

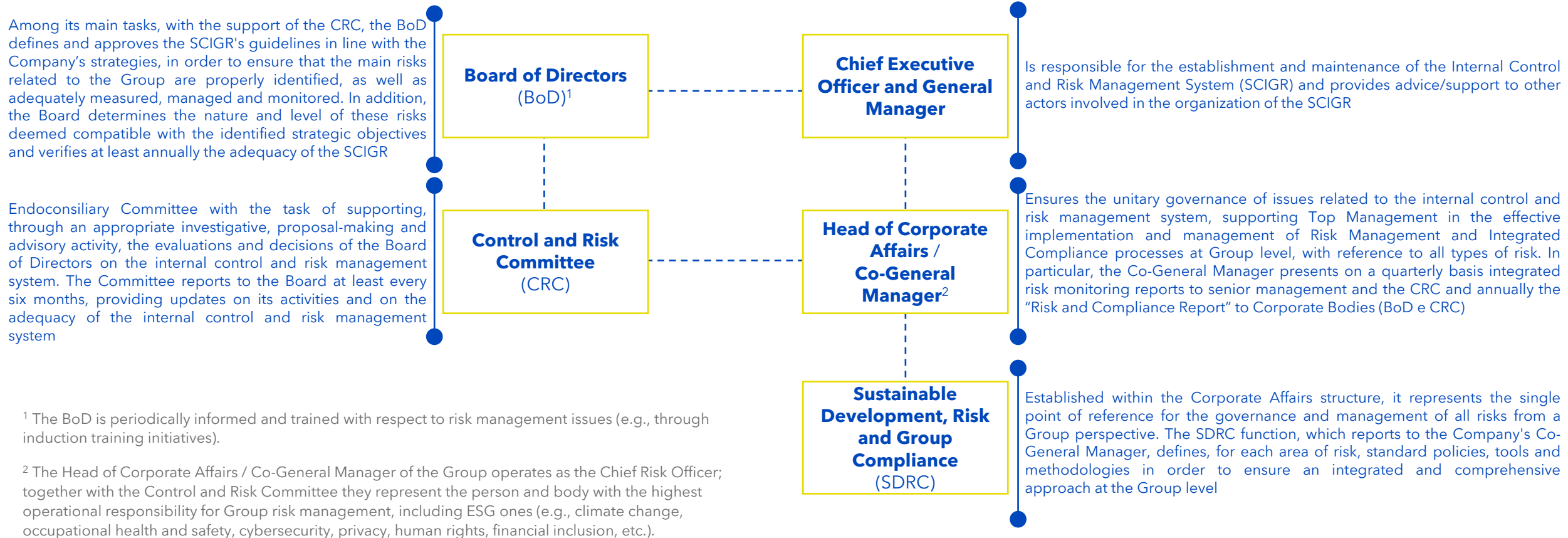
POSTE ITALIANE

Risk Management | Insights

Risk Governance

GROUP RISK GOVERNANCE

In order to ensure an adequate and effective identification and management of Group risks, Poste Italiane has defined a specific governance in the area of risks, which is represented below:



Risk Review | Focus

RISK CATEGORIES IDENTIFIED BY THE GROUP

Below are the main risk categories associated with the Poste Italiane Group's activities, as identified in the Group's Risk Model¹.

CATEGORY	STRATEGIC	OPERATIONAL	COMPLIANCE	REPUTATIONAL	ESG	FINANCIAL AND INSURANCE
DESCRIPTION	Risks that could influence achievement of the goals set out in the Strategic Plan	Risks of incurring losses resulting from inadequate or failed internal processes, people and systems at Group level, or from external events	Risks of breaches of existing laws and regulations or related to the introduction of new legislation or regulations of either general importance or specific to the sectors in which the Poste Italiane Group operates	Risks connected with a negative perception among the Group's stakeholders, in response to which the Group has adopted a stakeholder engagement framework in order to identify and assess this type of risk at source	Risks arising from factors related to environmental, social and governance issues (in particular, linked to human rights, climate change and sustainable finance)	Financial risks that are regulated and overseen by supervisory authorities (Bank of Italy and IVASS) and the responsibility of the Risk Management units belonging to the various business units, coordinated by the function responsible for Sustainable Development, Risk and Compliance

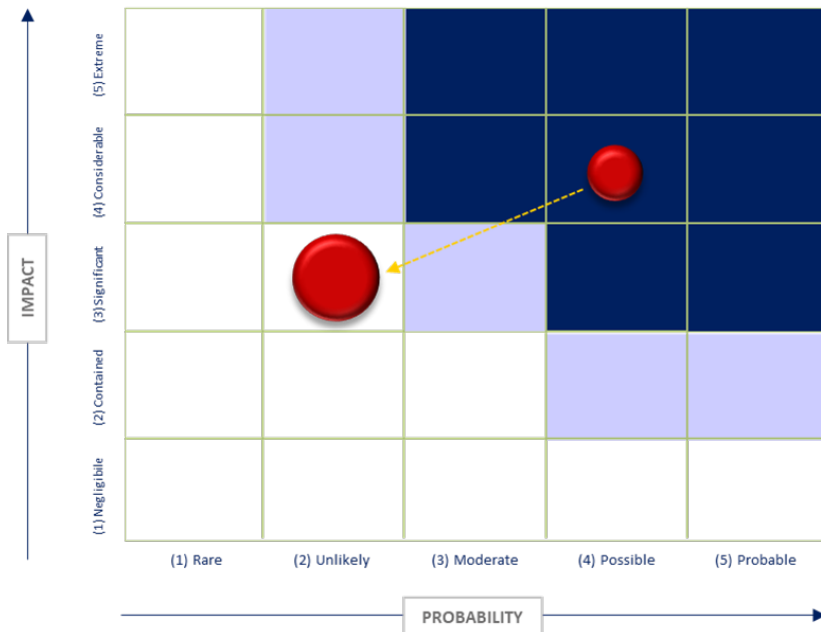
¹ The Group evaluates its risk exposure on a quarterly basis.

RISK ASSESSMENT

For each identified risk, the Group determines the level of risk in two perspectives:

- the **Inherent Risk** profile, determined by considering the risk component intrinsic to the very nature of the specific Activity, without taking into account the existence and effective operation of the risk treatment actions in place;
- the **Residual Risk** profile, determined by considering the level of intensity of treatment actions¹.

The overall residual risk assessment allows the prioritization of risks and is represented within a heatmap (probability-impact matrix), as illustrated below as an illustrative example:



LEGEND

Probability:

(1) Rare; (2) Unlikely; (3) Moderate; (4) Possible; (5) Probable;

Impact:

(1) Negligible; (2) Contained; (3) Significant; (4) Considerable; (5) Extreme.

Depending on the placement on this matrix, risks can be classified according to the following areas of relevance:

- Tier 1 (dark blue area);
- Tier 2 (light blue area);
- Tier 3 (white area).

Risks that belong to "Tier 1" and "Tier 2" are called "Top risks".

¹ The level of intensity of the treatment actions to be deployed is also assessed by taking into consideration the conduct of scenario analysis (stress tests), both on certain types of financial risks and non-financial risks (e.g., risks related to climate change, anti-corruption issues, cybersecurity risks, etc.).