

Poste Italiane's sustainability strategy

Integrity and
transparency



People
development

Sustainable
finance

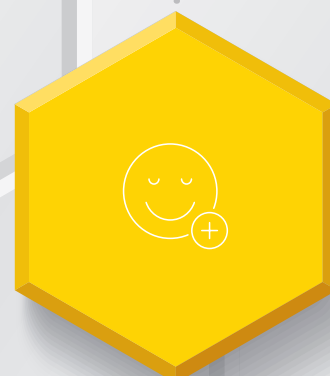
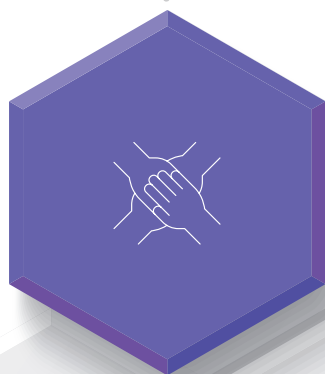


Innovation



**Diversity and
inclusion**

**Customer
experience**



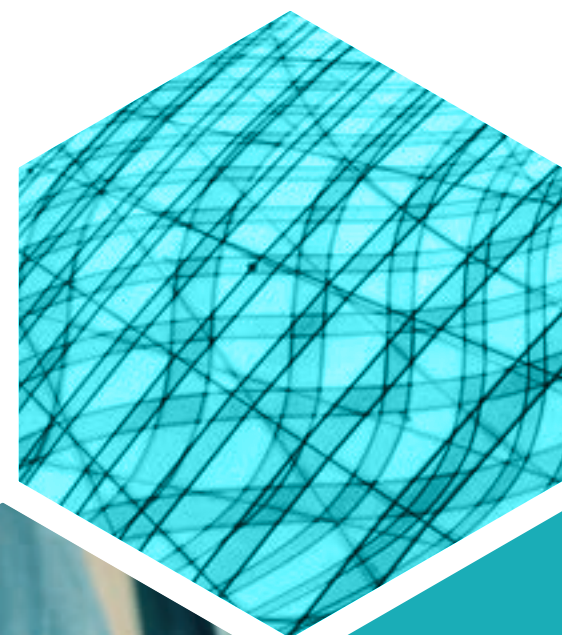
**Support for
local communities
and the Country
as a whole**

**Decarbonisation
of real estate facilities
and logistics**

Integrity and transparency

- Dissemination of the culture of Integrity and transparency throughout the value chain
- Definition of an integrated compliance model at Group level
- Ensuring knowledge of anti-corruption by all Group employees
- Confirmation of the highest legality rating score
- Number of tenders conducted on the basis of environmental criteria +15%
- Number of tenders conducted on the basis of social criteria +12%





Objectives, management methods and key performances achieved in the pillars of the Group's ESG Strategic Plan



Integrity and transparency

Main types of capital



Human



Intellectual



Physical/
Structural

Objectives	Timing	Indicator (KPI)	Target	Implementation status 2019
Certify the main Group companies in accordance with ISO 37001 standard	By 2022	% of significant Group companies certified to ISO 37001	100%	33%
Increase staff training on the Group's ethical principles (including respect for human rights)	By 2022	% of Group employees involved	100%	30%
Verify ESG aspects in the supplier qualification process	By 2022	% of suppliers belonging to significant product categories qualified according to ESG criteria	100%	25%
Carry out sustainability audits (ESGs) along the supply chain	By 2022	% of the Group's qualified suppliers subject to sustainability audits	100%	25%

Outcomes



Objective achieved



Objective not achieved



Deadline for achieving the objective has not yet expired

Work with transparency and integrity



Main related
types of capital



Ethics and transparency constitute the highest values of Poste Italiane's corporate identity. These fundamental principles guide the way in which the Company implements its business activities, which is, by its nature, is based on trust, as well as the management of relations

with all its stakeholders. Therefore, the Company recognises the strategic importance of compliance with internal and external regulations and codes of conduct, as well as respect for rules and absolute fairness, without any conflict between corporate and personal interests.

Our Plan: A Game Won

With a view to inclusion and in line with the transparent approach and increasing accountability, during 2019, the Company organised specific meetings between top management and colleagues in the relevant territorial areas up to the fourth levels of the organisation with the aim of developing open and continuous dialogue on the main corporate issues. The initiative, which involved a total of around 5,000 colleagues in the 6 stages in the cities of Milan, Venice, Bologna, Rome, Naples and Palermo, represented a moment of participation and cohesion that allowed Poste personnel to be equally involved in the path that the Company is taking, also in relation to the changes in governance and the sharing of the strengthening of control structures, and projects that affect all employees.

The company's Code of Ethics establishes principles and rules of conduct such as legality, impartiality and fairness, respect for and enhancement of people, transparency, thoroughness and confidentiality, as well as quality, diligence and professionalism. The Code also requires the parties concerned to refrain from activities - even on an occasional basis - that may generate a conflict with the Group's interests or may interfere with the ability to make decisions consistent with the Company's objectives. To this end, Poste Italiane has set up a system for reporting and managing conflicts of interest. The Company also intends to promote the dissemination of ethical principles and social responsibility among parties located within the Group's value chain.

Moreover, the Company disseminates its Code of Ethics at all levels within the organisation, so that the parties concerned may comply with its content, and every possible tool to promote its full application may be prepared.

In 2019, in order to promote the principles and values set out in the company's Code of Ethics, Poste Italiane organised a number of compliance-related training initiatives, focusing on specific regulatory issues such as safety in the workplace, regulatory compliance, the 231 organisational model, quality, anti-corruption etc., which involved the corporate population transversally.

The sustainability publication series

With the aim of ensuring the consolidation of an integrated and widespread ethical business culture at all organisational levels and to testify, from an accountability point of view, Poste Italiane's commitment to internal and external stakeholders, to implement the values and models of conduct that guide the company's mission, the Company has created a series of publications dedicated to corporate Sustainability Policies.

The content of the publications has been organised with the aim of highlighting: the general ethical principles, the company's values and policies, the duties of individuals and the ethical reflections in working practices, the rules and codes of conduct defined for the application of the values and compliance requirements and the control tools to monitor the effective implementation of the policies.

Furthermore, in addition to the Code of Ethics, the Group's Integrated Policy, adopted in 2018 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.

The Ethics Committee, whose functions are carried out by the Whistleblowing Committee, is responsible for receiving and managing reports that are handled via the new Whistleblowing Portal, as well as for providing support to the functions and corporate bodies responsible for investigating alleged violations of the Code of Ethics.

Poste Italiane's internal whistleblowing system ensures that all appropriate investigations are carried out into reports through audit, fraud management checks in the case of suspected criminal offences, and requests to the relevant function to launch a management investigation.

In the context of its internal control and risk management system, in November 2019, Poste Italiane updated the Guideline aimed at regulating the system for the reporting, by personnel and third parties, of acts or facts relating to breaches of internal and/or external regulations, as well as illegal or fraudulent conduct that may directly or indirectly cause economic, financial or image damage to the Company.

The main updates of the Guideline concern the composition of the Whistleblowing Committee, as the body responsible for receiving, examining and evaluating reports. In particular, the role of Chair will be assigned 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. In addition, the head of CA/GRM/Oversight 231 informs the head of the Corruption Prevention Compliance Function about reports of potential corrupt events, with evidence of the related decisions taken by the Whistleblowing Committee.

Poste Italiane's internal system for reporting violations is further strengthened by the provisions of the Organisational, Management and Control Model, also following its updat-

ing, with reference to the reporting of violations pursuant to Legislative Decree 231/2001. In particular, the new Model also provides that, in the management of reports received through the dedicated portal, the confidentiality of the identity of the reporter is guaranteed through the use of secure protocols.

With the objective of strengthening and improving its internal control and risk management system, in 2019, as part of the activities aimed at evolving and improving the efficiency of governance and the continuous strengthening of the internal control and risk management system in accordance with the principles of integrity, transparency and legality, Poste Italiane defined an integrated compliance model at Group level to create and strengthen operational synergies between the various specialist compliance risk controls. The integrated compliance model makes it possible to intercept any areas of compliance that are not fully supervised and to ensure uniform governance in the management of non-compliance risks also thanks to a clear definition of the roles and responsibilities of the players involved in the process activities.

In order to make its commitment to legality and transparency effective, Poste Italiane adopted an Integrated Management System with the primary aim of ensuring uniform governance of the systems implemented at Company level, whilst guaranteeing quality, occupational health and safety, data security, and prevention of corruption across all corporate processes and activities. The description of the various pillars discloses the specific certifications obtained by the Group.

Poste Italiane confirms ISO 37001 certification and extends it to Group Companies

As part of the process of Integrity and transparency, characterised by the achievement of ISO 37001 certification in 2018 by Poste Italiane SpA - the first Italian company in the finance and communications sector to obtain the Anti-Bribery and Corruption Certification - the company confirmed the certification also for 2019 (275 sites certified, 25 sites audited with a positive opinion on certification, 14,000 employees impacted). In addition, in line with the objectives set out in the ESG Strategic Plan, the certification was extended to the other Poste Vita and Postepay Group companies.

Further confirmation of the effectiveness of the actions carried out by the company in recent years on its internal control system is represented by Poste Italiane SpA and the insurance company Poste Vita's participation in the Collaborative Compliance regime, thereby further accelerating its tax transparency policies. This important recognition comes at the end of the positive assessment conducted by the Revenue Agency on the "Tax Control Framework" of the companies, which includes the system for the detection, management, control and mitigation of tax risk.

The admission of Poste Italiane to Collaborative Compliance consolidates the path inspired by the values of ethics, Integrity and transparency also in the financial and fiscal field, which represent for Poste Italiane the highest principles on which the corporate identity is based and which guide the very conduct of its business based by its very nature on trust and the management of relations with all its stakeholders.

As evidence of Poste Italiane's commitment in relation to the dissemination of the principles of integrity, the prevention of corruption and regulatory compliance, Poste Italiane confirms the absence of proceedings on established cases of corruption and sanctions relating to antitrust/anti-competitive practices.



As evidence of the degree of attention Poste Italiane pays to the correct management of its businesses, the Company has applied for and obtained renewal of its legality rating for a two-year period. It was awarded the top score, which has only been given to 6% of the applicant companies. The legality rating tool, which applies to Italian companies, was

introduced in 2012 to promote and introduce the principles of ethical conduct into the business environment by granting an award, which indicates the legality compliance level of the companies that have applied for it. On attribution of the rating, advantages in the granting of public funding are linked to facilitation of access to bank lending.

The Group invests in training and information activities for its staff to guarantee dissemination of a culture of Integrity and transparency throughout the value chain. In order to ensure that its employees are aware of anti-corruption issues, Poste Italiane provides ongoing compulsory e-learning and classroom training programme for all staff on anti-corruption principles and, in particular, on reporting mechanisms and any significant changes to anti-corruption legislation and/or the adopted regulatory system. In addition, the Group's general and specific anti-corruption principles are communicated to stakeholders also through dissemination of the Code of Ethics. In line with its Human Rights Policy, Poste Italiane's objective is to increase its training offering on integrity by providing in-house workshops to the entire workforce on specific issues.

Legality and incorporation of ESG criteria within procurement processes



Main related types of capital



For the Poste Italiane Group, promoting responsible supply chain management is primarily synonymous with the sustainability, functionality and traceability of procurement. For the Poste Italiane Group, promoting responsible supply chain management is primarily synonymous with the sustainability, functionality and traceability of procurement. The Company bases its procurement processes on pre-contractual and contractual relations geared towards full compliance with legality and transparency, by monitoring com-

pliance with current regulations and corporate directives to ensure the use of suppliers with adequate quality characteristics and ensuring compliance with regulations for the protection of workers and compliance with environmental standards. The path mapped out in the procurement process also includes ESG issues, involving investigation of suppliers' possession of specific requirements via progressive sustainability audits (e.g. respect for their employees' working conditions, etc.).

The Green Procurement function

With the aim of ensuring a selection of products and suppliers able to guarantee the best environmental performance, the Green Procurement function was established in December 2019. With a view to the continuous integration of sustainability aspects into the company's strategy and organisation, the new function has the responsibility of:

- ensuring the definition and adoption of sustainability requirements to be integrated into the technical assessment criteria for the identification of suppliers operating in accordance with the ESG principles adopted by the Group;
- ensuring the identification of specific performance indicators on sustainable development issues related to procurement processes in order to monitor the degree of sustainability of the entire supply chain, with related reporting;
- implementing the verification processes aimed at ensuring compliance with internal and external regulatory provisions in the procurement sector.

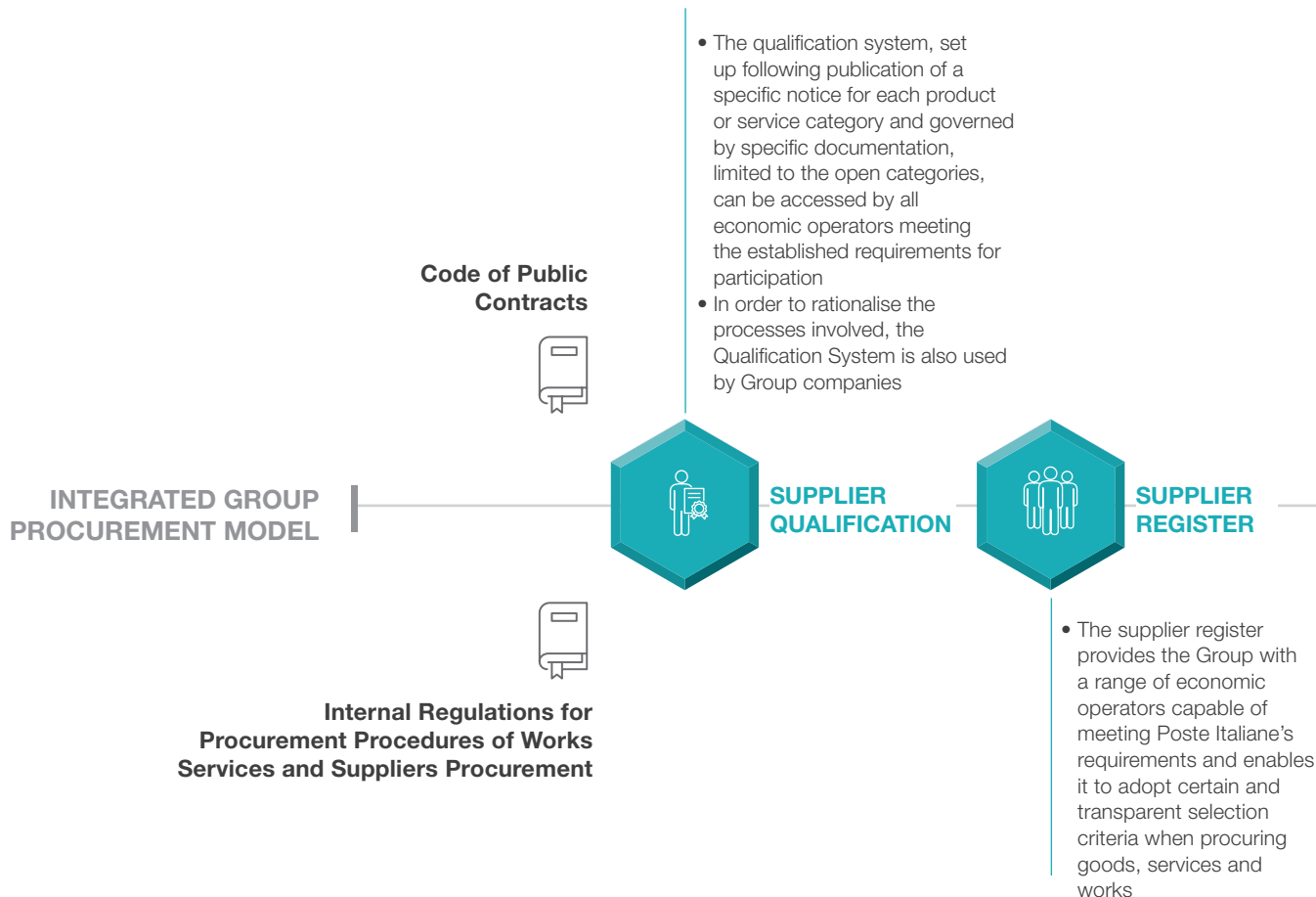
Poste Italiane guarantees equal opportunities to all suppliers, and the opportunity to compete in contract awarding procedures. Suppliers involved are required to comply with the EU and Italian legislation on competition, refraining from anti-competitive or unethical conduct that is contrary to the rules that safeguard competition. The Poste Italiane Group requires its suppliers - including any subcontractors, and their partners - to formally accept the guiding ethical and social principles and obligations regarding conduct set out in the Code of Ethics, the Poste Italiane Group's Integrated Policy and the Human Rights Protection Policy, which, as of January 2019, became an integral part of the contractual relationship.

In this context, the Group intends to strengthen governance and oversight of procurement processes, and continue the development of the project relating to the digitisation of internal processes in order to simplify and speed them up and reap environmental benefits, as well as strengthening the principles of transparency and impartiality in the processes of awarding works, service and supply contracts. With a view to making business processes and competitiveness more effective, Poste Italiane is committed to promoting the adoption of selection, assessment and monitoring criteria for suppliers in order to measure their social and environmental performance and mitigate any ESG risks

In 2019, in line with 2018, the Company revised and updated its internal procedures which govern the procurement process, regarding contracts that are subject to the Public Contracts Code as well as those excluded from its scope of application. In this regard, an update of the General Procurement Procedure was published during the year.

The procedures, 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 Code, if applicable, constitute the main governance and regulatory oversight of Poste Italiane's contract awards.

In 2019, the process of centralising Group companies' procurement activities within a corporate function continued in order to make them subject to the same procedures/verifications as those already provided for procurement by the Parent Company. In addition, the centralisation of procurement activities carried out in the territory was completed, which made it possible to overcome the 9 territorial divisions and consolidate the central structure of purchasing requirements by product area.



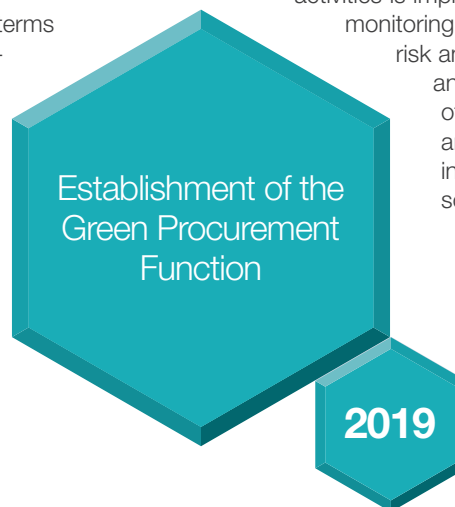
In recent years, the Parent Company's procurement has been marked by constant, large-scale use of competitive procedures that guarantee competitive advantages for the Company and ensure impartiality, transparency and equal collaboration opportunities for suppliers. Contract awarding procedures are also managed via the Procurement Portal (Poste-Procurement), the internet platform used for all procurement activities as well as for management of the Supplier Register. This IT system was set up to ensure efficient and integrated management of the entire procurement process, as well as to encourage and improve collaboration with suppliers, whilst meeting the requirements of confidentiality, authenticity, competitiveness, integrity and data sharing availability.

With regard to organisational controls in terms of checking, assessing and monitoring parties and counterparties, the Group Risk Management function in the Corporate Affairs function carries out activities to identify all the operational and reputational elements of risk needed to

ensure verification of the requirements of reliability and integrity, through analyses of the corporate, financial and asset profiles of companies and representatives and their relations with the Poste Italiane Group.

The purpose of such analysis of parties and counterparties is to limit the risks deriving from transactions with third parties; to guarantee adequate rotation of suppliers; and to minimise losses deriving from non-payment of receivables.

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. Therefore, combating fraudulent activities is implemented via a process of continuous monitoring of the degree of exposure to fraud risk and risk factors, through gathering and analysis of reports and signs of potential offences, examination of processes, and adoption of adequate and increasingly rigorous governance and supervisory measures for fraud prevention.



- Web platform used to conduct online tenders and in general in procurement
- Published rules meeting the requirements of the Public Tenders Code (Legislative Decree 50 of 18 April 2016)
- Group companies operate in the free market when procuring goods and services for use in operations and in achieving their business objectives, in keeping with the Public Tenders Code

Allocation



POSTE PROCUREMENT PORTAL



PROVISION OF GOODS AND SERVICES

- Supply of goods and services by the selected suppliers under contractually agreed terms and conditions



MONITORING

- Contracts management
- Checks on the goods and services provided with respect to what is declared

Centralisation of Group companies' procurement activities within a corporate function

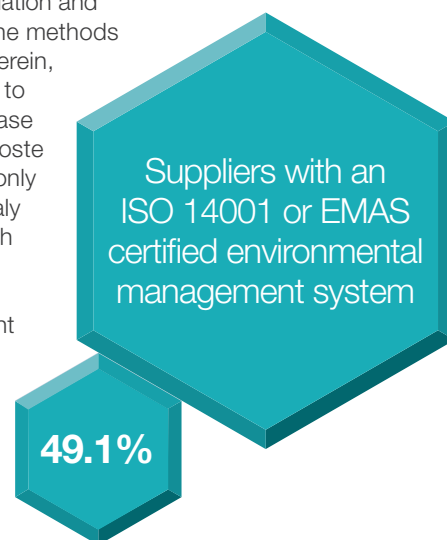
Supplier qualification procedures

In line with current legislation (art. 134 of the current Public Contracts Code), and in order to provide the Group with a pool of business operators who meet Poste Italiane requirements, as well as to adopt clear and transparent selection criteria in the procedures regarding the procurement of goods, services and works, the Company established its own Supplier Register in 2006. The aim is to simplify contract awarding procedures, while at the same time ensuring uniform standards among the selected suppliers in each product area, and transparency towards the market.

Training and management regarding the Register is governed by the Supplier Register Regulations which regulate the Supplier Register Qualification System, as well as by the Qualification System Regulations which regulate the system and the qualification procedure for each specific product category. For each product category, the Supplier Register may be accessed at any time by submitting a request accompanied by the necessary documentation.

All suppliers seeking qualification for the Supplier Register are required to meet general requirements (moral and professional suitability), as well as specific business, financial, technical and organisational requirements. The definition of more stringent requirements represents a strengthening element of the governance of the procurement process. In addition, in its relations with suppliers of works, services and supplies, Poste Italiane operates on the basis of standard contractual clauses that are constantly updated in consideration of new regulatory provisions and special needs expressed by

internal customers. The adoption of uniform contractual standards thereby provides a timely means of speeding up the process, keeping contracting timeframes to a minimum and, above all, ensuring adequate governance of the most significant matters. Finally, among the policies described in the Internal Regulation for the Award of Works, Service and Supply Contract Procedures, pursuant to Law no. 190/2012 as amended and supplemented entitled "Provisions regarding the prevention and repression of corruption and illegality in the Public Administration", Poste Italiane periodically publishes on a completely voluntary basis, on the portal "Open and Transparent Contracts", which is freely accessible by all citizens on its institutional website, information relating to both the assignment procedures identified by the reference legislation and according to the methods established therein, and in relation to exempt purchase procedures. Poste Italiane is the only company in Italy to provide such a high level of disclosure on its procurement process.



The Vendor Rating system

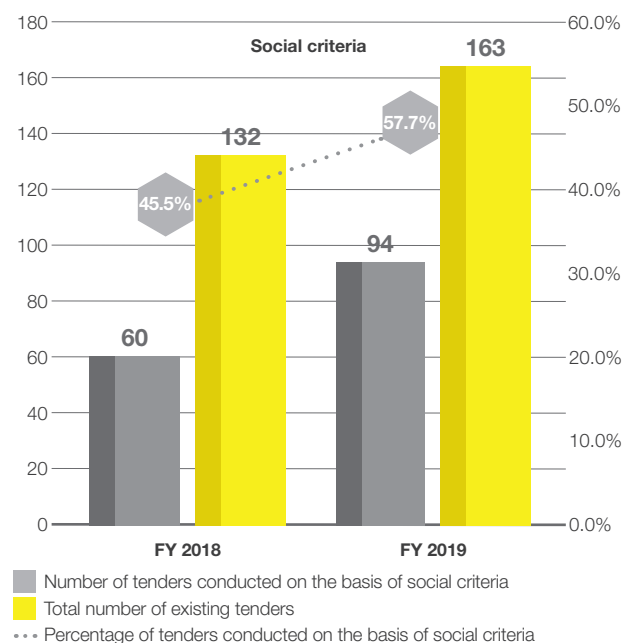
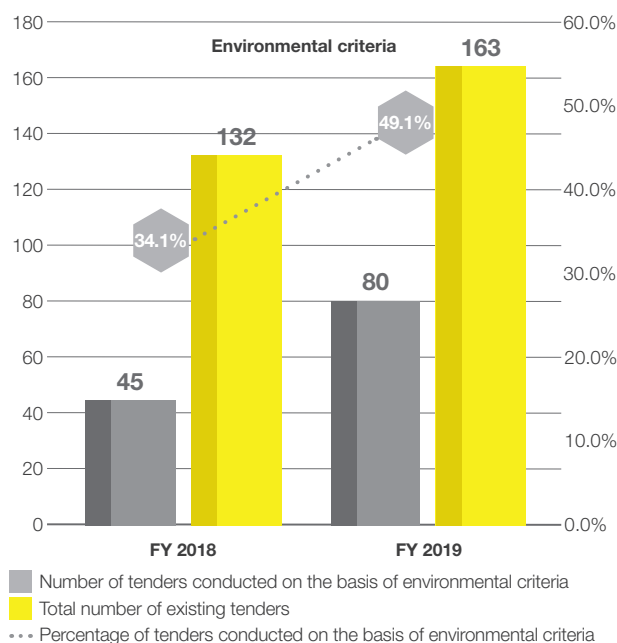
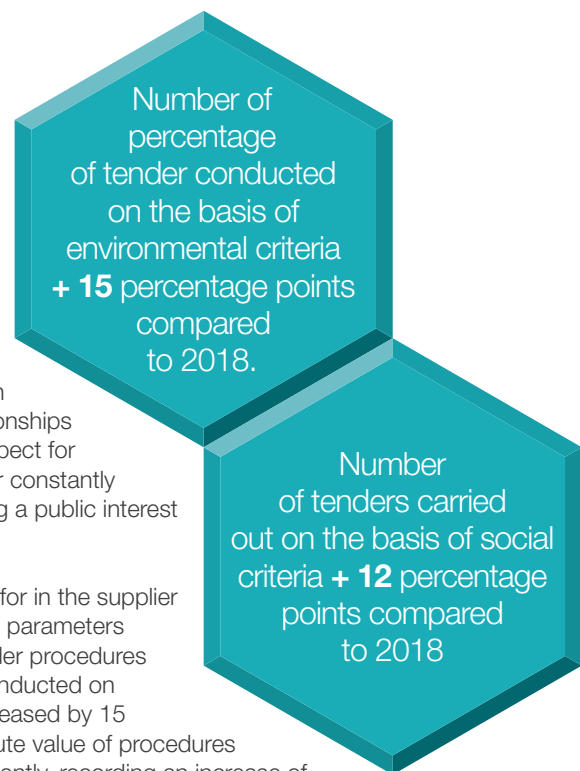
In 2019, with reference to the IT Services product category, a new Vendor Rating (VR) system with low operational impact was established, through the re-engineering of the processes for the detection and re-use of available information flows. The Vendor Rating Index (VRI) is a tool Poste Italiane has adopted for overall assessment of suppliers with regard to aspects relating to the levels of quality provided by the Company in the supply of goods and/or services. The VRI assessment is carried out at six-month intervals, with the overall results expressed on a scale from 0 to 100, and corresponding qualitative assessment brackets suppliers. The VR system is based on a structured methodology with three areas of interest: administrative, commercial and technical, for each of which the corresponding quality is assessed. The assessment is carried out by individual supply and by supplier. With the establishment of the new system, the Group has also defined and introduced specific KPIs for the centralised management of Supply Quality data on operational monitoring systems.

Selection of suppliers

On the basis of the procurement requests prepared by the requesting departments, Poste Italiane then proceeds to the selection of suppliers (which in the case of procedures arising from the Supplier Register, takes place among qualified operators), and, subsequently, to the signing of the contract with the identified supplier.

For some time now, 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, and paying utmost attention to quality, safety and respect for the environment 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.

In this regard, specific environmental and social criteria are provided for 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. The number of percentage of tenders conducted on the basis of environmental criteria compared to the total in 2019 increased by 15 percentage points compared to 2018 (49.1% vs. 34.1%). The absolute value of procedures carried out on the basis of social performance also increased significantly, recording an increase of 12 percentage points (57.7% vs. 45.5%).



In its relations with suppliers of works, services and supplies, Poste Italiane operates on the basis of standard contractual clauses which may be revised in the light of regulatory provisions or adapted to meet specific internal requirements. In particular, the main clauses concern: the regularity of the supplier's contributions and remuneration; compliance with labour regulations (Legislative Decree 276/03 and subsequent amendments and integrations Public Contracts Code); the applicability of Collective Labour Contracts; the absence of breaches of workplace safety regulations (Legislative Decree 81/2008 and subsequent amendments and integrations); the absence of environmental crimes (Legislative Decree 152 of 3 April 2006 and subsequent amendments and integrations).

The Group intends to promote the adoption of ethical standards of conduct by its suppliers, also by encouraging the attainment of certifications, such as quality (ISO 9001), environmental (ISO 14001), social (SA 8000) and occupational health and safety certifications (OHSAS 18001/ISO 45001).

In continuity with previous years, Poste Italiane has implemented the criteria set out in Green Public Procurement (GPP) in order to combine sustainability in terms of reducing environmental impacts and cost rationalisation.

Cleaning and sanitation

For this product category, assignments are carried out in accordance with Green Public Procurement, which requires the adoption of the “Minimum Environmental Criteria” or “MEC” contained in Ministerial Decree 24/05/2012, and respecting the figure of 15% provided by the Ministerial Decree relating to the awarding of specific scores for beneficial green procurement techniques (e.g. dosing systems and cleaning techniques; electrical equipment and machinery bearing information about the brand, model and power

capacity, and specification of the energy consumption and noise level for each device; a separate waste collection plan; vehicles used for low environmental impact transport; and Ecolabel products and consumables).

In 2019, all tenders relating to cleaning and sanitation services (13 contracts awarded) were in compliance with the MEC.

Catering

In order to guarantee the provision of a Company catering service with a reduced environmental impact, which in terms of processes and content is characterised by respect for all aspects of environmental, economic and social sustainability, Poste Italiane has granted a concession for catering services operating within its real estate facilities in compliance with Green Public Procurement principles.

Poste Italiane rewards the supply of BIO, IGP, DOP, sustain-

able fishing etc. products, in a percentage higher than the minimum quantities prescribed by MEC in relation to the food supplied in the company canteens present in some territorial realities. In this context, local suppliers who guarantee IGP, DOC, DOP, etc. certified products are potentially involved in the supply chain of food products for canteens and bars.

Currently, all 12 contracts active nationwide are “green”.

The canteen becomes plastic free

Poste Italiane has implemented an action plan to reduce the use of disposable plastic in the canteen of its headquarters in Rome.

Since November 2019, several changes have been introduced in the daily routine aimed at eliminating some disposable plastic elements (eco-compostable teaspoons, reusable/washable polycarbonate glasses, regularly sanitised metal cutlery) with the aim of incisively reducing plastic consumption and the resulting environmental impacts.

Logistics

With reference to the purchase of the main services (full rent fleet, transport services, etc.), when the tenders are completed, an eco-sustainability rewarding score is given

to offers that provide for the vehicles used for the services covered by the tender classes of lower CO₂ emissions.

Works

The Supplier Register for Works categories - as well as being organised into product categories that are specific to the type of work (civil and industrial buildings, water and heating plants, plants, etc.) - provides for a qualification system for business operators according to the type of contract, for regional areas, or for Area Offices (corresponding to regions or groups of regions), which have primary or secondary headquarters in the area of registration, or which have carried out major contracts in the relevant local area.

In the context of works contracts, specifically those relating to construction and plant works characterised by moderately priced services to be implemented in buildings or on sites located nationwide, this system encourages the presence of local labour, as well as the supply of preferably locally-sourced materials, with a view to reducing procurement costs by optimising the environmentally-sustainable aspects of the system (reduction of travelling times and distances, and the resulting CO₂ emissions).

For the same purpose, Poste Italiane subdivides works into lots by geographical area limited to large metropolitan areas (e.g. Rome, Catania, Palermo and Naples) and/or two or more provinces.

Another example of a localised supply chain is the one used for works contracts to be implemented in the two main islands, Sardinia and Sicily, where requests arising from the Register are preferably addressed only to regional suppliers.

Additional specific health and safety measures have been introduced into works contracts, whose assessments and measurements are contained in the Safety and Coordination Plans (SCP) and the specific Operational Safety Plans (OSP).

As evidence of Poste Italiane's commitment to occupational health and safety, the Group has established and provided for possible termination of supply contracts for all product categories in the event of a breach of one or more aspects of the relevant safety documentation.

Clothing

As regards clothing, in defining the assignment procedures utmost attention is paid to the green requirements of the equipment to be provided to delivery staff.

For postmen's uniforms, it is required that the fabric used for the packaging has the Oeko-tex or Ecolabel certificate. This certification guarantees that the packaging process of the same does not contain or give off substances that are harmful to human health, and certifies products with a reduced environmental impact.

For footwear and Personal Protective Equipment, it is required that the products comply with the minimum environmental reference criteria, in accordance with the Ministerial Decrees.



The new postmen's uniforms: functionality and design in the name of the environment

In 2019, the new uniform for postmen were supplied based on the principles of ergonomics, design and quality of materials.

The new uniforms have been awarded the green OEKO - TEX Standard 100 certification, an additional guarantee for the health of letter carriers and protection of the environment, as it is an eco-label that certifies not only the fabrics but also their dyeing process and guarantees careful control from an ecological and healthy point of view. The colour grey has been introduced to make the brand more recognisable and distinctive and the wearability of the garments has been improved with a design that combines functionality and aesthetics.

People development

- Centrality of people and of their needs
- 98% of the company population involved in training activities
- Culture of safety in the Company
- 100% of employees covered by Collective bargaining agreements







People development

Main types of capital



Objectives	Timing	Indicator (KPI)	Target	Implementation status 2019
Provide continuous training to all Group employees	By 2022	Hours of training provided	20 million	> 5 million hours
Expand the scope of the workforce involved in the performance appraisal system	By 2022	% of employees participating in the evaluation system	90%	97%
Increase the quota of middle managers and white-collar staff involved in the MLAB development plans (Managerial LAB for the enhancement of middle managers who have further growth potential) and POP (Professional Guidance Programme which identifies and develops talented young people)	By 2022	% of middle managers and % of employees involved in development plans	20% of middle managers and 25% of employees	22% employees (POP) 15% managers (MLAB)
Increase employee satisfaction	By 2022	% of employees who declare to be satisfied	50%	76%
Reduce the rate of absenteeism due to sickness	By 2020	Illness absenteeism rate	3.49	3.99
Promote membership of the Welfare platform	By 2022	% conversion rate of Group employees' performance-related bonuses	15%	85%
Reduce the number of Group employees' occupational injuries	By 2021	Number of injuries	-790 events in the PCL area compared to 2017	-220
Reduce the occupational injury frequency rate for Group employees	By 2021	Injury Frequency	-8% compared to 2017	-1.49%
Reduce the occupational injury seriousness rate for Group employees	By 2021	Injury seriousness	-8% compared to 2017	-12.71%
Reduce Poste Italiane SpA's work-related stress levels	By 2020	Work-related stress risk level	Reduction of the risk of 40 homogeneous groups from "medium-high" to "not relevant"	Overall evaluation expected in 2020
Certify the main Group companies in accordance with the ISO 45001 standard	By 2021	% of the Group's production units certified	100%	60%
Increase the number of prevention initiatives for employees	By 2021	No. of initiatives	+40% compared to 2019	New
Increase the number of educational and professional orientation initiatives for employees' children	By 2022	No. of initiatives	+15% compared to 2020	New
Increase the number of parental participation in soft skills enhancement programs developed on the occasion of care activities	By 2021	No. of registrations	+20%	New

Outcomes



Objective achieved Objective not achieved Deadline for achieving the objective has not yet expired



Staff training and development

Main related
types of capital



The continuous development of knowledge and skills plays a key role in the process of enhancing the value and growth of the people of the Poste Italiane Group and is, at the same time, crucial for the creation of competitive advantage and the achievement of corporate objectives. For Poste Italiane, training is an integral part of systemic action for the development of people aimed at responding to the innovation requirements of the market and the organisational needs at company level. With this in mind, the Group implements a continuous process of creation and enhancement of skills, promotes the development of new training methodologies and provides for the development of innovative knowledge sharing tools.

As mentioned in the Code of Ethics, the Group protects, acknowledges and rewards each person's contribution, and is committed to offering equal employment and career advancement opportunities to all employees, which are key elements in maintaining staff satisfaction.

The Group promotes the development of innovative professional skills in line with evolving market trends and the various business needs

Training activities play a key role in achieving the objectives set out in the Deliver 2022 Plan. The Company Strategic Plan envisages around 20 million training hours by 2022, of which 6.5 million dedicated to staff working in the financial sector, in order to ensure development of skills in line with market trends, customer needs and regulations.

In this regard, more than 5 million training hours were provided in 2019, of which 1.4 million dedicated to resources operating in the financial sector.



In 2019, training activities focused on the following areas: Digital & Innovation Mindset, Customer Centricity, Financial and Insurance Consulting, Lean Culture, Technical Skills, and provide three main backbones of intervention:

- managerial training, aimed at developing leadership and creating a managerial culture of excellence;
- specialized technical training, oriented to the development and maintenance of the most strategic skills for business and digital innovation;
- mandatory and compliance training, focused on regulatory issues that involve the company's workforce transversally.

With regard to managerial training, the Poste Talks initiative was implemented in 2019. The initiative, which took place during seven workshops attended by top management and management, covered topics and projects of particular strategic importance for the Poste Italiane Group, with the aim of encouraging the sharing of knowledge and the analysis of organisational complexities and interdependencies connected with the achievement of corporate objectives.

The function responsible for the governance of training is the Corporate University, established in 2015, with the mission of guaranteeing learning paths. In 2019, the Corporate University was organised in Academy, on the basis of the various skills to be developed, thus providing for the structure of the latter in Academy, such as: Managerial Academy, Financial Academy, Postal Academy, Logistics and ICT, Corporate Academy, Business and Customer Operations, Digital Academy and Innovation. The Company also adopted a specific staff training procedure (Training Procedure and Operational Training) in 2018 with the aim of defining the operating mechanisms and organisational ownership regarding training and operational training activities, based on logics designed to guarantee the effectiveness, efficiency and compliance of the expected outcomes, introducing significant organisational and control measures.

On the basis of the guidelines drawn up by the Parent Company, the subsidiaries implement the procedures, adapting them to their size and their organisational and operational context, in order to develop and extend the organisation's knowledge and capitalise on the Company's experience.

Diversified skills development within the Poste Italiane Group

Mail, Parcels and Distribution

The Company has paid particular attention to the regulatory compliance requirements relating to the financial and insurance world (ESMA -MIFID II and IVASS regulations), with the aim of ensuring the maintenance and development of the skills required by the staff of intermediaries who advise clients on investments and insurance products, assessing the related skills development needs with a view to continuous training. In relation to Postal Savings, classroom and online courses were provided in accordance with the agreement with Cassa Depositi e Prestiti. Particular attention was paid to training on new products for the sales channel. In addition, the new course "Consultancy in Poste Italiane", dedicated to all Specialist Financial Consultants, was created with the aim of strengthening the knowledge and skills necessary for the proper performance of the consultants' activities, in line with the new model for the provision of consultancy services. An important new element regarding training systems, introduced in 2019, was the definition of a new induction path for Specialist Financial Consultants and Specialist Mobile Consultants, called "Induction & Professional Development", dedicated to the newly inserted resources, with the aim of accompanying and supporting the insertion and professional development of resources and developing their knowledge through the activation of training programmes in classroom, coaching and online modalities.

Financial Services

In continuity with the "Ascoltiamoci" initiative provided in 2018, a specific classroom course called "Ascoltiamoci reload-ed" was implemented for knowledge sharing between the various functions of the Group and the after-sales structures with the aim of developing a new method of structured listening between the various structures involved to identify solutions to issues of common interest. In addition, the direct path to the management of Banco Posta and Banco Posta Fondi SGR, the "Business Beyond" initiative, was carried out with the aim of sharing the new business challenges with a focus on managerial behaviour and the main levers of change.

Insurance Services

At Poste Vita, with the aim of ensuring alignment with regulatory and socio-economic developments, the training activities integrate innovations relating to products and services with as many relational skills and the ability to take customer needs into consideration. In particular, during 2019, the main issues addressed in relation to the evolutionary scenarios concerned both general and insurance regulatory adjustments (e.g. IVASS Regulations - Regulation no. 40/18 and IDD, Legislative Decree 231/01, Anti-Money Laundering and Anti-Corruption, GDPR Privacy, Occupational Safety). Within the Key Professional project, internal teaching initiatives have been activated for the benefit of staff on technical-specialist topics. Finally, the "Executive Master in Insurance & Finance EMIF" continued, the two-year Master programme of high specialist level aimed at young talents, particularly in core business functions.

Payments, Mobile and Digital

With reference to the PostePay Group Company, specialist training courses have been provided on ICT (Big Data Analyzing, Big Data Architecture and Machine Learning), ITIL and COBIT certifications, as well as the development of Pricing Techniques and the use of specific tool-sets available. The company has also participated in two CeTIF HUBs (Research Centre on Technologies, Innovation and Financial Services of Università Cattolica) for the Blockchain and Compliance area.

Within the Change Management plan, the initiative implemented from 2018, with the aim of facilitating the mutual knowledge and exchange of professional knowledge between people from the Mobile, Payments and Digital world, training, communication and engagement interventions have been defined to support the process of business integration of the two industries - TLC and payments - and direct knowledge of people.

Finally, within the "Digital Cafes", the periodic meetings in which Postepay's personnel shares innovative topics related to business, it was possible to promote the integration of people's knowledge starting from the heritage of knowledge and experience already present in the company and spread further know-how on particularly innovative and "frontier" issues.

Continuous performance improvement

In order to make the qualitative and quantitative effects of training activities measurable, it continued the use of an evaluation system that measures the perceived effectiveness, efficiency and quality of the training programmes provided through the use of specific performance indicators with the aim of promoting continuous improvement.

In particular, in line with digital innovations, a new digital tool has been introduced from the second half of 2019 that allows the online filling in of perceived quality questionnaires and the management of surveys, Q&A sessions and live surveys of any training event.

In addition, in the last few months of 2019, an experimental study was launched to correlate training with the company's business performance indicators, with the aim of defining an additional level of evaluation of the effectiveness of training in accordance with the ROI Evaluation Process Model.

From the point of view of monitoring training actions and reporting to the compulsory training control functions, periodic monitoring activities are carried out and periodic information flows to company departments and internal and external controls are implemented in relation to the progress of the various regulatory areas covered by the training plans.

The development system

The development system at Poste Italiane supports the growth of the business through the enhancement of its people, seizing their potential, developing their talent, supporting their motivation, consolidating their experience through growth opportunities. The set of actions that focus on people are the driver of change.

During 2019, the Development System was consolidated on the following 3 macro clusters that integrate an articulated set of processes, tools and methodologies:

1. **Scouting:** aimed at identifying potential and the most qualified staff.
2. **Management planning:** aimed at identifying development priorities with a view to succession and the reduction of managerial risk.
3. **Development:** aimed at supporting the individual growth of staff members and accelerating their professional development.

These initiatives are dedicated to diversified target populations belonging to all corporate functions and Group Companies.

In particular, the following objectives were pursued during 2019:

- improvement of engagement and motivation, through participation activities in a bottom-up logic;
- people enhancement and promotion of professional development to create a pipeline of talents at various levels of seniority, through the knowledge of their experiences, skills, aptitudes, potential and motivation;
- promotion of the evolution of the company culture and managerial aptitudes in parallel with the market and organisational transformation.

With reference to improving engagement and motivation according to a logic of bottom-up involvement, during 2019, the projects "Paths for innovation" and "Unleash your talent" were activated in particular.

"Libera il tuo talento" (Unleash your talent)

"Libera il tuo talento" (Unleash your talent) is an initiative designed to allow all the staff of the Company to propose ideas on topics relevant to the business. The project is part of the wider framework of corporate initiatives aimed at promoting active participation and a culture of innovation. Poste Italiane brings talent into play, promoting the development of potential and a cooperative working climate, encouraging the development of innovative solutions through comparison and teamwork. The first focus of the initiative involved 600 employees who, through the sharing of experiences, skills, curiosity, inventiveness and vision, were called upon to discuss the issue of environmental sustainability in order to propose an original approach.

In relation to the enhancement of people and the promotion of professional development in continuity with previous years, all scouting programs have been consolidated with the aim of identifying potential, skills and expertise that can feed the talent pipeline at various levels of the organisation. It concerns:

- **POP:** is the process of identifying potential young people with limited company seniority, inserted, according to predefined criteria, in a process of assessment and professional orientation, functional to growth towards management area roles. The process is managed by internal Councillors, appropriately trained and certified to conduct the assessment and subsequent development sessions. The high potentials feed the so-called "Pyramid of Talents", with particular reference to the "Young Talent" basin.
- **MLAB:** is the process of identifying solid professionals and managers, with consolidated experience in a framework position, to be developed on positions of greater complexity. The high potentials feed the "Pyramid of Talents", with particular reference to the "Key Talent" basin.
- **Leadership Assessment:** the process of assessing managerial skills for Level II and Level III Executives, aimed at identifying the development potential for planning succession plans and/or paths for further managerial growth.
- **SKILL-UP:** the process of assessing skills in the profession (technical-specialist), which makes it possible to intercept skills champions and identify gaps with respect to the expected role. The evaluation is carried out through a series of tests and trials (simulations, business cases, etc.) and by group assessment centers.

Performance Management is the program for measuring people's performance and is a process that periodically involves the entire company population. It is envisaged to activate extended 180° assessments that allow gathering different points of view (manager, colleagues, assessed person) regarding managerial conduct. The programme also included a 360° assessment for Level I and Level II managers. Among other things, the Performance Management system enables gathering of opinions, degree of satisfaction, appreciation and level of sharing of the appraisal received by the workforce involved.

Consistent with previous years, the Management Review and Succession planning processes were implemented in 2019, respectively for the mapping of the management population and the identification of successors.



Specific initiatives have been implemented to support the evolution of the corporate culture and managerial attitudes in parallel with the market and organisational transformation. Among these, specific mentoring paths have been activated, aimed at promoting the exchange of mentorship relationships between managers and professionals belonging to various functions and geographical areas according to an accompanying process in which the Mentor supports the Mentee in the pursuit of professional goals, contributing to the dissemination of managerial best practices.

Individual Business Coaching is an additional tool to support managerial growth, complementary to Mentoring paths. An e-coaching programme was launched in an experimental way in 2019 using a digital platform that has made it possible to reach people widespread throughout the country.

The change underway has also involved the activation of all business functions with the aim of evolving processes, systems and operating tools to make them more in line with the new challenges. In particular, the Human Resources function is increasingly involved in the development of a more evolved mindset in terms of internal customer care, management and caring of people in a "customer oriented" logic. The "Culture of development in the territory" project is part of this line of action and has been implemented in the design and implementation of an internal and itinerant training course on issues of organisational development. Another initiative with impact on the change of organisational culture was TEAM (Territori Ed Altro In Movimento), a change management programme aimed at territorial reorganisation in which, through a cycle of Group Coaching, the employees involved were called to "ground" the new organisation, co-constructing a managerial approach based on a common vision and a shared integration model.

Lastly, ContamINazione in Business Market and Public Administration was also launched, an awareness-raising project aimed at disseminating the knowledge acquired by employees in the course of their professional experience on current company issues. The aim of the initiative is to structure a circular and widespread exchange method, in which everyone can make their contribution by communicating and sharing experiences and activities. The initiative provides for periodic meetings open to colleagues who share their knowledge on topics of interest, proposed by an Editorial Committee, regarding the commercial field, knowledge of company and market processes and managerial skills.

Staff welfare and wellbeing



Main related
types of capital



The wellbeing of people has always been considered by Poste Italiane a key factor to safeguard and consolidate. In particular, the Company is engaged in interventions aimed at improving the condition of employees and their families with increasing attention to aspects related to work-life balance, motivation and issues of high social relevance.

The valorisation of people has been the subject of multiple interventions aimed at improving the state of wellbeing of personnel in order to allow easier living conditions and more efficient working performance. These actions represent an indispensable prerequisite for increasing loyalty with a consequent increase in production, engagement and, in general, the business climate and social wellbeing.

Through an intergenerational vision, the Group's welfare strategy aims to guarantee the central importance of people and their needs, engagement with local communities and social organisations, paying attention to families and social inclusion

V.A.L.O.R.E. survey (Life Action Work Opinion Realisation Experience)

As part of the process of listening to personnel, Poste Italiane has launched a survey called V.A.L.O.R.E.. Listening to Poste Italiane personnel, aimed at analysing the perception of the working environment, the promotion of improvement processes and the level of employee involvement in company processes.

In particular, the listening activity aims to analyse the perception of the actions undertaken by Poste Italiane within the Deliver 2022 strategic plan, the business transformation programme launched in 2018 with the aim of strengthening Poste Italiane's leadership in the distribution of mail and parcels and in the delivery of financial and insurance products.

The survey, carried out during 2019, involved a large number of Poste Italiane Group employees working in the financial and digital sector, distributed by age, gender and geographical area. This survey revealed a positive opinion of the Company in terms of "sentiment", reputation and satisfaction with the activities carried out in relation to the implementation of the Business Plan. Poste Italiane is perceived as an ethical company, open to innovation and capable of looking to the future, and above all able to focus on professional and human activity and transparency in its work and to make employees participate in a common project.

Thanks to the digital revolution happening across the entire company, the Group has been able to introduce and consolidate new channels of communication with its employ-

ees. Such means facilitate the simplification of processes and services related to the everyday working life.

NoidiPoste, the innovative mobile channel in support of Poste's employees

NoidiPoste app is the new application for Poste Italiane Group employees to access useful content and services on the move. Available on AppleStore and GooglePlay, the app provides mobile access to a wide range of content and services, such as managing business travel and illness or booking holiday homes for colleagues with specific requirements, customising homepages and menus, and much more. In 2019, the app integrated the "Meal Vouchers" and "Job Posting" services, providing the chance to see the remaining balance of the Ticket Restaurant card and to see job postings and apply directly via app. With the aim of improving and implementing the services in the app, the "Your opinion counts" service, integrated in the app, provides the opportunity to respond to quick surveys, also useful to guide the development of services designed to improve the professional life of Poste employees in a co-design perspective. Reaching 60,000 downloads in 2019, the app is the most widely used mobile channel, allowing to increasingly strengthen access to corporate channels outside the office. "Your opinion counts", as a new activity of listening to the people of Poste therefore aims to be a further opportunity for discussion with the employees of the Company to know and develop their degree of involvement and satisfaction and at the same time communicate the commitment of the Company to find answers to their questions in a perspective of continuous improvement of the company's performance.

By promoting the commitment to health and safety at work, support for active parenting, attention to the training of people and safeguarding their wellbeing, Poste Italiane has activated a value chain for the development of a business

and inclusive culture capable of responding to the challenges and opportunities of the market and involving and listening to the local realities.

Redazione Diffusa (Widespread Editorial), the initiative to give voice to the territory from the territory

Participation and corporate communication also come from proximity and knowledge of the territory. With this in mind, in 2019, "Widespread Editorial" was created, the community of fellow editors whose aim is to give space to stories and news from the territory by creating a network of people and widespread, specialised, passionate content. The contents produced by the editorial staff are published on the company intranet and, in some cases, also on the social channels of Poste Italiane. In September, a first workshop was held in Rome where new editorial staff were involved with the aim of developing together the collaboration model and defining the content standards for the expanded intranet editorial staff.

Poste Italiane's commitment to ensuring a state of wellbeing in the working life of its employees on a daily basis has been positively perceived not only by the latter, but also

externally; in fact, there are many awards at international level.

Poste Italiane Top Employer - Italy

Poste Italiane has been awarded the title of Top Employer Italy. The prestigious award was given to Poste by the Top Employers Institute, the global certification body for excellence in HR practices.

The Top Employer Italia certification is in addition to the other awards given to Poste Italiane by Universum Global, a Swedish company specialized in employer branding. Universum Global placed Poste Italiane second in relation to work-life balance, following the Most Attractive Employers Italy 2019 study carried out on a sample of over 40 thousand students and recent graduates from 44 Italian universities, identifying the most appealing employers based on the responses collected.

Moreover, the Company entered the ranking "World's Best Employers 2019" drawn up by Forbes, which identifies the top 500 companies in the world in terms of quality of working life, in which the Group ranks second globally in the "Life & Health Insurance" sector and fourth among all Italian companies.

Working for Poste Italiane means joining a large team, made up of about 130,000 people who, with skills, commitment and determination contribute to achieving the company's goals by participating in the economic and social development of Italy. With widespread presence in the territory through a network of over 12,800 Post Offices, Poste Italiane aims to be an inclusive development engine for the Italian economy.

Work-life balance

With the aim of reconciling the working and private lives of employees, Poste Italiane proposes various initiatives in the social field. A Company crèche service is provided at the Rome and Bologna offices, and, via an inter-company agreement, in Milan. Poste Italiane has provided for a contribution based on the type of working hours chosen and/or families' income status, thereby offering reduced rates to access the service. The company crèche provides a flexible educational service in relation to work pace and able to combine professionalism and quality in respect of the values expressed by families. The educational project is characterised by attention to the values of eco-sustainability and interculturalism and by

the educational alliance with families to promote a structured dialogue, also through innovative communication methods (e.g. seminars to support parenting).

For the disabled children and siblings of employees, an initiative has been created, now in its eighth edition, which provides for two residential stays of 15 days each, with personal assistance and entertainment services provided by a team of specialised operators, with total costs borne by the Company. In addition, families accompanying the children are offered packages at advantageous economic conditions.

Posteapertetutto l'anno (Poste open all year round)

Created in 2019, "Posteapertetutto l'anno" is a path of involvement and participation of colleagues and their families. Initiatives already launched and planned for 2020 include school orientation courses, scholarships, participation in cultural and educational events and much more.

The first stage of this journey was the Open Day for the children of employees aged between 3 and 10, which took place on 5 December 2019 in 13 locations throughout the country and was attended by over 1,000 children. Environmental sustainability has been the theme that has guided the games and workshops and is one of the pillars on which the Poste Italiane Group's strategy is based.

As part of the actions aimed at modernising working methods and conditions within organised contexts and in line with the Company's objective of guaranteeing work-life balance, agile work as an evolutionary experience with respect to the space-time flexibility systems already adopted by the Company has begun in the Company, on an experimental basis, following the agreement with the labour unions. The experiment involves workers operating in defined organisational areas (including Group companies, PosteVita and PostePay) and, based on the progress of the initiative, the extension to other functional areas will be assessed.

The Company provides teleworking service. This is aimed

at people with objective care needs for themselves (e.g. pre- and post-natal periods; resumption of service after a long illness, injury or leave, disabled people) or their families (e.g. employees who need to care for elderly parents or children who are ill).

In addition, a network of agreements has been set up to provide employees and their families with access to products and services identified in line with their personal, social and parental care needs (e.g. summer camps for children and young people). Welfare payments are also provided to support employees with special needs, arising from serious personal and/or family situations or from serious natural disasters.

Camera con vista (Room with a view)

In 2019, the initiative "Camera con vista" (Room with a view) was launched, promoted by the Company and open to Poste Italiane employees who meet precise requirements, specifically, permanent contract and income from Single Certification not exceeding €25 thousand.

The initiative provides for the allocation of accommodation in places of purely Italian tourist interest for free stays of one week at different times of the year. An important opportunity that stems from the recovery of service accommodation owned by the Company, redeveloped and used as holiday homes.

Employees interested can apply through the dedicated functionality of the new NoidiPoste app that allows access to an online booking platform. Accommodations are assigned to the first candidates in order of reservation according to availability.

With the aim of promoting sport and fostering social relations within the Company, various initiatives have been promoted over the years in the sports sector. The great success achieved has led Poste to propose or introduce new

activities with the aim of involving an increasing number of employees and strengthening the links between the Poste Group and the latter.

Poste Italiane's national soccer team

In the wake of the success of the "Azzurri Partner Cup 2018", the tournament reserved for the Top Sponsors of the Italian national soccer team organized annually by the FIGC (Federazione Italiana Giuoco Calcio), Poste Italiane's national soccer team was created in 2019. The initiative has generated a high number of adhesions and has seen the coach in charge Angelo Di Livio, former professional player and established champion, select a group of colleagues registered in amateur soccer clubs. The National team took to the field to raise funds for charitable purposes. The National team was also confirmed for the second consecutive year as the winner of the "Azzurri Partner Cup" in Coverciano. This way, soccer becomes for Poste Italiane a tool for work-life balance as well as a way of closeness and support to the territory, values that the Company has always promoted.

Health and prevention

One of the priorities of the sustainability strategy adopted by the Company is the attention to employees in terms of protecting the health, safety and psychological and physical integrity of people, encouraging the development of a solid internal culture and aligning with best market practices. In this context, in 2019, the Health & Caring Project was launched with the aim of defining a programme of medical and nursing health services and training and clinical-diagnostic events aimed at strengthening employee health awareness and prevention, as well as coordinating implementation and logistical/organisational activities at company offices.

In line with previous years, the initiatives dedicated to prevention continued, as part of the Health Plan project. These initiatives have allowed 400 employees in 11 cities to access free specialist visits at the company's offices, together with seminars dedicated to the prevention of illnesses that protect the younger generations, such as the prevention of risks related to smoking and attention to correct eating habits. In addition, thematic campaigns were conducted and agreements for urological, ophthalmic, physiatric, and oncological medical visits were conducted at the Roma Eur office. Furthermore, it is the Company's intention to make the medical clinic at the headquarters available to all as soon as possible, and to replicate this project in the six Territorial Macro-Areas.

The Company's Supplementary Health Fund, supplementary assistance to support Poste employees and their families

Since 2018, the Company has been providing its employees with a form of supplementary health care that can also be extended to their families. The Fund provides for two types of health coverage: the Basic package, with charges borne entirely by the Company, and the Plus package, which extends the Basic guarantees through an additional minimum contribution to be paid by the employee. For the healthcare services provided through the programme, it is possible to take advantage of a network of affiliated healthcare facilities and trusted doctors and structures. With the aim of ensuring complete healthcare coverage in the area, in line with the characteristics and needs of the company's population, since 2018, the Fund has more than doubled its network of healthcare facilities and affiliated specialist doctors from around 23,000 to around 53,000. To date, more than 100 thousand employees have joined and as of 1 January 2020, all eligible employees will automatically join the Basic package, with contributions to be paid entirely by the Company.

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.

Regarding supplementary pension contributions, the Company contributes to the financing of Fondoposte for non-managerial staff, and to the PREVINDAI Supplementary Pension Fund for managers, so that pension benefits supplementary to the Compulsory Pension may be recognised.

The Welfare Platform

In July 2018, Poste Italiane signed an agreement with the labour unions regarding the performance-related bonus, which, on a voluntary basis, allowed employees to opt to transfer the entire amount of their bonus or a portion thereof to cover the cost of welfare goods and services with a social impact, in addition to those already provided for (supplementary pension). These may include, for example, education and training expenses, care expenses for the elderly and/or dependent family members, transport expenses, etc.

In 2019, the online platform was implemented for the initiative, via which employees will be able to convert their performance-related bonus with welfare goods and services. The initiative allowed staff to access a wide range of customisable goods and services and to take advantage of tax and contribution opportunities provided by law, together with an additional bonus recognised by the Company on the converted value.

Culture and education

The welfare plan has contributed to the enhancement of the intergenerational vision through the development of school and career guidance actions dedicated to employees' children. In the field of culture and education, Poste Italiane, in collaboration with Intercultura, has provided numerous scholarships to the most performing children of Poste Italiane's employees attending secondary school. The aim of the initiative is to promote the importance of international education and multiculturalism through educational experiences abroad in Europe and around the world. In order to involve the graduate and undergraduate children of employees, Poste Italiane has also planned Talent Days, orientation meetings with young people to help them approach future professions in a more conscious and targeted manner with respect to their personal inclinations and market prospects.

Over time, the Group has adopted internal regulations and policies for the main welfare initiatives, such as "Guidelines for the granting of subsidies to employees" and "Teleworking - Guidelines on social inclusion". Moreover, in 2019, following the results of the risk assessment and gap analysis activities, the two reference 231 procedures in the welfare area were updated, with particular attention to the strengthening of measures for the protection and safeguard of minors.

Due to the consequent social impact of the main welfare initiatives, feedback is systematically provided to employees' comments and reports on the company Intranet, as well as ad hoc satisfaction questionnaires on some of the main projects carried out in order to encourage monitoring actions and the planning of improvement actions.

In order to verify the level of adequacy of the company's welfare plans and to intercept the emergence of new needs, the company takes part in inter-company networks and thematic working tables for the development of benchmarks and the exchange of good practices (e.g. also through collaboration with sector associations to which it adheres, such as Valore D, Fondazione ASPHI) and makes use of questionnaires and surveys, both internal and external, to detect employee satisfaction. In the planning and development phase of the welfare plan, Poste Italiane also promotes an increasingly intergenerational approach, associated, where possible, with targeted analyses relating to gender, age, professional characteristics and the family status of the people involved in the initiatives.

Relations with social partners

Main related types of capital



Promoting constant dialogue with workers' representatives is an important aspect for the Group, which is committed to ensuring the wellbeing of its workers and protection of their rights, both under normal operating conditions and in the event of significant organisational changes.

The quality of labour union relations enables fostering of a positive corporate atmosphere and finding appropriate solutions for issues that may have a significant impact on the organisation, on the business and, in particular, on human capital, a fundamental asset for the Company.

The Group is committed to ensuring the welfare and protection of the rights of its workers and their freedom of association and collective bargaining, in accordance with current legislation.

In its Code of Ethics, the Group sets out the reference principles of fairness, impartiality and independence for the promotion of our relations with the labour unions.

Dialogue with the social partners is managed via periodic meetings with the labour unions, in order to ensure compliance with the law; the Group stipulates agreements with labour unions in the interest of its employees, in accordance with the bargaining procedures set out in the National Collective Labour Contract and the Consolidated Law on Representation.

The Group envisages the sharing and signing of specific agreements with the labour unions, regarding matters expressly provided for in the National Collective Labour Contract, as well as other matters relating to the achievement of objectives outlined in the Strategic Plan that have repercussions for staff in terms of legislation and/or organisational changes

In the event of significant organisational changes (reorganisation and/or restructuring and/or corporate transformation processes) that have social consequences with repercussions on working conditions, the Group refers to national collective bargaining, which provides a specific procedure for dialogue between the Company and the national labour unions signing the National Collective Labour Contract.

During 2019, various opportunities for dialogue with the labour unions enabled the signing of several agreements, the most significant of which are described below.



100%

of employees covered by collective bargaining agreements

Reorganisation in Logistics, Staff Structures and Post Office Network and the new sales model for the Small Business channel

On 26 June, 18 July and 2 October 2019, further agreements were reached to supplement the Framework Agreement of 8 March 2019 for the reorganisation of Logistics, Staff Structures and Post Office Network.

In particular, on 2 October 2019, the Company and the Labour Unions signed an agreement that defined how to manage the impact on employment resulting from the application of the new sales model that Poste Italiane has identified for the Small Business channel.

The organisational evolution, which aims to increase the effectiveness of the sales force dedicated to the Small Business customer segment, includes the specialisation of consultants in the Financial, Mail and Parcel sectors. As a result, in the Post Office Network, the current pro-

fessional figures of the Business Consultant Specialist and the Business Financial Consultant Specialist and the Small Business Specialist, dedicated to the Financial sector, have been surpassed. The implementation of the project will be monitored through national and territorial labour union verification tables.

In addition, in line with the project to transform the Chief Operating Office function, the Parties signed two agreements on 26 September and 10 October 2019, which outline the aspects relating to the micro-organisational model of the Function and the operating procedures connected with work performance. In particular, the guidelines relating to the working hours of the territorial centres were shared at national level, which were subsequently laid down in specific territorial agreements.

Active labour policies

The Group's commitment to establishing relations aimed at ensuring its workers' wellbeing and protection of their rights has been expressed by signing four agreements regarding labour policies.

On 13 June 2018, the Parties reached an agreement which identified methods and criteria for managing workforce trends in the three-year period 2018-2020. In particular, during the period in question, hiring of 6,000 new staff was envisaged, compared with a number of voluntary redundancies regarding employees on permanent contracts amounting to at least 15,000 staff.

The managerial and organisational levers required to meet the Company's needs were identified in the following areas:

- hiring employees with fixed-term contracts on permanent contracts;
- recruitment from external markets, mainly through professional apprenticeship contracts;
- conversion from part-time to full-time contracts;
- job rotation.

On 26 November 2019, an agreement was signed for the hiring with fixed-term contract with substitute clause of employees of the Delivery Agencies already hired by Poste Italiane under the agreement of 19 June 2018 and in service on 23 October 2019.

Other agreements

In May 2019, two minutes of agreement were signed with the national labour unions for Poste Italiane and Group companies that apply the same national collective labour contract, giving employees, on an experimental basis for the year 2019, the option to opt to convert the payroll into a day of non-cash paid leave for each of the holidays of 2 June and 8 December 2019, falling on Sundays.

On 30 July 2019, an agreement was signed to award performance-related bonuses to employees of Poste Italiane SpA, Poste Vita SpA, Poste Assicura SpA, EGI SpA, BancoPosta Fondi SGR and PostePay. The agreement,

which has a one-year validity, allows to further emphasise the contribution made by staff towards the achievement of corporate objectives in 2019. On 10 September 2019, a similar trade union agreement - on the subject of "Performance-related bonus" - was agreed with the labour unions by Postel SpA and Address S.r.l..

The agreement confirmed the option for employees to allocate all or part of their performance bonus to Open Fund for Supplementary Assistance Poste Vita, Fondo Poste or other supplementary pension funds or opt for welfare services with high social impact.

Solidarity holidays and parental leave by hour

Two agreements were signed in September 2019. The first provides, on an experimental basis for the year 2020, that workers in certain situations of difficulty and who have already taken all their days off will be able to request the transfer of "Solidarity Holidays" in their own favour. At the same time, workers who wish to express their solidarity will be able to donate, on a voluntary basis and free of charge, up to a maximum of three days' holiday and two days' leave for cancelled holidays. The Parental Leave Agreement, on the other hand, provides that, on an experimental basis, from 1 October 2019 to 31 March 2020, workers may take leave on an hourly basis for 1/3 of their working day, in addition to the half-day leave already provided for.

Finally, considering that Poste Italiane's national collective labour contract expired on 31 December 2018, on 11 December 2019 the labour unions presented the unitary platform and formally requested the start of negotiations, which began on 8 January 2020.

The state of progress of the actions and objectives set out in the signed agreements is guaranteed by periodic audits, and also thanks to specific Monitoring Committees. Any reported incidents and emerging areas of conflict regarding anomalies noted by the labour unions at the local level are also assessed during these processes.

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 will address 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 Riqualificazione Professionale (the Bilateral Agency for Staff Training and Retraining)**, through which the Parties jointly promote activities in the field of training and retraining, with regard to the provisions of the Consolidated Law on Occupational Health and Safety, and also with reference to any processes of reorganisation/restructuring/transformation of the Company, or the introduction of technological innovations.

- **Organismi Paritetici per la Salute e la Sicurezza sui Luoghi di Lavoro (The Joint Bodies for Occupational Health and Safety)** also continued activities relating to the uniform and correct application of the guidelines regarding occupational health and safety, in particular concerning issues relating to the new work-related stress risk assessment criteria with the aim of "implementing measures to improve occupational health and safety". 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



Main related
types of capital



Poste Italiane considers the protection of health and safety at work (OHS) a fundamental value, which people must be inspired by in carrying out their daily activities.

Therefore, in accordance with corporate values, the Group is committed to:

- ensuring continuous awareness and involvement regarding OHS by everyone working within the Group, especially the dissemination and strengthening of the safety culture at local operating centres (distribution centres and Post Offices) and the relative coordination structures;
- reduce injuries, particularly in the logistics and delivery sector;
- ensure the continuous improvement of Management Systems through the planning and implementation of initiatives in line with Group Policies, the constant monitoring of occupational health and safety performance and the periodic review for the definition of new objectives.

Approximately 8,000
injuries in 2019,
almost **500 fewer**
than in 2017

As regards health and safety, Poste Italiane aims to consolidate a safety culture in the Company, reduce injuries and promote continuous improvement of the management systems adopted

The ongoing monitoring and control of injuries favoured, also in 2019, the implementation of various initiatives on prevention and safety of the workforce and the workplace, specific field of professional activities. The following activities were carried out as a matter of priority in order to achieve the objectives set: continuous training, awareness-raising and staff involvement on OHS issues, plant and structural improvement of sites, continuous improvement and certification of Management Systems, constant risk assessment in relation to processes and workplaces, monitoring of the implementation process of the Improvement Plans for risk

assessment and constant controls of compliance with the requirements of current legislation.

Further preventive activity relating to health and safety risks is the expansion of the company's fleet with safer vehicles, such as three- and four-wheeled ones, used in delivery activities, and related training sessions on safe driving. Specific communication activities were also carried out to raise employees' awareness of health and safety in the logistics sector, such as the "Basta Infortuni" (Stop Injuries) communication campaign and the "Noi per la Sicurezza" (Us for Safety) editions aimed at involving the directors of delivery centres in occupational health and safety.

For more details on the new additions to the company fleet, please refer to the Decarbonisation Pillar.

Commitment in the logistics and delivery sector

Given the company's focus on health and safety issues, which are particularly sensitive for the logistics and delivery sector, specific activities have been planned to consolidate the wealth of knowledge and skills regarding the matter and to raise awareness of the role it plays, including:

- Consolidation of Lean Manufacturing principles in plants, based on a methodological approach that aims to minimise waste until it is eliminated. This objective is achieved through the introduction of new systems for automated load handling (AGV - Automated guided vehicles), the introduction of new types of sorting systems (TOP2K, XMS, Solysort, Easy Sorter) and equipment and the real estate review of the departments (microlayout). Interventions that allow a reduction in injuries and an improvement in terms of health and safety of the workforce.
- Constant assessment and updating of Risk Assessment Documents (DVR), following the reorganisation underway, primarily in the delivery sector.
- Training on the use of vehicles, provided by Polstrada, for about 3,100 resources and training on safe driving on a track involving about 2,000 letter carriers.
- Realisation of the training project aimed at about 1,600 resources for the prevention of injuries caused by dog attacks against letter carriers.
- Involvement of about 800 managers of the Delivery Centres regarding injuries and more generally on occupational health and safety.

The Group takes all the necessary measures to reduce injuries, workplace injuries and occupational illnesses, promoting the psychophysical wellbeing of people through policies, prevention programmes, information and awareness campaigns. For these purposes, organisational responsibilities have been identified and specific policies have been adopted to ensure adequate supervision of all occupational health and safety aspects.

The Company policy regarding occupational health and safety comprises the following key principles and objectives:

- continuous assessment of risks and definition/update of related rules and procedures;
- ensuring that innovations and changes in work processes are accompanied by objectives that are increasingly oriented to promoting occupational health and safety;
- 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.

Starting with the Group's Integrated Policy and Health and Safety Policy, each employer has approved this policy for its production unit, making it available to all workers.

In 2019, with the aim of strengthening oversight of occupational health and safety, Poste Italiane SpA confirmed certification of the Occupational Health and Safety Management System, in compliance with the BS OHSAS 18001 standard, currently ISO 45001, adopted by the "Strutture centrali e le loro dipendenze territoriali" (Central facilities and their local branches) production units.

Poste Italiane has defined a multi-year plan for the adoption of health and safety certifications throughout the company. As at 2019, the Group Companies certified were: EGI, Poste Vita, PosteAssicura, SDA; Postel, Poste Air Cargo (formerly Mistral Air), PostePay and BancoPosta Fondi.

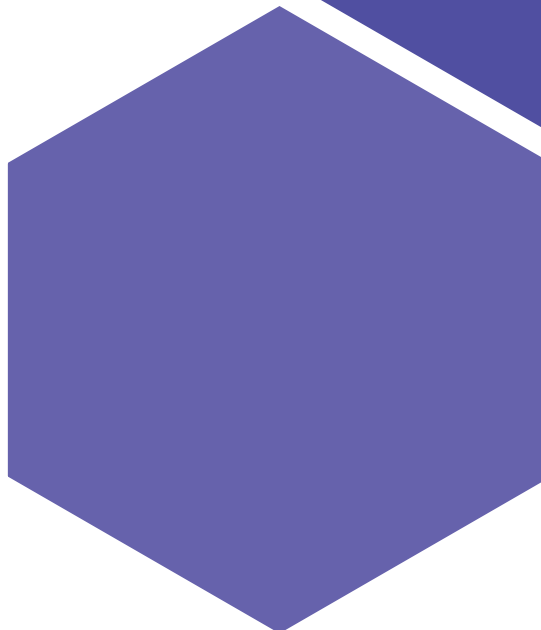
The adoption of a certified management system, in addition to ensuring timely compliance with any regulatory changes and updates and effective and transparent communication of any information that might be useful for prevention purposes, guarantees alignment between innovations and changes in work processes in terms of occupational health and safety objectives.

All Group Companies that have adopted management systems provide for periodic assessment and auditing, in order to ensure compliance with the requirements of the reference standards, and that they are correctly implemented and kept active. In addition to these systems for monitoring and reporting any anomalies, operational checks are carried out at delivery centres and Post Offices, aimed at assessing overall status in terms of infrastructure safety, plant engineering and work processes, as well as raising awareness among staff working at sites; and control measures are also aimed at analysing and assessing the occupational health and safety compliance status of the sites, with particular reference to aspects regarding plant and infrastructure.



Diversity and inclusion

- Commitment to support equal opportunities
- Subscription of the Women's Empowerment Principles
- 44.4% of the Board of Directors of the Parent Company is composed of women
- 46% of female incidence among middle and senior women managers in 2019
- Participation of more than 500 employees in the MAAM project







Diversity and inclusion

Main types of capital



Social-relational



Human

Objectives	Timing	Indicator (KPI)	Target	Implementation status 2019
Increase women's involvement in staff development plans	2022	% of women involved in staff development plans compared to the average achieved in the two-year period 2016-2018	+4%	+1%
Adopt a specific strategy to ensure the strengthening of female representation in the coverage of middle management positions	2022	% of women in middle management positions	+2%	New
Investing in mentorship programs for the development of a new leadership style in line with gender - equality policies	2021	% of female mentors trained	+50%	New
Carry out training and cultural awareness interventions with the aim of improving awareness in men and women in the company of the value of gender diversity	2022	% of the company workforce	60%	New
Aim for a greater exchange between the different generations through training and change management interventions that encourage knowledge of the related issues and the concrete implementation of the company policies on the subject	2022	% of the company workforce	60%	New
Increase mentoring programs in order to encourage generational cooperation and the exchange of knowledge	2021	% of mentors to support the younger generations	+15%	New
Implement structured listening programs through surveys and communities aimed at detecting the needs of the different generations	2022	no. of surveys conducted	2	New
Carry out training interventions with the aim of activating an increasingly responsible management on the issues of disability management	2022	% of the company workforce	60%	New
Strengthening caring measures towards colleagues with chronic diseases and/or serious pathologies through corporate awareness plans and the availability of services aimed at inclusion	2022	% of the detected target reached by the caring measures identified	40%	New
Extend the subtitling service to all videos made and published on the intranet	2020	% of videos published on digital channels with subtitles	100%	New
Carry out training interventions that aim to foster relationships and collaboration between colleagues from different cultures and nationalities, and which support the development of cultural sensitivity also in the management of customers and partners	2022	% of the company workforce	60%	New
Specific employer branding on Diversity and inclusion, in synergy with universities	2022	no. of universities involved	4	New
Define training and communication campaigns aimed at overcoming stereotypes and prejudices (unconscious bias)	2022	no. of communication and awareness plans implemented	2	New
Carry out training and awareness actions on the protection of human rights	2021	% of the company workforce	60%	New
Define listening and communication campaigns to develop corporate awareness and culture on the issues of Diversity and inclusion	2021	no. of integrated communication campaigns (internal/external) no. of surveys carried out on the intranet	3	New

Outcomes



Protection of human rights



Main related
types of capital



Poste Italiane plays a role of primary importance for the country, involving in its activities a multiplicity of individuals, entities, institutions and businesses. For this reason, in addition to complying with international principles and guidelines, the Group 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.

Poste Italiane has subscribed to the Women's Empowerment Principles, the initiative promoted by UN Women and the Global Compact in support of gender equality worldwide as further confirmation of its commitment to supporting the achievement of the Sustainable Development Goals

Poste Italiane has adopted, in particular, a "Group Policy for the Protection of Human Rights" which reinforces as already stated in the Code of Ethics. The document commits Company's commitment to further align its business processes to the main international standards and best practices on human rights, actively disseminate the principles enshrined in it, and periodically report on the human rights protection performance achieved in terms of management and monitoring methods, identified risks, and management and mitigation actions. The document describes the attention the Group pays to human rights, focusing on certain stakeholder categories such as its own workers, suppliers and business partners, local communities, customers, migrants, children, disabled people, and victims of discrimination and any form of violence.

The Policy also sets out the commitment to prevent and reject all kinds of discrimination and violence and forced or child labour, and also reaffirms the Company's interest in promoting personal wellbeing.

The Group's primary objective is to encourage the development of a business culture based on respect for and appreciation of diversity. In affirming the "social" dimension of corporate sustainability, the promotion of diversity in all its forms and expressions is considered one of the greatest resources that gives value to the company system. For this reason, with the intention of outlining a clear and structured focus on this issue, Poste Italiane, also given the outcome of the materiality analysis and the results of the Multi-stakeholder Forum, has decided to address it within the new pillar Diversity and inclusion, giving it exclusive attention.

The Company maintains a high level of attention to its own strategy for a correct valorisation of the different needs expressed by people. The exclusive promotion of diversity is an enabling factor for the involvement and engagement of people to achieve corporate objectives. In addition, increasing awareness in the management of diversity creates a competitive advantage for the Company and shared social value. The Diversity and inclusion programmes carried out are therefore part of a broad context, in order to act simultaneously on culture and enhancement of individual differences and to reduce situations of individual fragility in support of balanced organisational models that enhance dialogue and the emergence of diversity. The path undertaken aims to evolve the way in which diversity issues are dealt with, moving from an approach aimed at protecting and integrating diversity to a proactive strategy to overcome any barriers and resolve the factors that prevent people from being included in the labour market. In this context, the Company also actively participates in inter-company working groups on these issues, enhancing the value of collaborations with leading sector associations.

Poste Italiane, in line with as already stated in the Group's Code of Ethics and the Group policy for the protection of human rights, has adopted a specific Diversity and inclusion Policy. The objective is to have a clear approach in terms of mission, strategy and active practices in order to stimulate a collaborative, supportive working environment, open to contributions from all employees in order to increase the trust of people, customers and, in general, civil society, as well as to promote diversity in all its aspects in order to fully exploit the opportunities arising and generate value within the workplace while also obtaining a competitive advantage over business.

Diversity is a value that must be protected and encouraged with concrete and pervasive actions in all organisational and management processes, based on the principles of respect for the value of people, the enhancement of the uniqueness of the individual and access to the same opportunities for professional growth.

In particular, the Policy defines the 4 aspects of diversity for Poste Italiane:



Gender

The Company values gender balance and the overcoming of any stereotype, discrimination or prejudice, in order to create the best conditions in which each person can express themselves. The Poste Group is committed to increasing the strengthening of awareness initiatives at all

levels and promotes policies and actions aimed at promoting equal opportunities, work-life balance, the sharing of family responsibilities and the removal of potential obstacles, including those related to sexual orientation.

Generations

The Company recognises and values integrated strategies for the development and management of the needs of the different generations that work together within the organisation. From this point of view, in consideration of the

demographic outlook and its impact on company turnover, policies aim at fostering dialogue and inter-generational discussion.

Disability

The Group recognises equal opportunities for all its people regardless of sensory, cognitive and motor disabilities. In this context, it is committed to implementing concrete measures to promote the integration and inclusion of people

with disabilities, making full use of their talent and skills in the Company and thus contributing to the removal of cultural, sensory and physical barriers.

Interculturalism

The Company is committed to promoting and systematising the mix of different cultures within it through the promotion of an intercultural vision and open to multi-level discussion, based on organisational and social cooperation.

Diversity and inclusion programmes will be monitored through indicators developed annually in accordance with the evolutionary guidelines of the corporate sustainability plan. To this end, a cross-functional task force made up of representatives of all the company departments involved will be set up to appreciate scenarios, objectives and evaluation

metrics to be made visible and transparent in public company documents, both within and outside the organisational context, through the main internal and external communication channels.

The Policy is communicated to all employees, including through targeted and specific training sessions depending on the areas of operations, roles and responsibilities, and will be assessed for the purposes of updating at least annually in light of the evidence emerging from assessments and monitoring of national and international trends.

Poste Italiane strengthens its commitment for the protection of human rights

The guiding principles of Poste Italiane's human rights policies and the measures implemented to ensure their respect within the Company and towards all stakeholders were illustrated by the CEO of Poste Italiane during the workshop organised with SIOI "Business and Human Rights: the role of Businesses for Sustainable Development". The aim of the event was to confirm and strengthen the commitment made in 2018 by Poste Italiane with the approval of the Group Policy for the Protection of Human Rights. In this regard, Poste Italiane has confirmed its vision of a successful business model by reaffirming that this combination can only be affirmed in a society where the law, the protection of human rights and environmental sustainability are adequately safeguarded because the systematic use of Corporate Social Responsibility criteria can have a positive impact on competitiveness, now representing a minimum requirement for international economic markets.

Poste Italiane is aware that it can play a role in the affirmation of the principles of sustainable development in the Italian business world and works towards a common commitment, raising awareness and encouraging the exercise of responsibility and business improvement.

As confirmation of the attention paid to Diversity and inclusion issues, an ad hoc organisational function called “People Care and Diversity Management” was introduced in the Human Resources area in 2019, which, in coordination with the Group Risk Governance function, operates as an activator and promoter of cultural and organisational change. The Company is outlining the structured development of a reference strategy and an execution roadmap the objective of which is to act on corporate culture, through awareness plans aimed at generating an approach free from common prejudices and stereotypes.

Moreover, in its Code of Ethics, the Group highlights its responsibility to protect workers by combating any form

of discrimination or harassment, and promotes the inclusion and protection of diversity among its employees, in the belief that cooperation between people with different cultures, perspectives and experiences is a vital element in the acquisition and sharing of new skills.

This approach includes Poste Italiane Group’s Declaration, drawn up in accordance with the “Framework Agreement on Harassment and Violence in the Workplace”, in which the Company establishes its duty to cooperate in maintaining a working environment where everyone’s dignity is respected and interpersonal relations are encouraged, based on the principles of equality and mutual fairness, and all forms of harassment or violence in the workplace are condemned.

Poste Italiane’s commitment to supporting equal opportunities and victims of gender-based violence

Aware of the key role women play within and outside the Company, Poste Italiane has been at the forefront of women’s efforts to ensure equal opportunities and combat gender-based violence for years. Taking advantage of its nationwide presence, the Company is a key interlocutor for the main organisations and authorities engaged in supporting the many victims of violence through the implementation of dedicated initiatives aimed at reintegrating victims leaving anti-violence centres within the labour market and the community.

Contributing to the implementation of these initiatives provides Poste Italiane with a strategic opportunity to promote a corporate culture that is increasingly focused on valuing the presence of women, which in turn helps to consolidate a collective culture in local communities that are increasingly aware of this issue.

Regarding the initiatives Poste Italiane is involved in, for several years the Company has been working with the Equal Opportunities Department of the Cabinet Office on the active promotion of the 1522 anti-violence and stalking telephone number across its network of Post Offices. The 24/7 toll-free number, managed by Telefono Rosa’s Helpline, offers support to victims of violence and stalking through specialised operators who, in addition to providing useful information, direct victims to the main public and private social and health services in their local areas. The Company has also contributed to the creation of E-LOVE (E-Learning Operators Violence Effects), the platform for remote learning of operators involved in the fight against gender violence.

In addition to receiving indemnified leave for women victims of gender-based violence - a path of protection established by art. 24 of Legislative Decree 80 of 15 June 2015 - provided for in the collective labour contract, Poste Italiane has initiated specific activities aimed at understanding and spreading knowledge among its employees on this issue. Specifically, the Company has actively carried out dissemination initiatives, informing and raising awareness of local entities regarding the relevant legislative provisions on gender-based violence.

With the aim of discussing the issue with the main national and local institutions and associations, on 20 November 2019, coinciding with the 18th Corporate Culture Week, the Group promoted the conference entitled “Poste Italiane per l’inclusione lavorativa delle donne vittime di violenza” (Poste Italiane for the work inclusion of women victims of violence). The meeting enabled presentation of the main support tools and methods provided for by the activation of projects aimed at creating financial independence pathways, a key element in supporting the reintegration of victims of violence within the social fabric.

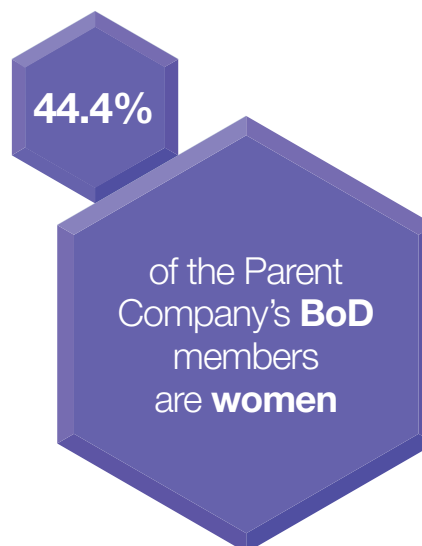
During 2019, in agreement with the two main protection organisations operating at national level (the D.i.Re. anti-violence network and the voluntary association Telefono Rosa) an innovative integrated model of intervention in favour of the economic and working autonomy of women victims of violence, launched through the activation of an ad hoc fund contributed to by special resources approved at the beginning of 2020 by the Sponsorship and Donation Committee of Poste, whose distinguishing feature is to contribute, together with the various stakeholders concerned, to the creation of paid professional development paths aimed at the employment of women leaving anti-violence centres throughout Italy. Finally, with a view to proactively involving companies in the supply chain, several temporary positions have been made available to women leaving anti-violence centres, subject to appropriate selection, by a service company in the Poste chain in Rome.

In addition, as evidence of the commitment of Poste Italiane for women victims of violence, there is ample philatelic production that aims to raise awareness on the issue of gender violence. On the occasion of the last International Day for the Elimination of Violence against Women, on 25 November, four new cancellations (in Verona, Alessandria, Palermo and Catania) celebrated from north to south the anniversary of the UN.

As evidence of the primary importance the Group attributes to the issue of diversity, the Diversity Policy of Poste Italiane SpA's administrative and supervisory bodies is the document in which the Parent Company states its commitment to adopt such approach.

The document, which was approved by the Board of Directors, identifies qualitative and quantitative composition criteria, aimed at effectively fulfilling the duties and responsibilities entrusted to management, partly through the presence of people who ensure sufficient diversity in terms of perspectives and skills, which are necessary to have a good grasp of current business, risks and long-term opportunities relating to the Company's activities. In defining its diversity criteria, the Board of Directors has taken into account the nature and complexity of the Company's business, the social and environmental context in which it operates, the experience the Board has gained with regard to its own activities and operating methods and those of its internal committees, as well as the findings of the self-assessment processes conducted in recent years.

In addition to the requirements of professionalism, honourableness and independence and the incompatibility and/or forfeiture criteria provided for by law, regulatory provisions and the Company's By-laws, the Policy addresses issues relating to age and seniority, gender, geographical origin and international experience (for further details see the "Report on Corporate Governance and the Ownership Structure").



Every year, with the support of a specialised firm, the Board of Directors carries out a Board Review, which consists in a self-assessment procedure that involves conducting interviews - including through the use of specific questionnaires - with individual directors, as well as with the statutory auditors and the secretary of the Board of Directors. The appointed firm issues a final report, to be examined and shared with the Board of Directors in its entirety. In this regard, the Board Review findings for 2019 relating to composition showed that gender diversity is adequately enhanced, and is in line with the relevant legal provisions and recent practical developments. The same assessment also showed that the overall mix of Directors' profiles, skills and experience is suitable, and that the skills present are balanced to ensure effective performance of the role on the Board and on Committees.

Equal career development opportunities



Main related types of capital



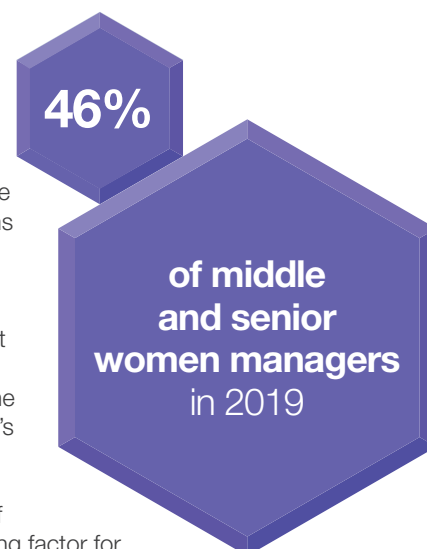
The value of respect for individuals and their professional development is considered a fundamental value by the Poste Italiane Group, together with the awareness that the set of relational, intellectual, organisational and technical skills of each employee represents a strategic resource.

The Group intends to promote the dissemination of an inclusive business culture aimed at ensuring respect for equal opportunities, considering the value of each person regardless of gender, reducing situations of individual fragility and enhancing diversity of thought, considered a fundamental resource for the development and growth of the Company.

In its Code of Ethics, the Group pays great attention to the fair management and growth of the intellectual potential of its human resources, in line with the criteria of merit and performance achieved, ensuring equal treatment and condemning any form of discrimination. In this regard, people are selected on the basis of their professionalism and skills with respect to the Company's needs, regardless of their personal characteristics - age, gender, sexual orientation, disability, ethnic origin, nationality, political opinions and religious beliefs - in accordance with the principle of impartiality.

The development and enhancement of people's distinctive skills, in all their forms and expressions and at different levels across the organisation account for the key strategic engine supporting the growth of the Group's business.

The enhancement of diversity is an enabling factor for the involvement and engagement of people to achieve corporate objectives. In addition, increasing awareness in the management of diversity creates a competitive advantage for the Company and shared social value.



Therefore, the Group's objective is to promote the spread of an inclusive corporate culture with a view to reducing situations of personal vulnerability, and supporting balanced organisational models that promote dialogue, and the emergence and enhancement of diversity

Poste Italiane subscribes to the "Equal Opportunities and Equality at Work Charter", a declaration of intent voluntarily signed by companies of all sizes regarding the dissemination of a corporate culture and the adoption of inclusive human resources policies, free from discrimination and prejudice and designed to enhance talent in all its diversity. The Charter provides a framework of reference values for the implementation of commitments aimed at creating a work environment characterised by pluralism and inclusion, which ensures equal opportunities for everyone and recognition of each one's potential and skills, thereby helping to promote equity and social cohesion and at the same time the Company's competitive growth and success.

As evidence of the Group's ongoing commitment on the protection of human rights and the enhancement of diversity, Poste Italiane continues to fully implement as already provided in the Memorandum of Understanding with the Ministry of Equal Opportunities, aimed at carrying out more effective and common communication, awareness and dissemination actions in order to:

- 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 gender, racial or ethnic origin, religion or beliefs, age, sexual orientation and gender identity.

Supporting maternity and paternity

The "MAAM" initiative continued, consisting of a digital programme aimed at strengthening the skills relating to the experience of parenting, which may also be useful at the time of returning to work.

The initiative is part of a broader framework of cultural awareness actions regarding the importance of the presence of women in the workforce and support for active parenting, accompanied by the dissemination and communication of good business practices aimed at supporting women's leadership. Registration to MAAM is aimed at both women who take maternity leave and newly parents (mothers and fathers) of children aged from 0 to 3, as well as managers whose staff members are involved in the initiative.

Voluntary registration is envisaged for the MAAM digital programme and the MAAM manager platform, which provides for direct communication between managers and staff on maternity leave, in order to facilitate an effective return to work. More than 500 mothers and fathers participated in the programme in 2019. The initiative is supported by an online community that allows mothers and fathers to discuss parenting and the MAAM path in a protected and stimulating environment by integrating the various experiences through a relational system of over 5,500 participants from various companies, facilitating the process of learning, training and skills development. Finally, in order to enhance consolidated skills, useful for an effective return to or activity at work, the Multiply programme allows a voluntary exchange between the manager and the employee for the enhancement of skills. MAAM is therefore designed to help share a cultural model at all levels which is geared towards the inclusion of women in the workplace, and encouraging active parenting for both parents.



Developing women's leadership

In collaboration with the Association Valore D, Poste Italiane has participated in managerial training, skill building and role modelling in support of issues relating to gender balance and inter-company mentorship projects, in order to promote the professional development of women towards managerial roles.

In 2019, the Company launched - on an experimental basis - the Inspirin-Girls programme, promoted by Valore D, through which company role models share their experiences to middle school boys and girls. The aim is to act on a cultural and social innovation level in favour of the younger generations to promote reference models free from gender stereotypes in imagining their own future and to build a concrete bridge between schools and the business world.

The attention posed to age management

Poste Italiane continued to participate in "Innov'age in the Postal Sector", a project financed by the European Community in which the Group participates together with other postal operators. The project aims to contribute to a better understanding of age management in the postal sector at European level. In addition, the project aims to develop a training programme to support leaders in the management of heterogeneous teams in generational terms and to provide the tools for the enhancement of diversity that increasingly characterises the operational realities of companies. With reference to the latter objective, in 2019, Poste Italiane participated in the testing phase of the training prototype developed, which will be realised in all the countries that are part of the project.

As part of the initiatives to support the development of

intergenerational skills, a pilot project, "Maestri di Mestiere" (Masters of Trades), has been developed to enhance the skills of senior resources to encourage the transfer of skills to junior professionals. The project aims to support the recruitment and motivation of senior figures, enhancing their wealth of skills and knowledge to prepare younger figures for inclusion in key roles, by providing training, support and tutoring.

Regarding Business Market and Public Administration, the Talents 2.0 Project was launched with the aim of engaging with junior and senior professionals in order to generate improvements in problem-solving skills, through the innovative design thinking methodology, with respect to issues central to the development of activities: streamlining processes, developing skills, engaging the sales force.

A letter for the commitment of a lifetime in the Company



More than fifty thousand colleagues with 25 to 45 years of company seniority have been sent a letter of thanks signed by the CEO for the work done and the commitment to the Company.

A symbolic gesture but strongly indicative of the attention paid by Poste Italiane to the commitment of its colleagues in so many years of work within such a large company with such an important history also for the life of the country.

Enhancement of disabled staff

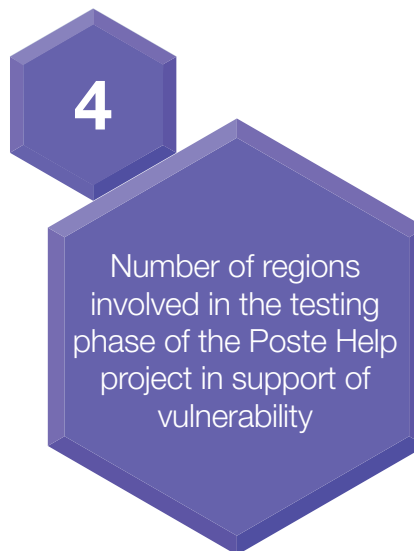
As part of the “Progetto LIS – Laboratori musicali inclusivi” (Italian Sign Language Project - Inclusive Music Workshops), was the launch of a music workshop aimed at facilitating the learning of sign language. Group employees and their families were invited to join the choir including voices and Mani Bianche that revolves around the experience of the

Mani Bianche Roma Onlus Association. The project also envisages activation of a multidisciplinary training course aimed at counter staff who wish to acquire basic skills to communicate with deaf customers, consisting of classroom sessions and a workshop.

Supporting vulnerability

The “PosteHelp” Project is aimed at offering a network of services and support interventions in favour of colleagues suffering from serious pathologies which is articulated in: corporate volunteering to support basic needs, coaching sessions by in-house professionals, and guidance and support activities to identify more accredited treatment centres for specific diseases nationwide. The testing phase of the project launched in the pilot regions of Lombardy, Lazio, Campania and Sicily was completed in 2019. This first phase has made it possible to outline a revision of the project structure to be extended at national level, which will also be supported by targeted caring organisation interventions, in order to have a more pervasive impact in terms of cultural awareness, listening and helping relationships in support of vulnerability.

Caring Solution is the listening initiative promoted in 2019 by the Group designed for staff returning to work after a period of absence and in support of any fragility that may have emerged, aimed at improving the working environment and strengthening the sense of belonging. The project aims to understand with personalised logic, situations of difficulties, by diagnosing the problem, carrying out interviews and defining ad hoc intervention plans on specific cases.



Support for local communities and the Country as a whole

- “Valori ritrovati” (Rediscovered values): a circular economy project
- More than 1,000 employees involved in Corporate Volunteering
- Support to the Country’s economic growth
- Over 1,500 meetings with local Institutions
- +111% community support initiatives compared to 2018







Support for local communities and the Country as a whole

Main types of capital



Physical/Structural



Social-relational

Objectives	Timing	Indicator (KPI)	Target	Implementation status 2019
Increase the Group's support for socio-cultural initiatives that benefit the community	By 2019	% of investments in the community to promote socio-cultural initiatives	+60%	+111%
Provide basic services, including in Small Municipalities without a Post Office	By 2019	No. of Small Municipalities without a Post Office to be equipped with ATMs and postal services via the network of tobacconists and home delivery by postmen and women	254	759
Increase the number of Post Offices in Small Municipalities with free Wi-Fi customers	By 2020	No. of Post Offices equipped with free Wi-Fi	+5,007	5,692
Allow Company-owned spaces in "disadvantaged" areas to be used for social activities	By 2020	No. of company-owned buildings granted to communities	8 properties	13
Eliminate architectural barriers in Post Offices	By 2020	% of architectural barriers	-80%	710
Certify the financial advisory service and the skills of people operating in accordance with the ISO 22222 standard	By 2022	% of ISO 22222 certified financial advisors	100%	Time program started
Continue financial education and inclusion projects	By 2022	No. of financial education events	20	58
Financial, Postal and Digital Education Programs in Small Municipalities	By 2020	No. of events	193	New
Free payment and POS services for Small Municipalities	By 2020	No. of POS	250	New
Increase the Group's support for initiatives in the "wellbeing and social inclusion" category	By 2020	% of wellbeing and social inclusion investments	+10%	New

Outcomes



Objective achieved



Objective not achieved



Deadline for achieving the objective has not yet expired



Supporting the socio-economic development of local communities

Main related
types of capital



The Company has always accompanied the local communities where it is present on a daily basis towards modernisation and digitisation processes, thereby promoting the wellbeing of citizens and socio-economic development. Supporting the needs of the community is in fact the foundation of the Group's values and corporate mission.

With the aim of having a positive impact and bringing benefits to the community, Poste Italiane promotes specific social inclusion initiatives in an organic and widespread manner, both through its extensive network of Post Offices and through the involvement of corporate volunteering and/or the financing of specific projects with a community value through donations and sponsorships.

As part of its initiatives to support the community, the Company pays particular attention to the most vulnerable categories of people who experience hardship due to their physical, mental, family, economic, ethnic and social conditions. The Company's inclusive approach is reflected in constant listening activities and dialogue with citizens, authorities and third sector associations, at local and national level, in a continuous process of reconciling relative and legitimate interests.

The Group's objective is to play a key role in the development of Italy's economic system as a whole and to seek constant integration between the needs of the community and its business objectives, by identifying projects and initiatives that respond to shared interests and generate a concrete and measurable impact on the community

This approach, which is reflected in the creation of shared value for the Company and its stakeholders, represents an opportunity for Poste Italiane to combine competitiveness with the creation of long-term social value.

The Company has adopted a Policy on initiatives for the community that defines the strategy adopted by Poste Italiane as part of its interventions to support the socio-economic development of the territory. With specific reference to the Sustainable Development Goals of the United Nations, the Policy describes the main areas of intervention of its initiatives such as: promote the accessibility and inclusion of the categories most at risk of exclusion through dedicated products and services, promote culture and education through initiatives aimed at fostering cultural values and the right to education and encourage economic sustainability and social connection through collaboration with central and local governments, the Third Sector and local communities to meet the needs of the most disadvantaged categories.

In line with the Group's reference values, interventions on behalf of the community are carried out in accordance with transparent and accountable criteria, as well as formalised procedures aimed at avoiding any personal or corporate conflict of interest.

Poste Italiane has also adopted a specific Guideline that governs corporate processes relating to sponsorship and donation initiatives. The Guideline governs the corporate processes relating to the means of implementing sponsorship activities and donations to partners, bodies, associations and local authorities operating in local areas. Such contributions, as also specified in the Integrated Policy of the Group, may not be used to conceal acts of corruption. Indeed, before making contributions, the Company conducts a due diligence process based on the relevance of the initiatives, the reputation of the potential partner, their alignment with corporate objectives and their expected benefits. After making contributions, the Company constantly assesses the compliance of supported initiatives with contractual provisions and the due performance of activities, and also carries out specific checks on the proper fulfilment of contractual obligations. The Sponsorship and Donations Committee, chaired by an external professional with high standards of professionalism, integrity and independence, will be involved in the evaluation of sponsorship requests and donations.

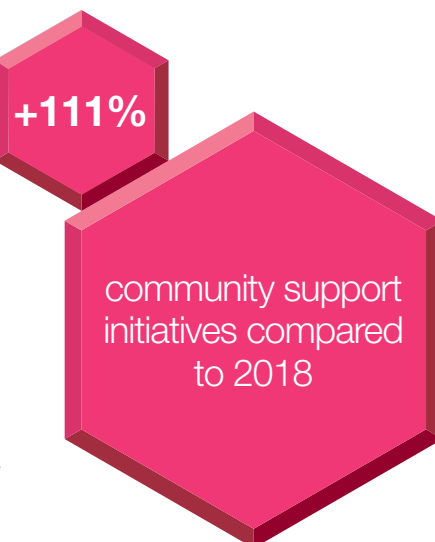
Sponsorship initiatives and donations are represented in specific classes according to the target set, using the London Benchmarking Group (LBG model) classification and measurement standard, which establishes specific methodologies to manage, measure and report their involvement in the community, according to principles of transparency and participation.

In 2019, the Company focused its attention on supporting projects of a socio-cultural nature, increasing its contribution to three types of initiatives in support of the territory, such as:

- Art, culture and dissemination of knowledge: include support for institutions and other organisations promoting artistic activities such as music, dance and theatre and the dissemination of knowledge of national and local heritage.
- Training, development and knowledge: refer to initiatives in support of bodies and organisations active in the field of individual and collective knowledge for the development of areas of study and specific skills.
- Wellbeing and social inclusion: include initiatives in favour of organisations and bodies that promote a healthy lifestyle to disadvantaged sections of the population.

The significant increase in the initiatives implemented compared to 2018 was made possible by the increase in investments made by the Company during the year. In line with the inclusive approach adopted by the Company, the interventions carried out in 2019 were characterised by a strongly informative and inclusive approach with a view to promoting accessibility by all beneficiaries, as evidenced, for example, by the increase in free activities provided by the Company in the territory and the numerous initiatives promoted in the most remote areas.

With a view to transparency and increasing accountability also towards its employees, in May 2019, the Company created a special section on the company Intranet dedicated to the initiatives promoted.



The commitment of Poste Italiane in favour of the communities of Small Municipalities

In order to have a positive impact on the social fabric, favour the economic growth of the country and, at the same time, strengthen the strategic presence of the Company in the territory, at the end of 2018, the Group, as part of the “10 Commitments in favour of the communities in Small Municipalities” programme, established, in collaboration with the main institutions and local administrators, specific

interventions in favour of local realities with less than 5,000 inhabitants.

During 2019, the specific initiatives to support the development of the territory were put into practice and all the objectives set by the programme were achieved.

Together with the Small Municipalities: promises kept

In addition to keeping its promise not to close any Post Office, Poste Italiane held more than 900 meetings with local administrators, coordinated by the new office set up in Rome with the task of keeping the dialogue between Poste Italiane and the communities in the area open and constant; 759 ATM Postamat were installed; home services were activated, as well as those at affiliated realities in Municipalities without a Post Office; 5,692 Wi-Fi spots connected in Post Offices; 710 architectural barriers removed in 681 Municipalities; 219 Post Offices upgraded in 211 tourist centres; 6,211 new post boxes and 4,011 video surveillance systems installed; more than 100 treasury services activated; 13 buildings donated to Municipalities for activities of collective interest and 22 murals created to improve the urban décor of suburban Post Offices. In addition, during 2019, in about 4,000 Small Municipalities, Poste Italiane launched the “Etichetta la Casetta” project, which aims to make citizens aware of the need to affix labels with their name and surname on houses and on the condominium intercom. This initiative is part of a wider project to improve the quality of delivery, which also includes interventions on toponymy through the involvement of Municipalities, mayors and citizens.

As confirmation of the principles of Integrity and transparency, during the year, Poste Italiane reported on a bi-weekly basis on the progress of its initiatives, in a specific section of its website, thus ensuring constant dialogue with its stakeholders.

Thanks to the commitments undertaken, Poste is able to reach the most peripheral local realities, such as the Municipality of Morterone, the smallest in Italy, where 30 people live, which thanks to the new ATM Postamat provides its inhabitants, mostly elderly, with the possibility of carrying out operations without having to travel long distances for cash withdrawals.



In the sign of a further approach to the needs of small local realities and in light of the achievement of the objectives set in 2018, during the second meeting with the Mayors of Italy, organised in October 2019 in Rome, the top management announced the provision of new services dedicated to local realities with less than 5,000 inhabitants, renewing the direct and permanent dialogue on the specific needs of the territory. In this regard, in 2019, Poste Italiane undertook to implement 7 new lines of intervention.

Poste Italiane confirms and strengthens the initiatives in support of Small Municipalities through the definition of 7 new commitments

Digital and postal financial education programmes

With the aim of contributing to the widening of knowledge and skills in financial, postal and digital matters, the Company foresees a dense programme of initiatives involving experts of the Company where issues such as macroeconomics and finance are addressed, aimed at giving the right support to citizens in their choices of saving and responsible investment. The meetings are also focused on providing training to customers and citizens on the use of the tools needed to take advantage of the new opportunities offered by technological and digital evolution. In a simple interactive way, it explains how to manage money using a smartphone, how to buy products in every corner of the world and how to stay in touch with the network of relationships. In addition, there will be specific details on the new delivery model and new postal services and products.

Free payment and POS services for Municipalities

In order to meet the needs of Local Administrations, deriving also from the evolution of payment instruments, Poste Italiane intends to provide Municipalities with at least two POS on loan for free use with free acceptance fees for all Poste Italiane cards.

Punto Poste Da Te for Small Municipalities

In all Municipalities without a Post Office or with only one office open every other day, Poste undertakes, at the request of the Municipality, to install Punto Poste Da Te in the premises available, in a space accessible to employees and the public. The Punto Poste Da Te locker allows the collection and shipment of parcels, the sending of e-commerce returns, the payment of postal bills, Postepay top-ups, SIM top-ups and, in the future, the collection of signature mail.

SMART mailboxes

Poste Italiane is committed to install in the country by 2022, 11,000 SMART mailboxes of which about half will be present in the Small Municipalities. The boxes verify the actual presence of mail, collect environmental data (temperature, humidity, pollution) and offer digital space for information useful to the relevant Municipalities.

Information services for citizens

The Company is committed to providing local government with a multi-channel communication service with its community. The service offers the Municipality the opportunity to manage in complete autonomy, via SMS and/or e-mail, or through traditional mail, communications of public interest to citizens, such as warnings about closed roads, extraordinary events or tourist or cultural events.

Philately programmes

Poste Italiane provides for the realization of events to enhance the territory during which local communities are presented the themes of philately and writing related to traditions and cultural heritage. This will involve 20 of the smallest Municipalities of each Region, up to a total of 400 Municipalities in 2020. At the end of each event, there will be a dedicated philatelic cancellation.

New green fleet with reduced emissions (- 40%)

Poste plans to replace the entire fleet of 26 thousand company vehicles by 2022. The current vehicles will be replaced by the latest generation of low-emission vehicles: 50% of these vehicles will go to Small Municipalities. The overall objective is to reduce transport emissions by 40%.

The Company has also pledged to offer its support on the occasion of the celebrations for the seven hundredth anniversary of the death of Dante Alighieri, becoming the first major national reality to engage in this initiative. The commitment is substantiated through the implementation of initiatives in 70 Small Municipalities, which in different ways are linked to the artistic events and the life of Alighieri,

among those who have requested support to implement specific initiatives, have works, are mentioned in the events of the Divine Comedy, or are linked to the adventurous life of the poet.

“Valori ritrovati” (Rediscovered values): a project of circular economy

On the basis of the Memorandum of Understanding signed with Caritas Italiana in 2018 and renewed in September 2019 for a further 5 years term, the “Valori ritrovati” initiative continues, which aims to allocate the contents of parcels not collected, or not delivered - “anonymous” or “abandoned” parcels - to the neediest families through the distribution channels of the “Solidarity Supermarkets”, the supermarket chain that provides free basic necessities to needy families. Taking advantage of the re-use of goods, with a view to circular economy, “Valori Ritrovati” is an example of a concrete and effective solution that preserves value rather than destroying it. The collaboration with one of the main charities strengthens the Company’s presence as a promoter of local development via social inclusion and solidarity initiatives. In addition to the social value, the project has a strong inclusive footprint as it enables needy families to receive goods (for example, clothing, toys, small electrical household appliances, household utensils) that they would not normally have been able to buy. In support of the initiative, in 2019, the network of Poste Italiane volunteers participated in the implementation of distribution, storage and administrative activities relating to management of the parcels. The initiative is currently operating in the Caritas



offices in Rome, Perugia, Pescara and Montesilvano with the aim of extending to additional Solidarity Supermarkets. In addition, the proceeds from the sale of goods not suitable or necessary for the support of the beneficiaries of the Solidarity Supermarkets, has already allowed the activation of three paths of professional integration in Rome.

Il Volontariato d'Impresa (Corporate volunteering)

As part of the “Volontariato d’impresa” (Corporate volunteering) project, Poste Italiane has designed the model of how volunteering works in the Company, with regard to the accreditation phase of the organisations proposing voluntary activities, the presentation and validation of projects, the recruitment and engagement of volunteers and communication both internally and externally. The project, launched in 2016, today has more than 1,000 employees and represents for Poste Italiane a strategic activity useful to create networks of solidarity and inclusion in the territory and a system of structured dialogue with Third Sector Organisations and representatives of local communities. For Poste Italiane, the strengthening and development of the community of volunteers is a priority, an activity carried out through the provision of dedicated training activities. In order to optimise the management methods of volunteer programmes and promote local initiatives for the design of shared services of social value, during 2019, the “Piattaforma Informatica Volontariato d’Impresa” (Corporate Volunteer Information Technology Platform) project was launched, aimed at the development, implementation and operational management of a dedicated web platform. In particular, the platform is designed to allow Third Sector players to propose specific initiatives, volunteers to apply and publish content with a view to sharing, as well as facilitate the production of project reports.



Volunteers of Poste Italiane in support of the most needy within the post-earthquake inclusion programme

The programme consists of a two-year project aimed at preventing and combating social isolation and supporting the self-sufficiency of elderly people living in 95 Municipalities subject to seismic events, of which 56 in the Marche, 15 in Abruzzo, 14 in Umbria and 11 in Lazio. The initiative, promoted and carried out by the Italian Red Cross, makes use of the remaining resources from the fund raising campaign promoted by Poste Italiane for the Red Cross following the earthquake. The aim of the project, which sees the collaboration between the Italian Red Cross and Poste Italiane, is to promote the wellbeing of the communities by improving the quality of life of the people living in the areas affected by the earthquake in central Italy, with particular attention to the elderly and non-self-sufficient people, guaranteeing safety and psychological and physical wellbeing to them and their families through integrated social and health care, health education and prevention activities. The development of a culture of social inclusion is envisaged through forms of personalised care developed on the basis of individual needs taking into account specific gender and age requirements in order to strengthen the transversal nature and innovation of social services and improve access to social assistance and the quality of services by monitoring results. In addition to the recovery of difficult situations, the programme promotes health education actions to ensure care and risk prevention in communities where the elderly population is constantly increasing. The deep rootedness of Poste Italiane in the area affected by the earthquake, has allowed to identify as many Post Offices with structural characteristics adapted to the needs of the project that serve as a reference for the installation of defibrillators available for the entire population, more than 28% of which are over 65 years of age.

The Cresco Awards: the partnership with Sodalitas to promote sustainable cities

During 2019, Poste Italiane took part in the "Cresco Awards - Sustainable Cities" award ceremony, the event that recognises the initiatives of Italian Municipalities most effective in supporting the sustainable development of territories, promoted annually by the Sodalitas Foundation in collaboration with ANCI (National Association of Italian Municipalities). The awards, given by an independent Jury, were presented this year at the 36th annual meeting of Anci in Arezzo. For the fourth consecutive year, the Cresco Awards have rewarded the best initiatives developed by Municipalities, Metropolitan Cities, Mountain Communities or Unions of Municipalities throughout Italy. 25% of the projects submitted concerned Small Municipalities up to 10,000 inhabitants on issues related to the Sustainable Development Goals of the United Nations Agenda 2030. The initiative has seen the involvement of 16 companies particularly committed to sustainability, including Poste Italiane, which has awarded

the recognition "Per lo sviluppo digitale dei Piccoli Comuni" (For the digital development of Small Municipalities) to the Municipality of Tavenna (CB) for the initiative "Accoglienza, inclusione e coesione sociale" (Welcoming, inclusion and social cohesion), to the Municipality of Tollo (CH) for the initiative "Tollo equa. + ricicli - paghi" (+ recycling - pay) and to the Municipality of Malegno (BS) for the project "Piccoli progettisti crescono" (Small designers grow).

Poste Italiane
awarded for **initiatives
to support the digital
development of Small
Municipalities**
at the Cresco Awards
2019

The P.A.I.N.T Project

On the basis of the founding values of proximity and the social role promoted by the Company, as part of the commitments to support Small Municipalities, in 2018, the P.A.I.N.T. ("Poste e Artisti Insieme Nel Territorio" – Poste and Artists together in the territory) project, a territorial initiative for the redevelopment and decoration of Post Offices, was launched. In line with Poste Italiane's role and its proximity to local areas and citizens, through this project the Group enhances its presence in Italy's social fabric, in order to make the Company's predilection for local communities and innovation more concrete and visible. Through an online contest that involved street artists from all over Italy, the Company identified the sketches for 22 murals that were created in 2019 on the outside walls of Post

Offices throughout Italy, transforming them into landmarks for the neighbourhood and citizens.

From the collaboration between Poste Italiane and Sky Arte, 8 films were created to share the story of the P.A.I.N.T. project: the Street Artists, the Post Offices, the common people and the construction techniques that gave life to the murals.

murals
realised within
the **P.A.I.N.T.**
project

22

Social engagement

Poste Italiane is sensitive to social initiatives and the need of its employees to take an active part in social change. According to the principle of social engagement, the Company has joined the 2019 National Food Collection Day organised by the Banco Alimentare Onlus (not-for-profit Food Bank), which enables people to donate part of their shopping expenditure to those in need. Poste Italiane has made about 160 Company vehicles available for the transport of donated food items. Employees participated both as drivers and exclusively as volunteers at supermarkets.



Transparent dialogue with Authorities



Main related types of capital



The role and nature of Poste Italiane's activities require constant dialogue with national and international institutions, as well as with the Regions and local authorities.

In accordance with the principles of fairness, professionalism, collaboration and transparency set out in the Code of Ethics, the Group actively cooperates with authorities (regulatory, supervisory and judicial) and public institutions in order to identify solutions to support the needs of the community, as well as promoting the development of local areas and at the same time the competitive growth of the Company.

Indeed, taking into account its mission, widespread presence and the context in which it operates, Poste Italiane has always fostered positive interaction with public decision-makers, by maintaining constant, structured relations with authorities and institutions through a systematic and transparent dialogue, and promoting effective and correct cooperation, in strict compliance with legal provisions and regulatory measures.

These dialogue initiatives are based on a quest for shared solutions that enable a response to the social needs of the community, having a positive impact on the social fabric in the areas where the Company operates and, at the same time, increasing competitiveness and promoting business continuity

This institutional dialogue takes place mainly through direct relations with the various institutional representatives, in order to promote knowledge of the Company's activities

and to prevent application problems deriving from the choices made by public decision-makers, with a view to achieving positive collaboration.

With this in mind, during 2019, dialogue activities with the main central institutions were carried out through continuous and transparent involvement and a proactive and positive approach while representing the interests of the Company and the community.

Regarding relations connected with legislative issues, the relationship with public decision-makers is aimed at promoting knowledge of a wider range of assessment elements, which enable an analysis of the impact and possible consequences of a given law, and optimum representation of proposals to change existing legislation.

The legislative activity involves the monitoring of regulatory scenarios and the position of the institutional stakeholders of reference, the preparation, together with the relevant departments, of position papers and proposals on relevant issues from the point of view of discussion regarding the Company's needs with those of the stakeholders of reference and their interests.

The natural synergy between the Group's mission and the authorities makes it possible to establish strategic agreements and partnerships in the interests of the community, which allow for implementation of investment and initiatives typically aimed at identifying bids relating to innovative integrated services, promotion of the postal network's nationwide presence that facilitates prompt sharing of planning schemes, and preparation of local teams focused on specific issues³².

32. In 2019, Poste Italiane's support for trade associations amounted to approximately €3.5 million.

Poste participates in the activities of Confindustria and local associations aimed at the development of the digital economy and the implementation of services offered to associated companies, based on qualifying products and services of Poste Italiane.

In relation to discussion activities with local institutions, the Company regularly carries out specific activities of dialogue and collaboration also with Regions and local authorities. These activities are aimed at ensuring, with particular reference to Small Municipalities, the collection of their needs and the coordination of initiatives aimed at providing the most appropriate solutions. In order to guarantee this process in the best possible way, in the course of 2019, territorial controls were set up for each company macro-area, within which a person responsible for supporting associations and institutions was identified.

As part of the initiative to support the Small Municipalities, in 2019, the Group signed the Memorandum of Understanding between Poste Italiane, the Lazio Region and ANCI Lazio, aimed at identifying forms of collaboration to offer services in addition to the universal postal service to Municipalities in Lazio with fewer than 5,000 inhabitants.

As proof of the constant attention that Poste Italiane pays to local communities, also following the commitments made to the Small Municipalities, there were over 1,500 meetings with local institutions in 2019, a number that increased significantly compared to 2018.

Among the main local institutions and regulatory and supervisory bodies with which the Company interacts there are: the Italian Communications Authority (Autorità per le Garanzie delle Comunicazioni - AGCom), the Ministry of Economic Development (Ministero per lo Sviluppo Economico - MISE), the Ministry of Economy and Finance (Ministero dell'Economia e delle Finanze - MEF), the Ministry of Foreign Affairs and International Cooperation (Ministero per gli Affari Esteri e della Cooperazione Internazionale - MAE) and the European Policies Department of the Cabinet Office. At European and international level, the Group also maintains relations with the European Parliament, the European Commission, the Universal Postal Union (UPU), PostEurope, the European Centre of Employers and Enterprises providing Public services (CEEP), the International Post Corporation (IPC) and other institutions and associations in the sectors in which it operates.

Over 1,500
Meetings with local
institutions in 2019
as part of the
Small Municipalities
project

To support the achievement of these objectives, the Group is engaged in activities relating to the coordination, representation and monitoring of the political agenda at European and international level within the main bodies mentioned above, and the release of information for regulatory purposes at national, European and international level, as well as the formulation of proposals for amendments and additions to the reference regulatory framework.

Within the international postal organisations, the Group is also actively involved in initiatives aimed at promoting sustainable development. In particular, the Group participates in the EMMS (Environmental Monitoring and Measurement System) programme promoted by the International Post Corporation, a cooperative association comprising 23 postal operators that handle approximately 80% of global traffic volumes. The initiative was launched in 2008 with the aim of monitoring CO₂ emissions and assessing the sustainability of the participants' activities, in order to reduce the impact of postal activities on the environment.

With specific reference to the Mail, Parcels and Distribution segment, the Group aims to:

- guarantee access to SGEIs - services of general economic interest (e.g. the universal postal service, publishing - access to information, various services for citizens), with the aim of ensuring end users' access to information;
- guarantee fulfilment of the legal/regulatory obligations imposed on the Company regarding the provision of universal and non-universal services (e.g. in terms of quality performance, obligations relating to provision of information to customers, definition of the Contratto di Programma (Service Agreement) between the Company and the State, organisation of Post Offices, verification of the cost of the universal service, regulation of alternate-day mail delivery, etc.);
- handle requests from AGCom (Italian Communications Authority) regarding the regulation and supervision of the postal sector (e.g. requests for information, sanctions proceedings, etc.) and AgID (Digital Italy Agency), in relation to the activities of the Payments, Mobile and Digital segment.

Financial inclusion



Main related
types of capital



By taking advantage of its proximity to local communities and the network's nationwide reach, the Company has always provided support to traditionally excluded sectors of the population who, due to specific personal or physical conditions, have no direct access to the basic products and services required for their economic livelihoods and social wellbeing.

With this in mind, as specified in the Company's policy regarding the protection of human rights, Poste Italiane undertakes to promote the right to access and inclusion by developing products and services that respond to social needs, including those of people living in internal and peripheral areas or deprived and disadvantaged areas, as well as the promotion and planning of financial education initiatives, especially regarding savings, investment, payments, social security and insurance.

In this regard, the Group's objective is to influence the socio-economic support of communities and provide a more informed purchasing experience, while at the same time promoting the creation of economic value for the Company and the restoration of social value for local areas, in line with its corporate mission and Poste Italiane Group policy on community initiatives

Poste Italiane monitors its actions and its range of products and services through continuous and structured dialogue initiatives, such as the annual dialogue organised with key stakeholders in order to monitor the needs of communities and, in particular, of its beneficiaries and the relative level of satisfaction with the products and services offered.

Based on principles of professionalism, reliability, and ethics, Poste Italiane provides offerings dedicated to all the categories of customers it serves, in accordance with specific needs.

In order to strengthen the Company's proximity to the various customer groups, the Group is constantly seeking innovative solutions for the products and services it offers, partly thanks to its nationwide reach.

In this regard, in line with the evolution of the customer advisory service model, the Company intends to propose a new Post Office concept, for example, by assigning a consultant dedicated to a customer's specific financial needs, and providing tools to encourage dialogue with customers based on their priorities.

**Around
1,000 mobile
consultants
dedicated to covering
the remotest
areas**

With particular reference to senior citizens, the Company is developing services and dedicated communication approaches in the new spaces inside Post Offices, such as the promotion of digital literacy through reception services and technological support, helping customers to deal with paperwork and fill in forms, and information initiatives using specific, legible procedures. Staff training for this purpose is very important, with particular attention paid to the sales network, in order to ensure constant updating of their knowledge and skills and best meet customers' needs.

In addition to supporting financial inclusion projects already launched during 2018, the Group has developed specific initiatives dedicated to traditionally excluded sectors of the population, aimed at promoting social inclusion and cultural integration.

The return of Poste Italiane in the historical centre of L'Aquila

10 years after the earthquake of 6 April 2009, the new Post Office was inaugurated in the historic centre of L'Aquila, which covers an area of 300 square meters and was built with the help of the most modern technologies to combine safety and quality of service: 6 multifunctional doors, 2 consulting rooms and a new generation POSTAMAT automatic teller machine. The reopening of the Post Office in the historic centre of L'Aquila thus contributes to the rebirth of a beautiful city and in particular of its oldest urban core. Expanding and renewing the presence of Poste Italiane in the capital city of Abruzzo is consistent with the industrial strategy, which has its cornerstone in the widespread presence of postal services and is above all in line with the values of inclusion and closeness to citizens and communities that have always characterised the Company.

Financial inclusion initiatives within Post Offices

The focus on disabled people results in incorporation of their needs within the Company's project activities, through which Poste Italiane provides specific tools, technologies and dedicated staff to help them with their financial inclusion.

With this in mind, in line with its diversity inclusion and enhancement policies, the Company has developed a trial initiative aimed at hiring deaf people who are fluent in sign language, to work at special counters for deaf customers in Post Offices in large cities. As well as offering real employment and the opportunity to develop professional skills, the project aims to provide deaf citizens with a local, accessible and personalised service based on their needs.

Finally, with a view to inclusion, all ATMs installed nationwide are equipped with keyboards for blind and visually impaired people. ATMs include a guidance system with a series of

contrasting graphic maps that can be activated from the screen, and the use of complete voice guidance using headphones that can be inserted into a special jack.

Moreover, in line with the Code of Ethics, all Post Office staff give priority at counters to customers with motor and visual disabilities, expectant mothers and parents with newborn infants. In order to support the application of this principle, courtesy notices are displayed in all Post Offices to encourage such behaviour.



Initiatives for foreign citizens

With a view to extending its range of services to foreign citizens and at the same time promoting the socio-economic inclusion of foreign communities in Italy, Poste Italiane has set up multi-ethnic Post Offices nationwide. Post offices dedicated to foreign citizens - multi-ethnic or mono-ethnic depending on local requirements - are located in areas with a high concentration of foreign citizens or in busy areas, such as near railway stations. In addition, an ad hoc display was created to support operators with all the advertising and communication material translated into the various languages of the target customer segments identified.

In line with the commitment adopted by the Company to support the socio-economic inclusion of foreign citizens, two additional multi-ethnic Post Offices were activated in December 2019. More than 3.4 million customers were served in the 27 multi-ethnic Post Offices that are currently active during the year. In addition, in line with previous years, more than 5.5 million transactions were carried out in 2019.



The financial inclusion of senior citizens, young people and minors

During 2019, there was the inauguration of 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. The programme provides for several lines of action:

- involvement of start-ups and industry observers to identify needs and bring senior citizens closer to new technologies by getting them to take part in the innovation process;
- home delivery/neighbourhood services through the network of letter carriers and Post Offices;
- financial and computer literacy events at Post Offices;
- development of new dedicated offerings;
- dedicated business initiatives.

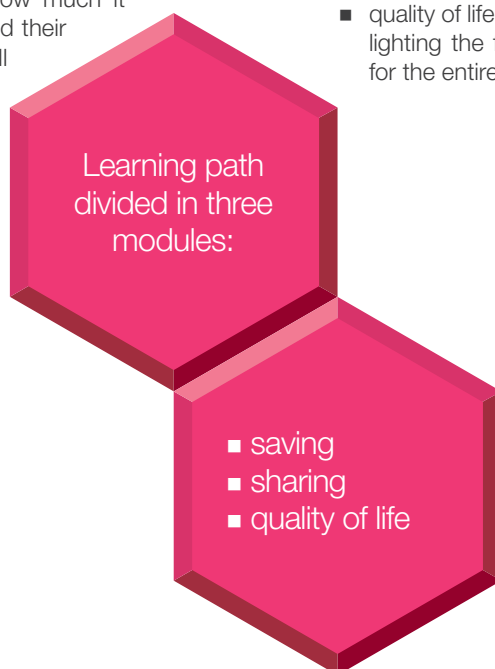
Specifically, the programme aims improving the knowledge of financial and digital tools in a specific segment of the population, that of Seniors. The training of silver customers and citizens is conducted by financial and digital experts of Poste Italiane. This way, the Group continues to offer its contribution of expertise within the strategies developed by the National Committee on Financial Education, with the promotion of initiatives to increase, also among the Italian senior population, financial, insurance and social security knowledge and skills.

Il Risparmio che fa Scuola (Savings Education Project)

The Ministry of Education, University and Research aims to strengthen the economic and financial knowledge of students of all levels of school, in order to educate them to active and aware citizenship. The project *Il Risparmio che fa Scuola*, promoted by Poste Italiane and Cassa di Risparmio di Roma, responds to this need by proposing a unique and original educational path, and completely free of charge. The aim is to train the citizens of the future, leading them to reflect on their saving behaviour (economic, environmental, energy, food) and on how much it can affect the life of everyone and their community. The new edition of "*Il Risparmio che fa scuola*" promotes Economic Citizenship by focusing on the issue of multidimensional savings as a key value and tool to promote progress and support individual development and of the entire community as well.

The course is divided into three thematic modules:

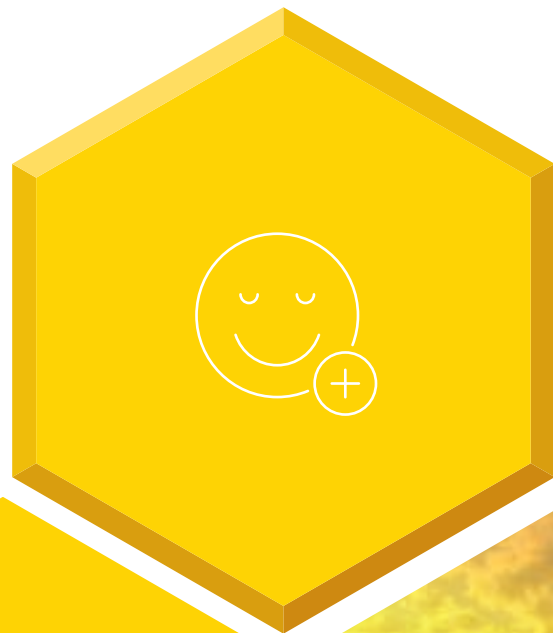
- saving: teaches how to manage financial, energy and natural resources etc. responsibly in order to generate economic and social progress;
- sharing: stresses the importance of entrusting savings to financial institutions so that, when pooled and invested, they result in economic benefits for the community and become a means to promote the country's development;
- quality of life: broadly encompasses savings goals, highlighting the fact that responsible behaviour is a priority for the entire planet and involves the global community.



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Customer experience

- Transformation of customer service
- Customer protection and satisfaction
- Data protection and adequate IT security
- -48% of IT security incidents







Customer experience

Main types of capital



Physical/ Structural



Intellectual



Financial



Social- relational

Objectives	Timing	Indicator (KPI)	Target	Implementation status 2019
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Outcomes

Improve average complaint handling time	By 2020	Average complaint handling time	15 days	12 days
Increase customer satisfaction	By 2022	Customer Satisfaction	+4% compared to 2018	+1%
Develop the service model by assigning a dedicated consultant to customers	By 2022	Number of dedicated consultants	13,000	8,350
Promote knowledge and skills development within the sales network	By 2022	Hours of training provided to the sales network	6.5 million	1.4 million
Engage Poste Italiane customers and employees via web platforms	By 2019	Number of customers and number of employees involved with web platforms for customer experience	30,000 customers and 6,000 employees involved in the Panel web platform "DilloaPosteItaliane"	20,000 customers and 18,000 employees
Certify privacy protection in the Group's areas of business	By 2022	Number of certified business areas	20%	5%
Improve and simplify the interaction between customer and Company	By 2022	Number of calls handled automatically	15%	New



Objective achieved



Objective not achieved



Deadline for achieving the objective has not yet expired

Quality and Customer experience



Main related
types of capital



Poste Italiane is oriented towards constant improvement in the quality of products and services offered to its customers, in an attempt to fully meet their expectations. In an increasingly mobile, social and multi-channel world, users' needs and behaviour are changing and it is therefore necessary to consolidate relations between the Company and its customers.

In this regard, the Code of Ethics lays down that Group companies must base their relations with customers on competence, professionalism, courtesy, transparency, fairness and impartiality. These values and principles guide the essential rules of the conduct with customers, ensuring fruitful and lasting relationships, providing comprehensive and accurate information on products and services, with a view to enabling informed choices and avoid creating inaccurate expectations.

Customer experience means for Poste Italiane to guarantee the excellence of products and services to provide a simple and safe user experience, fully recognised by its customers

The recognised value attributed to customer satisfaction is demonstrated by the Company's desire to provide a customer experience objective for all beneficiaries of the Management By Objectives (MBO) programme. In particular, the Company has maintained, in continuity with the previous year, the "Poste Italiane Group Customer experience" indicator - which monitors the quality perceived by customers for the most important products, services and channels of the Poste Italiane Group - for the CEO, the Internal Auditing function and all staff functions.

To confirm the centrality of the issue, it is important to remember that the Board of Directors of Poste Italiane expresses the propensity to risk associated with the lack of satisfaction of customer needs also on the basis of indicators relating to Customer experience, including complaint rates and the Poste Italiane Group Customer experience.

The year 2019 was characterised by important organisational changes in terms of customer centrality.

The Customer experience Transformation function was created with the aim of putting the customer's needs at the centre of the company's strategies and to focus more and more on innovation and the opportunities offered by new technologies to strengthen the company's competitive position, responding promptly and effectively to changes in the scenario and new needs of current and potential customers, reducing time to market in an increasingly incisive manner. The new function is articulated so as to ensure on the physical channel, front line and digital that all new initiatives are launched in a Customer Centric perspective and that all existing products/services are continuously improved.



In line with the Deliver 2022 Plan and the industrial transformation process undertaken by Poste Italiane, the Chief Operating Office function also continues on its path of change undertaken in 2018. The recent reorganisation of the Back Office Services function aims to guarantee continuous improvement in the quality of the services provided to customers, the effectiveness and efficiency of the processes managed, the optimisation of the distribution of work and skills and the raising and redefinition of productivity standards in territorial operating centres, in compliance with sector regulations. The transformation process takes into account the organisational complexity and the different needs related to the business and provides, in particular: the involvement of people throughout the country, the organisational simplification and streamlining of the decision-making chain, the strengthening of governance and control activities, the creation of specialised structures for supply/service lines, the concentration of standardised activities common to different products and services in dedicated structures.

This process of change has provided a training path that allows all the professional figures involved to understand the transformation scenario, acquire knowledge and use of new dedicated tools and contribute to the implementation of the new service model.

During 2019, work continued on the development of the Corporate Reliability process, with particular focus on the postal-logistics process. Specifically, the operating model, process phases and operational tools (including data analytics systems and artificial intelligence) of the Corporate Reliability function have been defined.

Indicative of the Company's willingness to meet the needs of its customers is the employment of more than a thousand employees in the Mail, Parcels and Distribution function at territorial and central level and dedicated to quality and that carry out targeted measurement, prevention and improvement activities. During 2019, in order to guarantee the accuracy, integrity, reliability and consistency of the data necessary to define the KPIs present in the Postal Product Quality Monitoring Model, was the certification of the Model and the data collection processes feeding the monitoring system.

As part of the Deliver 2022 Plan, the customer service transformation plan continues.

The new model aims to make assistance a competitive lever to support the business and the development of relationships with customers with the aim of addressing all customer expectations through an ecosystem of services developed on customers' needs and offering customised solutions. The multi-year project aims to develop the customer journey of assistance by business segment. Customer management is made more efficient through the use of smart and innovative management tools. The new model, in fact, provides several assistance journeys by gradually introducing Artificial Intelligence (AI) that allows optimisation of managed volumes and an increase in self-care. The main areas of improvement in terms of customer satisfaction concern Average Waiting Time in Queue (TMA) and Average Management Time (TMG). The interventions of the Transformation Plan allow a reduction in waiting times and management of requests with a consequent improvement in customer satisfaction levels. Moreover, in line with the "customer centric" approach adopted by the Company, an SMS notification system has been implemented to remind Affluent customers of Poste Italiane of the appointment with their dedicated manager at the Post Office. The SMS thus becomes another immediate channel of contact and helps to consolidate the company's caring system towards the Affluent customer.



ChatBot Poste, the Poste Italiane Digital Assistant

In 2019, the "Poste Italiane Digital Assistant" tool was developed with the aim of improving and simplifying the interaction between customer and company thanks to the use of artificial intelligence technologies to enhance the role of customer service also through an evolution of trades. The aim of the assistant, a completely digital roBOT, is to help all customers by supporting and guiding them through the entire Poste Italiane offer by providing necessary information and assistance in case of difficulties in using it. At the same time, the bot also acts as the contact center's right-hand man, anticipating customer needs and being proactive in finding practical and effective solutions.



Particular attention is reserved to quality expressed in the Integrated Group Policy which, with reference to quality issues, documents the Company's commitment to the continuous incorporation of quality within the Company's development strategy, so that all the processes that contribute to the design, development and implementation of a product or service are mapped within quality management systems.

The Poste Italiane Group deems it fundamental to base its relations with its customers on striving for maximum transparency and fairness, with a constant commitment to meeting their expectations. Therefore, the Group's Integrated Policy regarding quality requires Group companies - within the scope of their autonomy and independence - to implement this Policy, adapting it to their own size and organisational and operational context, and related to specific regulations (for example, in the Financial and Insurance services segments).

In order to achieve the maximum effectiveness and efficiency of processes, activities and resources, Poste Italiane has decided to adopt an Integrated Management System that brings together the most significant aspects of all the management systems currently in place, in order to align business processes and make the widespread distribution of business procedures increasingly flexible. Specifically, Poste Italiane SpA has implemented an effective Quality Management System, in compliance with the UNI EN ISO 9001:2015 standard, with which it undertakes to carry out its activities through the adoption of the following principles:

- maintaining adequate service quality, in particular by ensuring efficiency and continuity of service in accordance with the specific requirements;
- maintaining the adequacy of the services offered to customers;
- respecting time and optimising the cost/quality ratio of products and services.

The Quality Management System aims at ensuring that the products and services provided meet customer expectations and applicable mandatory requirements, as well as enabling continuous improvement of performance to enhance the Company's competitive standard in the market. Indeed, the System is a fundamental tool for defining the rules and limits applicable to quality control at all levels. Any anomalies are duly recorded and reported thanks to specific audits and periodic checks.

The management model regarding the quality of services and products offered starts from a dialogue with customers, allowing the Company to connect with customers in order to identify and better meet needs over time. This attention is characterised by:

- definition and monitoring of delivered quality indicators published in periodic reports shared with Top Management;
- an approach aimed at protecting and satisfying customers, measured by the Net Promoter Score (NPS), which measures the propensity of customers to recommend the Company, carried out twice a year regarding the performance of the Business Units (BancoPosta; Posta Comunicazione e Logistica (Mail, Communication and Logistics) and Poste Vita). These are CATI (Computer-Assisted Telephone Interviewing) surveys, conducted by an external research institute with customer samples representative of the target universe. The Group further refined the model by spontaneously seeking out customers' opinions at several postal, financial and insur-

ance services touch points. Once a year, the NPS is also measured for the most representative competitors of the Poste Italiane Group's four businesses;

- monitoring of satisfaction and gathering of opinions and suggestions to identify opportunities for improvement thanks to the Customer Effort Score (CES) indicator, applied to the channels (Post Offices, call centres and the web), which makes it possible to analyse how quickly and easily the Company solves problems;
- adequate complaints handling, which for the Company is a fundamental and decisive activity of contact and dialogue with customers, with a view to identifying and resolving the causes of the inconvenience and implementing the necessary corrective measures to improve business processes.

In this context, fundamental importance is given to complaints and other requests through which customers express their dissatisfaction, as their correct and timely assessment and management is a useful indicator of service levels. This element contributes to the assessment and management of operational and reputational risks, especially non-compliance and conduct risks. Top management are notified about the progress of complaints on a weekly and monthly basis through specific reporting systems. In this regard, all Group companies have implemented specific procedures that set out principles and rules for handling complaints, which are approved and periodically reviewed by the respective boards of directors.

“Dillo a Poste Italiane” (Tell Poste Italiane about it) - customers and employees, bearing witness to the customer-centric innovation path the Company has embarked on

“DilloaPosteitaliane” is the Group's online community dedicated to the co-creation and improvement of the Company's products and services. The initiative is part of the innovation process undertaken by the Group that intends to actively involve customers and employees so that they can become co-protagonists in the creation of new products and services, and help the Company to continue improving its current products and services.

Customers can participate in surveys, forums and discussion groups regarding Poste Italiane Group products and services via the online platform www.dilloaposteitaliane.it thus establishing a direct link between customers and Poste Italiane managers through periodic web chats on specific topics.

Listening activities may be launched by Poste Italiane SpA, Banco Posta and PostePay, as promoters of the initiative. For this reason, various brands have been created - “Dillo a Poste Italiane”, “Dillo a Banco Posta” and “Dillo a Poste Pay” - to personalise the individual initiatives aimed at customers.

With a view to valuing the contribution of customers and in the interests of maximum transparency regarding the results of the initiatives, customers will be able to view what the Group has achieved thanks to their contribution in the “Our projects” section of the www.dilloaposteitaliane.it website. During 2019, registered employees contributed to the co-creation of products with customers, providing important support in defining the characteristics of new offerings.

Dialogue with consumer associations

In addition to promoting relations with the above institutions, the Group pays particular attention to dialogue with consumer associations, both at national and local level. In this regard, Poste Italiane has signed a Framework Agreement with 20 associations, with the aim of constantly improving

the quality of products and services and generating constructive and transparent dialogue between the parties. In order to facilitate achievement of the set objectives, the Company set up the “Cantiere Consumatori” (Construction site for consumers). With regard to corporate initiatives that

have a significant impact on customers, this permanent working and advisory group - consisting of a spokesperson from each association and Poste Italiane representatives - identifies the best solutions to reconcile reciprocal needs.

In relation to the Consumer Site, in which the products and services of Poste Italiane are presented in preview to the Consumer Associations by collecting suggestions and comments, during 2019 the "Editorial Committee" was implemented, made up of representatives of the Company and the Consumer Associations.

In 2019, with the aim of disseminating the issues addressed at the table and the initiatives promoted within the Site, the work of the Editorial Committee, the newsletter "Dialoguing with consumers", the information tool aimed at the territorial representatives of consumer associations, was implemented. The activity reports, the materials presented during the meetings and any other useful information, are the subject of this information tool that is sent periodically to all the representatives of the Associations in the territory and is available in the appropriate section of the Company's website. The newsletter, sent to 1,200 local offices in 2019, aims to inform about the main news in the world of Poste Italiane and to be a vehicle for new ideas and reports, to further

strengthen the bond of knowledge and collaboration that has always characterised the relationship between the two realities.

In order to provide complete information on its products and services, the Group makes available "The Postal Services Charter". The document offers all the information necessary for the best use of the products of the universal postal service (Legislative Decree 261/99) and describes the quality objectives that the Company is committed to achieving.

The Company also provides the "E@sy commerce" manual, with the aim of guiding consumers in online purchases. The purpose of the Manual is to allow consumers to purchase online with ease and security, developed in collaboration with nineteen Consumer Associations and Netcomm, the Italian e-commerce Consortium to which the most important national e-commerce operators adhere.

Finally, the Company participates in the "Consumers' Forum", a unique association on the Italian and European scene, founded in 1999 by a number of important Italian companies and representative consumer associations at national level.

Cybersecurity, IT Security and Privacy



Main related
types of capital



Effective data protection and adequate corporate IT security are essential elements for a company to protect its information assets, as well as those of its customers and stakeholders, and ensure business continuity.

The Group considers it strategically important to guarantee the protection of the information assets of the Company, and of its customers and other stakeholders, and to ensure the security of transactions. Data is one of the most valuable assets for any business because, if properly analysed and managed, it has a positive impact on many operational aspects. Consequently, it is necessary to implement timely IT security strategies in order to ensure the success of the Company.

The Group's objective is to ensure the protection of its systems and information assets, adapting the security countermeasures to the minimum and/or appropriate measures provided for by the various reference regulations, with the aim of guaranteeing the mandatory levels of confidentiality, integrity, availability and continuity of the data, information and services provided to customers

With this in mind, a specific board induction session was held in 2019 on the subject of cybersecurity which, in accordance with the provisions of the new Corporate Governance Code, was aimed at providing members of the Board of Directors and the Board of Statutory Auditors with adequate knowledge of the evolution of the relative risks and the methods of managing them within the Group. This induction activity has allowed the Board of Directors of Poste Italiane to express its propensity to risk associated with IT security within the Group's Risk Appetite Framework.

Ensuring adequate levels of confidentiality, integrity and availability of data, information and services provided to customers requires increasingly advanced protection systems to safeguard personal data, tangible and intangible assets and intellectual property.

In order to achieve its objectives, the Group considers it necessary to adapt not only the technological measures, but also the internal provisions and operational security processes, guaranteeing an adequate level of performance of the security monitoring, an adequate resilience of the business services, and feeding the information flows to the internal control bodies and/or to the reference Authorities. All cybersecurity and IT Security activities are part of the company's more general objective of fulfilling

the obligations deriving from the various regulatory areas of compliance. This objective also concerns the develop-

ment of new digital services that are realised according to the principles of security by design and by default.



In consideration of the importance assumed by the risks connected to cybersecurity at national and international level, during the year, an experimental project of Cyber Risk Quantification was conducted, using the Factor Analysis of Information Risk (FAIR) methodology, aimed at measuring cyber risk in economic terms and with risk based indicators, on some relevant business systems and for some pre-defined scenarios, based on a statistical methodology.

The IT Security Policy and the objectives it aims to achieve have been the basis for the development by Poste Italiane of a specific IT security framework. The framework foresees specific methodologies for IT risk, transversal interventions and technological projects with the aim of ensuring the proper functioning of security platforms.

Poste Italiane has also adopted the Consolidated Security Act with the aim of providing a concise description of the methodological and operational approach adopted by the Poste Italiane Group for the management of IT Security, a fundamental element for achieving the objectives set out in the five-year Deliver 2022 Strategic Plan.

In order to achieve its objectives, the Group has set up an IT Security Committee to oversee the effectiveness of the security governance model and the implementation of the Permanent Security Plan, aimed at defining and managing the implementation programme for IT security initiatives and projects, structured to ensure the protection of the Poste Italiane Group's strategic information assets and core services. The Plan is managed in the following activities:

- definition of the Plan: census of IT security initiatives and collection of all the information useful for their description (scope, activities, contacts, time planning) in a Permanent Security Plan;
- plan Progress Monitoring: Periodical collection of the progress of the initiatives in the Permanent Security Plan;
- communications and Reporting: representation of the progress of the initiatives in the Permanent Security Plan.

The Group uses an Integrated IT Quality and Security Management System that incorporates the aspects highlighted by international standards regarding sector benchmarks in order to obtain recognition of the Quality & Security Assurance of the services provided by Poste Italiane by obtaining and maintaining Third-Party Certifications, either mandatory or voluntary. This includes verification activities aimed at ascertaining the effectiveness and efficiency of the processes and security measures implemented according to the certifications obtained.

In a rapidly evolving market context in which the current technological revolution generates unimaginable opportunities, the Group's Deliver 2022 Plan has set challenging objectives that require a profound transformation of the business and in particular of the IT function. The Board of Directors plays an important role in this evolutionary process as it is directly involved in the development of the IT strategy and is responsible for supervising cybersecurity information.

Computer Emergency Response Team (CERT)

In order to combat cybercrime, a specific organisational reality is foreseen, the CERT (Computer Emergency Response Team) specialised in risk prevention, coordination on the management of cyber incidents of the Poste Italiane Group and response to cyber events. It is within a national and international network of similar structures with which it dialogues daily to share information, compromise indicators and attack models in general, a scenario which sees a strong collaboration with the CNAIPIC (National Centre Against Cybercrime for the Protection of Critical Infrastructure) structure of the Postal Police.

The CERT of Poste Italiane has organised its services in such a way as to create stratified levels of protection for the Group's business:

- 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 infrastructure and responds to potential malicious events.

-48%

fewer IT security incidents compared with 2016



Cybersecurity: the new space on the Intranet dedicated to IT security

In 2019, Poste Italiane, which has always been sensitive to cybersecurity, made available to all Group employees a section on the NoidiPoste Intranet dedicated to these issues. The new section promotes awareness-raising and literacy activities towards a less specialised audience, through educational tools characterised by a simpler language, such as themed workshops, IT security videos already posted on the Intranet, as well as a series of useful guides and links to be always safe when surfing the Internet. In addition, the section is enriched with the web series “The Investigations of a Cyber Investigator” in which they are reconstructed in television real cases of hacker attacks.

In order to develop and nourish dialogue that is always beneficial on the cyber theme, there is a Blog section featuring in-depth articles on various topics. Each post is open to the public wishing to make contributions or request further information, or simply express doubts.

Every month a cyber-video game is also proposed to stimulate the verification of the learning of IT security concepts.

The main objective of these initiatives is to make employees informed and aware of the protection of the IT tools used every day, and to be able to immediately recognise and report anomalies and possible attempts to violate them.

Another tool available to employees is the Altair portal, which is also a reference point for raising awareness on cybersecurity issues, which is addressed not only to sector experts, but above all for a wider public, by using language and content designed to meet the needs of both types of user. Altair ranges from more specific topics, such as new malware, spam or cyber-espionage campaign reports, to daily cyber and hi-tech news. The portal provides updates on scheduled training events, in-depth educational content on cybersecurity issues, guides and useful links to raise users’ IT awareness while they are surfing the web.

The Business Control Center and the security agreement with the Postal Police are linked to the attention that Poste reserves for the protection of the security of all its customers and employees, in light of its leading role for the country and in constant synergy with the institutions, as evidenced also by the agreements signed and the prevention actions carried out daily.

The Business Control Center represents the “technological heart” of the Company’s business process control. One of the main tasks of the structure is to monitor in real time, 24 hours a day, the services provided by Poste Italiane, to protect the security of customers in Post Offices and employees in all workplaces, to combat fraud and cybercrime, and to test the services offered by the Company.

In parallel, the historic collaborative relationship between the Postal and Communications Police and Poste Italiane has enabled achievement of excellent results over the years. However, it has also required adaptation to the rapid evolution of the activities and services offered by Poste Italiane, especially regarding e-commerce payment systems, as well as financial and insurance services, which has entailed stepping up the control and upgrading of both physical and IT security structures. The agreement particularly regards the prevention and repression of offences involving products and production processes relating to the services offered by the Poste Italiane Group, surveillance activities at Post Offices during scheduled payment periods, and the creation of task forces to study new computer fraud scenarios, as well as new cybersecurity tools.

Personal data protection

With a view to achieving uniform management of personal data and compliance with recent regulatory requirements in this regard, the Group continued the development of its corporate regulatory system consisting of the Privacy Guidelines, to ensure that management complies with legal provisions, and the Personal Data Protection Management System Guidelines, designed to ensure a uniform management system at Group level, which complies with the provisions of the European General Data Protection Regulation (GDPR) and current Italian legislation. In detail, the Guidelines illustrate the Company’s privacy model, the principles of Privacy by Design and Privacy by Default, which respectively establish the incorporation of privacy

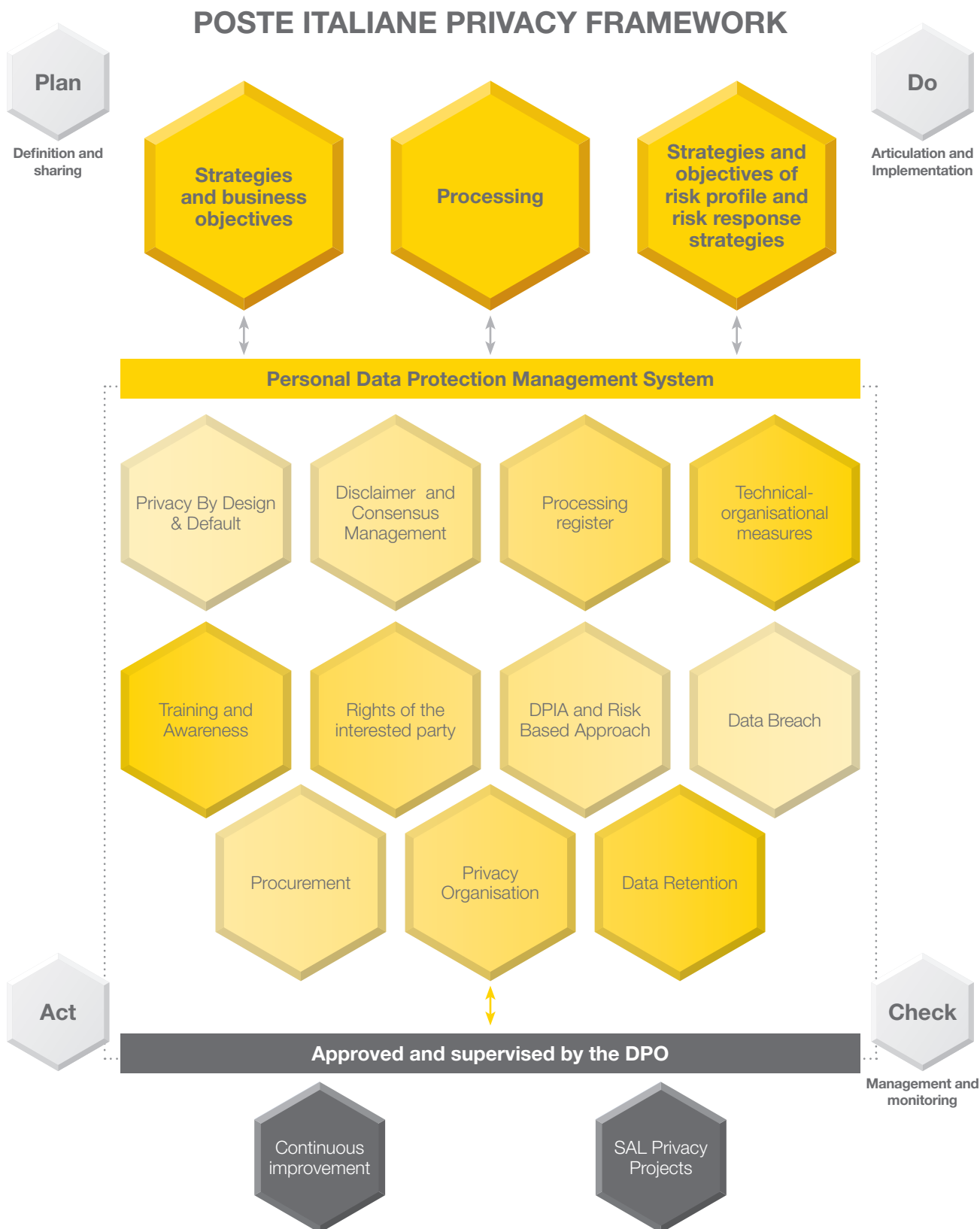
from the design stage and the guarantee by default, as well as the main processes adopted by the Poste Italiane Group and the related responsibilities regarding the effective management of personal data protection risk.

In particular, the fundamental value of this protection is expressed in the Poste Italiane Group’s privacy policy.

The Poste Italiane Group considers personal data protection to be a fundamental value that every Group company must adhere to in its daily activities

In order to ensure effective fulfilment of the obligations provided by the GDPR and guarantee continuous improvement of the management system, a Privacy Framework has been drawn up that identifies the main relevant thematic areas

and the organisational and technical controls implemented. The Framework enables continuous assessment and verification of the levels of maturity achieved to be carried out.



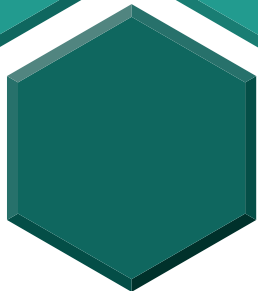
In order to guarantee a single Group-wide control unit and the implementation of the framework, the Privacy Function operates with the task of ensuring the correct application of personal data protection principles and rules. The unit is also responsible for ensuring compliance with personal data protection legislation, with specific reference to the innovations introduced with the entry into force of the General Data Protection Regulation (GDPR). Moreover, senior management has appointed the Poste Italiane Group's Data Protection Officer, a role introduced by the GDPR, who is an expert on privacy matters, with the task of promoting compliance with the law and verifying the effectiveness of personal data protection measures.

The aforementioned Privacy Function guarantees the impetus to continuous improvement by coordinating policy management and privacy by design and by default activities, providing constant support to the management of the register of processing activities and the related privacy impact assessment process. It also oversees the management review process at Group level pursuant to article 32 of the GDPR, the latter dedicated to the verification and assessment of the effectiveness and adequacy of the technical and organisational measures applied to processing. Within the Privacy Function operates the Privacy Service Centre, which acts as an interlocutor attentive to the needs of customers as well as a point of collection and efficient and centralised management of requests for access to personal data, rectification/integration, change of consent and other requests. This is also in order to counter the risks associated with possible unlawful processing of personal data. In 2019, the Centre certified ISO 27001 put in place a series of interventions aimed at ensuring increasing attention to the needs of those concerned.

Innovation

- 4.4 million digital e-wallet portfolios
- Enhancement of the technological capital
- +700 Start-ups analysed
- Opening of the largest sorting centre in the Country
- Over 57 million Digital - Consumer transactions







Innovation

Main types of capital





Physical/
Structural



Intellectual



Financial

Objectives	Timing	Indicator (KPI)	Target	Implementation status 2019
Develop the digital services offered through the adoption of blockchain technology	By 2019	Number of digital services offered	Launch of 4 pilot projects based on blockchain technology	Started and finished 4 pilot projects 
Install SMART mailboxes	By 2022	Number of SMART mailboxes	11,000	New
Increase digital transactions made via the app or the web	By 2022	Number of digital transactions	100 million	New
Increase the downloads of the Postepay and PosteMobile apps	By 2022	Number of downloads	+10% (baseline: 2019)	New
Increase Postepay Wallets	By 2022	Number of Postepay Wallets	6.5 million	New
Increase merchants enabled to accept payments with Code	By 2022	Number of merchants enabled	500,000	New
Reduce paper consumption due to the dematerialisation of sales operations	By 2019	Number of pages consumed	-30 million compared to 2018	- 30.5 million 
Provide Post Offices with dematerialised operating procedures	By 2019	Percentage of Post Offices with dematerialised management	100%	100%

Outcomes



Objective achieved



Objective not achieved



Deadline for achieving the objective has not yet expired



Innovation and digitisation of products, services and processes

Main related types of capital



Following the importance attributed to the theme of innovation and digitisation during the 2019 Multi-stakeholder Forum, and considering the centrality of this theme for the success of the Deliver 2022 strategy, the Company has planned to introduce a specific Pillar dedicated to the theme of innovation in such Report.

For Poste Italiane, innovation and digitisation represent the beating heart for the promotion of change and the key tool to accompany its customers in the process of digital transformation. As part of this path, the Company is committed

to adopting a highly inclusive approach, aimed at promoting accessibility by all its customers.

In line with its values and the Group's mission to support development and inclusion, Poste Italiane is committed to leading the country system towards progress and modernisation by defining processes that enable the development of increasingly innovative products and services

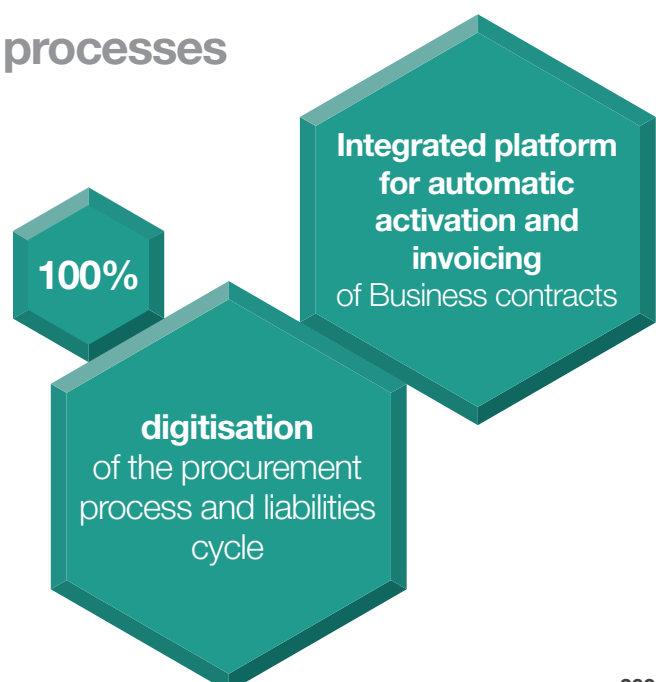
Percorsi per l'innovazione (Paths for innovation)

The initiative Paths for innovation continued in 2019; it was set up in 2017 with the launch of some Innovation Storms or company Hackathons that have as their objective the engagement and involvement of the corporate population in experiences of creativity and problem solving related to issues of interest to the business. The activation of the Hackathons was the last stage of a path that was developed with internal selection, training and finally engagement on the development of ideas to solve open issues of business. The first step of the path allowed to intercept the people most adherent to a pre-defined profile through some tests and classroom sessions dedicated to Digital issues. The resources selected then analysed issues of change and innovation by participating in an "Envisioning Lab", a full immersion with focus on the clusters of the Deliver 2022 Strategic Plan, through lectures, speeches and testimonies by professionals in the field and teaching of Design Thinking, arriving then to a challenge during the final Hackathon. Making people protagonists of change, involving them in business transformation processes, soliciting moments of cross-functional collaboration, spreading innovative working methods and encouraging the exploration of areas and topics outside their own comfort zones or everyday working life, are the objectives that "Paths for innovation" seeks to renew year after year by supporting the dissemination of a digital mindset. The energy, participation and engagement that have emerged, push the Company to continue to expand the pool of people to whom to propose participation.

Innovation and digitisation of processes

In a complex and challenging scenario, the Group's strategic evolution requires leveraging the development of innovation and the enhancement of technological assets to ensure both the capitalisation of what has already been achieved and the development of innovative solutions, as a support and source for business evolution. Over the years, Poste Italiane has shown its ability to transform its operational structures and services by adapting to market needs in constant evolution, through continuous investments in technology and know-how.

The Company therefore intends to better manage the needs of its customers, through strategic investments in physical and digital infrastructures, all in line with the Deliver 2022 Strategic Plan. The Plan has, in fact, innovation as its main pillar, requiring a profound transformation of the business and therefore of the company's IT systems and processes to support the achievement of its objectives.



To support the Digital Transformation process undertaken, the Company has planned a paradigm shift to evolve from a product-driven model towards a platform company logic, based on a generative, inclusive and transversal culture, and from a producer profile towards an aggregator and needs orchestrator profile. At business level, this involves a fluid and interchangeable ecosystem where the role of experiential player and customer-centric focuses not only on profit but also on the customer, ethics and sustainability.

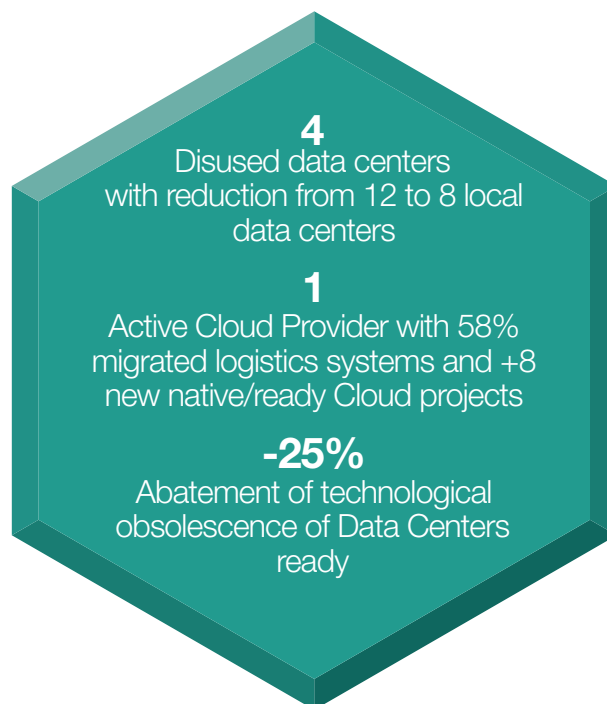
Poste Italiane embarked on an important transformation process involving the entire Group, which has several objectives: placing the customer increasingly at the centre of strategies; enhancing the Post Office network in synergy with digital channels; developing multichannel access and use methods; strengthening Poste Italiane's role as a key stakeholder for the Public Administration and encouraging the inclusion and development of the digital economy.

The distinguishing features of this process include the presence of a dedicated business area (Digital and User Experience within the Customer experience Transformation function), which serves as a competence centre to support the implementation of the Group's digital strategy, and Postepay, the largest Electronic Money Institution (EMI) in Italy, which has integrated the telecommunications services previously provided by PosteMobile with its card payments and payment services business. Postepay aims to enhance Poste Italiane's distribution channels through a "hybrid" model, which combines the largest and most widespread physical network in Italy and the digital world, and to create new channels, products and integrated services, especially regarding acquiring, e-commerce and mobile and digital payments.

The company management is directly involved in the supervision and management of IT issues and the transformation process undertaken by the Company. In this regard, in November 2019, the Board of Directors attended a specific induction session in which the role of information systems to support the implementation of the Business Strategy was illustrated.

Various digital innovations have been introduced into the business processes. In recent years, natively digital, automated and streamlined processes have been developed so as to simplify customer interaction and internal operations. Customer relationships, information and contracts are increasingly digital, business processes are even more digital and real-time to simplify and improve customer service and internal operational processes are automated on a large scale with minimal manual operation.

During 2019, the digitisation of the liabilities cycle was started through the evolution of the BPM Workflow Management system, functional to the complete dematerialisation of the phases of the purchasing process.



In addition, during the year, 1,300 users of 24 requesting facilities were enabled and over 45,000 purchase requests (RDA) were dematerialised and managed through BPM. The application is also accessible with webApp, which can be used from mobile devices. The project, in addition to obvious benefits on sustainability issues (about 350,000 pages/year unprinted), helps to strengthen monitoring and compliance throughout the process and significantly reduce the time it takes to pass through (by about 30% for tenders above the threshold).

Another enabling factor in the Digital Transformation path undertaken by the Company is the adoption of a state-of-the-art IT system that guarantees the highest standards of efficiency, agility and quality. In particular, it adopts a Hybrid Cloud architecture based on two public cloud providers and three data centers.

In this context, the Group has expanded its collaboration with Microsoft to support its Digital Transformation plan.

This collaboration aims to develop the customer experience, by adopting a Customer Relationship Management (CRM) cloud platform. The project focuses on the amalgamation of the CRM platform for the Strategic Business Units and retail operations, and is in line with the Group's wider Strategic Plan to maximise the value of Italy's largest distribution network to achieve sustainable growth. Thanks to the strategic partnership with Microsoft, which primarily relies on the flexibility of the cloud platform, Poste Italiane will ensure a constantly updated overview of its customers and ongoing activities, in order to optimise the experience and offer increasingly integrated services.

Poste Italiane for the blockchain development

In 2019, Poste Italiane joined the Hyperledger community, a global consortium of the Linux Foundation that brings together over 260 global players from different industries and united in the development of an open source standard for blockchain and Distributed Ledger Technologies (DLT). The adherence to Hyperledger is consistent with the strategic guidelines identified in the Deliver 2022 Business Plan, which aim to strengthen the digital leadership of Poste Italiane and to accelerate the acquisition of new skills and experimentation of blockchain technology and DLT to better understand the potential to generate innovation in business.

At a time when digital evolution is rapidly providing new services, data security is becoming increasingly important. In this context, blockchain is able to provide an effective response to the issues of security, transparency, interoperability and privacy, and Poste Italiane is committed to making it user-friendly, and having it serve Italy's economic system.

There have been many innovative solutions in recent years and close partnerships with companies in the digital sector and technology start-ups to encourage the development of new business initiatives, but also to promote a change in corporate culture. This open approach therefore favours the exchange of ideas oriented towards the progress and success of the Company.

While in the past the scouting activity focused primarily on start-ups with solutions already available on the market and tending to be consolidated, with a view to potential collaboration in the short term, recently research has also expanded to early stage start-ups, in order to promote and accelerate their development, in line with Poste's plans.

As part of the Open Innovation activities aimed at identifying innovative solutions consistent and functional to achieve the objectives set out in the Plan, over 700 start-ups were analysed, 80% of which came from Venture Capital Funds or national and international Open Innovation Programmes with which Poste Italiane has signed collaboration agreements. Among the start-ups analysed, over 100 were considered of potential interest for the functions and currently about 30 are shared for potential synergies and/or collaborations. As announced at the Innovation Workshop with investors held in London in January 2020, with four start-ups, with which the Company has found a clear and current opportunity to capitalise on its credibility and proven expertise in delivering innovations to the entire population, active collaboration is underway in the areas of logistics, last-mile delivery, financial services and payments.

In particular, in 2019, the Company entered into an agreement with Moneyfarm that provides for Poste Italiane to distribute an ETF asset management service with 7 investment lines (two of which developed exclusively for Poste Italiane's customers). Moneyfarm will manage the definition and management of the most suitable investment portfolio for each investor. Poste Italiane will manage customer service and CRM, to ensure the best experience throughout

the process. The partnership represents one of the major agreements based on API (Application Program Interface) integration in the European asset management sector in terms of customer base, based on an open innovation system that combines Moneyfarm's innovative technology with the modularity and flexibility of Poste Italiane's digital ecosystem. In addition, customer profiling, definition of new investment portfolios and real-time monitoring of performance at all times are entirely digital.

Secondly, the Company participated in the latest 90 million fund raising organised by Tink, an open banking platform that connects more than 2,500 banks to reach over 250 million customers. The start-up supports Poste Italiane for the opportunities from open banking, resulting from an ever-changing context determined by the new PSD2 regulation; for its part, the Group offers its status as a recognised brand which, combined with Tink's analytical tools, will allow it to benefit from a future that will be digital, "data-driven", transparent and "agnostic" with respect to the banking world.

The Group has also partnered with sender, a digital carrier that uses technology to maximise saturation and flexibility in long-haul road transport. The joint venture has been intensifying to apply to the Group's entire Full Truck Load business, with a specific focus on reducing the annual costs of the current total transport volume.

Finally, by collaborating with Milkman, a home delivery start-up, the Group aims to improve the e-commerce customer experience by providing value-added, flexible and advanced delivery services, which are currently not offered by traditional couriers on the market. Specifically, Same Day and Scheduled Delivery services will be provided.

At the same time, the Company has made significant investments in the automation of sorting, shipping and tracking processes.

In particular, in 2019, Poste Italiane opened the largest sorting centre in the country in Bologna.



**+700
Start-ups
analysed**



**In 2019,
Poste Italiane
inaugurated in Bologna
the largest hub in the
country capable
of sorting 34 thousand
parcels every
hour**

The structure, built on an area of 75 thousand square meters and capable of sorting 34,000 parcels every hour, is an emblem of the Company's ability to combine innovation and tradition, remaining an integral part of the social fabric of the country and becoming an engine of development. The Hub represents an example of the strategic design implemented by the Company that aims at growth in logistics related to online purchasing. Operating in synergy with the most widespread distribution network in Italy and, at the same time, exploiting the opportunities offered by the digital world, the Bologna centre makes it possible to implement the development and innovation path outlined in the Deliver 2022 Business Plan, making a decisive contribution to the spread of e-commerce and digitisation in Italy.

It is the most modern and largest logistics facility in the country and one of the most environmentally advanced. In fact, photovoltaic panels covering an area of 5,500 square meters have been installed on the roof of the system and generate more electricity than its daytime energy needs



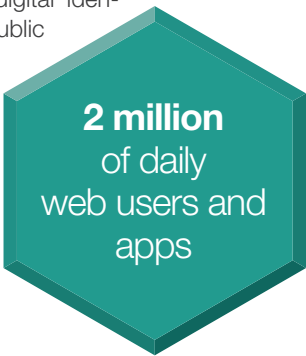
4.4 million
Digital wallets
(e-wallets)

In addition, the Hub allows the Company to respond more effectively to the growth in value and volume of online trade in Italy. Therefore, the new structure is able to double the volumes delivered by the Company, as it is equipped with an automatic system of the latest generation capable of processing 250 thousand parcels every day. In this perspective, the new logistics centre represents a strategic infrastructure to consolidate Poste's leadership in the parcel express courier sector.

Innovation and digitisation of products and services

Poste Italiane contributes to the constant creation of positive externalities on society, through continuous technological evolution, affecting the reduction of environmental impacts and promoting social inclusion, thanks to the definition of products and services accessible to all customers.

In this sense, innovative digital solutions have already been implemented in the Group's various realities. These include, for example, the digital collection of undelivered registered mail, the electronic postman, the digital evolution of postal savings services, the PostelD digital identity service enabled by the Public Digital Identity System (SPID - Sistema Pubblico d'Identità Digitale), and the Postepay Connect service, the first integrated product in the payments and mobile field that, through a single app, enables users to manage their telephone and payment services in an intuitive and secure way.



2 million
of daily
web users and
apps

In 2019, with regard to the fixed line market, PosteMobile provided for a specific tariff for the target Senior and for the target Families. The offer includes a voice-only profile (PosteMobile Casa) addressed to senior customers and a voice and internet profile (PosteMobile Casa Internet), created to meet the families' needs.

The objective for the coming years is to continue to invest in the development of offers that favour the inclusion and availability of tariffs for navigation even in territories with less choice of digital services and internet navigation.

In addition, PostePay, in line with the acceleration that the Company is having in terms of contribution to innovation for the country, has planned for 2020 the confirmation of the online channel as a strategic lever to increase the number of interested customers and always in synergy with the Post Office network.

In the area of business services, improvements have been made to the user experience of the BancoPosta Impresa Online site and the new BPIOLkey app, which authorises access to financial services for companies in line with the adjustments required by the European PSD2 regulations, has been published on the stores.

The growth in Poste Italiane's digital payment services is also confirmed by the increase in digital portfolios (e-wallets) in one year, which rose from 2.5 to 4.4 million in 2019.

In support of the digital transformation, during 2019, the TuttolnCloudMulta initiative was created, an innovative service launched by Postel that allows local administrations to digitise the sanctioning procedure regarding traffic violations, from the fine to the notification, without any investment and purchase of software licenses. The tool makes it possible to adapt the Body's procedures to the Digital Administration Code, to reduce the percentage of appeals and to cancel software maintenance and adaptation costs.

A proof of the commitment to support innovation in the transformation plan of Customer Care in logistics and shipping, financial, insurance and digital payment services was the SMAU Innovation Award, received by Poste Italiane for the development of ChatBot customer care.

Postepay Code

In line with the acceleration that Poste Italiane is giving in terms of contribution to innovation, Postepay is aiming at an increasingly richer offer of services and functionalities, with the aim of digitising consumers and retailers in a way that is increasingly focused on apps.

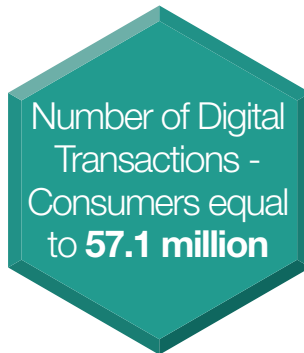
In line with these aims, Postepay, which has more than 11 million downloaded APPs, has developed the Postepay Code, which is configured as a new app based on the QR code.

Postepay Code is the solution that can break down the barriers to the spread of traditional acquiring services. In particular, it is positioned in a competitive way with respect to the solutions on the market thanks to some of its specific characteristics:

- it is an all-digital app-based service that targets both payers and cashiers, and does not require an additional POS installation by the retailer;
- it also optimizes and facilitates the entry of small merchants as there is no need to open a new account;
- it has a competitive and in any case free pricing for all transactions below €10, just to encourage the use of electronic payment instruments in micro-transactions, which are those that favour the use of cash;
- autonomous management of discounts and promotions with the Sconti Poste loyalty programme, encouraging growth in the number of participating merchants (to date around 4,100);
- possibility, also for small merchants and therefore, with value also as a contribution to inclusion, to reach a wider customer base to which it can provide its services in a simple and transparent way.

The Code is part of the broader framework of Poste Italiane's war on cash initiatives and aims to intercept the small consumer spending that today takes place mainly in cash, in line with government action and the social role of Poste Italiane that encourages the use of e-money in order to combat evasion.

The initiative also includes the expansion of the customer base with that of Alipay, world leader in digital payments, which will be able to use the QR code services offered by PostePay in Italy and leverage a potential pool of about 5 million Asian tourists who come to Italy every year.



To help consolidate the digital ecosystem of Poste Italiane, the development plan of the Postepay Code foresees a roll out with a geo-localised approach on about 100 districts located throughout the Italian territory. This phase will involve a relevant pool of merchants and customers interested in trying a new digital payment experience and will allow to test and develop the Postepay code acceptance network both from a technical and positioning point of view.

In order to have a wider spread throughout the country, marketing will take place in the second half of 2020 with a new innovative sales model, characterised by an open, multi-channel and integrated approach formed by the commercial networks of Poste Italiane and thus Post Offices, commercial resources that will be able to operate off-site and digital channels such as APPs and of course the website.

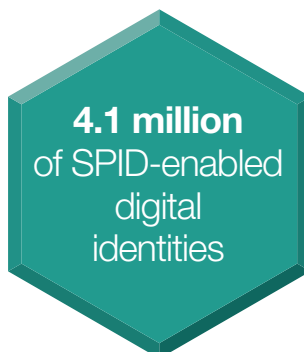
Other instruments supporting the Group's inclusion policies include the partnership with Western Union, one of the leaders in the international fund transfer service. Western Union is the world leader in Money Transfer services with more than 150 million customers, 2,000 banks and 100 Postal Partner organisations reaching about 200 countries and territories.

The objective of this proposal, in line with the digital push required by the market, is to expand and improve the range of services offered by Poste Italiane in digital mode while contributing to a progressive reduction in costs and making the international fund transfer service more accessible, especially to those sections of the population with lower spending capacity and therefore, from this perspective, the service can be considered a contribution to social inclusion.

Postepay's fund transfer service also promotes the reduction of the use of cash, the traceability of transactions and movements of money abroad, the dematerialisation of documents relating to the sending of money, making it easier and more convenient for foreigners present in Italy (new Italians) to provide financial help to relatives and friends living in their countries of origin.

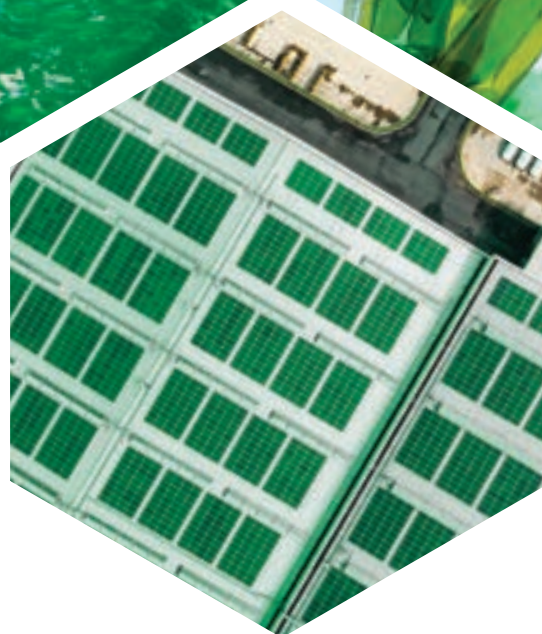
For these characteristics, this service is mainly aimed at the so-called new Italian customers and offered in integrated mode through the Postepay app dedicated to individuals who own a Postepay Evolution.

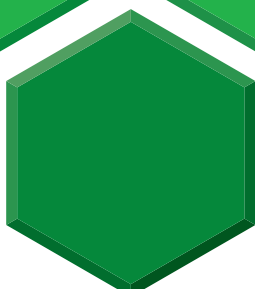
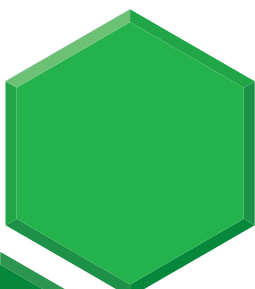
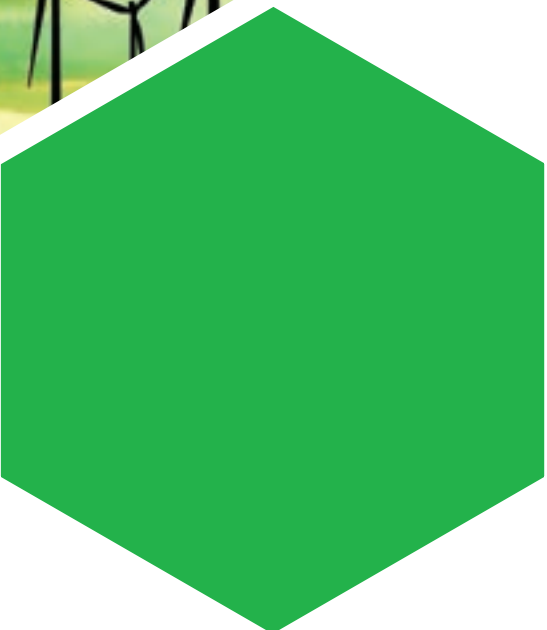
From the point of view of development, it can be estimated that over the next 3 years, this service will lead to a significant increase in digital traffic and in the number of customers who will be able to use Poste Italiane's digital services.



Decarbonisation of real estate facilities and logistics

- Environmental protection
- Incorporation of environmental aspects into the products and services offered
- Photovoltaic dissemination
- Green transport







Decarbonisation of real estate facilities and logistics

Main types of capital



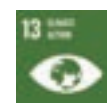
Natural



Physical/
Structural

Objectives	Timing	Indicator (KPI)	Target	Implementation status 2019
Replace the company fleet with vehicles with reduced environmental impact	By 2022	Number of company vehicles with reduced environmental impact introduced	+26,000	New
Reduce emissions from transportation	By 2022	% of emissions produced	-40%	New
Reduce the total number of kilometres travelled by increasing First Time Delivery Success	By 2019	% of parcels delivered on the first attempt	90%	91.8%
Reduce the Group's total energy consumption from non-renewable sources	By 2022	GWh less electricity from non-renewable sources consumed by buildings	-7.5 GWh	- 3.2 GWh
Reduce the Group's total energy consumption from renewable sources	By 2022	GWh total electricity consumed by buildings	-32.8 GWh	-12.3 GWh
Reduce the Group's total direct GHG emissions (Scope 1)	By 2022	tCO ₂ e emitted by direct energy consumed by properties	-1,000 tCO ₂ e	-78 tCO ₂ e from LPG consumption
Reduce the Group's total indirect GHG emissions (Scope 2)	By 2022	tCO ₂ e emitted by indirect energy consumed by properties	-9,132 tCO ₂ e	-5,617 tCO ₂ e
Certify Corporate processes in accordance with ISO 14001 and ISO 50001	By 2019	Corporate processes ISO 14001 and ISO 50001 certified	100%	100% relevant Companies

Outcomes



Objective achieved



Objective not achieved



Deadline for achieving the objective has not yet expired

Environmental impacts of real estate facilities



Main related
types of capital



Poste Italiane attributes primary importance to the issue of environmental protection within its Code of Ethics, with the aim of promoting innovative solutions capable of protecting the natural capital, by minimising the environmental impacts produced.

The Company's objective is to spread an environmental protection culture and a stimulus to conscious conduct in the use of energy whilst systematically drawing up sectoral action plans regarding the efficient management of energy resources, water resources and waste, from a circular economy perspective, in order to reduce its ecological footprint

Therefore, the quality of products and services also entails implementation of self-regulatory environmental and energy tools, in accordance with applicable laws and regulations, and also with Italian, European and international Sustainable Development Goals.

In terms of organisation, a single central Function is tasked with overseeing the areas of environmental responsibility relating to real estate assets, including ensuring compliance with current regulations regarding energy use, monitoring and measurement of consumption, identifying areas where savings can be made.

In this context, in 2019, the Group pursued the objective of renewing utilities contracts (gas and EE), making consumption more efficient, reducing emissions and implementing management support systems.

In order to raise awareness of the impact that the daily actions of the people who work permanently or temporarily at Group companies have on the environment, in early 2019 the Company adopted a Group policy on environmental sustainability with a view to sharing with customers, civil society and stakeholders in general, the commitments it has undertaken - in addition to the principles - to respect the rules and instruments it intends to adopt to ensure compliance with international regulations and standards.

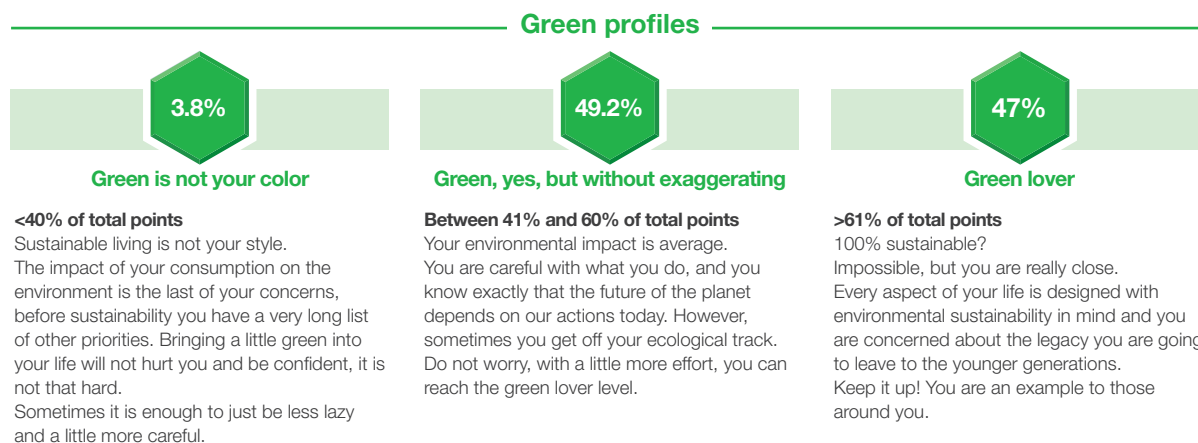
Therefore, the Policy's objective is to prevent, manage and, where possible, reduce the environmental impacts generated by the Company's operational activities, in particular, from the use of buildings and logistics and transport activities, whether carried out directly or through suppliers and partners.

The Company's approach to environmental sustainability is inspired by these principles: efficient use of natural resources; innovation to support a low-carbon economy; prevention and reduction of environmental impact, through analysis of potential environmental risks, reduction in the amount of waste produced and the elimination of waste; and promotion of an environmental culture, through the Company's corporate voluntary network and collaboration with environmental associations.



Campaign #QuantoSeiGreen (#HowGreenAreYou?)

The Group seeks to raise awareness among its employees to adopt more sustainable conduct in their daily activities. In fact, as part of the “Your opinion counts” employee listening process, the #QuantoSeiGreen? survey has recently been online to find out their level of environmental sustainability.



At the end of the survey, based on the score achieved, each participant obtained their own green profile. Overall, 3 different employee profiles emerged: “Green Lover” (47%), “Green yes, but without exaggeration” (49.2%), and “Green is not your color” (3.8%). The survey returned positive results regarding the conduct of colleagues: 21% use public transport for home-work trips. When using water, 97% said they use the shower rather than the bathtub, and 55% use it for 5 minutes. In addition, 8 out of 10 people close the water while brushing their teeth. As far as housing is concerned, 26% of respondents have equipped their homes with at least one solution based on the use of renewable energy, more than half (57%) set a temperature $\leq 20^\circ$ in winter on the home thermostat, while 40% of those who have an air conditioner set it to temperatures $\leq 25^\circ$. Approximately 85% said they had at least 1 thermal insulation feature in their home and almost all respondents (94%) have most energy-efficient light bulbs at home. 71% say they always use the dishwasher at full load, 53% leave the electronic devices on stand-by and 79% of respondents let the laundry dry on the clothes rack. In the office, 9 out of 10 people sort paper and plastic from other waste, 7 out of 10 people in the office and/or at home always turn off the light and/or the PC when they leave a room.

The survey is aimed at encouraging all those who have obtained a low score to adopt a more respectful attitude towards nature, thanks to the Company’s suggestions, starting with a few simple measures that help to save CO₂ while preserving the environment in which they live.

In addition, in the second half of 2019, a project was launched for the procurement of materials generated from recycled plastic to replace virgin plastic materials used in logistics. With regard to paper destined for the Group’s bulk printing plants, during 2019, activities focused on FSC (Forest Stewardship Council) certified products for 11,000 tonnes of paper. The FSC certification mark guarantees environmentally friendly, socially useful and economically sustainable forest management.

Purchases of consumables relating to ream paper for internal use within the Group, supply of labels, various packaging, forms and cartons comply, where applicable, with the “Minimum Environmental Criteria” set by the Ministry of the Environment on 4 April 2013 and those relating to original and regenerated printer consumables comply, where applicable, with the “Minimum Environmental Criteria” updated by the Ministry of the Environment on 17 October 2019.

At the same time, the Company facilitates the new sensitivity to impact reduction by planning a plurality of initiatives. With regard to sustainable mobility: from the renewal and extension of agreements with local public transport companies, to the new section of the Poste Pedala portal with related app; from the dissemination of car/scooter sharing, to the promotion of eco-driving and dissemination of the culture of sustainable travel. In the field of logistics decarbonisation: from the completion of the supply of electric tricycles to the renewal of the electric quadri-cycle fleet, to the progressive replacement by 2022 of the current vehicles with the latest generation of limited emission vehicles. Finally, in the field of environmental protection and decarbonisation of buildings: from the entry into production of the first photovoltaic systems to the continuation of the conversion plan for LED lighting systems, to efficiency actions on boilers, heating, cooling and thermal insulation systems on more than 100 buildings; from the planting plan on the land owned by Poste, to the Green competition among the most energy-intensive buildings.

Moreover, Poste Italiane identified three main areas of intervention regarding which projects and activities were launched to provide an effective response to the needs most felt by the community, taking into account the objectives of the major national and international public and private institutions, with particular reference to the United Nations and the Sustainable Development Goals. Specifically, the Group's environmental priorities include:

- **reduction of the environmental impact of its operating activities:** optimisation of energy consumption, reduction of atmospheric emissions from buildings and those linked to logistical activities and staff mobility, reduction of material consumption, and correct waste management and reduction of water consumption;

- **incorporation of environmental aspects into the products and services offered:** implementation of digitisation processes regarding the goods and services offered, and assessment of environmental risks and opportunities relating to investment choices and the management of insurance activities;
- **raising the awareness of employees and third parties regarding the environmental culture:** involvement of employees in programmes and initiatives aimed at safeguarding the natural environment and ecology, support for environmental heritage protection and recovery initiatives, dialogue and collaboration with national and international bodies and associations in order to combat climate change and inefficient consumption of resources, and assessment of risks and environmental management methods adopted by counterparties.

Re Boat National Race

In line with the attention paid to the involvement of employees in sports initiatives, in 2019, the Company took part in the tenth edition of the Re Boat National Race, the Recycled Regatta, participating with 4 green teams. The Re Boat National Contest gives shape to ideas and solutions based on the themes of waste recovery and recycling, the use of alternative, clean and renewable energy sources, rewarding the most innovative proposals, with a view to sustainable development and environmental respect.

The Group has adopted a Management System in compliance with current regulations and national and international best practices, and a Group-wide certification process has been launched, with priority being given to those companies with the greatest environmental impact. In this regard, Postel SpA and SDA SpA have obtained UNI EN ISO 14001 certification for their environmental management system. The system consists of internal environmental management rules that are implemented to ensure punctual identification of the most significant environmental impacts and adoption of the most effective management and mitigation measures, through a structured performance monitoring system involving audits and periodic checks.

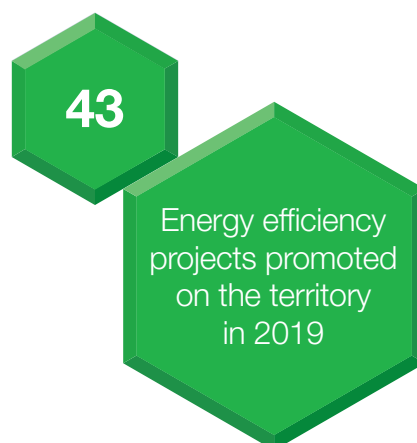
In line with the provisions of the law, the two Group companies have adopted these environmental policies:

- **Postel SpA's Quality and Environment Policy**, aimed at ensuring compliance with environmental legal requirements, sets out the objectives underlying its business conduct, namely respect for the environment, including pollution prevention and other specific commitments (responsible use of resources, protection of biodiversity) relevant to its operating context; incorporation of the requirements of the Management System within business processes, taking into account the post-delivery impacts of a product or service at the design stage, in order to completely manage the product's life cycle; definition of objectives compatible with strategic guidelines and the business context. In addition, during 2019, it pursued objectives to increase the efficiency of synergies with the Parent Company and other group companies, as well as strengthening actions on the three strategic business lines (Printing, Ged and DM).

- **SDA SpA's Quality, Environment and Occupational Health and Safety Policy** contains the principles that govern and guarantee a correct management of environmental issues: direct and permanent engagement of senior managers in the management of the Integrated System; protection and prevention, in terms of optimising the use of resources and minimising environmental impacts; a constant quest for a sustainable procurement system.

With stakeholder engagement activities and a monitoring system - which involves various tools, including monthly checks on the state of progress of consumption and benchmark analyses carried out for homogeneous groups of buildings - the Group identifies and analyses the range of risks associated with the most significant environmental aspects and sets objectives for monitoring, limiting and optimising its performance.

In 2019, Poste Italiane undertook to launch multi-year projects aimed at reducing the environmental impact of properties and the use of non-renewable sources.



European Investment Bank loan

In 2019, Poste Italiane obtained a loan of 400 million from the European Investment Bank to support the Group's multi-year Deliver 2022 Strategic Plan. The loan is intended for the implementation of 80 projects in different sectors.

With the aim of reducing the environmental impact of its activities, the Group has earmarked part of the loan for the installation of high-efficiency photovoltaic panels in 661 postal buildings and the adaptation of the buildings to the most advanced energy efficiency standards, with the aim of reducing carbon dioxide emissions.

The agreement confirms the Company's attention to the protection of the environment as a primary asset, assuming, within its facilities, a rational use of resources and seeking innovative solutions to ensure energy savings.

In this context, from an environmental responsibility perspective, the Group considers energy efficiency to be one of the main elements for combining economic growth and sustainable development, and it has reduced its environmental strategy to two main areas of intervention:

■ **Renewable energy sources.** In order to promote renewable energy sources, Poste Italiane has focused on the distribution of integrated photovoltaic systems in buildings, thereby creating infrastructure aimed at reducing dependence on fossil fuels.

With a view to reducing the withdrawal of electricity from the national grid, as well as the overall costs of supply and payment for the expected tariff increases, the Group has planned to increase its own self-production facilities by installing photovoltaic panels on its buildings. In particular, as part of the Poste Group's photovoltaic project, the first pilot plants were started up and tests were carried out for the subsequent implementation of the remaining plants.

As far as the supply of electricity is concerned, more than 95% of the Group's requirements are acquired by the reference market through the Group company Europa Gestioni Immobiliari (with a percentage equal to 100% from renewable sources certified Guarantees of Origin) and a small percentage acquired through other non-renewable channels (national grid). A residual share of the requirements is self-produced by proprietary photovoltaic systems. In this regard, in order to increase self-production of energy, at the end of 2019, a significant tender procedure of €32.2 million was launched for the implementation of 600 new installations of photovoltaic systems.

■ **Smart building.** Minimise the environmental impacts of the Group's buildings with regard to energy use, water consumption, waste and consumption of raw materials, through implementation of specific measures that strictly depend on preventive analysis and constant monitoring systems. More specifically, the major property efficiency actions carried out by the Group in 2019 concern some plants decommissioned and/or converted to more advanced energy efficiency standards.

In compliance with the obligations set out in Legislative Decree 102/2014, which provides for the promotion and improvement of energy efficiency, the Group carries out continuous energy audits, through a system for monitoring the withdrawal of electricity, based on a network of meters connected to a central data collection system that generates a report on energy consumption at each site, thus enabling identification of sites that are critical in terms of high consumption. The energy audits must be drawn up by Energy Management Experts (EGE- Esperti in Gestione dell'Energia) who are certified in accordance with UNI CEI 11339:2009. Consequently, a certification process for internal staff has been launched.

In relation to energy efficiency, 43 projects were coordinated on the territory focused on reducing consumption (gas and electricity) and emissions.

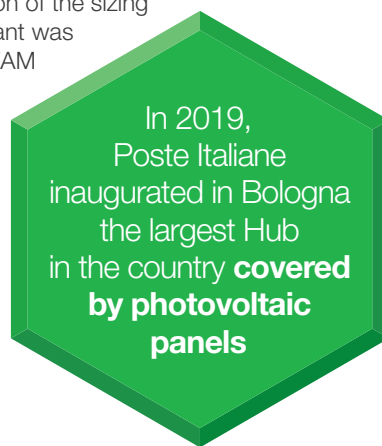
Operation Real Estate in the City West of Berlin

In 2019, the joint venture between Poste Vita and Generali Real Estate, aimed at co-investing in the European real estate sector, announced a major acquisition.

A binding agreement has been signed with Barings Real Estate GmbH for the acquisition of The Westlight, a new high-end office building, currently under construction, located in the commercial and business area of City West in Berlin. The building will be characterised by a distinctive and transparent architecture, as well as great attention to energy efficiency, as demonstrated by the LEED Gold certification currently underway.

■ **Energy efficiencies at Sorting Centres (CMP).** The objective of Poste Italiane is to reduce electricity and gas withdrawals in order to offset expected tariff increases and reduce overall procurement costs. With this in mind, an update of the BMS (Building Management System) installed on the CMPs was implemented and Dashboards were developed to analyse consumption and performance available to the headquarters and the territory. In addition, energy certifications were carried out on the 100 most energy-intensive sites by internal EGE technicians and an external company.

■ **Increase the production and energy efficiency of delivery.** The Mail, Parcels and Distribution segment has implemented several actions aimed at affecting production and energy efficiency. The company SDA has opened 3 new offices equipped with photovoltaic and solar thermal systems, for sanitary use, and LED lighting. While for the new Bologna Hub site, the analysis and verification of the sizing of the photovoltaic plant was started and the BREEAM (Building Research Establishment Environmental Assessment Method) and LEED GOLD sustainability certifications were obtained.



■ **LED lighting.** Also in 2019, Poste Italiane invested particularly in the area of smart technologies, focusing on the gradual installation of LED (Light Emitting Diode) lighting. In 2019, 106,000 LED lights were installed in almost 1,000 buildings and LED relamping was carried out at 5 of the most energy-intensive sites. The overall project aims to significantly reduce electricity consumption, emissions and maintenance costs. The estimated figures based on initial forecast investment of approximately €14 million, add up to expected savings of more than 32 GWh per year, thanks to the replacement of over 250,000 old lighting fixtures, and a reduction in CO₂ emissions of 11,000 tonnes per year.

■ **Encouraging virtuous behaviour.** The behaviour of our Group's people can have a major impact on energy saving. With this in mind, during 2019, Poste Italiane confirmed its focus on environmental sustainability issues through a variety of initiatives aimed at raising employees' awareness and orienting them towards virtuous conduct. Poste Italiane continues to participate in the "green month" project, which consists of thirty days of focus on the environment through participation in awareness initiatives such as "M'illumino di meno", which launches the green month, and "Earth Hour", which closes it. The first is a campaign to promote energy saving and a sustainable lifestyle, the second a worldwide event organized by WWF, which consists of turning off the lights for one hour, from 8:30 pm to 9:30 pm worldwide. In both cases, Poste Italiane participates by symbolically turning off or turning down the lights in various company offices throughout the country, accompanying the symbolic gesture with awareness campaigns aimed at employees and customers on the importance of rational use of energy and water resources. The main theme of the 2019 edition of Green Month was the circular economy.

Environmental impacts of logistics



Main related types of capital



The Poste Italiane Group, which is deployed nationwide, recognises its responsibility to play a distinctive role in creating sustainable value for the communities in which it operates, where the environmental dimension is of primary importance.

Given the potential effect it may have on the reduction of environmental impacts, in providing its postal and logistics services the Company must take environmental sustainability into account by adopting lower-impact solutions.

Indeed, the rational use of natural resources in compliance with ethical principles and social responsibility, and the focus on finding innovative environmental protection solutions, are the priorities the Poste Italiane Group has defined in its Code of Ethics, which sets out the fundamental principles that inspire us to achieve the best environmental performance.

In light of technological developments, increasing innovation and constant regulatory changes in the postal sector, Poste Italiane intends to increasingly focus on continually renewing its fleet with more environmentally friendly vehicles, rationalising distances travelled, proper waste management, developing infrastructure for recharging customers' vehicles, and to demand that external transport providers meet minimum environmental requirements

In order to guarantee a clear and uniform managerial approach to environmental issues, the Poste Italiane Group has adopted a policy that sets out the Company's commitment to mitigating the environmental impact of its key business processes, and encourages the development of green transport solutions for logistics activities and staff mobility, partly by providing staff with a corporate fleet of hybrid

and electric vehicles (for further details see the section on “Environmental impacts of real estate facilities”).

In order to indicate, manage and organise the company's strategies in the vehicle sector, in January 2019, the Company established the Fleet Management function. The function has the task of defining and ensuring governance, guidelines and suitable tools for obtaining the best services for the entire fleet of Poste Italiane and Group companies, as well as optimising the related operating costs and ensur-

ing constant scouting of the reference sector, in order to seize the opportunities offered by the market and identify innovative solutions, in compliance with safety, sustainability and cost-effectiveness criteria.

With the aim of informing the main stakeholders about the initiatives carried out to reduce the environmental impact of its activities, in the logistics sector, Poste Italiane illustrated the main initiatives relating to sustainable mobility at the CSR Exhibition held in October 2019.

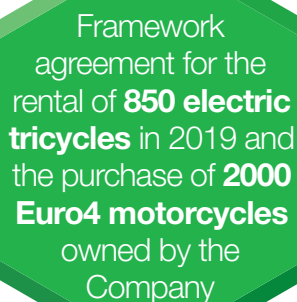
The promotion of Mobility Management

In line with the provisions of the Policy, the Company is committed to raising employees' awareness of environmental responsibility, promoting numerous events in the field of Mobility Management with the aim of improving the home-work travel of staff, promoting the use of public transport, car-pooling, alternative and collective mobility with low environmental impact and in relation to the optimisation of the entrance and parking areas of corporate offices.

In addition, with the aim of raising awareness of sustainable travel among its employees, in 2019, the Company invited employees to participate in the traditional National Bike to Work Day, the national event aimed at promoting the use of bicycles, especially for home-office travel. The company's commitment to promoting employee participation in such events testifies to the fact that environmental sustainability and employee wellbeing are two cornerstones of the Group's philosophy.

Initiatives to encourage cycling in urban mobility are also included in the PostePedala programme.

In line with the Company's approach to give priority to the efficient use of renewables and the rationalisation of energy consumption from fossil fuels, as of 2018, the two main corporate strategies that brought benefits in terms of environmental sustainability were the new Joint Delivery model and the plan relating to the green development of the corporate fleet.



Framework
agreement for the
rental of **850 electric
tricycles** in 2019 and
the purchase of **2000
Euro4 motorcycles**
owned by the
Company

Specifically, Poste Italiane has decided to radically overhaul its delivery network and operating model through implementation of the new delivery model, which provides for a transition from a single network (operating only in the morning from Monday to Friday) to a structure with two networks that differ in terms of delivery, frequency and type of product.

In a nutshell, this new operating model, characterised by a change in delivery frequency, leads to a reduction in the number of kilometres travelled for traditional delivery activities and less need for vehicles.

The Group's strong commitment to improving its environmental performance can also be seen in terms of its transport strategy. The Company, with 33,500 vehicles, motorcycles, three wheels, vans and service vehicles, has the largest “ground” fleet in Italy and among the largest in Europe and is committed to reducing its “ecological footprint”. Attention to environmental protection and the transformation underway in logistics linked to e-commerce have also led Poste Italiane to reconfigure the mix of vehicles that make up the last mile fleet. Starting from the year 2000, the Company has provided for the introduction of 4-wheeled natural gas powered vehicles, followed by the introduction of “Free Duck” (electric quadricycles) and the full rent supply of 4-wheeled vehicles with alternative power supply (natural gas powered cars and vans, LPG/hybrid cars and electric vans). This plan continued in 2019 with interventions that concerned both its own logistics activities and those contracted out. With specific reference to the last mile fleet, between 2018 and 2019, about 550 Euro3 thermal mopeds were replaced with the same number of electric tricycles, providing for the installation of the relevant charging points. In addition, the fleet of motorcycles has been renewed with 2,000 units with Euro4 engines, with a greater volume and capacity than at present. At the same time, for contract logistics, the contract for secondary transport (carried out by third parties) has been revised, which introduces the obligation to use vehicles with an environmental class of not less than Euro 6 and a premium for bi fuel.

By the end of the first half of 2020, the supply of 850 three-wheeled vehicles with electric power supply will be completed, which will bring benefits both in terms of load capacity (increased volume) and in terms of safety (thanks to the greater stability of the three-wheeled vehicle compared to current two-wheel mopeds).

By 2022, the vehicle fleet will be renewed by replacing current vehicles with new-generation low-emission electric, hybrid and endothermic vehicles.

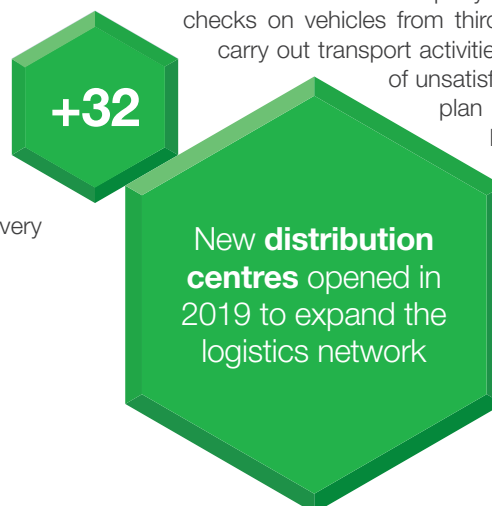
At the beginning of 2020, at the Vallelunga circuit, Poste Italiane letter carriers and drivers were engaged in a day of test drives and training to assess the performance of thermal, hybrid and electric three- and four-wheeled vehicles. On the Roman circuit, a group of twenty experienced colleagues from the Mail, Logistics and Communication sector took part in a test on the qualities and characteristics of vehicles to improve their everyday operation.

Poste participates in the Green Postal Day

In 2019, Poste Italiane participated in the “Green Postal Day”, the initiative organised by the International Post Corporation, a cooperation of innovative technological services that includes 25 postal operators operating worldwide, including Poste Italiane, to raise awareness and highlight the contribution of the postal industry to the reduction of CO₂ emissions and the global fight against climate change.

In line with the leading European operators, in order to employ the network of letter carriers in the parcel deliveries market generated by online sales, in relation to the aforementioned reconfiguration of the mix of the last-mile fleet, in 2018, Poste Italiane planned a new mix of the fleet through the introduction of 3-wheeled vehicles to replace 2-wheeled vehicles. These vehicles have several advantages in terms of greater load capacity compared to mopeds, greater safety for letter carriers and less environmental impact than electrically powered models. Also in terms of properties, the path of expansion and adaptation to standards and transformation of the logistics network continues. In 2019, in addition to the activation of the Bologna e-commerce hub, 32 new distribution centres were activated, the last of which opened in the municipality of Cucciago. The processes for the TAPA FSR (Facility Security Requirement) certification of the main sorting and delivery centres were also launched.

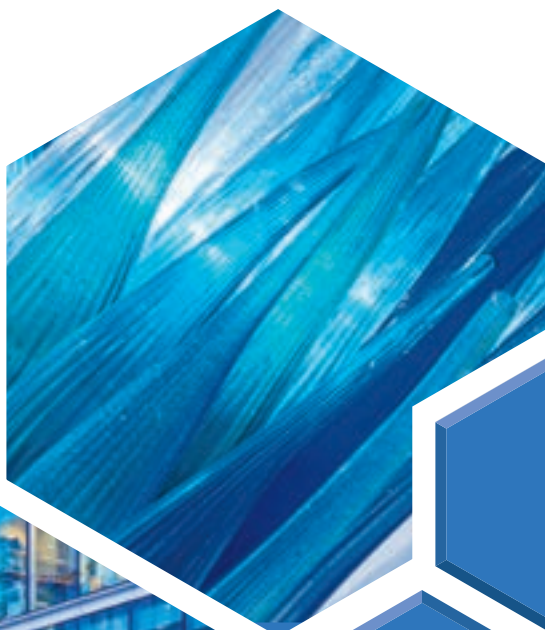
Finally, with a view to identifying suppliers and partners who may represent risks in terms of environmental protection, further proof of the Company's commitment was demonstrated during the year by a review of tender specifications with reference to third-party companies that provide transport services to the Company. Specifically, in addition to meeting all the requirements imposed by current legislation, Poste Italiane also requires its suppliers to submit a quarterly report on the numbers of kilometres travelled and litres of fuel consumed. The Company also conducts technical checks on vehicles from third-party companies that carry out transport activities, in order, in the event of unsatisfactory assessments, to plan appropriate actions to be taken.



Sustainable finance

- Integration of ESG criteria within traditional investment processes
- Adoption of Responsible Investment and Responsible Insurance Policies
- Adoption of Guidelines on voting rights and engagement activities
- New socially responsible mutual investment fund “Poste Investo Sostenibile”









Sustainable finance

Main types
of capital

Outcomes

Objectives	Timing	Indicator (KPI)	Target	Implementation status 2019
Monitor the ESG ratings of the issuers present in directly managed portfolios	by 2019	% of issuers under ESG monitoring	100%	100% 
Monitor the ESG ratings of the issuers present in directly managed portfolios	by 2020	% of issuers under ESG monitoring	100%	New
Request third-party managers to adopt Poste Vita's Responsible Investment Policy	by 2019	% of third-party managers involved	100%	100% 
Request third-party managers to adopt Poste Vita's Responsible Investment Policy	by 2020	% of third-party managers involved	100%	New
Development of a new health offer dedicated to employees and retirees of the Poste Italiane Group members of the Poste Italiane Fund	by 2020	No. of products defined	Definition of a product	New
Develop investment products that can also contribute to ESG objectives	By 2022	% of the total AUM of the Funds in placement with: <ul style="list-style-type: none"> • Benchmarks made up of ESG Indices for Benchmark Funds; • Investment policies that provide for specific criteria for selecting financial instruments linked to ESG factors for Funds without Benchmarks. 	50%	New



Financial



Objective achieved



Objective not achieved



Deadline for achieving the objective has not yet expired

Integration of ESG factors into investment policies



Main related
types of capital



One of the main aspects of sustainability policies is the integration of environmental, social and governance (ESG) criteria into traditional investment processes. By implementing effective investment processes, the financial segment can help protect society, promote innovation and support economic growth, making an important contribution to the country's sustainable development. As part of the strategy consolidated by the Poste Italiane Group over time, in order to pursue its sustainability objectives, the incorporation of ESG principles into the investment processes used by Poste Vita and BancoPosta Fondi SGR is of particular significance.

As early as 2018, Poste Vita and BancoPosta Fondi SGR chose to adhere to the United Nations Principles for Responsible Investments (PRI), thus formally undertaking to integrate ESG issues into the analysis and decision-making processes regarding investments and to incorporate these issues into their relations with counterparties, as they are convinced that integrating environmental, social and governance factors in investment processes is a necessary element to pursue sustainable performance over time, reduce the risk profile of portfolios and act in line with the principles of Integrity and transparency, as evidenced by the growing trend that has developed in Italy and Europe in recent years in relation to sustainable investments.

Responsible investment principles, goals and management criteria have been formalised within the Responsible Investment Policies adopted by the Poste Vita Group and BancoPosta Fondi SGR, approved by the Board of Directors of the respective Companies



With the aim of positively influencing management of the investment portfolio and, at the same time, providing a response to the social and environmental needs of society, the Policies establish a general principle requiring the systematic assessment of investment transactions that also takes into account the environmental, social and governance profiles of the corporate or government issuers of the assets included in financial portfolios and of the related managers. In addition, the policy specifies the sectors excluded from the range of potential investments as they violate the basic humanitarian principles defined in the United Nations Conventions (anti-personnel mines, cluster bombs, spent uranium, biological weapons, chemical weapons, invisible fragmentation weapons, blinding laser weapons, incendiary devices and white phosphorus). The Responsible Investment Policies also envisage the establishment of structured processes for effectively managing and monitoring the approach adopted through specific principles, activities, roles and tools.

Monitoring the ESG profiles of the investment portfolio

With the aim of adopting specific measures enabling the Group to monitor the exposure of the investment portfolios to non-financial risks, the Poste Vita Group and BancoPosta Fondi SGR appointed VigeoEiris, an international social and environmental rating agency to conduct and assessment of the ESG aspects of their portfolio in relation to both direct and indirect investments in order to evaluate the level social responsibility.

The assessment, carried out in accordance with universally accepted standards and conventions issued by international bodies regarding human rights, workers' rights and environmental protection (such as the UN, the OECD and the ILO), covered corporate issuers of both equity instruments and bonds, and ultimately measured their ability to manage stakeholder relations. The assessment process ended with the assignment of a final ESG score (between 0 and 100) to each company.

The weighted average score of the portfolios assessed was 51/100 in relation to the assets managed by the Poste Vita Group and 52/100 for those managed by BancoPosta Fondi SGR for corporate issuers and 75/100 in relation to country issuers. This result was higher than the ESG score of a benchmark of MSCI World ETF shares, used for comparison, of 39/100 at the same date.

In addition, during 2019, the Poste Vita Group and Banco Posta Fondi SGR adopted the Guidelines on the exercise of voting rights and engagement activities. The document defines the measures and procedures to ensure that voting rights are exercised in accordance with the objectives set and the corporate regulatory system, with particular reference to the Responsible Investment Policy adopted. The Guidelines also define the provisions adopted in relation to the prevention or management of any conflict of interest resulting from the exercise of voting rights. Through the adoption of the Guidelines, the companies are committed to ongoing dialogue with the issuers in their

portfolios with the aim of promoting the proper management of ESG issues.

Finally, with the objective of monitoring investment activities in risk sectors, the Poste Vita Group and Banco Posta Fondi SGR have adopted the Guidelines for investment in sensitive sectors, defining measures to identify, assess and monitor exposure to activities that present a significant intrinsic risk from an ESG perspective and allowing environmental, social and governance aspects to be incorporated into the investment process.

Poste promotes knowledge of ESG issues in investment processes

With the aim of disseminating and increasing the know-how of the management classes on the subject, in October 2019, the Group companies, Banco Posta Fondi SGR, Poste Vita and Poste Assicura, held an update session on the subject of responsible investment and ESG management for all the Directors and Statutory Auditors of the respective companies. In addition, the companies spoke at the CSR and SRI 2019 trade fair to talk about impact investing, highlighting how the adoption of a sustainable investment strategy can create value for the investor and the company.

ESG investment products

Both Group companies that carry out investment activities - Poste Vita and Banco Posta Fondi SGR - have continued to implement responsible investment policies with specific investment products.

Poste Vita's Real Estate fund, Diamond Eurozone Office (DEO), has obtained the highest rating in terms of sustainability from GRESB, an international organisation that analyses and compares Real Estate investments from an environmental, social and governance (ESG) perspective worldwide. The DEO Fund achieved a five-star rating, winning the title of Green Fund and an overall score of 86/100, placing 12th among the 64 unlisted funds in the Eurozone in the Office sector.

In addition, Poste Italiane has designed the new socially responsible mutual fund, Poste Investo Sostenibile, in line with the objectives set out in the ESG Strategic Plan. In line with the responsible investment policy, the basket of securities on which the fund directs investments is selected with specific attention to environmental, social and governance (ESG) factors, combining the best remuneration opportunities with the application of strict parameters linked to the sustainability profile of issuers. The fund is also

distinguished by the presence of a benchmark composed of indices that are "sustainable", as they consist of a limited number of securities selected on the basis of ESG criteria. This allows representing the reference universe of an investment in a clear, transparent and objective manner, without compromising the manager's discretion. The fund is managed by Banco Posta Fondi SGR in partnership with Amundi which, in addition to being Europe's leading asset manager in terms of assets under management and among the top ten in the world, has been active in the world of responsible investment for over 30 years and was one of the first signatories of the Principles for Responsible Investment (PRI) in 2006, the same signed by Poste Italiane through its subsidiaries Banco Posta Fondi SGR and Poste Vita.



Integration of ESG factors into insurance policies



Main related
types of capital



By implementing effective risk prevention processes, the insurance segment can help to protect society, promote innovation and support economic growth, making an important contribution to the country's sustainable development.

Poste Vita has signed up to the Principles for Sustainable Insurance promoted by the United Nations, with the aim of becoming one of the leading proponents of a sustainability culture in the insurance sector.



By adopting the PSI, Poste Italiane has confirmed the Group's goal of assessing ESG risks and opportunities, developing innovative insurance solutions and helping to drive business performance. This approach translates into a competitive advantage, into the ability to create value over the long term and into an improved perception of the Group among all its stakeholders.

With the aim of formalising this commitment and aligning its business model with the Sustainable Development Goals, Poste Vita adopted a Responsible Insurance Policy, a document that describes the approach the Company intends to take in managing the risks and opportunities connected with environmental, social and governance factors within traditional insurance processes

In order to ensure a consistent approach to risk management at the Company, the Policy has established a principle requiring the systematic assessment of economic, social and environmental issues that may have an impact on people and, therefore, on the company's long-term business. This process enables the Company to adequately mitigate potential threats and identify new business opportunities that could lead to the development of sustainable insurance products of high social and environmental value. The Policy also envisages the establishment of structured processes for effectively managing and monitoring the approach adopted through specific principles, activities, roles and tools.

Insurance products with social and environmental value

In developing its offering of insurance services, Poste Vita targets, whenever sustainable, more vulnerable social categories, such as the young, the elderly and people with particular diseases.

In this context, the Company provides a non-vehicle offer that is characterised by low average premium amounts (the average premium is around €165 per year for coverage related to the property line, i.e., housing, pets, civil liability, and €260 for accident and health coverage). This prerogative allows the different types of customers, even with reduced spending possibilities, to access insurance coverage aimed at protecting their specific needs. Customers are also offered the possibility of splitting the premium (annual,

semi-annual or monthly payment). In addition, two additional investment lines have been added in line with the development of the supplementary pension range implemented in 2019. Specifically, in July 2019, the Postaprevidenza Valore Individual Pension Plan was expanded with two new investment profiles - Dynamic and Guided - in addition to the Guaranteed, with different allocation of contributions paid between the Posta Pension Separate Management and the Poste Vita Previdenza Flessibile Internal Insurance Fund. The commercial proposition has also been modified through the use of a new dedicated platform that provides an indication of the lines to which the customer can adhere, identifying a hierarchy from the most suitable to the one not recommended.

Poste Vita Protetti

With the modular offer Poste Vivere Protetti Poste Assicura has decided to completely revise its non-vehicle insurance offer, replacing the entire existing product range with an integrated modular offer; a single product dedicated to retail customers, modular and customisable according to the specific needs of customers. The maximum age of insured persons for all guarantees related to injuries and illness is raised to 79 years of age, offering more opportunities to take out insurance. The modular offer will make it possible to avoid overlapping guarantees and select only the coverages that really meet the customer's needs, with an additional economic advantage. The new offer can also be entered into by foreigners resident in Italy and specific legal protection coverages will be provided for specific cases of interest, innovative and very close to current issues, especially with regard to minors, in relation to: cyberbullying and stalking; criminal defense for crimes committed; online shopping; online reputation and fraudulent use of credit cards.