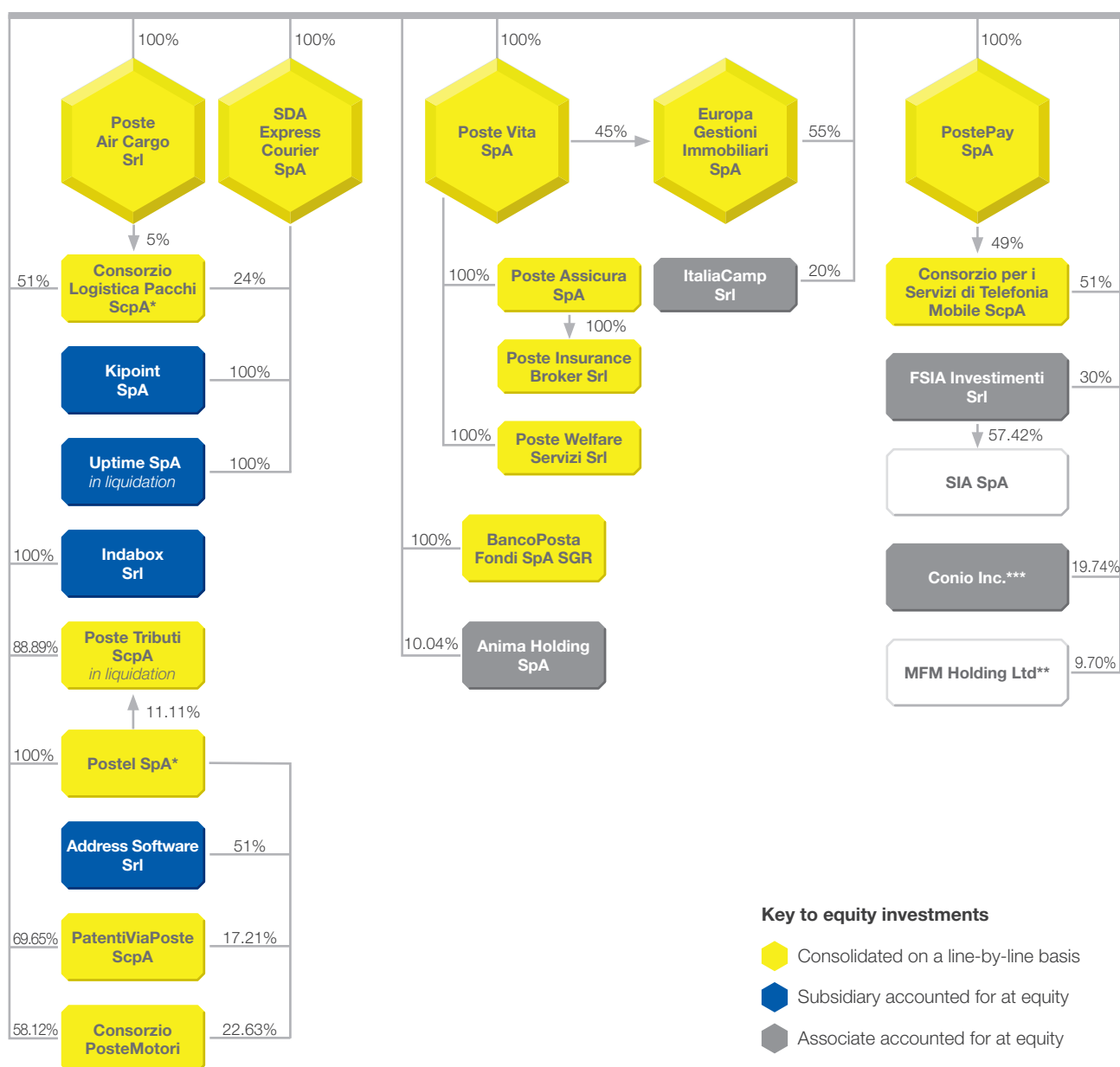


# 1. Presentation of the Organisation

## Structure of the Group at 31 December 2019



### Poste Italiane



\* The remaining 20% of the share capital of Consorzio Logistica Pacchi ScpA is held by Postel SpA.

\*\* The equity investment of Poste Italiane SpA in MFM Holding Ltd is equal to 9.70% of the shares with voting rights (10.36% of property rights).

\*\*\* Following the purchase of 250,000 new issue shares on 19 March 2019, the equity investment held by Poste Italiane in Conio Inc. went from 19.94% to 19.74% as a result of the exercise of the stock option.



## The Poste Italiane Group Company businesses

Company	Assets
<b>MAIL, PARCELS AND DISTRIBUTION</b>	
<b>SDA Express Courier SpA</b>	This is the Group's operational company. It mainly carries out activities to serve the logistics processes. It also operates on the Express Courier market, supplying non-network services with customised solutions to handle any type of transport.
<b>Postel SpA</b>	This company operates in communication services for businesses and the public administration, providing printing and delivery services, electronic document management solutions, direct marketing, e-procurement, IT services and "portal" website management in support of online payments.
<b>Poste Air Cargo Srl</b> (formerly <i>Mistral Air Srl</i> )	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 proceedings for which the Transport Department is competent (e.g. issue of "pink sheets", issue and renewal of copies of driving licences, registrations, MOTs, etc.).
<b>Consorzio Logistica Pacchi ScpA</b>	This consortium coordinates the activities of the consortium members (Poste Italiane, SDA, Postel and Poste Air Cargo) in transport overland, by air of postal effects, 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.
<b>Address Software Srl</b>	This company develops, mainly for Postel SpA, application software packages for the processing of personal and territorial data (normalisation of addresses, data cleaning and geomarketing).
<b>Europa Gestioni Immobiliari SpA</b>	This company manages and optimises Poste's real estate assets that are no longer instrumental; it carries out town planning and construction transformations, in order to assure the relative marketing (new leases and sales). It also operates on the electricity market as "wholesale" purchaser for the Group.
<b>ItaliaCamp Srl</b>	This company intermediates the supply and demand of ideas and solutions for the development of social, economic and scientific projects as well as consultancy for businesses and entities for the supply of services relating to projects, both in the public and private context.
<b>Indabox Srl</b>	This company develops IT and telematic systems offering logistics support to e-commerce, offering customers a collection service of parcels purchased online from authorised retailers.
<b>Kipoint SpA</b>	Through a network of franchise stores, this company sells national and international deliveries, products and services. Following the stipulation of the contract with Grandi Stazioni, it also manages luggage deposits at major railway stations.
<b>Conio Inc.</b>	This Californian 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 technological solutions (cryptocurrencies, bitcoins).
<b>PAYMENTS, MOBILE AND DIGITAL</b>	
<b>PostePay SpA</b>	This is a hybrid electronic money institution that offers payment and telecommunications services, integrating money and payment systems with the virtual operator activities for retail and business customers and the public administration.
<b>Consorzio per i Servizi di Telefonia Mobile ScpA</b>	Consortium for the supply of services relating to the "Electronic Postman" platform, mobile telephony and integrating messaging services (device info services connected with financial instruments) exclusively for Poste Italiane.
<b>Fsia Investimenti Srl</b>	Investment SPV that purchases, subscribes, holds, administers, sells and otherwise disposes of shares in SIA SpA, bonds or participating financial instruments issued by SIA.
<b>FINANCIAL SERVICES</b>	
<b>BancoPosta Fondi SpA SGR</b>	Collective asset management company that operates through the establishment and management of mutual investment funds and the individual portfolio management service relative to institutional mandates assigned to the Group.
<b>Anima Holding SpA</b>	Investment holding company in the asset management sector. It controls 100% of Anima SGR, which, in turn, controls 100% of Anima Asset Management Ltd.
<b>INSURANCE SERVICES</b>	
<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>Poste Welfare Servizi Srl</b>	Company that manages Supplementary Medical Funds, services for the acquisition and validation of databases, services and liquidation of services on behalf of private medical funds; it also supplies services for the management of Poste Vita Group health and welfare products.



## Corporate actions during the year

### FSIA Investimenti Srl

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On 14 March 2019, FSIA Investimenti Srl, an investment vehicle 30% owned by Poste Italiane (the remaining 70% is indirectly controlled by CDP Equity via FSI Investimenti), announced its intention to exercise its call option on 7.934% of the shares in SIA SpA held by UniCredit and Intesa Sanpaolo. On 28 May 2019, the relevant purchase and sale agreement was signed, which was finalised after FSIA obtained the necessary authorisations from the Antitrust Authority and the Bank of Italy, the latter received on 24 October 2019. Moreover, on 27 May 2019, the shareholders agreements that gave FSIA Investimenti, together with other shareholders, joint control of SIA expired. Following these events, the Cassa Depositi e Prestiti Group acquired sole control of FSIA Investimenti, which in turn holds 57.4% of the share capital of SIA SpA. Poste Italiane's indirect holding in SIA SpA (through FSIA Investimenti) rose from 14.85 to 17.23%.

In light of the above, at 31 December 2019, Poste Italiane's investment in FSIA Investimenti was classified as associate, in place of the previous joint control.

### Poste Insurance Broker Srl

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On 12 April 2019, Poste Assicura established Poste Insurance Broker Srl, an insurance brokerage company set up to oversee relations with partner insurance companies in order to launch a pilot project for the offer of vehicle insurance policies to employees.

### sennder GmbH

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On 7 May 2019, Poste Italiane entered into a partnership with the German digital road-freight-forwarder, sennder GmbH, with the goal of establishing a joint venture in Italy in line with the Deliver 2022 Strategic Plan, to boost the efficiency of long-haul logistics operations (so called Full Track Load). On 24 September 2019, the two companies signed the final agreements governing the arrangements for collaboration in the Full Track Load sector, the joint venture's operating and governance mechanisms and an investment by Poste Italiane in the capital of sennder. The latter was finalised on 11 November 2019, with the subscription of a reserved capital increase as a result of which Poste holds a 1.63% stake in the German company. Finally, on 12 February 2020, Poste Italiane subscribed a capital increase at nominal value in the Italian joint venture, called sennder Italia Srl, acquiring a 75% stake.

### SDA Express Courier SpA

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On 20 June 2019, an Extraordinary General Meeting of SDA Express Courier's shareholders and, on 27 June 2019, the Board of Directors of Poste Italiane approved the partial demerger of the business unit responsible for commercial and customer care activities relating to SDA's Express Parcel Delivery services to Poste Italiane. The transaction is part of the plan to create a "Single Offering", with the aim of boosting the competitiveness and effectiveness of the Group's positioning in the Express Delivery market by putting in place a single, comprehensive offering for all customers, with the reorganisation of the sales force and customer support. The de-merger took effect on 1 November 2019.



## MFM Investments Ltd

On 2 August 2019, Poste Italiane, in line with the strategic plan, launched a partnership with the digital asset management company MFM Investments Ltd (Moneyfarm) to offer innovative digital investment and asset management services. The agreement provides that Poste Italiane will distribute an asset management service in Exchange Traded Funds (ETF) with 7 investment lines of which 2 developed exclusively for its customers. As part of this partnership, on 9 August 2019, Poste Italiane signed a contract with MFM Holding Ltd (the company that controls 100% of Moneyfarm) which provides for a capital increase by the latter for a value of approximately €40 million (GBP 36 million) through the issue of convertible preference shares to be subscribed by Poste Italiane, as lead investor, and Allianz Asset Management GmbH (the minority shareholder of Moneyfarm Holding Ltd). The capital increase involves two phases. In the first, which ended in August 2019, Poste Italiane subscribed shares in MFM Holding Ltd for a total value of €15 million, representing 9.70% of voting rights (10.36% of equity rights). The second phase will be finalised in the course of 2020 when the necessary authorisations will be obtained by the supervisory authorities of Germany (Bafin) and the United Kingdom (FCA).

## Poste Air Cargo Srl

As part of the parcel market development strategy set out in the Deliver 2022 Business Plan, the industrial reorganisation project of the airline Mistral Air was carried out with a view to reviewing its strategic positioning, with the aim of achieving economic equilibrium and reorienting its activities towards the Poste Italiane Group's mission. This initiative involved re-focusing on the parcel logistics business with the consequent divestment of all passenger activities, downsizing the workforce and reconfiguring the fleet.

In order to highlight the change in Mistral Air's mission, also through a rebranding project, the Company changed its name to Poste Air Cargo Srl with effect from 1 October 2019.

## Tink AB

On 20 December 2019, Poste Italiane signed agreements for the establishment of a strategic partnership with the Swedish company Tink AB, one of the leading Open banking<sup>1</sup> platforms in Europe. These agreements provide, in addition to the commercial provision of PSD2 technology solutions, for long-term strategic collaboration as an enabling factor for the expansion of the Poste Group's digital service offering, including through the sharing of technological developments and the joint development of solutions and services. The agreements also provide for the Poste Group to join with other investors in an increase in the Company's capital with an investment of around €20 million, following which the Group will hold a 4.8% stake in Tink. The subscription of the capital increase will be completed by the first quarter of 2020.

## Other transactions

As part of the process of streamlining the Poste Group's ICT processes by centralising the management of its subsidiaries' IT systems at the Parent Company, Poste Italiane, the contract was signed on 25 June 2019 (with effect from 1 July 2019) for the sale of the Information & Communication Technology business unit of SDA Express Courier to Poste Italiane. Similarly, on 12 December 2019, the Board of Directors of Poste Italiane approved the acquisition of the business units of Poste Vita, Poste Assicura and Poste Welfare Servizi relating to ICT management activities. The operation, which has already been approved by the decision-making bodies, will take effect from 1 March 2020.

1. Open banking is sharing of data between different players in the banking ecosystem. With the entry into force of the European PSD2 Digital Payments Directive, European banks are obliged to open up their API (Application Program Interface) to fintech (technology applied to finance) companies and other companies involved in financial products and services. This will allow external companies (third parties) access to payment data thus increasing competition.



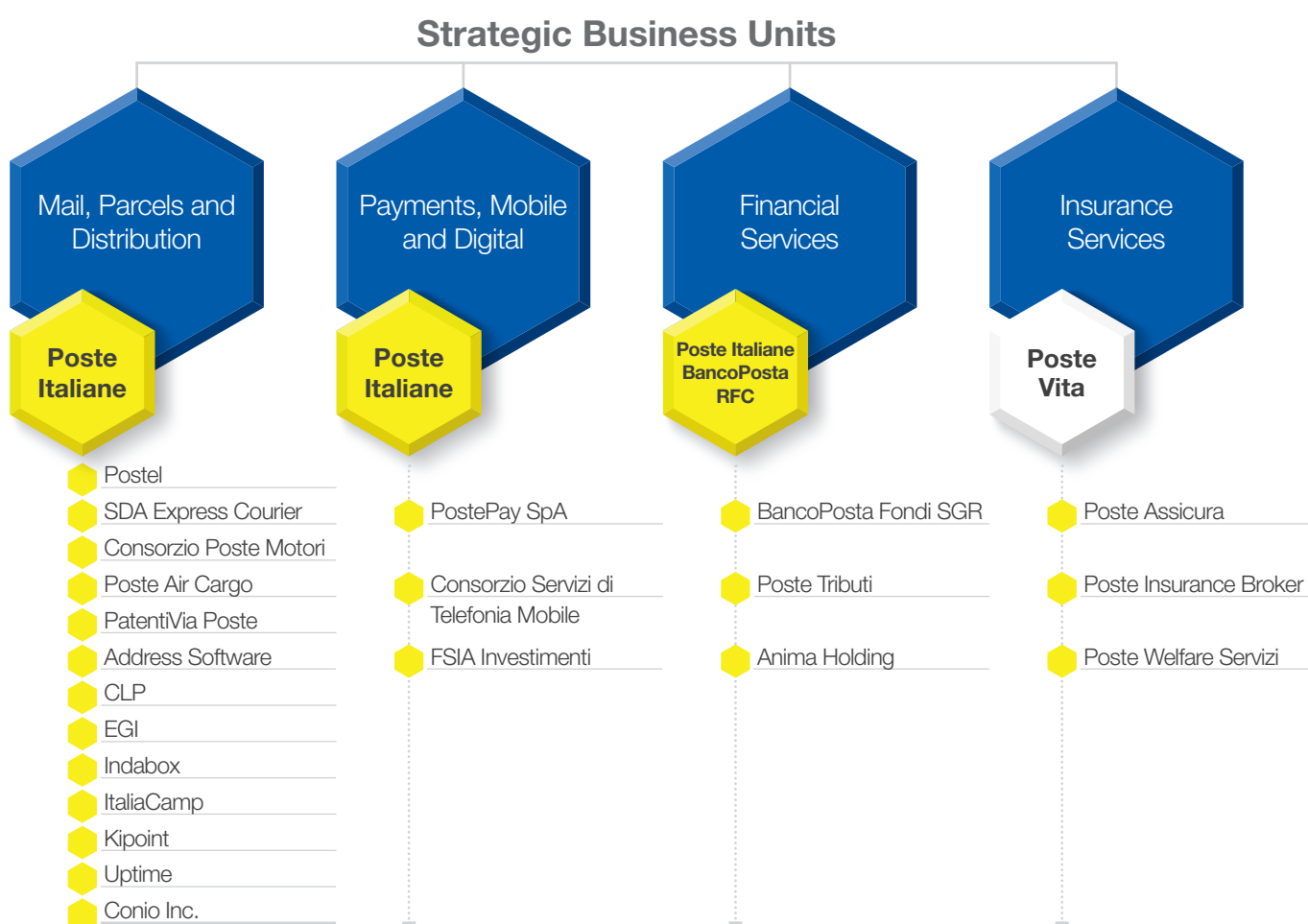
# The Group's Organisation and Operating Segments

In line with the strategic guidelines set out in the Deliver 2022 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; Payments, Mobile and Digital; Financial Services; Insurance Services.

These Strategic Business Units are supported by two distribution channels for retail customers, on the one hand, and business and Public Administration customers, on the other. These channels operate alongside a series of corporate functions responsible for policy, governance, controls and the provision of business process support services.

## Strategic Business Units of the Group

The **Strategic Business Units**, consistent with the Group's new strategic guidelines reflected in the 2018-2022 Business Plan are:



In addition to managing the mail and parcel service, the **Mail, Parcels and Distribution** SBU also includes the activities of the distribution network and the activities of Poste Italiane SpA corporate functions that provide services to BancoPosta RFC and the other segments in which the Group operates.

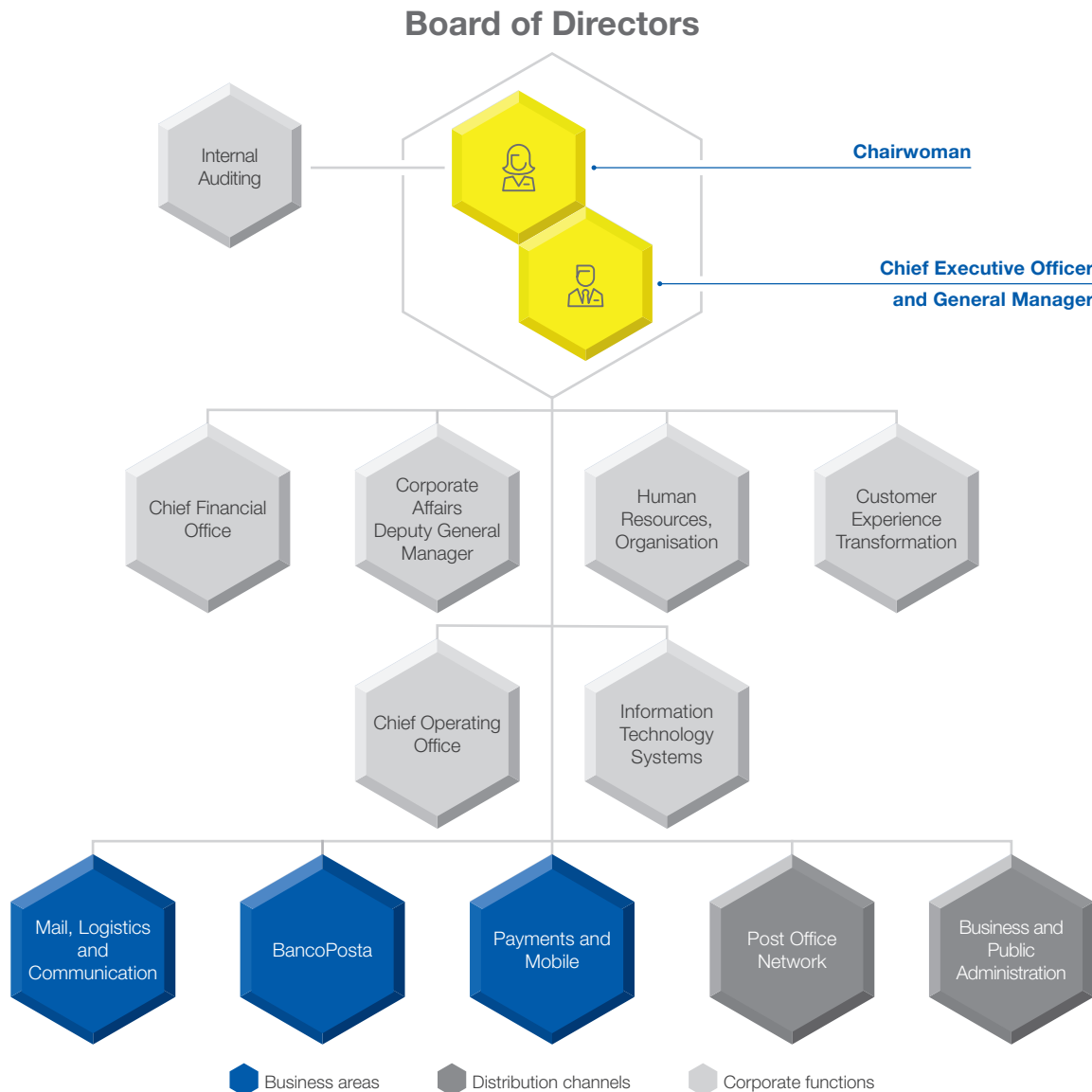
The **Payments, Mobile and Digital** SBU includes the activities of PostePay SpA and the mobile telecommunications services of the associate FSIA Investimenti.

The **Financial Services** SBU includes the activities of BancoPosta RFC, BancoPosta Fondi SpA SGR, the associate Anima Holding SpA and Poste Tributi ScpA in liquidation.

The **Insurance Services** SBU refers to the activities carried out by the Poste Vita Group.



## Poste Italiane's Organisational Structure



In keeping with objective in the 2022 Business Plan to maximise the value of Italy's largest distribution network, Poste Italiane continued the process of streamlining and simplifying the Group's organisational model, with the aim of strengthening the operating model and making it more efficient.

In this context, the following organisational interventions have been carried out

### Optimising governance and efficiency

- The Head of Corporate Affairs was assigned the role of Deputy General Manager in recognition of the part played by his department in providing strategic guidance and cohesion for the Group, as well as its responsibility for carrying out high-impact, cross-cutting initiatives and integrated management of relations with key stakeholders.
- The redefinition of the model of territorial control by the staff functions, going from 9 to 6 territorial structures.
- The centralisation of purchasing and corporate affairs activities at the Parent Company in order to enhance intragroup synergies and ensure unified and integrated governance of the Poste Italiane Group.
- The transfer of the Administration and Financial Statements function back to the CFO, due to the importance of the activities supervised and the central role in disseminating the Group's financial information to the various stakeholders, as well as the appointment of the current head of the Administration and Financial Statements function as Manager Responsible for Financial Reporting.



## Business development

- The establishment of the Customer experience Transformation function for the unitary governance of the digital innovation and transformation process initiated by the Company which, together with the objective of placing customer needs at the centre of its strategies, is increasingly focused on innovation in order to strengthen its competitive positioning and to respond in a timely manner to changes in the scenario and new customer needs.
- The redefinition, in the Human Resources and Organisation area, of the Corporate University's organisational model and the strengthening of the role of the Academies, with the aim of innovating the training model within the Poste Italiane Group and ensuring the continuous development of corporate knowledge and skills.

## Cross-cutting initiatives

The establishment, within the welfare and social inclusion policies, of the People Care and Diversity Management function within Human Resources and Organisation with the aim of identifying and resolving the factors that prevent people, with any type of diversity/disability, from accessing work, while improving work inclusion processes and enhancing skills.

Within the business areas and commercial channels, the main organisational interventions concerned the **Business Development** through:

- the further evolution of BancoPosta's organizational model aimed at strengthening the overall governance of the Group's financial and insurance business development activities and facilitating interactions with the commercial networks. In this context, the role of the Territorial Marketing function within BancoPosta has been reconfigured with the aim of ensuring a single interface to the commercial channels with regard to training needs on financial products/services, increasing its effectiveness in order to better meet the competitive challenges of the market.
- The establishment of the Global Forwarding function within the Mail, Logistics and Communication sector aimed at developing solutions to respond effectively to the rapidly changing needs of the e-commerce market and, in particular, to intercept flows of cross-border traffic from China.
- The strengthening of the business model of the Business and Public Administration function through the creation of specialised control for the mail and parcel sector and a sales structure focused on the most significant players in the e-commerce sector, in addition to those already existing and dedicated to strategic and high value customers. Moreover, in line with the objective of strengthening Poste Italiane's position in the parcels sector, during the year, SDA's sales force was integrated at the Parent Company.

During the year was also the launch of the Financial Education and Best Practices initiative, which reports directly to the Chief Executive Officer, in order to coordinate an action plan designed to educate customers and citizens in general, and to raise their awareness of the Group's offering and its various businesses, as well as of the solutions and service models of most importance to the community and social cohesion.

Finally, in line with the Group's strategic guidelines, BancoPosta Fondi SGR is the Poste Italiane Group's competence centre for the management of financial investments and, to this end, it was conferred BancoPosta's financial management mandate from 1 January 2019 and Poste Italiane's liquidity financial management mandate from 1 July 2019.

## Multichannel commercial strategy



The Group has an integrated, multichannel distribution network, which serves the country's entire population via a physical network of Post Offices and staff on the ground and digital infrastructure with state-of-the-art multimedia channels.

The customer physical contact channels are managed by two Poste Italiane functions dedicated to the sale of products and services and specialised by type of customer: Post Office Network and Business and Public Administration.

Further organisational units within Group companies provide further support for commercial initiatives.



## Territorial network - Post Office Network

the Post Office Network function manages the commercial front end for the Private Customer and SME segments and is in charge of the Post Office network and area and branch offices covering the entire country.

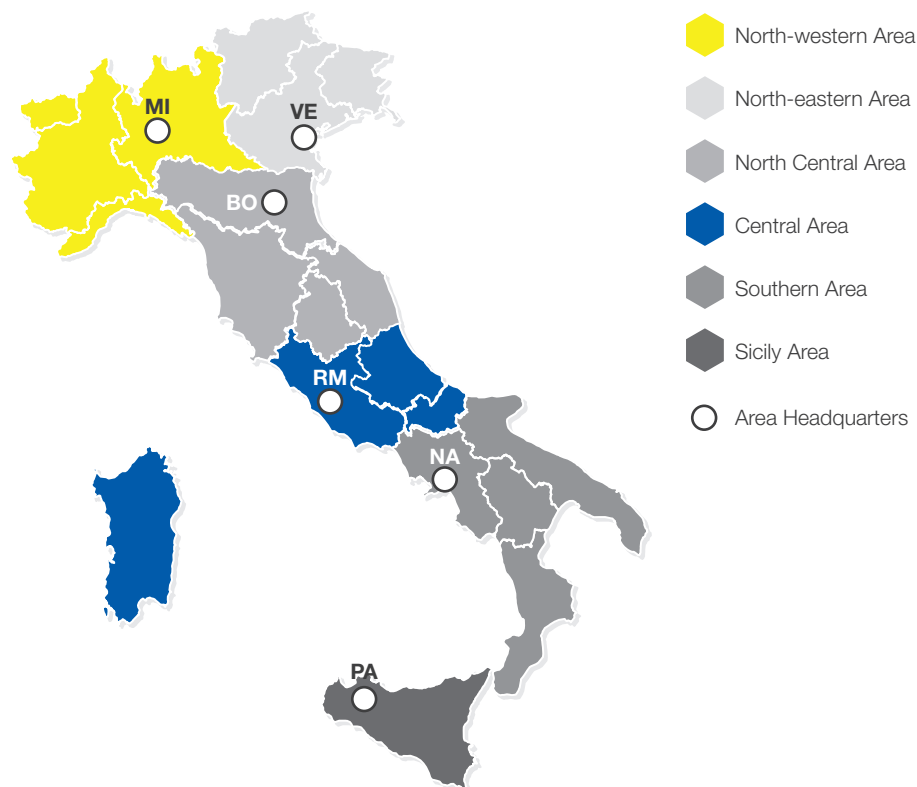
## Macro Areas, Branches and Post Offices

	31 December 2019		31 December 2018	
	Category	Personnel	Category	Personnel
Post Office Network Macro areas	6	621	6	854
Branch offices	132	4,386	132	3,715
Post offices	12,809	53,002	12,812	55,231

The number of resources is expressed as full time equivalent employees.

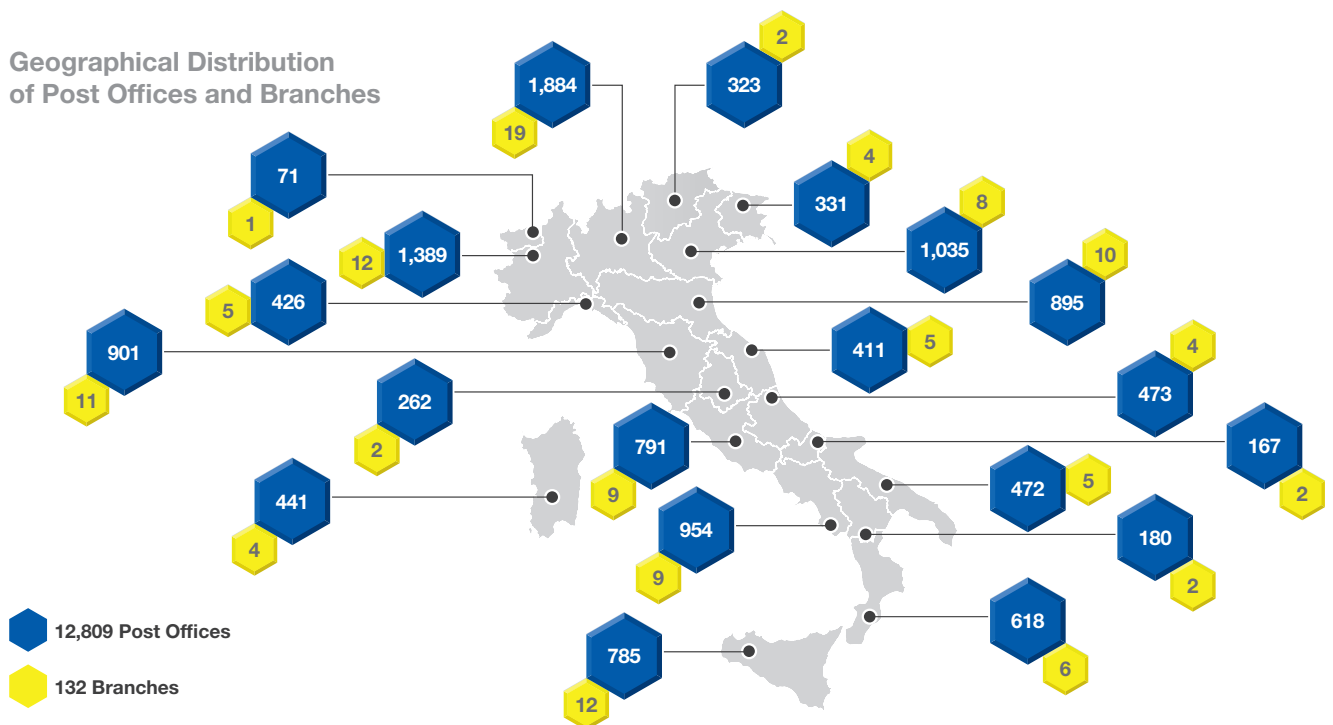
The changes in the workforce of the Post Office territorial network derive from the implementation of the new organisational model introduced for the supervision of Small Business customers and deriving from the Framework Agreement on reorganisation processes signed with the Labour Unions on 8 March 2019, with which the continuation of the Territorial Business Transformation project was presented, the objective of which is to define a territorial operating model, adapted to the new business objectives and supported by leaner and more effective processes, while guaranteeing business continuity and quality of service to the end customer. Organisational interventions were also carried out to increase the effectiveness of the sales force dedicated to the Small Business segment. The new organisational model shared with the Labour Unions in October and adopted from November 2019, provides for the specialisation of consultants in the Financial and Mail, Parcels and Distribution sectors.

### Macro Areas Post Office Network





## Geographical Distribution of Post Offices and Branches

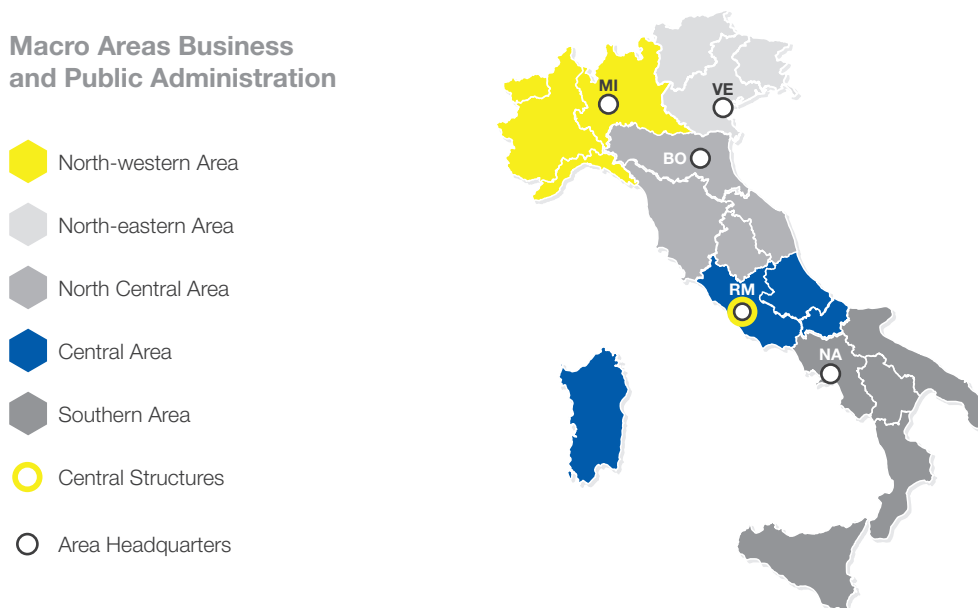


## Territorial Network - Business and Public Administration

The Business and Public Administration function of Poste Italiane guarantees the commercial supervision and sale of the Group's products and services for businesses and the Central and Local Public Administration through the following organisational model:

- central controls aimed at ensuring the coordination of territorial commercial action for the various business sectors;
- central controls dedicated to strategic and high-value customers, such as the Central Public Administration (PAC) and TOP Executives;
- central control dedicated to high value customers in the e-commerce segment;
- an interface function towards the competent structures in the Post Office Network regarding the marketing of financial and insurance products/services for the relevant segment;
- functions dedicated to commercial support activities, both at central and territorial level.

### Macro Areas Business and Public Administration





Number of resources Business and Public Administration	31 December 2019	31 December 2018
North-western Area	302	194
North-eastern Area	120	76
North Central Area	202	119
Central Area	122	78
Southern Area	140	84
Central Structures	28	30
<b>Total</b>	<b>914</b>	<b>581</b>

The number of resources is expressed as full time equivalent employees.

The **digital web and app channels** provide access to online services for 20.8 million retail users (17.6 million at 31 December 2018) and operate as both direct sales and after-sales channels. The daily average of web and app users was about 2 million (1.5 million average daily users in 2018).

In 2019, in line with its digital transformation programme, the Group continued activities aimed at simplifying and evolving with new services customers' experience of digital channels when using Poste Italiane's payment, financial, insurance, mail and logistics services.

In the payments area, the PostePay APP (the application available for IOS and Android devices that allows mobile management of prepaid cards) was revised from a 2.0 perspective, with the creation of a new user experience in terms of graphics and new distinctive service payment functionalities, as well as the introduction of Personal Financial Management, which allows customers to receive push notifications for credit and debit transactions and details of transactions of their card. In addition, Postepay Evolution and Postepay Evolution Business cards (registered reloadable prepaid cards with IBAN code) have been enabled for online payments through a service that allows users to store their cards, ensuring a higher level of security as only the token<sup>2</sup> information is stored, unique to each merchant, and not the card data.

In the financial area, online sales of Postal Savings products have been extended and services have been made available 24 hours a day, both on apps and on the web.

Finally, in 2019, the multi-channel offer of the SPID<sup>3</sup> Digital Identity was completed with the activation of new ways to request it remotely via electronic document (passport or ID card) and app PostelD and, from July 2019, also in support of compliance requirements under PSD2 regulations, Poste Italiane launched the new Digital Private Identity solution (Poste Account), which provides secure access to all digital properties (data, Internet accounts and other rights in the digital world) of Poste.

## Poste Italiane's logistics network

The Group's mail and parcel services are provided through 2 integrated and synergistic logistics networks in order to maximize the value of the various assets that characterize them: the **postal logistics network** for the management of mail, now evolved to allow the management of small parcels delivered by letter carriers and the **parcel logistics network** which, by taking advantage of the SDA Group's express courier assets, is also able to handle all types of parcel.

2. The token is a small, portable electronic physical device that is used to perform authentication.

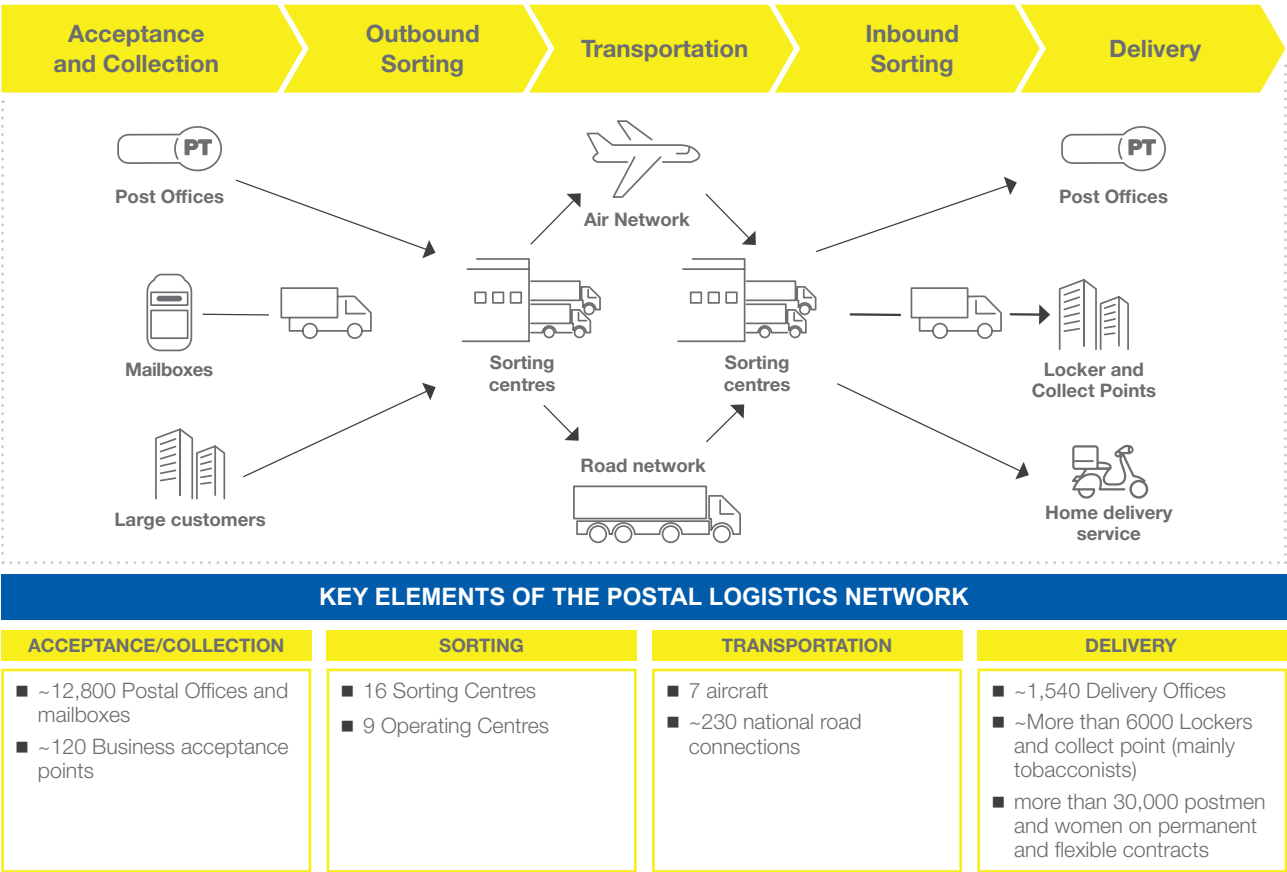
3. SPID is the Public Digital Identity System that aims to provide citizens with a unique login system with which to access all Public Administration services.



# Postal logistics network activities

The postal logistics network accepts, sort and delivers mail products. The letter carrier network, as mentioned above, also distributes small 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 Logistics Macro Areas, which handle all stages of the value chain: acceptance and collection, outbound sorting, transport, inbound sorting and delivery. This model makes it possible to simplify the decision-making chain.

The model's macro areas are shown below.

## Macro Areas for Logistics

- North-western Area
- North-eastern Area
- North Central Area
- Central Area
- Southern Area
- Sicily Area
- Area Headquarters





	31 December 2019		31 December 2018	
	Category	Personnel	Category	Personnel
Macro Areas for Logistics*	6	958	6	982
Sorting Centres	16	6,467	16	6,990
Operating Centres	9	827	8	860
Delivery Centres**	1,543	35,457	1,793	35,729
<b>Total</b>	<b>1,574</b>	<b>43,710</b>	<b>1,823</b>	<b>44,561</b>

All workforce data refers to permanent staff and is shown as full time equivalent employees.

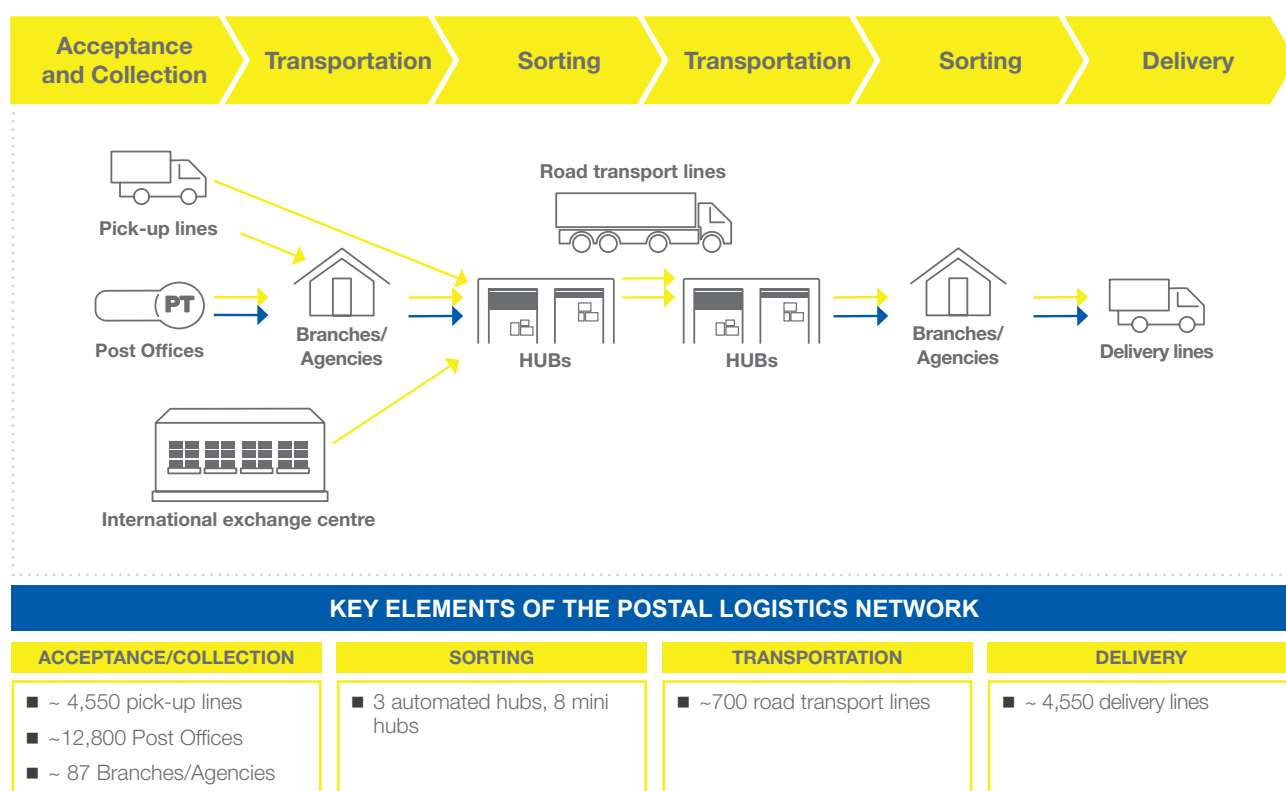
\* Logistics Network - Macro Areas, whilst coinciding geographically with the Post Office Network - Macro Areas, from 2018 have their own, separate organisations in terms of processes and competences.

\*\* Delivery staff include 26,673 Postmen and women and delivery supervisors (26,716 at 31 December 2018).

## Parcels network activities

Parcels and express courier products that are larger than those delivered by letter carriers are delivered via the network operated by the subsidiary, SDA Express Courier.

SDA's logistics flow is shown below.





# The contribution of Poste Italiane to Italy's economic development

Poste Italiane is currently the largest logistics operator in Italy, and is a leading player in the financial, insurance and payment services sector. The Company plays an important role within the country, contributing to the creation of shared economic value for the entire nation: it is, in fact, able to produce wealth and employment not only through its own business, but also generating externalities through the involvement of a local supply chain.

In order to provide a complete representation of how the Company, through its business model and use of capital, creates shared value for the company and the country, Poste Italiane has defined a model that estimates the overall economic impacts generated on the territory. These impacts are measured through four quantities:

- GDP generated, estimated as the difference between the value of production and the intermediate costs of production;
- employment corresponding to jobs supported by Poste Italiane;
- earned income, based on the salaries and wages paid to workers employed in the economy thanks to the economic activities carried out by Poste Italiane;
- tax contribution, which refers to the total amounts paid to national and local Public Administrations.

In order to estimate the impact of the Company's economic activity, an impact analysis model, established in literature, has been used to quantify the "direct" impacts (direct consequences of Poste Italiane's economic activity), "indirect" impacts (generated by Italian suppliers as a consequence of the purchase of intermediate goods) and "induced" impacts (deriving from consumption expenditure by workers employed in the supply chain). The above model elaborates "Input-Output" multipliers calculated from tables and data provided by ISTAT and the Ministry of Finance. The multipliers show the effects on GDP, taxation, employment and earned income resulting from changes in the expenditure on goods and services in a specific industrial sectors. These effects are the result of intersectoral dependencies present in an economic system, due to which changes in the conditions in one sector of the economy lead to further impacts on related sectors and on the economic system and society as a whole. The multipliers were applied to the "basic" figures obtained internally by the Group.

It is important to underline that the impact on the country system generated by Poste Italiane also derives from investment activities directed to businesses and the State: the former can use the resources collected to carry out their business activities and make new investments; at the same time, investment in government bonds allows to finance public spending. Both types of investment represent a strong boost to the country's economy and are able to generate considerable externalities on the social fabric. However, from a prudential point of view, the model shown below does not include the impacts generated by investment activities.



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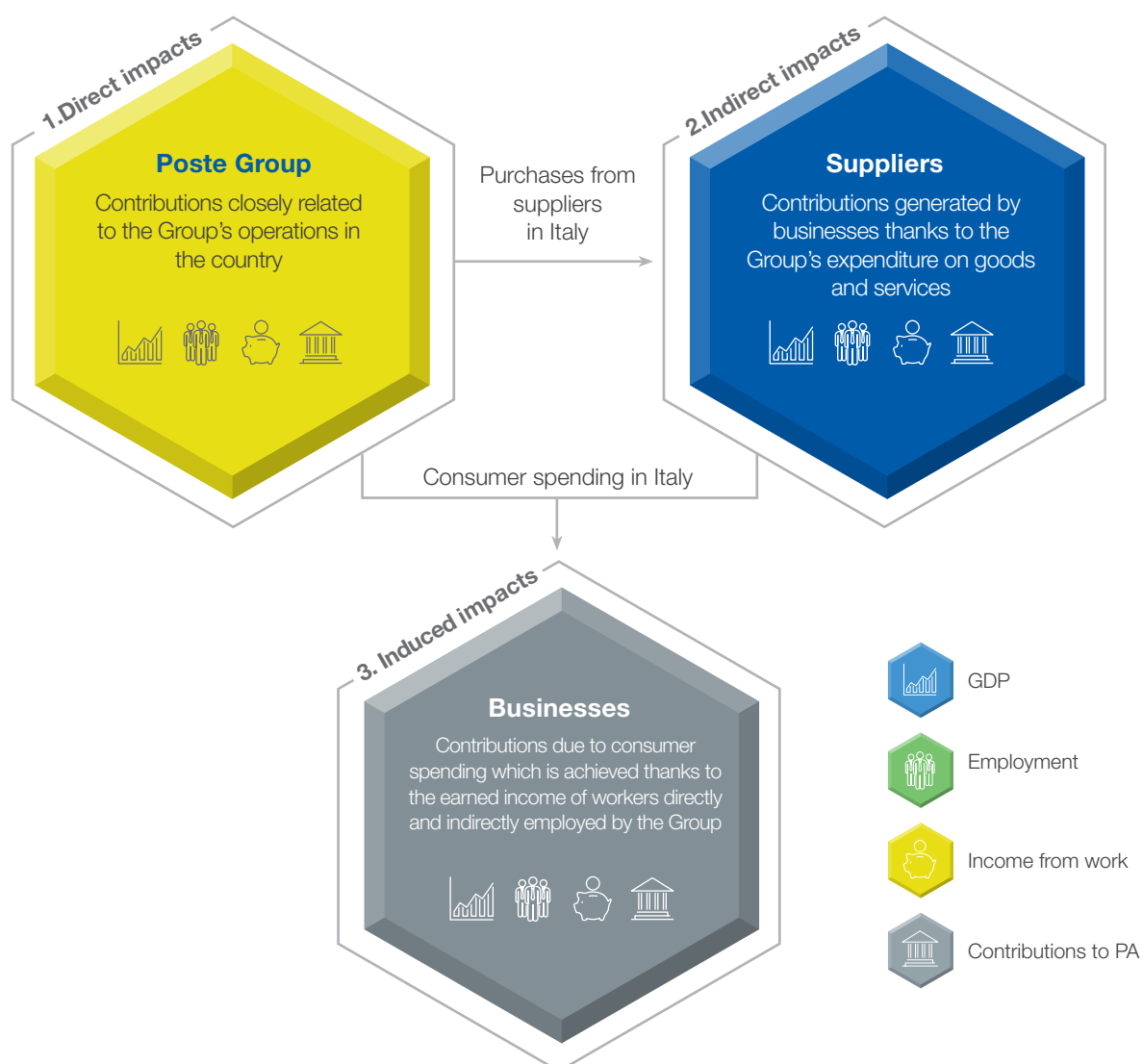


## The impacts generated by Poste Italiane

Poste Italiane's business activities, in addition to generating direct impacts (i.e. closely linked to the Company's economic activity), requires the purchase of goods and services produced by other companies (generating indirect impacts) and allows families who have received income thanks to the work done for the Group and its suppliers to purchase new goods and services (generating induced impacts).

The impacts generated by Poste Italiane on the supply chain concern the entire national territory and significantly involve small and medium-sized Italian companies

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



In 2019, the Group's operations carried out to produce and deliver goods and services through the use of productive factors had direct, indirect and induced impacts on the Italian economy amounting to approximately €12.5 billion in terms of GDP and €2.1 billion in terms of tax revenue. It may also be estimated that a total of 189 thousand workers have been involved along the production chain. The use of this workforce entails the distribution of income to workers, for a total of €7.5 billion.





A significant indicator of the Company's impact on the Italian economy is the so-called multiplier, a factor that shows the "leverage effect" generated by spending on purchases from local suppliers. According to estimates, €1 million spent by Poste Italiane is able to generate an impact on the economy of €5 million in terms of GDP, €1 million in tax revenues and €3 million in earned income, creating over 70 jobs in the production system.

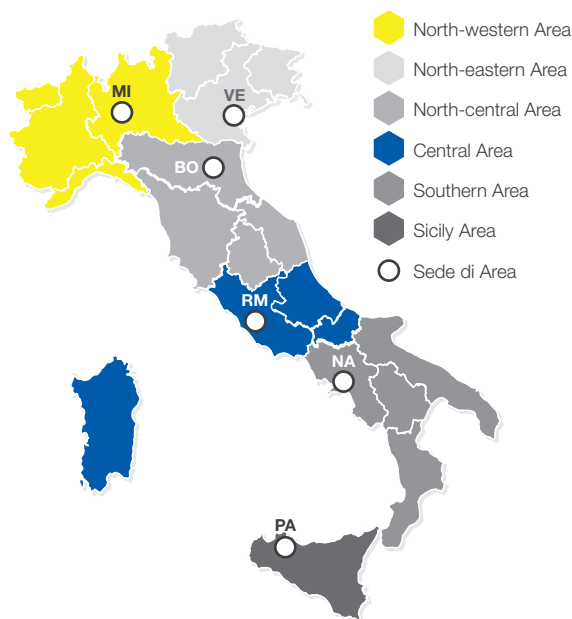
Below are two focuses on the area of Poste Italiane's suppliers, respectively the impacts generated by Italian suppliers in the individual Territorial Areas and the indirect contributions generated by Italian SME suppliers.






## Impacts generated in individual Territorial Areas

Considering the Province of the registered office of suppliers, the indirect impacts generated by them in each Territorial Area in 2019 have been identified.

The impacts arising from the activity of Poste Italiane's suppliers are distributed throughout Italy. The result is an economic boost and an increase in employment for the whole country



#	Territorial Area (€/000, n.)	 GDP	 EMPLOYMENT	 INCOME FROM WORK
1	North-western Area	1,012,010	16,324	434,714
2	North-eastern Area	128,478	2,153	54,882
3	North-central Area	131,940	1,976	50,865
4	Central Area	596,709	9,664	250,368
5	Southern Area	159,625	2,719	68,613
6	Sicily Area	54,187	1,020	31,513

More than positive results were observed from the analysis of the effects of business activities in the various territorial areas of the country. With reference to the various areas examined, there are values of Gross Domestic Product between €50 million and €1 billion. This results in an employment level of no less than a thousand people and a total income from work in excess of €30 million per area.

## 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.

Small and Medium Enterprises are a precious resource, in collaboration with Poste Italiane, in the creation of shared value in the national production chain. In 2019, the Group purchased goods and services from over 2,300 SMEs for a total value of €1.2 billion (48% of total purchases from Italian suppliers)



GDP

**€1.0  
billion**



EMPLOYMENT

**17 thousand  
employed**



INCOME FROM WORK

**€452  
million**



CONTRIBUTIONS TO PA

**€306  
million**



In 2019, SMEs impacted on the level of Gross Domestic Product for a value of €1 billion, leading to the employment of 17,000 people and an income distribution of around €452 million. Finally, more than €300 million have been created in terms of tax revenue. These values are considered as a total effect, therefore including any direct, indirect and induced impact.

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

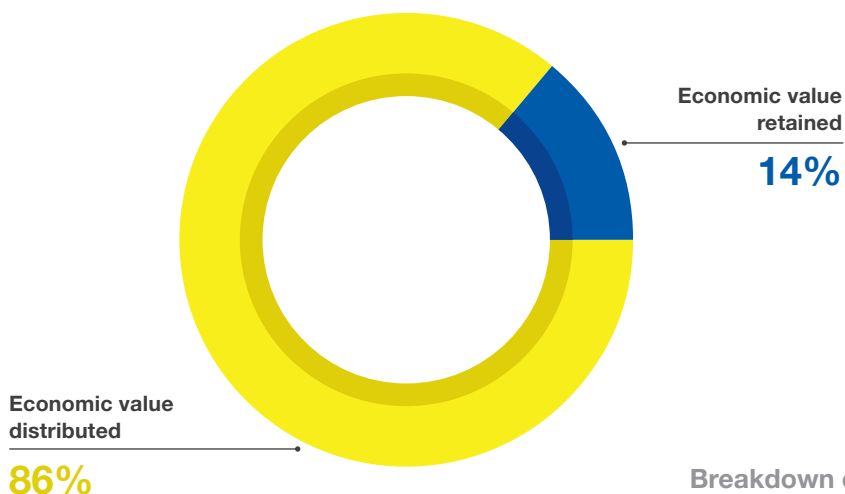


Poste Italiane provides information showing the quantification of the wealth produced by the Company and the related impact on the main categories of stakeholders it deals with in its business activities. The analysis, carried out in accordance with the requirements of GRI Standard 201-1, provides an overview of the economic value generated by the Company and the distribution of the value created to its stakeholders, such as suppliers, employees, investors, the Public Administration (PA) and its shareholders.

More than 86% 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 58.2% and 28.5% of the total value distributed.



### Distribution of economic value generated



### Breakdown of economic value distributed

