculated for stand-alone insurance companies.

Finally, the Board of Statutory Auditors monitored the adequacy of the information provided in the Financial Report on the impacts of the first-time application of IFRS required by ESMA on listed companies (Public Statement ESMA 32-339-208 “Transparency on implementation of IFRS 17 Insurance Contracts”).

During 2022, the Board discussed with the AFC function the main actions identified by the Company to follow up on the new provisions of the Business Crisis and Insolvency Code, in order to consolidate and formalise, through a path of progressive application, a process and information flows provided by the current risk management model for detecting possible signs of crisis or insolvency and loss of business continuity. In this regard, the Board of Statutory Auditors has verified that the Company has identified the actions that the Poste Italiane Group is progressively implementing to consolidate and formalise the process of preventive management of business crises, following the logic of harmonising the Group’s Risk Management models, even considering that the Poste Group, as it is listed, already has a structured control system for Group risks. Specifically, the Manager responsible for financial reporting has integrated the current information flows provided for by Model 262, envisaging the development of an initial set of indicators by the Group Companies, subject to specific reporting, which allow for the timely detection of potential signs of business crisis and to provide assurance with respect to the assumption of business continuity. The Board of Statutory Auditors was informed during a specific meeting with the Manager responsible for financial reporting that the monitoring of the indicators carried out by the latter at Group level on the occasion of the certification of the Annual Report 2022, did not show any values such as to detect possible states of crisis, insolvency or loss of business continuity. In addition, the Board of Statutory Auditors, in the context of the exchange of information with the Control Bodies of the

Group Companies, called the attention of the individual Bodies to the reformulation of article 2086 of the Civil Code following the introduction of the new Business Crisis and Insolvency Code and, as a result, to the strengthened obligations incumbent upon them, and suggested that they consider submitting this issue to the Subsidiary's Board of Directors for a more thorough assessment of the adequacy of its organisational, administrative and accounting structures and, where necessary, to implement a review thereof.

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.

Impairment testing of the MP&D CGU took account of IAS 36 - Impairment of assets and best market practice; in determining the perimeter of the MP&D CGU, reference was made to the control/monitoring methods on the economic and financial performance of Poste Italiane, in support of the decision-making activity of the company's management. Compared to previous years - in addition to Postel, Nexive, Sengi, Milkman, SDA, Sennder, Consorzio Logistica Pacchi, Poste Air Cargo, Patenti Via Poste, EGI, Poste Welfare Servizi, Poste Motori - the explicit cash flows and Net Invested Capital of the MP&D CGU included the companies Plurima, Agile and Sourcesense following the acquisitions completed in 2022. The valuation methodology and methodological set-up are consistent with those used at 31 December 2021.

In addition, the BoD approved the new version of the Guidelines "Performing the Impairment Test (IAS 36 - Impairment of assets)", the first version of which had been approved in 2016, followed by the update to: (i) take into account their significance also in terms of compliance pursuant to Law no. 262/2005 and Law no. 231/2001, (ii) reflect the organisational changes that have taken place, (iii) incorporate the process changes introduced in the execution of the test also as a result of the recent company acquisitions, as well as follow the suggestion made by the independent expert who drafted the Opinion validating the impairment test methodologies last year.

The Board of Statutory Auditors, in consultation with the Independent Auditor, positively assessed the underlying methodological framework, noting that the cash flow planning approved by the BoD for the three-year period 2023/2025 does not show a need to make any value adjustments to the capital invested in the MP&D business unit.

In carrying out the impairment test on LIS, which is being performed for the first time, the same estimation criterion used for the impairment test on the MP&D CGU was used, i.e. Discounted Cash Flow (DCF), which involves discounting the annual operating cash flows (taken from the LIS 2023 - 2025 Business Plan approved by LIS) at a rate representative of the weighted average cost of capital. For the purposes of defining the perimeter on which to perform the impairment test, the Company evaluated the advisability of considering LIS within the Payments and Mobile Business Unit, taking into account the strong business and infrastructure interests already established, as well as those expected, but deemed it appropriate, for this first impairment exercise, to test LIS on a stand-alone basis.

The impairment test on Anima - carried out taking into account the updated official consensus data on the Anima website with the extension to 2025 of profit forecasts and an increase of about 8% in the Target Price, as well as the upward trend of the stock market price - did not show any need for further impairment at year-end after the impairment already carried out 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 Board of Statutory Auditors noted that the Administrative Body had carried out the periodic monitoring of the impairment test for the MP&D CGU.

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 5 April 2023 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 2022 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 and the implementing Regulation issued by CONSOB with Resolution no. 20267 of 18 January 2018, 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 Draft Integrated Report 2022, approved by the BoD on 29 March 2023.

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, the Board of Statutory Auditors, while also participating in the Sustainability Committee meetings, 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 business plan targets for the reduction of climate-changing emissions by 2025<sup>1</sup>. The Board met with the advisor (KPMG) that has followed Poste Italiane’s entire sustainability path, who provided assurance on the process followed by the Company to define the data that then flow into the Integrated Report and on the controls that are performed on the processes. As part of the activities aimed at continually strengthening the operation of the process of managing and integrating ESG principles within the Group, the Board positively assessed the update of the Guideline “The ESG (Environmental, Social and Governance) process in the Poste Italiane Group” in order to align the document with the main leading practices on the subject and with the Company’s new organisational structure, outlining a more mature process in all its phases. The update of the Guideline, among other things, is part of

<sup>1</sup> The company has defined two targets: the first is to reach -30% tCO<sub>2</sub>e by 2025, and then achieve carbon neutrality in 2030.



the important path undertaken over the years by Poste Italiane to develop its business strategy, structurally integrating it with ESG principles and orienting the Group's efforts towards the creation of shared value for stakeholders and the consolidation of its reputation. In addition, the Board met with the Head of the Internal Control function for an in-depth examination and update on the policies, procedures, processes and structures implemented for the purposes of defining, monitoring, measuring and reporting on ESG objectives following the Audit report "Non-financial Reporting Process" issued in January 2023; the Internal Control function assessed as being overall adequate, in terms of design and operation, with the need for specific action plans, the Internal Control System to oversee the process of drafting the NFS integrated in the Report on Operations, pursuant to Legislative Decree no. 254/2016 and international standards to which, in line with ESG principles, the Poste Italiane Group adheres. The Board of Statutory Auditors agrees with the recommendations of the Internal Control function and recommends full and timely implementation of action plans to strengthen the ESG reporting process. The Board, in its continuous monitoring of ESG-related risks, also reported to the Head of Internal Control some ideas and suggestions for audit activities to be included in the 2023 Audit Plan, including the management of ESG plans in the Group's companies, and subsequently ascertained that all the issues reported were incorporated and covered in the 2023 Audit Plan. Likewise, during the exchange of information with the corresponding Control Bodies of the Subsidiaries, the Board of Statutory Auditors took note of the need to outline ESG objectives also at the level of the individual subsidiary so that the respective strategic bodies would have a greater awareness of the actions to be taken in line with the Group's business plan. Furthermore, the Board of Statutory Auditors suggested the advisability of a unified management of ESG activities also from an organisational point of view, and to carry out a reflection on the status of implementation of the Bank of Italy's document on Climate Change Risk Expectations at Group level. Finally, the Board hopes that the Internal Control function will dialogue with the Risk Management function so that the latter continuously or periodically verifies the updating of the corporate risk profile, integrating it with ESG factors, also at the level of remuneration mechanisms, in line with the objectives set out in the Group's business plan. With reference to recently acquired companies the Board notes that a general review of the degree of attention of the individual

Subsidiaries to ESG issues will be carried out, consistent with the Group's business plan.

In accordance with the provisions of Regulation (EU) no. 852/2020 (EU Taxonomy), as of 2022, the ESG indicators have been outlined not only for climate change, but also from the perspective of the social impacts of investments, and within the 2022 Integrated Report, drawn up in accordance with the reference legislation and the main international standards, the results obtained through the approach defined by the Group for the fulfilment of the disclosure obligations provided for by the EU Taxonomy are reported.

The relevance of material issues for Poste Italiane for the purposes of the 2022 Integrated Report was defined through direct involvement of stakeholders, through listening and engagement initiatives, and the process of defining material issues was conducted in accordance with the requirements of Legislative Decree no. 254/16 and in accordance with the GRI standards, also incorporating in advance the requirements of the Corporate Sustainability Reporting Directive 2022/2464 (CSRD), relating to the "double-materiality" process, finally approved in November 2022, which introduced a new approach to materiality that is a combination of impact materiality and financial materiality. With reference to the materiality matrix, in 2022, the Company completed what it started in 2021, revising the materiality analysis methodology and aligning it with the provisions contained in the 2021 update of the GRI standards for the inside-out perspective; it also took into account the EFRAG provisions for the outside-in perspective, carrying out a double materiality exercise in advance of the entry into force scheduled for 2024.

During 2022, the Poste Italiane Group confirmed its position as one of the leading companies in ESG issues on a national and international level, obtaining multiple ESG awards.

Finally, as part of the Strategic Risk Assessment, which is conducted annually by the Group Sustainable Development, Risk and Compliance/CA 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 "2024 Sustain & Innovate Plus" 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 have been associated.

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, with a view to uniform management of personal data and compliance with the relevant regulatory requirements, the Group has adopted a Data Protection Policy in addition to the Guidelines in the areas of Privacy and Data Protection Management Systems. These safeguards, with a view to continuous improvement, guarantee compliance with the provisions of the GDPR, ensuring compliance with the principles enshrined therein. In addition, in June 2022, the Department Manual was drafted, which defines the operation of an application created in order to make available to authorised users a web platform for filling in questionnaires, a Sharing workflow and an Approval workflow. The Board, after discussing with the DPO the aspects of greatest interest, noted that during 2022, there was only one case of a data breach attributable to a mere material error of an operator.

*5. and 6. Information on any complaints presented pursuant to art. 2408 of the Italian Civil Code and petitions.*

During the 2022 financial year, only one complaint was received pursuant to article 2408 of the Italian Civil Code, submitted by a shareholder-individual with which the latter reported to the Chair of the Board of Statutory Auditors and to Consob certain shortcomings in the postal and banking services, and in particular, the failure to apply a postal exemption to one of its missives as well as the impossibility of obtaining a fee reversal through the call centre services. The Board of Statutory Auditors, upon examination of the complaint, also in accordance with its own regulations on the handling of complaints, considering that the complainant did not prove the status as shareholder and did not produce the probative documentation supporting the facts indicated in the complaint pursuant to Article 2408 of the Italian Civil Code, ascertained that the reported fact does not fall within the category of reprehensible facts, as it relates to facts deemed harmful to the personal interests of the shareholder and incapable of compromising the common interest of the shareholders. In addition, the Board found that the act complained of was materially irrelevant. On the basis of these assessments, the Board therefore considered that it was not necessary to initiate the investigation and dismissed the complaint. However, the Board forwarded the

report to the relevant Customer Support Services (PCL/Planning and Quality and DTO/Customer Operations/Customer Support Services functions) and received positive feedback from the PCL function.

Furthermore, during the year and up to today's date, the Board of Statutory Auditors has received six 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 activated the investigation within its competence, asking the Company to carry out the necessary investigations with the competent functions aimed at obtaining clarifications on the events subject to reporting. The facts reported were handled and promptly resolved by the competent corporate functions and, following the investigations carried out, no irregularities were found to be reported to the General 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 2022 until the date of issue of the declaration (5 April 2023).

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 Auditor" approved on 15 March 2017 by the BoD and updated on 11 May 2022, the Board of Statutory Auditors, during the 2022 financial year and until the issue of this report, issued a favourable opinion on the following additional tasks entrusted by the Parent Company to companies belonging to the network of the Independent Auditor:

Engagement	Amount	Company
Extension of the activities entrusted to Deloitte Consulting under the scope of the "Sector actions in the field of multi-bank counting rooms" Project	€ 20,000 (plus VAT)	Deloitte Consulting
Agreed verification procedures for the Sengi Group for optional services related to compliance approval activities for tax returns.	€ 10,000	Shanghai Deloitte Tax Ltd (Deloitte China)

In addition, the Board received information on the appointment of Deloitte as Independent Auditor for the three-year period 2022-2024 for the following newly acquired companies:

Engagement	Amount
Agile Group (Agile Lab S.r.l. and Agile Power)	23 thousand
Plurima Group (Plurima, Bridge Technologies, Logos, Plurima Bidco)	53 thousand
Sourcesense Group (Sourcesense S.p.A., Sourcesense Digital and Sourcesense Technology)	43 thousand
LIS Group (LIS Holding S.p.A. and LIS PAY S.p.A.)	83 thousand
Net Holding S.p.A.	10 thousand

Finally, the Board extensively examined the proposal submitted by Deloitte to Poste for the adjustment of the fees for the period 2022-2028 on account of:

- supplementary procedures to be carried out related to the ESEF Regulation for € 100,000 annually;
- introduction of IFRS 17 and significant enlargement of the scope of consolidation for € 80,000 annually,

expressing, on 14 December 2022, its positive opinion on the adjustment of the fees; the integration of the fee for the audit engagement for the financial years 2022-28 was subsequently approved by the Board of Directors on 25 January 2023.

Finally, also on 14 December 2022, the Board received information on the adjustment of the fee for the legal audit of the Poste Vita Group for a total of € 350 thousand as a result of the application of the new IFRS 17 accounting standard; the Boards of Directors of Poste Vita and Poste Assicura approved the adjustment on 5 and 7 December 2022, respectively, on the basis of the favourable opinion expressed by the Board of Statutory Auditors of the respective companies at the meeting of 28 November 2022.

The conferral of appointments to the Independent Auditor is governed by the “Guideline to the Conferral of Appointments on 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 appointments to the Independent Auditor, its network or related entities.

Starting at the end of 2021, the Board called for an update of the Guideline, asking the AFC function to initiate activities to revise it, and the updated version was approved by the Board at its meeting on 6 April 2022 and subsequently approved by the Board of Directors on 11 May 2022. The main additions include the transposition: (i) of the provisions set forth in the Framework Agreement in implementation of the conferral of the statutory audit engagement that took place with the general meeting of 28 May 2019; (ii) of the most recent interpretations of doctrine (in particular Assonime Circular no. 28 of 2019) with reference to the classification of services; (iii) of other minor changes related to organisational changes. In addition, the control in the hands of the Manager responsible for financial reporting has been strengthened with

reference to the process of requesting additional engagements (to be carried out on the national territory for types of services governed by the Framework Agreement) through the formalisation of a congruity check of the average rate, professional mix and hours envisaged, by means of the completion of a special annex in addition to the information note received from the function requesting the service, already envisaged by the previous version of the Guideline.

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 Auditor - Poste Italiane Group”, approved by Poste’s BoD on 15 March 2017 and updated on 11 May 2022, unless for reasons of opportunity related to the specific professional content and 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.*

During the 2022 financial year, the Board of Statutory Auditors issued a favourable opinion on the integration of the statutory audit fee as a result of the increased audit activities related to (i) the extension of the marking requirement to the notes to the consolidated financial statements as well as to the English version of the ESEF financial statements, (ii) the implementation of the new IFRS 17 standard and (iii) the significant expansion of the scope of consolidation.

#### *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 83 meetings, meeting 39 times in the Board of Statutory Auditors (of which 11 held jointly with the

Control and Risk Committee), with an average duration of the meetings of around 3 hours, participating in all the meetings of the Board and those of the internal Board Committees; more specifically, the Board attended 14 meetings of the Board of Directors, 11 meetings of the Control and Risk Committee (held jointly with the Board of Statutory Auditors), 7 meetings of the Sustainability Committee, 6 meetings of the Nominations and Corporate Governance Committee, 12 meetings of the Related and Connected Parties Committee, 4 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 with external relevance of the Board of Statutory Auditors.

*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 informed of the main organisational changes that took place in 2022 regarding: (i) the RUO function - the Group's single point of reference to ensure the unified governance of all human resources processes - which was merged into the Corporate Affairs area, reporting directly to the Joint General Manager; (ii) the creation of the Group's Strategic Marketing function with the task of reviewing the development plans of the individual business lines in order to ensure consistency and ensure the coordination of the go-to-market by product and distribution channel (iii) the establishment of the Group Products Committee with an advisory role in the process of launching new products/services or variants of existing products/services (assessing the existence of the necessary conditions to proceed with the initiative and the viability of the initiative from an economic/financial, risk, legal, antitrust, compliance, operational and market perspective); (iv) the overall revision of the Digital & Experience function in the Digital, Technology & Operations area, which acts as an enabler of innovation and omnichannel transformation of the Group as well as (v) the establishment of the Purchasing Compliance function, which is responsible



for re-engineering and developing purchasing processes, ensuring the preparation and dissemination at Group level of procedures for the proper management of purchases, monitoring the effective compliance of processes with legal and regulatory provisions and guaranteeing, jointly with Legal Affairs and the functions involved, support to internal functions for the proper transposition of regulations concerning purchasing activities, supervising their implementation and verifying the implementation of the relevant requirements. Finally, Poste Italiane, which has always been very attentive to human capital, considered a resource of vital importance for innovation, in 2022, continued its open innovation and growth policy, also by external lines, with the acquisition or majority shareholding in some of the most innovative companies and start-ups, and carried out an important programme of human capital transformation and organisational interventions with the aim of pursuing the objectives of the “2024 Sustain & Innovate Plus” Business Plan, strengthening the control of the quality of services provided to customers and responding to the needs of strategic stakeholders.

Given the complexity of the Company’s and the Group’s organisational structure, which is subject to continuous change, the Board of Statutory Auditors did not identify any elements that would result in the organisational structure being considered inadequate, also in light of positive proof provided during the management of the epidemiological emergency due to the spread of Covid-19.

### *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, discussed the results of the activities carried out in 2022, during a specific meeting; it also acknowledged, during February 2023, the “Group Report on Assessment of the adequacy of the 2022 Internal Control and Risk Management System (“SCIIGR”)), 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*”.

The audit results received by the Board, as well as the summary concerning the overall assessment of the SCIGR, showed that in 2022, the overall assessment value was an improving score that confirms an assessment of full adequacy, respecting the balance between effectiveness and cost-efficiency of the control system.

The activities envisaged in the 2022 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 Subsidiaries, taking into account the supervision performed by the Audit functions of Group Companies, where present.

The Information Technology area shows an overall assessment of the adequacy of the control system, albeit slightly down from last year. The strengthening of the control oversights, which started in 2020, is still being implemented; in this context, the results of the audit activities carried out on specific platforms and/or applications show the need for further corrective actions, which the Board recommends to be implemented promptly. The main areas of strengthening can be traced back to the implementation of the controls provided for in the company's procedures for the proper management of security safeguards and to ensure integrity, confidentiality and availability as well as regulatory compliance.

For Transport Network Management, the audits carried out by the Internal Control function found some initiatives to develop and integrate information systems to support the logistics infrastructure and an assessment of the control system at the limit of adequacy with the need to strengthen the controls on the proper execution of services entrusted to third parties, in terms of quality, timeliness and compliance in terms of physical and labour security, as well as on the application of the provisions of the sustainability models of the integrated network, in line with ESG objectives.

Also with regard to the Out-of-office Channel, which is related to the management of Business customers, an Internal Control System is not yet fully adequate in terms of monitoring revenue assurance objectives, although some developments are in progress. The operational audits revealed a lack of transversal and inter-functional accountability and the need to define single, integrated tracking methods for all

information (customer/contract/offering) in order to trace and monitor processes, to ensure greater reliability of the management data recorded in the various applications. In addition, it is considered appropriate to provide for unambiguous monitoring systems that can promptly trace process timelines and reinforce temporary blocking actions in case of suspected fraud.

The Board of Statutory Auditors, following the meetings held with the Control Bodies of the most relevant Group Companies, noted the downsizing of the risk areas present in the Subsidiaries as a result of certain reviews of the Group's organisational structure.

From the audit results received by the Board, as well as from the summary inherent to the overall assessment of the SCIGR at the Subsidiaries, the Board ascertained an overall level of adequacy, even though, for some Group Companies, an evolving Control System emerged, with areas for improvement, which makes it necessary to further consolidate the Action Plans to achieve levels of control adequate to the Parent Company's standard.

With specific reference to the newly acquired companies, the process of alignment to the Parent Company's standards has already been initiated and it will be necessary to verify that the procedures and guidelines are then translated into concrete processes. 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 2022, the Corporate Affairs (CA) function was confirmed to play a fundamental role in guiding, controlling and coordinating the corporate structure, and in September 2022 saw the restructuring of Poste Italiane's organisational structure with the merger of the Human Resources and Organisation function into CA.

In order to guarantee the strengthening of the SCIGR as an enabling factor for the consolidation of the processes, which draw their foundations from the principles of integrity, transparency, legality, sustainability and value creation, in 2022, the Company consolidated the path undertaken for the development and continuous improvement of the governance and risk management model, to ensure that it is

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 Italiane has defined an integrated process at Group level that makes it possible to strengthen or create operational synergies between the various specialised controls and to guarantee unitary governance, also thanks to a clear definition of the roles and responsibilities of the players involved.

Also during 2022, multiple interventions were implemented aimed at strengthening and continuing to evolve the SCIGR; in particular, we highlight:

- the approval of Poste’s new Organisational Model pursuant to Legislative Decree no. 231/01;
- the restructuring of Poste Italiane’s organisational structure following the merger of the Human Resources and Organisation function into Corporate Affairs;
- the establishment of the Group Strategic Marketing function, reporting directly to the Chief Executive Officer and General Manager;
- obtaining the certification (issued by IMQ) “Compliance management systems - Requirements with guidance for use” which governs the management of Integrated Compliance overseeing the processes of design, development and provision of Postal, Financial and Logistics Services in the areas of administrative, accounting and tax responsibility;
- in terms of inclusive culture, the Company has been certified according to the ISO 30415 Human resource management - Diversity and Inclusion standard for its ability to integrate the principles of diversity and inclusion in all planning, guidance, control, coordination and provision processes of postal, financial, insurance and digital services, confirming the central role that Poste Italiane assigns to the principles of sustainable development;
- the recognition of the Equal-Salary certification for Poste, as the first company in the FTSE MIB insurance sector to receive this certification;
- the presence of Poste, for the first time, in the STOXX Global ESG Leader 10 index, the improvement compared to last year of its score in Moody’s ESG Overall Score (77 out of 100) and the maintenance of first place in both the “Universe” ranking and the “Transport and Logistics” sector of the Emea area (Europe, Middle

East, Africa), which have enabled it to consolidate its global leadership in the management of ESG issues;

- the establishment of the Group Product Committee with responsibility for the launch of new products/services and variants of existing ones;
- entry into the energy market with an offer that is 100% green in electricity and 100% compensated in terms of CO2 for gas, initially dedicated to Group employees and retirees, and then launched on the mass market.

In addition, the Board of Directors has implemented various organisational initiatives designed to strengthen the Internal Control System, through the approval:

- of the update of the “Policy for managing dialogue with Poste Italiane S.p.A. shareholders as a whole” (so-called “Engagement policy”);
- of the new policy on the availability of time and limits on the accumulation of offices for corporate officers, pursuant to Ministerial Decree no. 169 of 23 November 2020 on the requirements and eligibility criteria for corporate officers of banks and financial intermediaries;
- of the update of the Guideline “Conferral of Appointments on the Independent Auditing Firm”;
- of the update of the Guideline “The ESG (Environmental, Social and Governance) process” at the Poste Italiane Group;
- of the update (in March 2023) of the Guidelines “Performing the Impairment Test (IAS 36 - Impairment of assets)”.

During the year 2022, the process of centralising purchasing reached a good level of progress and the CA/Purchasing function, responsible for the unified and integrated management of the Group’s purchasing processes, is now the competence centre for the entire Group. Furthermore, in 2022, Poste Italiane 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).

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

CA/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 an articulation by business area, thanks to the centralisation initiative started in 2020, has become a single Organisational Model for the Group that sees a centralised governance extended also to the Obligated Parties (BancoPosta, PostePay, PosteVita Insurance Group), and the adoption of advanced technological solutions to support Business Continuity. 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 also took note of the periodic update of the Business Continuity Plan Vol. 3, the positive results of the Disaster Recovery ("DR") tests carried out in February, May, September and November 2022, as well as the Group Business Continuity Plan - drawn up in accordance with the Guideline "Group Crisis and Business Continuity Management" - with which the methods for drawing up and updating the Sector Plans were regulated and a general guidance to be followed for their implementation was provided.

In the course of the various meetings held with the Board of Statutory Auditors, the Head of the Group CA/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 CA/Anti-Money Laundering function" at 31 December 2022, approximately 65% of the interventions identified in the 2021 Annual Report have been completed. The interventions, all of an IT nature (3), to which the Board draws the attention of the Administrative Body for timely and full implementation, concern the development of the Adequate Verification Electronic Practice and will be completed by the second quarter of 2023 in line with the commitments undertaken and communicated to the Supervisory Authority following the inspections conducted during the year. In any case, the re-planned interventions

concern the efficiency of the oversights, which are in any case already guaranteed by existing procedures that comply with current regulations.

The results of the consolidated assessment, carried out by the Group CA/Anti-Money Laundering function for the year 2022, show that the level of “residual risk” to which the Group (consisting of Poste Italiane S.p.A. and all the Obligated Parties) is exposed, in the opinion of the function is classifiable as “low”, in line with the results achieved in the year 2021.

The Board of Statutory Auditors also noted that, as in previous years, the decline in the volume of initiative reports of the network of Post Offices (“POs”) continued in 2022, although there was an increase in the reporting quality in terms of subjects and contexts with greater risk potential; the decrease is attributable to the strengthened verification processes in POs and the introduction of various *ex-ante* controls, as well as the increasing use of digital channels for remote execution of transactions (greater use of cards also as a result of cashback-related promotions).

The Board acknowledged that in 2022, the Suspicious Transaction Reports (“SOS”) sent to the Financial Information Unit (“UIF”) amounted to 26,209 (an increase of 23% compared to 2021), of which 67 SOS of terrorist financing (down 51% compared to 2021) and 71.33 initiative reports of the POs. In connection with the service for the transfer of tax credits, the monitoring of operations on customer current accounts with a view to ensuring the “monetisation” of tax bonuses, allowed 2,434 SOS to be forwarded to the UIF in 2022 for a total value of about € 1.3 billion attributable to 2,869 subjects. In addition, training of the target population continued; there were 96.1 thousand requests for judicial assessments (-5% compared to 2021). The six anti-money laundering charges notified by the Ministry of Economy and Finance (MEF) in 2022 mainly relate to violations relating to failure to apply non-transferability clauses to cheques. Lastly, the Board discussed in detail with the Head of the Group CA/Anti-Money Laundering function the improvement measures addressed following the findings of the Supervisory Authority, which concerned in particular the review of the transactional approach, the implementation of the Adequate Verification Electronic Practice and improvements to customer profiling processes.

On the subject of risk management, the Board of Statutory Auditors acknowledges that the Company has continued its commitment to the development and continuous improvement of its governance and risk management model to ensure alignment with

the criteria defined by the Corporate Governance Code and international regulatory standards, as well as the objectives of integrity and full traceability of the activities that outline the Group's core principles. In addition, in order to further strengthen the degree of integration with individual RAF, both in terms of indicators and the criteria for defining the respective thresholds, the process of integrating risk management continued through coordination between all the Risk Management structures operating within the Poste Italiane Group (BancoPosta, BancoPosta Fondi SGR, PosteVita, PostePay) and as a result of this integrated approach, the Group's 2023 RAF was also shared with the Risk Managers of the individual supervised entities. Also for 2023, the Company has defined its risk propensity, so as to ensure the compatibility of the risks assumed with the strategic objectives identified in the Business Plan and Budget, highlighting that, in consideration of the reference scenario subject to increasingly sudden changes, the assessment has provided, in addition to the analysis of the risks connected to the 24SI Plus Strategic Plan, also a forward-looking analysis on a broader time horizon (up to 20 years) in order to capture any events that may impact the pursuit of sustainable success in the long term. The Strategic Risk Assessment, performed on the basis of the Enterprise Risk Management (ERM) framework, confirmed that the top risks included those related to quality provided, customer satisfaction and IT security. The Risk Appetite Framework ("RAF") 2023 has been supplemented with a set of indicators, with respective thresholds, associated with the risk of adverse changes in the macroeconomic scenario, regarding Dividend, Economic Performance, Liquidity and Level of debt, which also summarise the performance of the most significant 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. The analysis of Poste Italiane's main risks was carried out taking into consideration the forms of financial and non-financial capital that characterise its business model. Moreover, as part of the strategic risk assessment activities, the risks identified were categorised on the basis of the common metrics defined by the WEF, which has developed a universal set of ESG metrics useful for reporting the contributions of organisations with respect to each Sustainable Development Goal (SDG), in order to ensure a common disclosure for all sectors and countries.



For the purpose of strengthening the governance controls and the continuous evolution of the Group's SCIGR, thanks to the initiatives implemented in 2022 the Integrated Compliance Model, implemented with the specific purpose of guarding against the non-compliance risks to which the Group is exposed, as well as creating operational synergies between the various specialised controls and guaranteeing unified governance in the management of non-compliance risks, confirms its positive value by optimising management activities at an integrated level and the dissemination of a compliance culture.

Within the framework of the risk management system based on the Enterprise Risk Management (ERM) framework, aimed at providing an organic and integrated vision and an unambiguous and effective response to the risks to which the Group is exposed, the Group Sustainable Development, Risk and Compliance/CA function continued to ensure these objectives, mainly through the definition of an integrated risk management process that envisages the coordinated involvement of all SCIGR players and, in particular, the various specialised second-level control units, the harmonisation of models and metrics against Group criteria, and the design and implementation of common risk analysis and management tools.

The activities of this function are supported by the Group's integrated GRC platform - RSA Archer, which is also used by the other players involved in the preparation of integrated risk reporting, which enables the analysis and management of operational risks, pursuant to Legislative Decree no. 231/01, fraud, IT security, strategic, ESG, reputational, tax, physical security, integrated compliance, privacy and corruption risks, as well as compliance with regulations applicable to financial and payment services; during 2022, this platform was further expanded through evolutionary implementations and the development of new functionalities with reference to already existing modules, becoming the tool for the maximum integration of the Group's risk management process, capable of ensuring the sharing of risk analysis methodologies among all the specialised oversight functions operating at the 2nd level of control, the improvement of communication towards top management and corporate bodies and between control functions, as well as the minimisation of the risk of deficient or redundant information. The Group's GRC Platform - RSA Archer is today considered the largest in Italy and among the largest 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/CA (CS/SSRCG) 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.

The Board of Statutory Auditors has periodically met with the Supervisory Board (SB) during the year 2022, in order to ascertain the activity carried out by the latter, noting that, as a result of the supervisory activity carried out by the SB during the period of reference and also taking into account the information flows transmitted by the Whistleblowing Committee, no significant critical issues emerged, nor violations of the 231 Organisational Model (hereinafter also "OM231") and the Company's Code of Ethics. During the second half of 2022, following the update of the Risk Assessment and Gap Analysis 231, the Company, in the light of regulatory and organisational developments, launched a project for an extensive update of Poste Italiane's OM231 which has led to the approval of the new OM231 in October 2022. In particular, the update of OM231 was mainly aimed at aligning the document, in terms of coverage of risk areas and safeguards, with the latest regulatory changes including: those concerning non-cash payment instruments (Legislative Decree no. 184 of 8 November 2021 implementing Directive 2019/713/EU) and cultural heritage with reference to movable and immovable property subject to protection (Law no. 22 of 9 March 2022 "Provisions on offences against cultural heritage"), which resulted in the preparation of two new special parts of Poste's Model 231.

With reference to the recent corporate acquisitions, the Board was informed of the monitoring activities carried out in order to identify gaps in Legislative Decree no. 231/2001 and assess the necessary implementations in line with the Governance system of the Poste Italiane Group, which will be completed by 2023.

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 of the initiatives undertaken by the Company on the subject of certification, especially with respect to the Anti-Corruption area, which has been progressively extended to the areas of operations deemed to be at higher risk of corruption and with respect to the main Group Companies. Lastly, as part of the initiatives aimed at strengthening Compliance 231, similarly to last year's initiative, the Group Sustainable Development, Risk and Compliance/CA/Control 231 function started the procedures for a competitive comparison for the selection of an external party for the purpose of signing a Framework Agreement for the year 2023 for specialised support for the evolution of the Risk Assessment and GAP Analysis and Model 231.

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 underway 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 works 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; (v) examining the proposed Audit Plan for 2022, prepared by both Poste Italiane S.p.A.'s Internal Control function and BancoPosta's Internal Audit; (vi) examining reports prepared by Poste Italiane's Internal Control function and BancoPosta's Internal Audit; (vii) information on news and notices of inspections and proceedings by Bodies and 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 29 March 2023, of the separate and the consolidated financial statements for the year ended 31 December 2022 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 2022, the Board found, through a specific meeting with the CA/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.

In addition, 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 MAR Guidelines relating to the management of inside information and Internal Dealing

(including the procedure for inside information) have been implemented by the Group's Subsidiaries, net of the Subsidiaries deriving from the acquisition of the Nexive Group and the Plurima Group (Bridge Technologies Srl, Logos Srl and Plurima S.p.A.), which respectively adopted the aforementioned Guidelines by resolution of the Board of Directors on 5 May 2021 and 3 November 2022. The more recently acquired companies (LIS Group, Sourcesense Group, Agile Group) are engaged in the process of transposing the MAR Guidelines.

*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 5 April 2023, 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 2022 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" LIS CGU and valuation of the mathematical provisions).

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, as well as the key issues of the 2022 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 39 of its own meetings during the year, but also ensured its participation in all the meetings of the Board of Directors and Board Committees, in addition to general meetings of shareholders, for a total of 83 meetings.
- ✓ The Board of Statutory Auditors, given the complexity of the corporate transactions carried out, the number of related parties and their heterogeneity, 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 aimed at providing, with specific reference to Minor ordinary transactions

concluded at conditions equivalent to market or standard conditions, objective elements of feedback on the conditions equivalent to market or standard conditions.

- ✓ The Board of Statutory Auditors, within the scope of our responsibilities, and in accordance with the Corporate Governance Code, verified the contents of the above “Report on Corporate Governance and the Ownership Structure”, prepared by the Directors in accordance with the instructions contained in the Borsa Italiana S.p.A.’s Market Regulations and in the Consolidated Law on Finance. The Board, within the scope of our responsibilities, acknowledged the contents of the “Remuneration Report” prepared by the Directors. In addition, during the year, the Board, through its participation in the Remuneration Committee meetings, also examined the MBO incentive system, as well as the Performance Share LTIP, with the consequent proposal to the General Meeting of a share buy-back plan as provided for in the Plan. The Board of Statutory Auditors verified that the legal prerequisites for the purchase of treasury shares were met.
- ✓ In March 2023, the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board to evaluate the independence of Directors. 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 February 2023, 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 10th 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 2022 regarding the following:

- definition of the Audit Plan;
- assessment of the results set out by the Independent Auditor in the Report pursuant to article 11 of EU Regulation no. 537/2014 concerning the financial statements for 2022 with particular regard to the assessment of the correct use of accounting standards and their uniformity for the purposes of preparing the separate and consolidated financial statements;
- 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 2022 pursuant to article 2433-*bis* of the Italian Civil Code, paid in November 2022, 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 2022, as well as the outlook for the year 2022.

#### *18. Self-assessment process for the Supervisory Board.*

Lastly, in compliance with the Bank of Italy's Supervisory Standards and the rule Q.1.1. "Self-Assessment of the Board of Statutory Auditors" included in May 2019 in the Code of Conduct, as well as in line with article 25.1 of the Company's By-laws and 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 2023, the Board of Statutory Auditors carried out a self-assessment of its adequacy in terms of powers, functioning and composition, with reference to the 2022 financial year. On this occasion, unlike in the last two years, the

self-assessment was carried out with the support of an external consultant because Bank of Italy regulations require 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 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 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 effective carrying out of duties was also guaranteed by the adequacy of the organisational measures implemented by the Board, using video conference and digital sharing tools for documents, supported in this by the Board's secretariat. 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.

From 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 corporate and BancoPosta Control Functions (Compliance, Risk Management, Internal Auditing), as well as those with the Head of Anti-Money Laundering, the Manager responsible for financial reporting, the Independent Auditor and the Supervisory Board.

The results of the self-assessment conducted will be forwarded to the Board of Directors in accordance with the regulations.

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### **B) 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, 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 225/10, converted into Law 10/11, 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 issue a “limited opinion” of the BancoPosta RFC Separate Report at 31 December 2022 - 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 as reported in the Company’s financial statements for the year ended 31 December 2022.

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 5 April 2023, 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 2022”*.

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 periodically 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 2022, as shown below.

➤ The Board met periodically, and on a systematic basis, with the Risk Management and Outsourcing Governance function, which reported on the monitoring and development of risks relevant to BancoPosta. In line with the new money laundering risk management model adopted by the Group, as already mentioned above, from 2018, the Head of Risk Management and Outsourcing Governance has assumed the role of BancoPosta Head of Anti-Money Laundering, and within the Risk Management and Outsourcing Governance (“RMGO”) function, the BancoPosta Anti-Money Laundering function was established. From 2021, following the definition of the new organisational model for the management of custody processes, the Governance Outsourcing and BCM function was merged into BancoPosta’s Risk Management area, with the aim of optimising governance and staff functions for better coordination both internally and with other corporate functions and Group companies, and subsequently, in January 2023 the new “Validation and Data Governance” function was established, bringing together activities and resources dedicated to the validation of internal risk management and measurement systems, previously allocated to the Risk Governance and Scoring Systems function, and activities and resources of Data Governance, previously allocated in the Outsourcing Governance, Data Governance and BCM function, with the aim of ensuring greater focus on Data Governance activities, while also increasing the related allocation of resources.

The Board of Statutory Auditors has taken note of the activities carried out by the Risk Management and Outsourcing Governance function during 2022 and the actions planned for the year 2023. In 2023, the Risk Management and Outsourcing Governance function will also be engaged in coordinating the activities envisaged in the “Improvement Action Plan” defined following the inspection conducted by the Bank of Italy between March and July 2022, ensuring a continuous update on the implementation of the aforementioned Plan.

The Board of Statutory Auditors, in agreement with the relative function of BancoPosta, assessed the performance of the RAF indicators during 2022, on a quarterly basis through the *Tableau de Bord* of BancoPosta Risk Management and Outsourcing Governance function.

The Supervisory Board also verified the levels of materiality of the risks for BancoPosta with particular regard to risks of high relevance:

- to “financial leverage”, which is structurally higher than that of a bank due to the composition of BancoPosta RFC; the Leverage Ratio, which had been brought back to the target value of 3% by setting aside profits of € 200 million in 2021, fluctuated in 2022. At the end of the year, the indicator stood at 2.9%, just below the target level, and in order to bring it back to 3%, a capital strengthening of € 100 million was proposed, to be realised during 2023 through the subscription of an Additional Tier 1 instrument by Poste;
- to the “operational risks”, which are 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, however, was found to be decreasing in 2022. The losses recorded in the statement of profit or loss for the year are down from the 2021 level, due to the significant amount of releases, and are in line with the risk appetite;
- to the “interest rate risk”, whose exposure, in terms of economic value, remained at levels above the RAF 2022 target threshold set at 28% until April 2022, only to fall back in May 2022, following the unwinding of part of the portfolio in Asset Swaps, which changed the exposure from liability sensitive to asset sensitive. The target threshold was exceeded again as of September 2022, only to return in December 2022, as a result of hedging transactions via long-term bond swaps, which helped to reduce the asset-sensitive exposure;
- to the “spread risk”, which is not relevant for capital requirements, but for unrealised gains/losses. The year 2022 was characterised by the gradual increase in Italian government bond yields and the BTP-Bund spread (from 135 points at the end of 2021 to 214 at the end of 2022), and the portfolio measured at fair value (HTCS) recorded implied capital losses of approximately € 3.4 billion at the close of 2022 (€ -5.2 billion compared to 2021). The sensitivity of the value of the HTCS portfolio to this risk factor is also structurally high, although decreasing slightly. In this regard, the Board has indicated, as also indicated above in paragraph 13, the need to monitor this risk also for its effects on accounting equity.

Medium risks include:

- the credit/counterparty risk: was essentially stable during 2022, with an incidence on own funds that is consistent with the risk appetite;
- the reputational risk: this is mainly related to the issue of disputes with customers over returns on certain series of Postal Interest-bearing Certificates (“BFPs”) and in particular BFPs in the 21st-30th year” category (Q/P series). In this regard, Poste Italiane, as from March 2020, in view of the prevailing civil litigation in favour of Poste, will proceed with reimbursement only in the event of a possible conviction by the judicial authority. In fact, in 2022 there was an upward trend in the number of rulings in favour of Poste Italiane, rising from 32% in 2018 to 51% in 2021 and 79% in 2022. The Court of Cassation also intervened on the issue for the first time in 2022, ruling, in particular, on the method of calculating the interest owed to savers and essentially recognising the correctness of the procedural position taken by Poste Italiane. Moreover, in January 2023, four more Supreme Court orders were filed in which, in addition to rejecting the appeals and confirming the correct position of Poste Italiane, the Supreme Court ordered the counterparties to pay the costs of the proceedings. Conversely, there was a sharp decrease in complaints and appeals to the ABF (the latter down by 80% during the year);
- the regulatory risk: this 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 connected to changes in the prudential rules relating to government securities.

In the year 2022, 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);
- the liquidity risk (due to stable funding as it is mainly retail and extremely liquid assets; tax credits and the reduction in the value of assets have significantly reduced regulatory indicators, which remain very high compared to the average Italian banks).

At 31 December 2022, therefore, all the RAF metrics were in line with the objectives set in the RAF, with the exception of (i) the Leverage Ratio, which stood at 2.9%, a

level below the target level ( $\geq 3\%$ ) but still compatible with the tolerance threshold ( $\geq 2.7\%$ ), and (ii) the Liquidity Coverage Ratio (“LCR”), which showed a value of 369%, below the target level ( $\geq 400\%$ ) but within the tolerance threshold ( $\geq 330\%$ ). As already anticipated, in order to rebalance the Leverage Ratio to the target level of 3%, confirmed in the Risk Appetite Framework for the year 2023, a capital strengthening of € 100 million is proposed, to be realised in the course of 2023 through the subscription of an Additional Tier 1 instrument by Poste.

At 31 December 2022, capital adequacy measures show a high capital ratio (20.3%, up from 19.3% in 2021) and own funds that, thanks to the reduction in exposure to interest rate, operational and credit/counterparty risks, ensure a high Free Capital buffer compared to Pillar 2 absorptions (50.4%).

The regulatory Liquidity Coverage Ratio (LCR) and NSFR metrics, while declining sharply, continue to show a limited exposure to liquidity risk.

As in previous years, also in 2022, the exposure to operational risks was significantly influenced by the occurrence of events that occurred in previous years mainly related to the so-called “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.

In accordance with the Guidelines in force, the following activities were carried out to identify, assess and manage the operational risk of BancoPosta RFC: (i) update of the comprehensive mapping of risks inherent in BancoPosta products/processes. In particular, the Risk Map, at 31 December 2022, identified 222 risk events divided into 7 classes; (ii) the collection of operational loss events (Loss Data Collection). The results of the data collected in the BancoPosta operating losses Database show that, for the purposes of calculating capital absorption, an average annual gross loss of around 65.4 million is recorded from 2013 to 2022.

The composition of operational losses recognised up to the end of 2022 shows a prevalence of incorrect handling of customer relationships, products and professional practices (47.3%), followed by external fraud (22.3%), errors in execution, delivery and process management (19.0%) and internal fraud (8.4%). For management purposes, operating losses are mainly related:

- to the placement of BFPs: overall, there was a decrease in operating losses (€ 46.2 million in 2020; € 38.7 million in 2021; € 5.6 million in 2022). In 2022, the



phenomenon with the most significant impact on the statement of profit or loss is “Missed or incorrect census when subscribing BFPs” - adjustments for previous years” (€ 3.9 million);

- losses related to foreclosure management: 2.7 million, down from previous years (3 million in 2021 and 4 million in 2020);
- losses related to theft and robbery: 2.5 million, slightly up from 2021 (2.1 million) and down from 2020 (5.6 million);
- losses related to internal fraud on postal savings products: 2 million, down from previous years (2.3 million in 2021 and 2.4 million in 2020);
- losses related to external fraud on BFPs: 1.2 million, down from the previous year (2.4 million in 2021 and 1.5 million in 2020).

The Risk Management and Governance Outsourcing function, as part of the 2023 budget definition process, 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.

The proposed RAF for the year 2023:

- in order to confirm also for 2023 the objective of maintaining a Leverage Ratio of at least 3%, which coincides with the regulatory minimum for banks, assumes an increase in BancoPosta’s own funds of € 100 million, through the subscription by Poste Italiane S.p.A. of an Additional Tier 1 instrument to be implemented by the first half of 2023;
- reflects the application of the updated collection behavioural model that impacts interest rate risk measures in terms of both economic capital and net interest income;
- follows up on the commitment made in the response to the recent Bank of Italy inspection report to ensure maximum compliance with the equivalence between expected/budget scenario and risk appetite, and between stress scenario and risk tolerance;
- 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 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 € 9 billion in favour of PostePay S.p.A.

Lastly, the Board was informed that, as of the date of preparation of this Report, the results of the ICAAP-ILAAP/2022 Report, which will be prepared by the Risk Management and Outsourcing Governance function and the Report of BancoPosta's Internal Audit on the ICAAP/ILAAP 2022 process, were not yet available, and, therefore, the Reports will be presented by the respective functions to the Board of Statutory Auditors and the Control and Risk Committee at the meeting of 2 May 2023 and submitted to the Board of Directors for approval at the meeting of 3 May 2023.

➤ The Board of Statutory Auditors met periodically, and on a systematic basis, with **BancoPosta's Compliance function ("Compliance")** and was informed at the March 2023 meeting of the summary of the results of the activities carried out by the aforementioned function in the year 2022, the updated outcome of the "Compliance Risk Assessment" carried out in February 2023, with the weaknesses detected and the corrective actions planned in the year 2023 for their removal.

The Board of Statutory Auditors was informed of the 2023 Activities Plan, which envisages interventions, mainly oriented: (i) in the area of Investment Services, to monitoring the effectiveness of ESG-related controls and defining any further measures to be taken in light of the regulatory changes currently underway, together with the development of new models for proposing Investment products; (ii) in the area of Insurance Brokerage, to consolidating the controls adopted in the distribution phase and further expanding the offering in the digital channel, together with the launch of the marketing of new products in the range and new channels (iii) in the area of Banking Services and Postal Savings, to the implementation of further actions aimed at continuing the process of strengthening the safeguards for the correctness and completeness of customer documentation and strengthening the process for handling complaints and appeals to the Banking and Financial Arbitrator ("ABF") (iv) in the area of Payments, to the strengthening of procedural and applicative safeguards for payment security, the continuation in the area of fraud intelligence of initiatives aimed at activating predictive models to supplement the system of anti-fraud

indicators, as well as the strengthening of safeguards for the correctness and completeness of communications to customers in connection with the execution of a payment transaction, for full compliance with banking transparency; (v) in transversal areas of direct and indirect supervision, to the evolution of governance and operational processes for ICT systems, particularly for cloud solutions, and of corporate safeguards for other transversal regulations.

The Compliance function expressed an overall adequate assessment of the level of compliance with the regulatory requirement of the activities completed in 2022; moreover, the results that emerged following the checks and interventions carried out in 2022 were, from time to time, reported in the function's *Tableau de Bord* and did not reveal any critical issues such as to be highlighted to the Board of Directors and to the Board of Statutory Auditors separately from the aforementioned document.

During 2022, 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.

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 ABF and the Securities and Financial Ombudsman ("ACF"). 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 checks in 2022 showed that the complaints and appeals management process was substantially adequate, although there were some areas for improvement, which can be attributed, for complaints, to the census in the company database and, for appeals, to the processing/management of counter-claims; with reference to the first aspect, however, an improvement in the number of anomalies detected since the beginning of

the year should be noted, while for appeals, the uploading of those received at the dedicated institutional address has been automated and, in addition, further implementation has been requested in order to monitor any “decided” appeals for which counter-claims have not been produced. Finally, with regard to the handling of appeals received by the Securities and Financial Ombudsman (“ACF”), no significant situations emerged.

With regard to complaints, a total of 31,025 complaints were received during 2022 within BancoPosta, and specifically, complaints relating to Investment Services activities amounted to 769, a decrease compared to 2021 (-53% of 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 and mainly concern customer reports on advice on insurance investment products; complaints were processed within the 60-day time limit provided for by the regulations and the preliminary investigation conducted by the complaint-handling structure showed that about 5% of the complaints lodged (40 cases) were well-founded. With reference to complaints relating to the Insurance Brokerage segment, during 2022, Poste Italiane received 166 complaints and redirected approximately 373 investigations under the responsibility of Poste Assicura, as provided for by IVASS Measure no. 46/2016. There were 158 complaints composed, among those within the competence, while the backlog at 31 December 2022 amounted to 15 complaints (being processed within the regulatory timeframe); these complaints were processed within the 45-day timeframe stipulated by the regulations and in 92% 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 2022.

With regard to complaints relating to Banking and Financial Services and Postal Savings, in 2022, the majority of complaints (43%) related to Postal Interest-bearing Certificates and specifically complaints about yields (about 24% of the total) as well as about the conditions applied, including tax charges (about 17% of the total). The sale to the company PostePay - EMI Ring-fenced Capital - of the BancoPosta debit card “portfolio” (Retail and Business), which took place on 1 October 2021, showed its effects in terms of a reduction in the number of complaints, particularly those attributable to disallowances, which fell from about 11,500 in 2021 (or 27% of the total) to about 2,700 in 2022 (or 9% of the total), with a consequent reduction in the

related economic losses. In general, only 6% of the more than 31,500 complaints made in 2022 (compared to more than 42,000 in 2021) were well-founded (compared to 17% in 2021); with regard to compliance with time limits, it is noted that complaints processed within the time limits were in line with 2021, at 99.7%.

With regard to the ABF, in 2022 there was a 38% decrease in the number of appeals received by BancoPosta compared to 2021 (2,356 compared to 3,757), as a result of the substantial reduction in the number of appeals lodged by customers regarding the Q/P 21-30 series Postal Interest-bearing Certificates; in this regard, it should be noted that in 2022, the judicial authority consolidated a trend in favour of Poste in the rulings made on this case, going from 32% favourable rulings in 2018 to 51% in 2021, and settling at 79% in 2022. In addition, various orders of the Court of Cassation also intervened on the matter in 2022, confirming 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. Finally, in January 2023, 4 further orders were added, in which, in addition to rejecting the appeals and confirming the lawful conduct of Poste Italiane, the Court of Cassation ordered the claimants to pay the court costs. The intervention of the Court of Cassation has, on the one hand, contributed to the significant increase in favourable rulings recorded precisely in 2022 and, on the other hand, has led many claimants to formulate requests for waivers in judgments that had already taken root.

With reference to fraud prevention and monitoring activities, relating both to the digital banking channel and to payment card transactions, on a general level, it should be noted that although there has been a significant increase in fraudulent attacks, observed from the second half of 2021 and in the first quarter of 2022, the progressive implementation of the Integrated Anti-Fraud Services Platform ("PIAF") with particular regard to the reinsourcing of monitoring activities on not-on-us channels previously delegated to SIA, as well as the parallel definition of a new set of rules for alerting and real-time deny fraudulent transactions, made it possible to achieve, as of April 2022, a clear reduction in the impact of fraud, with comforting reflections on the fraud ratio values, which were brought back below the target thresholds. The introduction of the new PIAF platform resulted in a positive performance from the second quarter onwards. The law enforcement actions put in place on the 3DS and not 3DS e-commerce segment mitigated the impact on the channel, which is still the most

attacked. Card Present with tokens (A-Pay, G-Pay) fraud transactions, which had had a strong impact on the Card Present segment in the first quarter, were adequately counteracted. Thanks to the introduction of the new platform and real time deny, there has been an increase in the amount of fraud thwarted and a marked improvement in the effectiveness of the activity. With regard to prevention activities, in the last quarter of 2022, there was an increase in both analysed cases and closed phishing sites.

During 2022, a number of important procedural, organisational and technological interventions were completed to strengthen the ABF complaints and appeals handling process, and in early 2023, further strengthening activities on the disallowance handling process were completed.

The Board was informed, during the year 2022, of the progress of all the corrective actions planned in the context of investment services pursuant to MiFID2, insurance brokerage pursuant to the IDD Directive, banking and postal savings services (especially for interventions to strengthen and evolve the complaint management process), payment services pursuant to the PSD2 Directive, interventions on transversal areas with indirect supervision, especially for those aimed at strengthening the IT system (with particular regard to the definition of Data Governance standards and the management of operational and IT security incidents of financial services), cash management and occupational health and safety, and in particular noted that in 2022:

- in the “Investment Services” area, the focus was on the development of the ESG range and the safeguards in terms of proposing and assessing suitability. In addition, a new integrated model has been launched between the investment and protection segments, and further work is planned for 2023 on the evolution of the ESG range and safeguards, and the development of new service models in the provision of Investment Services for both Affluent and Premium customers;
- in the “Insurance Brokerage” area, the range of protection offerings was revised in 2022, and the supervision in the area of retirement provision was strengthened and specific proposition initiatives on digital funnels were launched;
- in the “Banking Services and Postal Savings” area, steps were taken for the following: (i) transposition in the account or card fee debit procedure of the principle of proportionality governed by article 126 *septies* of the Consolidated Law on Banking in the event of withdrawal and the completion of the related Reimbursement Plan; (ii) improving the saturation percentages of regulatory-relevant training

- courses, as well as defining the requirements to implement the detection of any “exceptions” in the current account product sales phase if the customer’s choice is different from the target choice;
- in the “Payment Services” area, the integration of Fraud Reporting into the reporting flows was achieved by the deadline set by the Bank of Italy (25 October 2022). The intervention that required rescheduling concerns the implementation of the anti-malware system, which saw its effective start-up by the end of 2022, with the production release of the solution for the BancoPosta App channel, to be followed by the opening of the other channels, as per the planned modular activation plan;
  - in the “Transversal regulations” area, a series of initiatives have been implemented for the consolidation of corporate controls relating to regulations with a transversal impact.

In the year 2022, 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, in 2022, 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. During 2022, the Group Crisis Management and Business Continuity Management Model was progressively implemented as a tool for the centralised management of major incidents and crisis situations that may lead to the activation of business continuity solutions. Poste Italiane decided to adopt a model that incorporates internationally recognised standards and guidelines on crisis management and business continuity. The new model, which includes a programme of developments both in terms of documentation and technology, has been applied to the processes of the BancoPosta function since January 2022, and then was progressively extended to Group companies. The results of the 2022 Compliance Risk Assessment revealed a system adequately supervised by the Outsourcing Governance and BCM function, which, as part of the RMGO function, operates as a Level II control function with respect to the Group’s BCM system.

In addition, during the meeting with the Head of Digital Technology & Operation (DTO), the Board was informed about the continuation of the technological transformation process already started in 2021. With reference to the main



interventions carried out during 2022, the Board was informed that the technological evolution process supporting the BCM was in full swing and noted the adoption of several innovative solutions, including the closure of the Rozzano Data Center, the management/reduction of HW and SW obsolescence on-prem and the construction of the Metropolitan Campus, which will be completed by the end of 2023. As previously mentioned, Disaster Recovery Tests were carried out in February, May, September and November 2022 and the Disaster Recovery and Business Continuity Plan document system is being updated in order to identify the testing methodology for the different technology platforms. Finally, the Business Impact Analysis review was completed and solutions were implemented to increase system security and data protection from external threats. In the area of security, several evolutionary technological solutions were also implemented, aimed at protecting against threats conveyed via e-mail, Teams, SharePoint/OneDrive, to protect against phishing, malware and malicious urls, as well as aimed at protecting identities from illicit access on company accounts.

In 2022, the Board of Statutory Auditors monitored the topic of ICT Risk by meeting the relevant structures at various meetings, given the significance of the risks related to IT Security and Cyber Risk. The Board noted that initiatives to strengthen the overall IT security management system and process governance continued in the year 2022. In particular, steps were taken for the following: (i) strengthening of the Security by Design process by the Information Security function through the definition of a new methodology, aimed at broadening the scope of initiatives to be subjected to technical security audits, which takes into account the Release Plan and the risk thresholds of processes (ii) launch and implementation of the overall framework of systems for governing the Enterprise Architecture, with completion of the application master data in the BancoPosta area amounting to 78%; and (iii) continuation of cybersecurity awareness activities aimed at raising the awareness of employees, customers and external users on cyber security issues. These include, for example, popular publications on the intranet and social channels, e-learning training courses and e-mail awareness campaigns.

In line with the ICT strategy, the DTO function continued the programme for the adoption of new technologies in the cloud: in particular, the attention of the BancoPosta's Risk Management and Outsourcing Governance and Compliance functions focused on the Enterprise Data Warehouse (EDWH) migration project,



which is currently nearing completion, for which an enhanced project management methodology was adopted, which provided for periodic work progress reports (SAL) shared with BancoPosta's control functions with the aim of monitoring risk.

In this area, the results of the analyses carried out showed overall positive control systems with areas for improvement that will continue in 2023.

The Board also noted that, in the area of cyber risk, there was a rapid and general evolution of "cyber" threats in the year 2022, a year still characterised by the Covid-19 pandemic emergency, which made the technologies present on computer systems more vulnerable; the analyses carried out by the CA/TA/Information Security function on behalf of BancoPosta, on these threats, show a persistent trend of growth of events, of continuous diversification of the types of activities related to the so-called Cybercrime.

For these reasons, the IT Risk Analysis Methodology has been updated to integrate in the risk assessment the calculation of Cyber Risk, i.e., the risk arising from cyber threats that exploit technological vulnerabilities that insist on IT systems supporting service delivery.

In the "Summary report on the IT risk situation – BancoPosta perimeter", prepared by the CA/TA/Information Security function, BancoPosta's supplier for cyber risk analysis activities under the related specifications signed with the CA function and presented to the BoD in March 2022, the assessment of cyber risk, similar to the previous year, was carried out using the Integrated IT Risk indicator, which represents the unique risk profile for each area, integrating the assessments relating to the risk analysis with those deriving from Cyber Risk. The process of updating BancoPosta's risk assessment also involved the structure of BancoPosta's processes under analysis, with a significant review of the application perimeters involved and a reassessment of the security requirements of the technical infrastructures involved. Downstream of the analysis cycle, specific actions were identified to meet unimplemented or partially implemented compliance requirements, and to reduce, where necessary, the risk within the set propensity threshold. These actions were incorporated into a Risk Treatment Plan. In line with the new methodology, the risk treatment plan also consists of re-entry actions related to the Technical Security Audits (Cyber Audits) performed on applications in the perimeter. The re-entry plans are closely monitored in order to keep the levels of IT risk within tolerated limits.

➤ The Board met periodically and on a systematic basis with the **Internal Audit function (“Internal Audit”)** of BancoPosta, which in 2022, conducted 22 audits, 10 IT audits, in addition to the 1,598 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. As a result of the activities carried out, the Internal Audit function confirmed an overall adequate and reliable Internal Control System for 2022, with the identification of some areas of attention, against which the management has initiated specific strengthening actions. In addition, the systematic monitoring of the Action Plans defined by management in relation to the aspects of attention that emerged from the audits conducted in previous years was carried out.

During 2022, the process of strengthening the governance and control system of BancoPosta RFC continued, in line with the Group’s “2024 Sustain & Innovate Plus” Strategic Plan, and certain organisational changes were also implemented in order to respond promptly to the Bank of Italy’s findings in its inspection report on the audits conducted from March to July 2022.

The Board of Statutory Auditors also noted that in the course of 2022 the following was updated (i) the procedure “Strategic Planning and Annual Risk Based Budgeting BancoPosta”, (ii) some governance and risk management policies, such as “Governance and management of counterparty risk and risk concentration” and (iii) some relevant governance policies including the Guideline “The Environmental, Social and Governance Process in the Poste Italiane Group”.

With reference to this last aspect, it should be noted that during 2022, the progressive definition and reclassification of the product catalogue of Group companies continued with a view to evolving the range offered in ESG terms, as well as the evolution of the offer platforms in order to ensure the integration of sustainability risk in the risk management framework, in the adequacy assessments and, consequently, in the distribution strategy of the products in coherence with the SFRD regulation on sustainability-related disclosures in the financial services sector both for products that promote sustainability characteristics and for products that target sustainable investments (respectively art. 8 and art. 9 of the regulation).

Processes were also evolved with a view to omnichannel offerings by placing digital services and new touch points alongside activities at the post office to allow customers to choose how to interact with Poste Italiane.

On 29 November 2022, the Product Committee was established at Group level with competence over the launch of new products/services and variants of existing ones through mandatory advisory opinions on the existence of the necessary conditions for proceeding with the initiative submitted to it.

The Board of Statutory Auditors emphasises in this respect the importance that the launch of new products, or new business initiatives, be validated in advance by both BancoPosta's advisory and control functions, each for their specific areas of competence.

The Board of Statutory Auditors, with reference to the activities entrusted by BancoPosta to Poste Italiane, also noted that during 2022, the consolidation of the processes of entrusting BancoPosta's Risk Management and BCM Outsourcing Governance function continued, governed by the new Regulation for entrusting and outsourcing BancoPosta RFC, as well as the new Operating Guidelines renewed for the three-year period 2023-2025. In particular, the structure of the Operating Guidelines and the related Key Performance Indicators ("KPIs") was revised overall on the natural expiry date of 31 December 2022, with the preparation of the Guidelines for the three-year period 2023-2025, with the duration being updated from two years to three years, in accordance with the maximum duration provided for by the Regulation. The revision concerned the valorisation activities, aspects relating to the operational continuity of entrusted processes, as well as the overall revision of KPIs in line with organisational and process changes at Poste Italiane. With regard to KPIs, automation activities continue.

In addition, the new Guidelines incorporate the indications provided by the Supervisory Authority, as well as by the Internal Audit function within the framework of the audit on the monitoring process of the Entrusted Essential or Important Functions (EIFs). Specifically, the Risk Management and Outsourcing Governance function was refocused on 2nd level controls only, with the simultaneous confluence of the (1st level) oversight activities of the Operating Guidelines on BancoPosta's operational functions.

The gradual strengthening of the monitoring of the Guidelines led to a revision of the KPIs, which totalled 377, together with an increase, up to 15%, of the cap on the

applicable penalties. In order to ensure greater traceability of KPI coverage, KPIs were mapped against the Business Process Model (BPM) process catalogue, which will be refined over time, and KPI target values were strengthened on the basis of past findings.

The work of the Management Committees on individual Guidelines, which are important components of the system for monitoring the awarding of contracts, all the documentation of which is formalised and correctly filed, continued. In addition, in 2022 committees related to awarding in BCM, CERT, Human Resources and Fraud Management were also activated.

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.

Also within the Risk Management function, the Internal Validation Team was relocated to a newly established function - called Validation and Data Governance - reporting directly to the Head of the RMGO function.

The audit activities conducted in 2022 revealed areas for improvement in the control systems over the activities outsourced to third parties (e.g. BNP Paribas, Postel and PostePay), while the control system overseeing the process of entrusting the liquidity of current accounts to BancoPosta Fondi S.p.A. SGR was positive overall, taking into account the general level of compliance of the outsourced activities with the relevant external and internal regulations.

With reference to outsourced activities, the main events in 2022 include:

- the continuation of KPI implementation activities; in addition to the planned 80 KPIs, a further 91 new KPIs were implemented in 2022 relating to the main outsourcings in ICT and Fund Movement;
- the formalisation of the “SLA Monitoring Procedure Contracts and Outsourcings”, which precisely defines all the activities and related owners involved in the outsourcing management process; a model for the classification of services as EIF or non-EIF outsourced was also defined to help especially the proposing functions;
- the forthcoming start of supervisory reporting “New disclosure on outsourcing”, which will be carried out from May 2023 onwards on 31 December 2022.

In response to the findings of the inspections conducted by the Bank of Italy in 2022, a gradual extension and strengthening of the governance of outsourced activities was envisaged, an objective for which BancoPosta had already initiated a gradual programme.

With reference to contract renewals, as required by the Supervisory Standards, actions continued to verify the full compliance of the contractual safeguards and, in particular, that the Exit Strategy and the related Exit Plan continued to meet the objectives of the exit strategy.

The Internal Audit function carried out audits on some of BancoPosta's main suppliers, as well as on outsourced BancoPosta processes and services in order to assess the relative adequacy and functionality of the internal control system.

With reference to outsourced activities, the Board of Statutory Auditors noted, on the basis of information received from the Internal Audit function, an overall positive situation; in particular, it should be noted that the Contract References expressed a positive assessment in 70% of cases and an overall adequate assessment for the remaining 30% of EIFs. There are no cases of inadequate or insufficient assessments and these assessments are also confirmed by the results of the audit activities carried out by the Internal Audit function.

Lastly, it should be noted that following the inspections conducted by the Bank of Italy in 2022, improvement actions were defined as part of the broader Action Plan approved by the Board of Directors at its meeting of 25 January 2023, which will be monitored and verified by the BP Internal Audit function and by the undersigned Board of Statutory Auditors.

The Board of Statutory Auditors, during the meeting held in January 2023 with the Head of Internal Audit, noted that the audit activities carried out by the same function on the basis of the "2022 Audit Plan", approved by the Board of Directors on 22 February 2022, were punctually conducted and of the 22 Audit actions envisaged in the Plan, 6 actions have been completed, 12 are in the final sharing phase, 3 are in progress and 1 has been rescheduled to 2023 (Audit on "Processes outsourced to Postel S.p.A.") as the implementation of the reinforcement actions, aimed at incorporating the results of the previous Audit "Process of communication to customers for unilateral changes in the contractual terms and conditions of BancoPosta products", is scheduled for 2023; the Board also verified the status of implementation of the actions initiated following the results of the Audits.

Furthermore, at the joint meeting with the Control and Risk Committee in February 2023, the Board examined the 2023 Annual Audit Plan and the 2023-2025 Multi-Year Audit Plan, which was subsequently approved by the Board of Directors at its meeting on 22 February 2023. 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 2023.

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 2023-2025, being aware of the processes and sub-processes audited, with evidence of the year of the last audit carried out and the proposed coverage for the next three-year period. The Board has reserved the right to periodically monitor during 2023 the adequacy of the organisational measures implemented in light of the greater commitment required of the Internal Audit function as a result of the findings of the Bank of Italy inspection.

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 CA/Anti-Money Laundering function, within Corporate Affairs, governed by an appropriate Guideline. The Board noted that during 2022, BancoPosta's Risk Management and Outsourcing Governance/Anti-Money Laundering function carried out the following activities:

- update of the AML Operating Guideline and revision of the related monitoring KPIs;
- support to the Group CA/Anti-money laundering function in the analysis of situations at greater risk for the preparation of new mitigation controls, specifically in the area of foreign transfers and origin of funds;
- reporting of activities entrusted through the monitoring of KPIs;
- consolidation of the use of the SAS platform for Level II control activities and start, with the collaboration of an external partner, of the evolution of models through the use of more advanced machine learning techniques;
- 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;
- initiation of the Adequate Verification Update of higher-risk customers;
- update of the internal operating manual.

It should be noted that at the beginning of 2023, the Risk Management and Outsourcing Governance function is involved in the risk self-assessment for the year 2023, and the preparation of the Annual Anti-Money Laundering Report, which will be presented to the Board of Directors at its meeting on 3 May 2023. In particular, this activity is aimed at identifying, analysing and assessing the main current and potential risks to which BancoPosta is or may be exposed, due to: i) its regulatory and operational peculiarities; ii) its high scale and territorial capillarity; and iii) its procedural, organisational and infrastructural complexity. In this regard, the Board was informed, during the April 2023 meeting attended by the Head of the Risk Management and Outsourcing Governance function, that in line with last year, a “low” residual risk value emerged, 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 money laundering risk, the Internal Audit function reported that during the year 2022, activities were carried out to complete the evolution of the Group’s Anti-Money Laundering Platform (“ARAT”), also with a view to introducing a new dynamic customer classification system with continuous risk profile updates. In this regard, December 2022 saw the gradual introduction of the “Adequate Verification Electronic Practice” (Pratica Elettronica di Adeguata Verifica - “PEAV”) aimed at ensuring an increasingly standardised approach aimed at guaranteeing a different depth of controls in line with the customer’s risk level.

With reference to the process of Suspicious Transaction Reports (“SOS”) for Anti-Money Laundering purposes, the Audit assessment of the aforementioned process is overall positive, with the presence of areas for improvement, in part already addressed by management and concerning the need to complete the review/re-calibration of the alert system for the identification of potentially suspicious transactions (with greater predictive capacity), as well as to clarify the alert filing process at the Anti-Money Laundering Units. With regard to the signalling process concerning the tax credit

assignment service for the stock of files still being processed, the need was highlighted to (i) complete the set of substantive checks with regard to the verifications carried out by the back office and (ii) implement a systematic check on the consistent completion of the due diligence questionnaires with respect to the documentation received from customers.

As a result of the findings of IVASS inspections on the prevention of money laundering and terrorist financing limited to insurance distribution activities conducted in 2021, in 2022, the controls aimed at regulating the acquisition of adequate documentation to verify the information on the origin of funds during the Adequate Verification of relations characterised by higher risk were strengthened.

The Board of Statutory Auditors, as already illustrated, has been informed of the almost total completion (99% of actions completed) of the corrective actions implemented by BancoPosta following the Bank of Italy's 2017 inspection and the implementation of the Consob Action Plan on Investment Services, which was prepared following Consob inspection findings.

The Board was also informed about the interventions 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 online fraud and illegal events in the sales network, which generally confirmed the downward trend recorded in recent years.

In the course of 2022, 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 an overall positive control system.

Following the update of the regulatory framework on the governance mechanisms of BancoPosta RFC (BancoPosta's Organisational and Operating Regulations and the Guideline for the identifying BancoPosta's Material Risk Takers) approved in 2021, the BancoPosta RFC Award and Outsourcing Process Regulations were also updated. Moreover, again with reference to the strengthening of the internal regulatory framework, initiatives are being taken to verify the consistency and completeness of all internal documentation supporting the Product Governance process; in this context, it is envisaged that the internal documentation will be updated as necessary in line



with the evolutions of the Service Model envisaged in the 2023 Plan (e.g. the adequacy model document and the Product Governance Procedure).

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, during a meeting with the Head of the DTO function, explored the topic of operational/informational incidents and received extensive information on the Group's Incident/Crisis Management Macro-Process with evidence of the roles involved in relation to the level of classification attributed to the incident, and was informed that the process has not changed with respect to the year 2021. With reference to IT operational incidents, the Board was informed that there was a reduction in incidents in the year 2022 compared to the year 2021, both in terms of numbers and duration. Specifically, 54 disruptions were resolved in 2022 at Group level (about one disruption per week), compared to 68 closed in 2021 and 72 resolved in 2020. In addition, the Board noted that to date, there have never been any incidents/disruptions that have caused total unavailability of the service and the incidents have never been classified with a risk level higher than 3; moreover, Poste has always managed to prevent cyber attacks thanks to the advanced technologies and safeguards put in place by Poste's CA/Corporate Protection function.

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 and Outsourcing Governance 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 with the aim of assessing the governance, control and operational and cyber risk management systems in relation to BancoPosta's operations) and to the Consob (regarding the provision of investment services). In this regard, the Board of Statutory Auditors verified the progress of the corrective action programme adopted following the findings of the Bank of Italy, ascertaining that at 31 December 2022 the programme had reached 99% progress; during 2023, with the completion of the Data Center Transformation intervention, the Action Plan will be completed.

The Internal Audit function continued the certification activities of the programme deliverables, which were completed on the 106 interventions released from 2017 to 2022; the budget for the intervention programme in 2022 was fully utilised.

With reference to the inspection audit launched by Consob on 16 January 2020 and concluded on 23 October 2020, aimed at ascertaining the state of compliance with MiFID2 regulations, the Board, in the context of several meetings held during 2022 with the Head of the BancoPosta function and the Heads of the BancoPosta Control

functions, was informed of the progress of the Action Plan and monitored the implementation of improvement actions.

In March 2022, Consob launched a second thematic survey concerning the provision of cryptocurrency services by intermediaries, with a focus on investments/financial instruments with underlying cryptocurrencies placed on behalf of customers together with any project activities already planned over the next three years. The reply note was formalised on 1 April 2022, confirming the absence of activity in this area.

In April 2022, Consob also launched a thematic investigation concerning the methods adopted by intermediaries to fulfil the *ex-post* disclosure obligations to retail customers on the costs and charges incurred, to which the Company provided a reply on 4 July 2022.

On 6 July 2022, Consob requested a series of updates on specific aspects (customer profiling and concentration risk), previously addressed in the feedback provided (on 16 July 2021 and 11 February 2022 respectively), following the Technical Report with the results of the inspections conducted by the Authority from January to October 2020. The reply note was formalised on 3 August 2022. Finally, on 26 January 2023, Consob sent a request for an update on the reply note provided in connection with the previous two requests mentioned above. The updated was sent on 10 March 2023.

With reference to the inspections launched by IVASS, the Board was informed that during 2022, for financial stability monitoring purposes, IVASS requested the Companies to provide, by 15 March 2022, information regarding the look-through undertakings for collective investment or investments in the form of funds, even when concerning shareholdings. Poste Vita provided the requested information on 15 March 2022. With the same communication, IVASS drew attention to possible IT attacks, inviting the Companies to promptly notify the institute of any event that represented a serious IT security incident, also asking them to intensify monitoring and defence activities in relation to possible malware activity, adopting all risk mitigation measures that may be necessary. The companies Poste Vita and Poste Assicura continue to monitor possible cyber attacks.

Subsequently, with provision no. 121 of 7 June 2022, IVASS amended ISVAP regulation no. 7 of 13 July 2007 and the related annexes for the purpose, above all, of acknowledging the changes introduced by IFRS 17 regarding the presentation and disclosure of accounting items relating to insurance contracts. The above changes came into force on 1 January 2023.

In addition, on 29 March 2022, IVASS was notified of the updated appointments of BancoPosta's Insurance Brokerage Managers, following the adoption of the related resolution by the Board of Directors at its meeting in February 2022.

In the course of several meetings, the Board was informed of the audit started, pursuant to article 54 of Legislative Decree no. 385 of 1 September 1993, in Poste Italiane S.p.A. - BancoPosta RFC by the Bank of Italy, on 14 March 2022 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. In response to the Inspection Report delivered to Poste Italiane on 30 November 2022, an articulated Plan of Improvement Actions ("Plan") was prepared and approved by the Board of Directors in January 2023, which is divided into numerous activities to be implemented, almost in their entirety (only one action will be completed by 2024), by the third quarter of 2023. The Board of Statutory Auditors has already started the activity of verifying the measures taken and the adherence to the timetable for the implementation of the measures and will monitor the activities after the Steering Committee meetings. The activities will also be subject to constant review by BancoPosta's Internal Audit function. The Board recommends that the action plan be carried out in accordance with the specified deadlines, that it be periodically informed of its progress, and that a periodic reconciliation be carried out between the inspection report, the action plan and the activities carried out in order to verify whether the indications in the inspection report, including those that did not require an action plan, have been resolved in practice.

Still in the area of inspections and communications by the Bank of Italy, the Board noted that on 20 May 2022, the Bank of Italy transmitted to BancoPosta RFC the measure concluding the procedure regarding the imposition of additional capital requirements, pursuant to article 53-*bis*, paragraph 1, letter d, of Legislative Decree no. 385 of 1 September 1993 (TUB - Consolidated Law on Banking). In particular, as of 30 June 2022, BancoPosta must hold specific minimum capital requirements; to ensure compliance with the required binding measures and to ensure that BancoPosta own funds can absorb any losses arising from stress scenarios, the Bank of Italy has

identified specific levels of capital that BancoPosta is required to maintain. Compliance with these requirements did not require BancoPosta to make any additional capital contributions.

On 20 July 2022, the Bank of Italy sent a notice to BancoPosta 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 Standards 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 were 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 the course of 2021, the Authority entered into discussions with BancoPosta and PostePay, as it did not consider BancoPosta to be an entity that could be assimilated to the notion of “credit institution”; BancoPosta put forward an alternative approach, aimed at equating the deposit of sums collected by PostePay with BancoPosta to a direct investment in qualified debt securities. Subsequently, the Authority asked BancoPosta and PostePay for further reflection, aimed at identifying an operational solution that would allow full alignment with the relevant regulatory provisions.

Upon completion of the additional investigations requested and on the basis of discussions with the Authority, a transitional solution has been identified and feedback to the Authority will be provided by BancoPosta by the second quarter of 2023.

Furthermore, the Board was informed that on 10 August 2022, the Bank of Italy launched an investigation into the use of DLT (Distributed Ledger Technology) and crypto-assets, in order to have an updated and complete picture about the spread of said technologies in the Italian banking and financial system. BancoPosta replied in coordination with PostePay (also a recipient of the questionnaire).

The Board was informed that on 29 September 2022, the Bank of Italy commenced inspections of PostePay, pursuant to article 114-*quinquies*. 2, paragraph 4, of the Consolidated Law on Banking, which ended on 6 December 2022 and, in the context of the meeting with the PostePay control body, the Board received extensive information on the inspection.

The Board took note that on 2 November 2022, the Bank of Italy published a measure amending the Supervisory Standards for Payment Institutions and Electronic Money

Institutions of 17 May 2016, by which it implements the changes provided for in the EBA Guidelines on ICT and security risk management (EBA/GL/2019/04) and the EBA Guidelines on major incident reporting as provided for in the payment services Directive (EU) 2015/2366 (PSD2). Banking institutions are required to comply with these changes by 30 June 2023 and must submit a descriptive report to the Bank of Italy on the measures taken to ensure compliance.

The Board has been informed that the Bank of Italy has commenced inspections of PostePay, pursuant to articles 114-*quinquies*.2, paragraph 4, 128 and 146 of the Consolidated Law on Banking (Legislative Decree no. 385 of 1 September 1993) on which it received a report during the aforementioned meeting with the PostePay control body, and that on 16 February 2023, the Authority commenced a further inspection, pursuant to articles 146 of Legislative Decree no. 385 of 1 September 1993), concerning the verification of the procedures provided for by the PSD2 Directive aimed at allowing access to online payment accounts by Third Parties.

❖ *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 2022 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 BancoPosta's Counterparty Risk and IT Risk Guidelines;
- Amendment of the Complaint Management Guideline;
- Update of BancoPosta's Organisational and Operating Regulations and the Award and Outsourcing Process Regulations;
- Report on ICT Adequacy and Costs - BancoPosta;

- Update of the 2022 Guidelines for BancoPosta RFC's remuneration and incentive policies and Annual identification process of BancoPosta RFC's Material Risk Takers;
- Approval of the BancoPosta Business Continuity Sector Plan;
- Update of the "Guideline for defining and monitoring the Poste Italiane Group's 2023 Risk Appetite Framework";
- Updated 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 2023 "Guideline for the identifying BancoPosta's Material Risk Takers and Annual identification process of BancoPosta RFC's Material Risk Takers";
- Update of the Internal Control System on Financial Reporting Guideline ("SCIIF");
- Guideline on limits and criteria for the selection of issuers for the public placement of bonds and certificates.

❖ *Additional relevant elements that involved the BancoPosta Ring-Fenced Capital.*

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 November 2022, 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. During the aforementioned meeting, the Board was informed of the inspection initiated by the Bank of Italy on the activity of EMI RFC, which has already been reported in the previous section on the inspections carried out by the Supervisory Authorities and to which reference is made for further details.

On the basis of the information received from the PostePay control body, the Board also noted that it had a positive assessment of both the administrative-accounting and organisational set-up, pointing out that EMI RFC was well structured and had adequate risk control. In addition, the Board also received information on the new business relating to the sale of electricity and natural gas supply services.

The Board closely followed the acquisition of the LIS Group (LIS Holding S.p.A. and the Subsidiary LIS Pay S.p.A.) by Poste Italiane, through the Subsidiary PostePay - EMI RFC; the acquisition of 100% of LIS Holding S.p.A. was formalised on 14 September 2022. The LIS Group offers a wide range of services for the collection and payment of slips, MAV, 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 are tobacconists. This operation therefore consolidates the growth of PostePay in the proximity payments market by strengthening its acquiring services in line with the omnichannel strategy of the “2024 Sustain & Innovate Plus” Plan.

The Board, in the context of its discussions with the Head of Poste’s Internal Control function, noted that the checks carried out by the PostePay Internal Audit function revealed an overall adequate control system with some areas for improvement. These audits focused: (i) on activities overseeing the outsourced invoicing process for TELCO telephone products and services, (ii) on the correctness and adequacy of processing carried out at the Trento service centre (acquiring process), (iii) on the authorisation routing process for Issuing services provided to PostePay by the outsourcer Nexi S.p.A, (iv) on the Personal Identification Number (PIN) management process, outsourced to Poste Italiane and Postel, (v) on compliance with the security requirements of the VISA circuit, and (vi) on Information Technology in support of EMI RFC.

With reference to the granting of the mandate to manage the liquidity held in BancoPosta’s current accounts to BancoPosta Fondi SGR (“SGR”), which took place on 1 January 2019, the Board of Statutory Auditors was informed, during a meeting with the SGR’s Control body held in October 2022, that the SGR’s organisational structure is well structured and in constant evolution with respect to the period when the mandate to manage the surplus liquidity in BancoPosta’s current accounts was granted to the SGR. During the aforementioned meeting, the Board was also informed of the establishment of the Group Study Center function, the Investment Strategy and Delegated Managers function, which has the task of communicating with the Managers of funds under delegation, and the Legal and General Affairs function, as well as the adoption of the improvement measures on the Functioning Processes and Outsourcing Governance function, in charge of overseeing the SGR’s outsourcing, as requested by the Bank of Italy at the outcome of the inspection carried out in the year



2020, in order to strengthen the controls in the outsourcing sphere due to the progressive development of the SGR's business. The Board also acknowledged the sale by BancoPosta Fondi SGR to Poste Italiane of the business unit responsible for managing Information Communication Technology (ICT), with effect from 1 October 2022; this transaction is part of the process of streamlining the Group's ICT processes by centralising the management of the Subsidiaries' information systems in the Parent Company.

With reference to the topic of Environmental, Social and Governance (ESG), please refer to the Poste section.

The Board of Statutory Auditors, as part of its ongoing discussions with the Head of BancoPosta's Internal Audit function, to which the SGR audit activities are outsourced, noted that the audit activities carried out during 2022 confirmed an assessment of overall adequacy of the SGR control system, which is gradually being consolidated, also taking into account the various strengthening initiatives adopted during the year in the area of business, organisation and control. These audits focused in particular: (i) on the implementation of remuneration and incentive policies and practices, (ii) on the product governance process, in particular, on the new product development process, (iii) on the management process of transactions with Related and Connected Parties of the SGR, (iv) on the management process of activities outsourced to BNP Paribas SA, (v) on the organisation and processes for controlling the risk of non-compliance of the Compliance and Anti-Money Laundering function of the SGR (vi) on the process of preparing documentation to support the training initiatives of the SGR product distribution network, (vii) on the adequacy of the delegated financial management process and investment portfolios, (viii) on the process of investing the liquidity of BancoPosta's current accounts and the management of related derivatives, and finally (ix) on the business continuity management process.

\*\*\*\*\*

In conclusion, on the basis of all the above elements (organisational set-up, activities of the control functions, procedural framework, inspections by the Supervisory Authorities, participation in Board and Board Committee meetings, discussions with the Independent Auditor, specific supervisory activities regarding BancoPosta), the

Board of Statutory Auditors did not identify any critical situations or events that could lead it to believe that BancoPosta's Internal Control and Risk Management System as a whole is inadequate, even though situations emerged that required specific corrective action to be planned and addressed.

\*\*\*\*\*

*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 2022, as well as the proposal for allocation of the profit for the year, including the dividend distribution by the BoD.

Rome, 7 April 2023

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, 2022, 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 a summary of significant accounting policies.

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, 2022, 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.

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### ***Impairment test of goodwill allocated to the "Mail, Parcels and Distribution" CGU and "LIS (Payments and Mobile)" CGU***

#### **Description of the key audit matter**

The Group has recognized Euro 672 millions of goodwill under Intangible Assets in the consolidated financial statements as at 31 december 2022 allocated:

- in the amount of Euro 459 millions to the cash generating unit ("Cash Generating Unit" - "CGU") "LIS (Payments and Mobile)", relating to the acquisition of the LIS group carried out during the period, and
- in the amount of 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 macroeconomic scenario characterised by the increase in prices and inflation rates and geopolitical tensions arising from the conflict between Russia and Ukraine.

As required by IAS 36 "Impairment of assets", goodwill is not systemically amortized but is subject to impairment test ("impairment test"), carried out at least annually, by comparing its carrying amount with the recoverable amount of the corresponding CGU. "Mail, Parcels and Distribution" and "LIS (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 2023 budget and on the economic forecasts for the two year period 2024 - 2025, approved by the Board of Directors, respectively, of Poste Italiane S.p.A., LIS Holding S.p.A. and LIS Pay S.p.A. (the "Financial projections"). 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 2.3 "Summary of significant accounting policies and measurement criteria - Impairment of assets", 2.4 "Use of estimates", paragraphs "Impairment tests of goodwill, cash generating units and equity investments", "Mail, Parcels and Distribution CGU" and "LIS (Payments and Mobile) CGU" and 4.4 "Operating Segments" disclosure on the aspects described above is provided.



Considering the relevance of the amount of goodwill recognized in the financial statements and attributed to the "Mail, Parcels and Distribution" CGU and "LIS (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 "LIS (Payments and Mobile)" CGU a key audit matter of the Group's consolidated financial statements as at December 31, 2022.

#### 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 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 2023-2025 of the Financial projections;
- 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 requirements of the IAS 36 "Impairment of assets".



### Valuation of mathematical provisions

#### Description of the key audit matter

As at December 31, 2022, the Group recognized in the consolidated financial statements in the item "Technical provisions for insurance business", mathematical provisions for a total amount of Euro 142,887 millions, not including the provisions for deferred liabilities to policyholders for Euro 13,986 million. In particular, the mathematical provisions, equal to approximately 54.6% 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 company Poste Vita S.p.A..

The determination of technical provisions for insurance business is based on complex subjective assessments and estimates linked to the historical experience and on assumptions which are from time to time considered reasonable and realistic based on the relevant circumstances which are also affected by the uncertainties related to the current macroeconomic context. The application of these estimates and assumptions influences the values indicated in the financial statements and in the disclosure provided. In Notes 2.3 "Summary of significant accounting policies and measurement criteria - Insurance contracts", 2.4 "Use of estimates", paragraph "Technical provisions for insurance business", B5 "Total Consolidated liabilities - Technical provisions for insurance business" and C3 "Consolidated statement of profit or loss - Revenue from insurance services after changes in technical provisions and other claims expenses", disclosure on the aspects described above is provided.

In consideration of the significance of the amount of the mathematical provisions recorded in the consolidated financial statements and of the existence of the discretionary component inherent in the estimation nature related to the assumptions and hypotheses of a technical nature, actuarial, demographic, financial, as well as, with reference to the estimate of some types of additional provisions for insurance business, on the projections of future cash flows deriving from the insurance contracts entered and effective at the end of the year, we considered the process of evaluating the mathematical provisions a key audit matter of the Group's consolidated financial statements as at December 31, 2022.

#### 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 of the process of evaluation of the mathematical provisions which included the knowledge of general and underwriting strategies and any possible changes in the legal and regulatory framework of the sector;
- recognition and test of the relevant controls performed by Poste Vita S.p.A. on the process of valuation of technical provisions;



- performing procedures on the completeness and appropriateness of the portfolios and the key data used;
- reading and analyzing the Actuarial reports prepared by the competent corporate departments;
- verification of the evaluation of the mathematical provisions through the application of simplified methods (so-called "recurring accounting method") in order to assess the reasonableness of the provision determined by the Management of Poste Vita S.p.A.;
- recalculating, on a sample basis, the value of the mathematical provision as at December 31 2022, using the calculation formulas contained in the technical documentation and analyzing the compliance of the calculation with the corporate procedures and the applicable legislation;
- analysis of the reasonableness of the methods and of the main technical and evolutionary hypotheses on which the estimates of the additional provisions included in the mathematical provisions were based, in accordance with the provisions of the applicable regulation;
- obtaining and analysing the documentation prepared by the Management of Poste Vita S.p.A. for the purpose of verifying the adequacy of the technical provisions recorded in the Group's consolidated financial statements (the so-called Liability Adequacy Test);
- checking the appropriateness of the methods used to calculate the deferred insurance liabilities to policyholders (so called "shadow accounting"), including recalculation on a sample basis, of the unrealized gains/losses on financial assets attributable to policyholders, and verification of the correctness of the related accounting records;
- verification of the completeness and adequacy of the information provided by the Group in accordance with the provisions of the applicable regulation.

#### **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.

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.
- 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, 2022, 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 consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2022 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, 2022, 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, 2022 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, 2022 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.

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 5, 2023

*This report has been translated into the English language solely for the convenience of international readers.*



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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, 2022, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2022, 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 the increase in prices and inflation rates and geopolitical tensions arising from the conflict between Russia and Ukraine.

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 2023 Budget and on the economic forecasts for the two year period 2024 - 2025, approved in the same meeting by the Board of Directors on March 29, 2023 (the "Financial projections"). 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 2.3 "Summary of significant accounting policies and measurement criteria - Impairment of assets", 2.4 "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, 2022.



#### 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 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 2023 – 2025 of the Financial projections;
- 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 requirements of the IAS 36 "Impairment of assets".

#### 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.

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.

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, 2022, 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, 2022 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, 2022, including their consistency with the related 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 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, 2022 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, 2022 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 5, 2023

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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, 2022, 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, 2022.

### 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 22 December 2005 as amended, as well as the Bank of Italy Communication of December 21, 2021 "Update of the additions to the provisions of Circular no. 262 concerning the impact of COVID-19 and measures to support the economy" 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.



## 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, 2022.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Marco Miccoli**  
Partner

Rome, Italy  
April 5, 2023

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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 (the "Decree") and to article 5 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 the "Poste Italiane Group" or the "Group") as of December 31, 2022 prepared on the basis of art. 4 of the Decree, included in the specific section of the Report on Operations and approved by the Board of Directors on March 29, 2023 (hereinafter the "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 *"Global Reporting Initiative Sustainability Reporting Standards"* established by GRI – *Global Reporting Initiative* (the "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.

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.

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### Auditor's Independence and quality control

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 behaviour. Our auditing 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.

### 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"* (the *"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;
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 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 personnel of the main components 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's and subsidiaries' level:
  - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, to the policies applied and to the 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 companies, Poste Italiane S.p.A., PostePay S.p.A. and Poste Vita S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, 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, 2022 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and GRI Standards.

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, April 5, 2023

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# Poste Italiane SpA

Registered office: Viale Europa, 190 - Rome  
Fully paid-up share capital: €1,306,110,000.00  
Tax Code and Rome Companies' Register no. 97103880585/1996  
Business Registration Number in Rome: REA 842633  
VAT no. 01114601006

## Edited by

Corporate Affairs - Communication  
Poste Italiane SpA

**May 2023**

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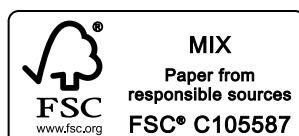
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