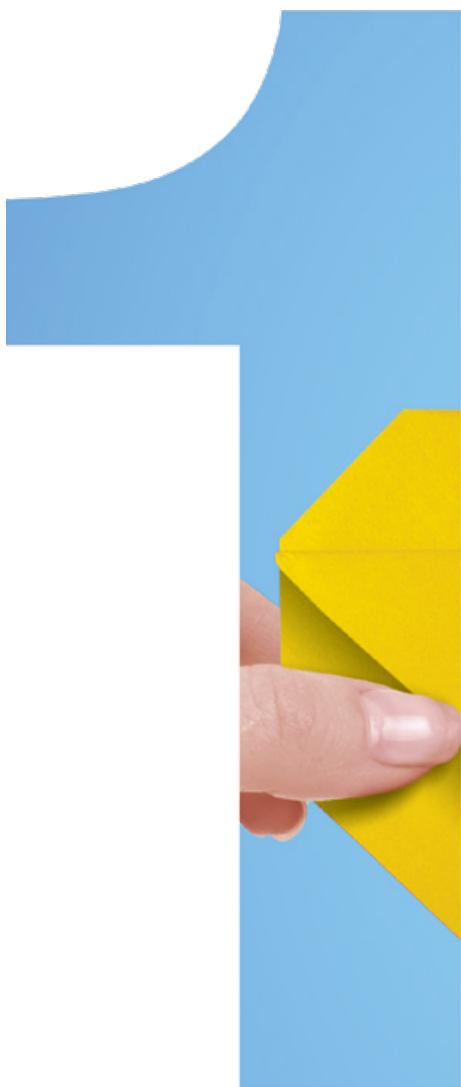


# THE VALUE OF TRANSPARENCY

## SUSTAINABILITY REPORT

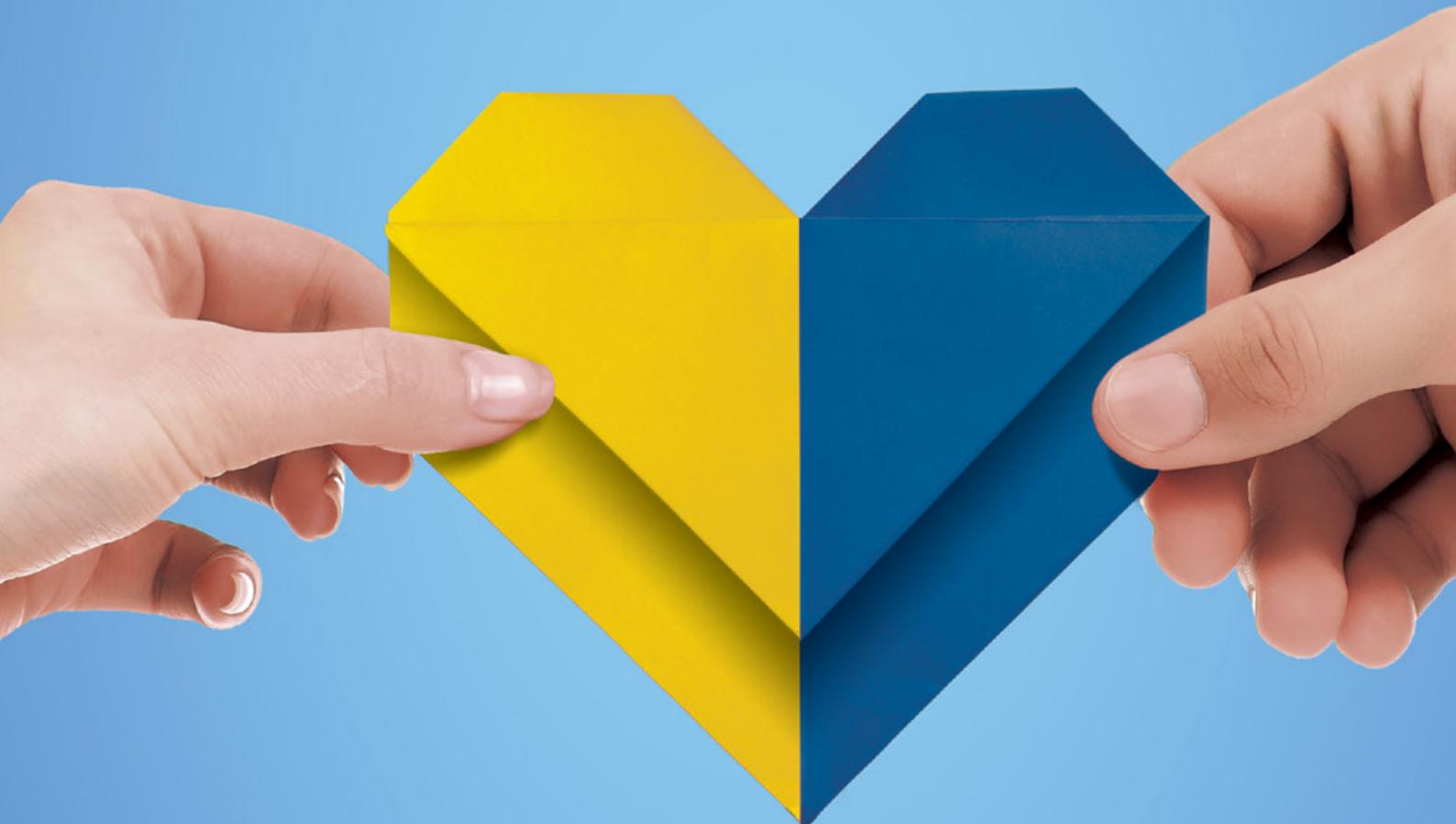


**Poste** italiane



# THE VALUE OF TRANSPARENCY

## SUSTAINABILITY REPORT



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# Letter by the Chief Executive Officer



Matteo Del Fante  
Chief Executive Officer and  
General Manager

Poste Italiane is a Company which covers a strategic role in the development of the country as well as reaching sustainable development goals: the activities carried out, presence throughout the territory and the technological infrastructure at its disposal are unique features which make it a key player in this context.

With a history spanning more than 150 years, today Poste Italiane is able to combine the traditional world of mail with the new frontiers of product digitalisation, innovation of financial and insurance services and mobile communications. With 12,822 Post Offices and almost 30 thousand postmen/women, it constitutes an integral part of the country's social and productive fabric and is unrivalled in Italy by dimension, recognition and capillarity.

Based on these unique qualities, in early 2018 we defined the new strategic plan, "Deliver 2022", which sets out a development programme for the Group in line with market requirements and also focuses on growing professional figures and talent, as well as an effective investment plan centred on digital development.

Fully aware of our roles and responsibilities, we decided to

resume a trajectory towards integrating sustainability within the Corporate strategy itself. Such desire is strictly related to internal choices responding to contextual phenomena, such as development in investors' informatory requirements, regulatory drivers and the increasing attention of stakeholders which means that Poste Italiane must go well beyond its legal obligations and define a sustainability plan that supports Corporate strategies and bestows more value upon its distinctive elements.

The Sustainability Report presented herein constitutes the first step in this direction. Through its publication, Poste Italiane is able to promote and circulate a complete communication to stakeholders concerning economic, social and environmental performances of the Group and express the "total value" created in a thorough, balanced manner that is shared with the community. It is precisely the activity of comparison with our stakeholders that was the defining factor in obtaining this result: indeed, the Multi-stakeholder Forum and online survey which took place in early 2018 created an opportunity for dialogue and interaction with

another fifty representatives of institutions, associations, partners, collaborators and other important interlocutors who discussed the topics, ideas and projects capable of creating shared value between the Company and society. Even the choice of disclosing the contents, in accordance with GRI Standards, the latest and circulated at international level, confirm the solidity of the foundations of our chosen path.

As the biggest Italian company in the services sector which has managed to accompany and, often, precede developments in the country, we pay considerable attention to the sustainability of our activities. This commitment translates into adopting and promoting values and behaviours attentive to the needs and expectations of the local community and, in general, of our stakeholders.

Ethics and correctness in the running of business, development of the territory and support of the community, valorisation of people and reduction of environmental impact constitute, today, the main areas of action in the sustainable approach adopted by Poste Italiane.

The activities realised for upgrading the Internal Control and Risk Management System, including initiatives to update the organisational model, the adoption of a whistleblowing system and launch of the new Open and Transparent Contracts portal have been useful to reinforcing ethics in Corporate governance. At the same time, support for the territory and local communities was confirmed with the funding of several research and development projects, initiatives for promoting innovation, digitalisation, IT security and financial literacy in new multi-ethnic offices and dedicated to blind and visually impaired persons. Even in dramatic situations, such as the earthquakes that hit Central Italy and the island of Ischia, the Company put in place all the necessary means to effectively support the affected populations and ensure service continuity. In recent years, moreover, initiatives of economic solidarity and social inclusion were developed in close collaboration with Institutions, such as the integrated service concerning Carta Acquisti [purchase card], Carta SIA (Sostegno per l'Inclusione Attiva) [support for active inclusion card] and Carta REI (Reddito di Inclusione) [inclusion income card].

All our activities, our impact and our success have our people at their foundation and they form the intellectual capital of the Company. For this reason training, professional growth, safety and wellbeing of all employees are unquestionable factors for the correct implementation of the activities: the results recorded over the year concerning training, injury indices and staff assessment testify the effectiveness behind our commitment. In our opinion, diversity is a resource capable of giving value to the Company and contributing to its success: there were several initiatives for valorising and protecting female staff, which represents more than half of the staffing structure and personnel with disabilities, as also programmes launched for some time in order to conciliate working life and private life.

Lastly, given the size of our organisation, we cannot but be aware of the relevance of our activities in regard to the natural

environment. For this reason we have adopted a green strategy in order to reduce our emissions and lower pollution through efficiently managing our real estate assets, dematerialising internal processes and products and services and responsibly managing movements of personnel and logistics. Replacing documentation related to contracts, transactions and staff management, using electrical or hybrid vehicles and introducing energy saving systems in buildings are all actions implemented aiming at limiting our environmental impacts.

In conclusion, we reaffirm our intention to continue on this path to sustainability, already underway, which shall lead us, in collaboration with our stakeholders, to defining an integrated plan in the corporate strategy which identifies medium/long term objectives, contributing as much as possible to reaching the Sustainable Development Goals defined by the United Nations for 2030.

The strength of a great company like Poste Italiane also lies in the ability to integrate sustainability into its own business areas: a constant and concrete commitment based on shared values able to make us grow together with our stakeholders in favouring the development and social cohesion of our nation.

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# Highlights – Poste Italiane and its contribution to Sustainable Development Goals by 2030 (SDGs)

<b>E&amp;I</b> <b>C</b> <b>E</b>	<b>17 - PARTNERSHIP TOWARDS THE GOALS</b> <b>Action taken by Poste Italiane:</b> <ul style="list-style-type: none"> <li>■ Participation with national and international Institutions to guarantee services for citizens;</li> <li>■ Constant dialogue and relations with Consumers' Associations;</li> <li>■ Active participation in a series of international activities in the context of environmental responsibility.</li> </ul>	
<b>E</b> <b>C&amp;T</b>	<b>13 - THE FIGHT AGAINST CLIMATE CHANGE</b> <b>Actions taken by Poste Italiane:</b> <ul style="list-style-type: none"> <li>■ Energy saving in property assets through more responsible management and an environmental strategy that favours the use of renewable energies and intelligent technologies;</li> <li>■ Corporate mobility programme to contribute to the reduction of CO<sub>2</sub> air emissions, favouring solutions of sustainable mobility in urban areas;</li> <li>■ Alliance to national and international initiatives aiming at reducing climate-changing emissions.</li> </ul>	
<b>E</b> <b>P</b> <b>C</b>	<b>12 - RESPONSIBLE CONSUMPTION AND PRODUCTION</b> <b>Actions taken by Poste Italiane:</b> <ul style="list-style-type: none"> <li>■ Implementation of digitalisation processes regarding offered goods/services and dematerialisation of paper documents with a consistent reduction in the use of paper;</li> <li>■ Responsible waste management through actions of prevention and reduction and promotion of awareness among personnel.</li> </ul>	
<b>C&amp;T</b> <b>E</b>	<b>11 - SUSTAINABLE CITIES AND COMMUNITIES</b> <b>Actions taken by Poste Italiane:</b> <ul style="list-style-type: none"> <li>■ Efficient management of property assets to optimise energy performance, also by means of redeveloping buildings;</li> <li>■ Participation in international awareness initiatives regarding responsible and rational use of energy resources to improve performance;</li> <li>■ Introduction of low environmental impact vehicles into the corporate fleet.</li> </ul>	
<b>C&amp;T</b> <b>P</b>	<b>10 - REDUCING INEQUALITY</b> <b>Actions taken by Poste Italiane:</b> <ul style="list-style-type: none"> <li>■ Guarantee diversity in personnel to create value for the Company;</li> <li>■ Promotion of services and Post Offices intended for multi-ethnic customers and offer of products for persons with disabilities, in order to favour their social-economic inclusion.</li> </ul>	
<b>E&amp;I</b> <b>C&amp;T</b> <b>C</b>	<b>9 - INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> <b>Actions taken by Poste Italiane:</b> <ul style="list-style-type: none"> <li>■ Establishment of a Research Centre in order to introduce methodologies and innovative instruments supporting the corporate business, launching scientific research initiatives in collaboration with third parties;</li> <li>■ Creation of three technological hubs aiming at guaranteeing IT security;</li> <li>■ Collaboration with entities and institutions for infrastructural investments in areas damaged by the earthquake in Central Italy.</li> </ul>	





## Stakeholders involved in reaching the SGDs:

**P** = Personnel  
**C** = Customers  
**F** = Suppliers

**E&I** = Entities and institutions  
**C&T** = Community and Land  
**A** = Environment



### 1 - POVERTY ERADICATION

#### Actions taken by Poste Italiane:

- Issue and management of the Social Card intended for economically disadvantaged citizens;
- Projects financed by the Poste Insieme Onlus foundation which are aimed at supporting and developing integrated territorial networks for preventing and combating forms of extreme poverty and provide for primary welfare needs.

C&amp;T



### 3 - GOOD HEALTH AND WELLBEING

#### Actions taken by Poste Italiane:

- Projects funded by the Poste Insieme Onlus foundation to support families with minors in difficulty and senior citizens with disabilities, social fragility, trauma and pathologies through activities and services not funded on a permanent basis by public structures;
- Promotion of the psycho-physical wellbeing of its workers through policies and programmes entailing prevention, information and awareness.

C&amp;T

P



### 4 - QUALITY EDUCATION

#### ACTIONS TAKEN BY POSTE ITALIANE:

- Digital training activity intended for the over 65s so that technology is used as an instrument of inclusion in digital society;
- Financial literacy dedicated to youngsters in primary and secondary school;
- Internal training activity in order to expand professional and managerial competences through the Corporate University.

C&amp;T

P



### 5 - GENDER EQUALITY

#### Actions taken by Poste Italiane:

- Significant presence of women at all levels, including management;
- Corporate welfare activity to the benefit of women and new mothers, awareness of the protection of women and participation in national and international initiatives;
- Projects funded by the Poste Insieme Onlus foundation, having female victims of violence as beneficiaries.

C&amp;T

P



### 7 - AFFORDABLE AND CLEAN ENERGY

#### Actions taken by Poste Italiane:

- Energy saving in property assets through more responsible management and an environmental strategy that favours the use of renewable energies and intelligent technologies;
- Introduction of low environmental impact vehicles into the corporate fleet.

E



### 8 - DECENT WORK AND ECONOMIC GROWTH

#### Actions taken by Poste Italiane:

- Selection of suppliers according to social and environmental criteria;
- Support of local and national economy by means of selecting suppliers operating in the Italian market;
- Planned professional growth for its employees, guaranteeing its commitment to health and safety at the workplace, through constant discussions with Trade Union Organisations.

S

P

# Sharing



# 1. The Poste Italiane Group

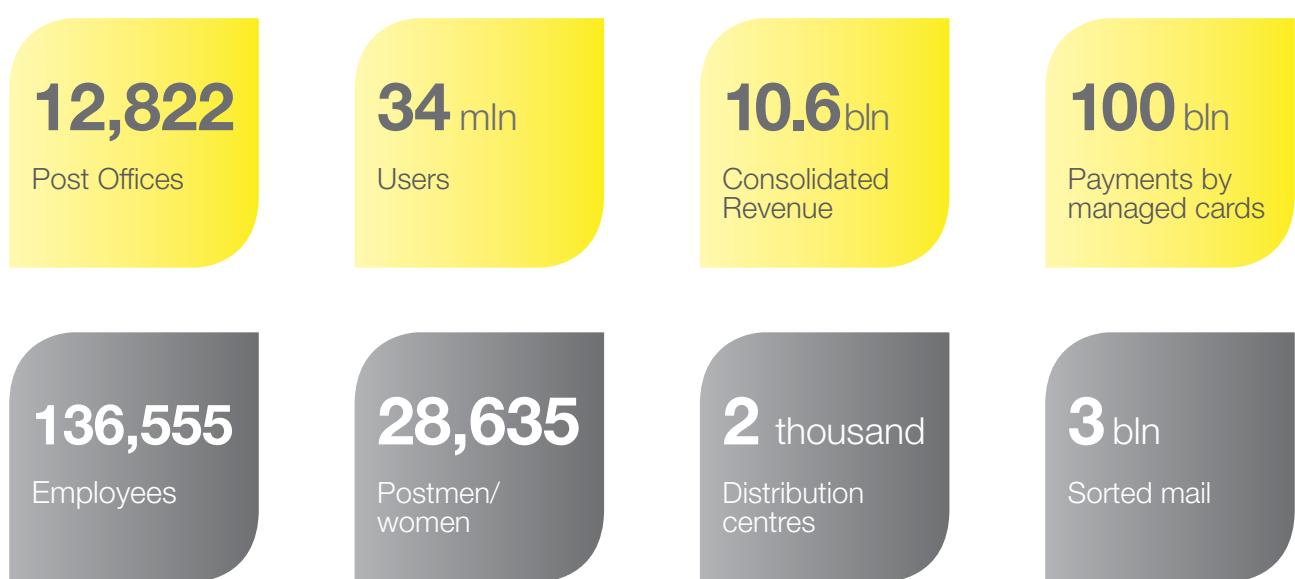
## 1.1 The Poste Italiane Group: an infrastructure serving the country

Established in 1862 as an autonomous Company responsible for postal and telegraphic services on behalf of the State, today Poste Italiane S.p.A. is a listed Company and leader of the largest Italian group in the service sector, having the highest number of employees among all Italian Groups.

With 136,555 employees<sup>2</sup> and a network of 12,822 Post Offices, the Company is equipped with the most extended service infrastructure in Italy and it represents a key reference point in local communities for families and enterprises. To date, in fact, the mail and parcel distribution network covers **100% of the Italian territory**, with more than 2,000 distribution centres, sorting over 3 billion items of mail and more than 100 million parcels every year for a customer base of 34 million users. A part from the solidity of its distribution network, the Group is also the largest operator in Italy in the payments and digital sector thanks to an integrated approach regarding physical and digital distribution channels able to ensure the management of card payments for over **100 billion Euros** in 2017.

**“Poste Italiane<sup>1</sup> is an integrated group which operates by combining its trademark, an integrated multichannel distribution platform and a digital platform aiming at supplying a wide range of products in the sector of mail and logistics, as well as financial and insurance services.”**

### The Poste Italiane Group in Figures



1. Hereinafter also “the Group”, “Poste Italiane”, “Poste” or “the Company”.

2. Data expressed as Full Time Equivalent (FTE).

The vicinity and established roots in the territory constitute fundamental elements, not only for the success of the Group, but also the Company's ambitious objective of contributing to keeping and reinforcing the national social fabric.

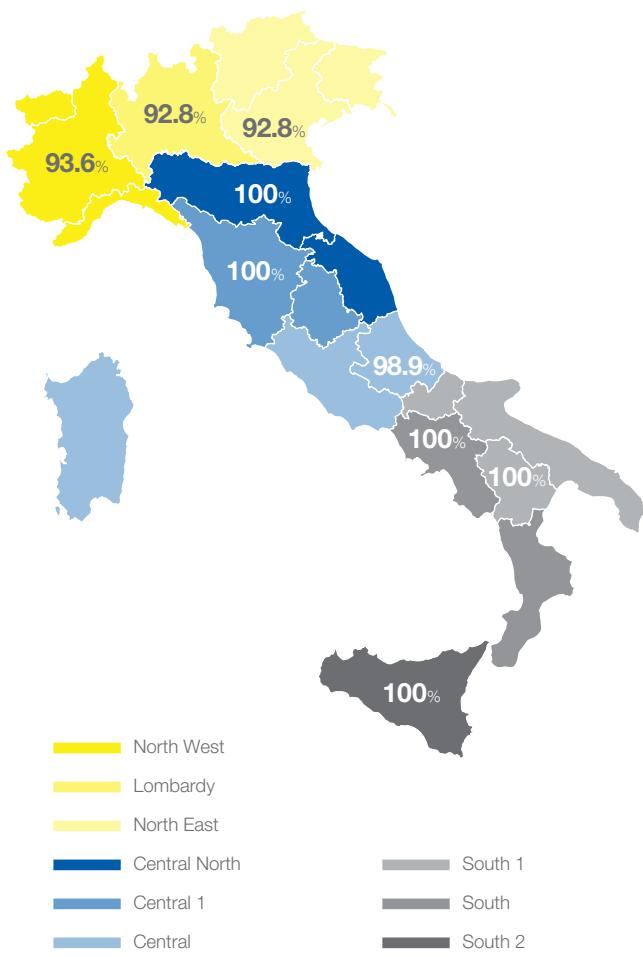
The capillary nature of the network, having coverage percentages in Italian municipalities ranging from 93% to 100% in different geographic areas, allows Poste Italiane to offer its products to private parties, enterprises and several entities of the Public Administration by means of innovative, transparent services that are user-friendly and designed to improve the lives of citizens and competitiveness among companies. It is important to stress that the Group is equipped with a multichannel, integrated distribution platform that is able to serve the entire Italian population, not only by means of the Post Office network, but also by means of operators and a virtual infrastructure having avant-garde multimedia channels.

**“The mission of Poste Italiane is to represent “the nation’s comprehensive growth driver”, steering individuals, enterprises and the Public Administration towards the new digital economy through offering quality services that are simple, transparent and reliable.”**

So that it may reach this objective, Poste Italiane is set on continuously observing its own core **values**. In particular, customer satisfaction, ethics, integration, professionalism, creative drive and innovation are not only the values inspiring people working in Poste Italiane, but they also represent a reference point for the birth of a culture consistent with the tradition and history of postal service in Italy.

Over its 155 years of history, Poste Italiane has managed to evolve and innovate itself whilst holding its key values firm, such as territorial proximity, attention to people and an inclination to innovation. Thanks to its ability to always put Customers' needs at the centre of its strategies, Poste Italiane has been able to anticipate the main development trends in Italy in recent years, providing services that stay current and actively contributing to the nation's economic and social development.

## Percentage of Municipalities having Post Offices



In particular, the outstanding elements of the Group's competitive placement can be identified in the following factors:

- Its trademark, a synonym of trust, reliability and customer proximity;
- The availability of a multi-channel, integrated, extended and capillary platform;
- The Group's multi-business operations;
- A wide and diversified range of offered services, conceived to meet the requirements of each category;
- Focus on innovation and attention to new customer needs;
- The sense of belonging and dedication of Poste Italiane people.

The blend of these elements, confirmed over time, has allowed Poste Italiane to transform itself from a pure postal operator to a company having an infrastructure of services supplied daily and for the entire Italian population.

## A history spanning over 150 years

The Royal Post Office was founded in 1862 from the incorporation of the postal administrations of the pre-unification states, and immediately played a fundamental role in the social, economic and cultural growth of Italy.

During the delicate years during which the Italian state had to consolidate itself, the Post Office contributed to the unity of the country. The postal and cable telegraph services, and the wireless telegraph patented by Guglielmo Marconi in 1896, made it more and more possible to reach every corner of the country.

Letters, postcards and telegrams travelled freely from one end of the country to the other, helping the inhabitants of the different regions to get to know and understand one another, and become Italians.

At a time when travel was not only complicated but was also dangerous because of banditry, postal and telegraph money orders made it possible to travel in greater safety without the need to carry excessive amounts of cash; and because they were a convenient and secure payment system, they encouraged economic development and trade.

The Post Office also encouraged saving by introducing the Postal Savings Book in 1876. This made it possible for everyone to put their savings in a safe place and make them work. Then with those savings, the Post Office and the Deposits and Loans Fund financed the construction of public works, hospitals, schools, roads, and railways.

The main buildings of these agencies, and the works of art they contained, enriched the artistic and architectural heritage of our cities.

## New Corporate structure and innovation: Poste Italiane in the 90s

One of the most significant moments in the history of postal services traces back to 1998, when Poste Italiane was transformed from Economic Public Entity to Joint Stock Company. Thus the organisation of the Company began its renovation, infrastructures were improved and new postal services and products launched. Amongst these, in 1999 Poste Italiane inaugurated its Priority Post service, allowing mail to be delivered in Italy in just one day. Another key moment in the evolution of Poste Italiane occurred just one year later in 2000, namely the introduction of the BancoPosta Account constituting the Company's first step into the world of modern financial services.

## Poste Italiane's growth: the first ten years of 2000

After almost fifty years of economic difficulties and company accounts "in the red", in 2002 Poste Italiane achieved its first positive result, which it managed to consolidate over the following years up to reaching 2006, the year in which it was able to issue its first dividend to the shareholders. Concurrently in November 2007 Poste Italiane reached a new important milestone by bringing the Corporate trademark into the mobile telephony market as well.

## From 2008 to 2012: developments and acknowledgements

In 2008 Poste Italiane was outstanding as regards both the quality of its products and services and the transparency in financial communications, winning the "Oscar di Bilancio" award [Oscar for Financial Statements], whereas in 2009 it won the "Postal Technology International Award", as the best service provider.

At Group level, in 2010 PosteVita, the Group's first insurance Company born in 1996 became operational with PosteAssicura S.p.A., the non-life line company of Poste Italiane. Poste Italiane brought about another important transaction at financial level in 2011 when it acquired the entire share capital of Unicredit MedioCredito Centrale S.p.A., having the objective of facilitating credit access for enterprises in the South by means of the Post Office network. Thanks to the acquired capital Poste Italiane built the equity intended for the exclusive exercise of BancoPosta activities.

During those same years, Poste Italiane gained fourth place at global level and second place at national level in the prestigious "World's Most Admired Companies" category established by the influential American magazine, Fortune. The Company was also awarded the "BEA-Best Event Award", in the "Technological Innovation" category and the "Cerchio d'oro dell'innovazione finanziaria" [Golden Circle of Technological Innovation] award during the event dedicated to the 150th anniversary of the establishment of Poste Italiane.

## From 2015 to 2017: the present for the future of Poste Italiane

The 27<sup>th</sup> of October 2015 marks another fundamental step in the history of Poste Italiane when it is listed on the Milan Stock Exchange (at the end of the year 64.7% of the Company was controlled by the Ministry of Economy and Finance).

As from the year it was listed, Poste Italiane initiated a plan of acquisitions to consolidate its positions in sectors identified as strategic. In the three-year period 2015-2017 transactions concerned: e-money, network payments and services with the acquisition of a portion equal to 14.85% in SIA aiming to accelerate growth in the field of digitalisation of payments and transactions; managed saving by means of purchasing and strengthening its stake in ANIMA Holding. Moreover, in order to focus the resources on the main business areas the Group concurrently undertook a process of simplification and rationalisation of its portfolio in investee companies with the transfer of 100% of Banca del Mezzogiorno– MedioCredito Centrale.

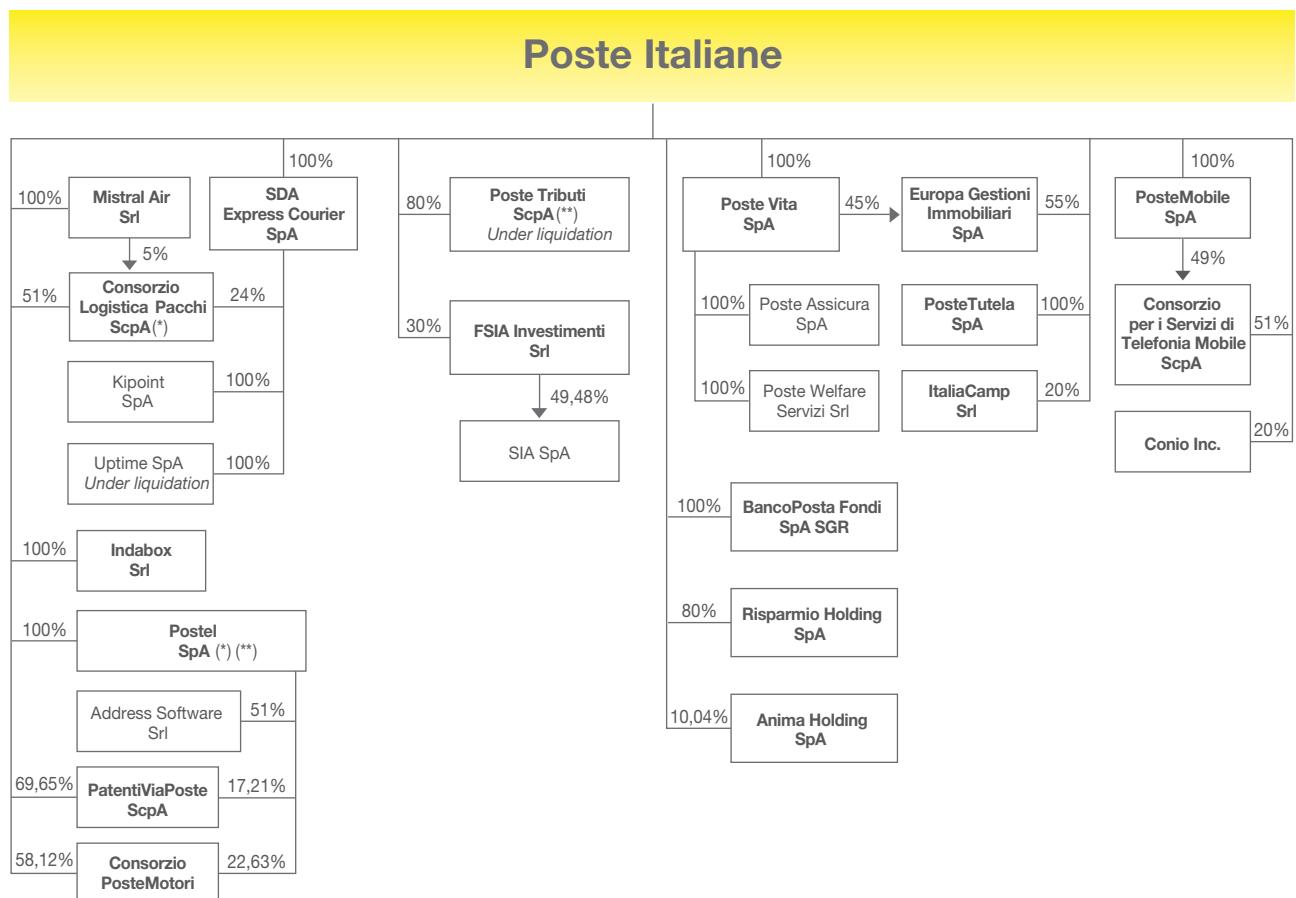
Two years later in December 2017, Poste Italiane and Cassa Depositi e Prestiti [loans and deposits fund] signed an agreement on the savings service called Risparmio Postale [postal savings] for the three-year period 2018-2020, which allows Italians' savings to represent a lever of development and growth, contributing to the increase in investments and development of the national economic system. lastly, in the same year Poste Italiane and ANIMA Holding signed a Memorandum of Understanding ("MoU") aiming at strengthening the already existent partnership in the managed savings sector which follows on from the Framework Agreement signed in November 2016 by Poste Italiane, ANIMA and Cassa Depositi e Prestiti, seeking to create a primary operator for savings management with the intention of creating value for the respective shareholders over time and having the ability to valorise private saving in Italy in the best way.

## 1.2 The Group's Structure

Poste Italiane S.p.A. is the parent company of the **Poste Italiane Group** and its seat is in Italy<sup>3</sup>. At organisational level the Parent Company holds, directly or indirectly, stakes in **25 subsidiaries** all operating in the respective sectors of The Group activity (as shown below). In relation to the Group's corporate simplification process, the following operations were completed in 2017:

- **Partial demerger** of Postecom S.p.A., in favour of Postel S.p.A. and in particular the Corporate branch associated with Postecom's stake in PatentiViaPoste ScpA and in the Poste Motori consortium and merger by incorporation of the remaining part of the Company into Poste Italiane;
- **Approval** of the project for merger by incorporation of Poste Tutela (100% Poste Italiane S.p.A.) into Poste Italiane. Poste Tutela is a company which carries out - mainly for the Group - transport, counting, deposit and safekeeping of values services, as well as armed surveillance and security, by means of coordinating a capillary network of specialised third party operators throughout the national territory;
- **Transfer** in favour of the National Agency in order to attract investments and support Corporate development of the 100% shareholding in Banca del Mezzogiorno-MedioCredito Centrale held by Poste Italiane.

### The Group's organisational structure



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

\*\* 10% of the share capital of Poste Tributi ScpA (under liquidation) is held by Postel S.p.A.

3. In relation to the capital holding, 29.3% of the Company is controlled by the Ministry of Economy and Finance, 35% by Cassa Depositi e Prestiti S.p.A. and the remainder by the institutional and individual shareholders.

## 1.3 The Group's operating sectors

The Group's activity is divided into four operating sectors supervised by functions and/or companies of the Group: Mail, Parcels and Distribution, Financial Services, Insurance and Payment Services, Mobile and Digital, which include, amongst others, mobile services.

In particular, the Group's organisation is based on commercial channels respectively dedicated to retail and business customers and to the Public Administration. Corporate steering, governance, control and service supply functions always flank the commercial areas in support of the business processes.

### 1.3.1 Financial services

As regards the spectrum of financial services offered by the Company, BancoPosta is currently one of the main players in Italy which, over time, has based its strategy on constantly consolidating its offer of services for families. To be specific, BancoPosta's main activities are:

- active management of the liquidity portfolio collected from private and public clientele, with the related uses;
- the Postal Savings collection and management service provided by Cassa Depositi e Prestiti (postal savings certificates and savings books);
- collection and payment services (also called "transaction banking") such as by postal order, F24, national and international postal money order and Moneygram and Eurogiro circuit services;
- placement and distribution, through its distribution platform, of financial products issued by third parties or other Group Companies such as:
  - Managed savings investment (portions of open real estate mutual investment funds established by BancoPosta Fondi SGR);
  - Investment of administered savings;
  - Poste Vita and Poste Assicura insurance policies;
  - Third party and credit card loan products;
  - E-money services through issuing debit cards (Postamat) and prepaid cards (Postepay).



#### 1.3.1.1 Postal Savings as a form of social inclusion

Postal Savings have always been linked to the history of Italian people, a history that has led to the image of a "**safe deposit box**" for savers to be permanently associated to the Company, also thanks to its ample and qualified offer of investment products.

In particular, the circulation currently reached by Postal Savings is possible thanks a wide variety of Poste Italiane's products clearly differentiated from the most competitive ones due to the following characteristics:

- **Security:** all of the invested Capital and any accrued interests are guaranteed by the Italian State;
- **Convenience:** Postal Savings products are exempt of costs. In other words there are no management costs or commissions for subscribers, with the exception of charges of a fiscal nature;
- **Simplicity:** Postal Savings investment solutions are easy to understand;
- **Liquidity:** Postal Savings products do not expose the saver to a possible risk of losing invested capital and any accrued interests;

- **Ethical value:** the Postal Savings collection funds are invested to sustain the growth of the Italian economy and contribute to the nation's growth;
- **Capillarity of the presence of Post Offices:** the massive presence of the network of Post Offices throughout the national territory favour greater financial literacy of the clientele and allow its familiarity with the world of Postal Savings.

Since 1875, Postal Savings have introduced various types of products - Postal Savings Certificates, Postal Savings Books and Savings Plans – aiming at meeting the various necessities and multiple requirements of customers by availing of the considerable capillarity of the Post Office network.

Developments in the product range have allowed a higher number of people to set aside resources for the future, in order to protect themselves in times of economic uncertainty, at the same time favouring the funding of the nation's development activities (building schools, hospitals, roads and support for enterprises) thanks to the funds raised by Cassa Depositi e Prestiti (CDP).

## Senior Programme

In order to further strengthen social inclusion deriving from Postal Savings in October 2017 Poste Italiane, through its "Senior Programme" initiative held on the occasion of the Festa dei Nonni [Grandparent's Day], sought to consolidate the relationship of loyalty with its over 65 target customer base. Indeed this age group, together with the family target, represents an important percentage of users of the services offered by Postal Savings, mainly due to the tendency to look for savings and investment solutions suited to guaranteeing a safe future for such individuals and their loved ones. Furthermore, for over 65 customers, savings books often represent an effective pension payment account. The campaign involved approximately two thousand Post Offices.

## The Postal Savings agreement with Cassa Depositi e Prestiti

In December 2017 - at the Ministry of Economy and Finance - the Managing Director of Cassa Depositi e Prestiti (CDP) and the Managing Director of Poste Italiane proceeded with the subscription of an agreement concerning the Postal Savings service for the three-year period 2018-2020.

This agreement renews an alliance thanks to which the savings of Italian people have been transformed into a driving force of development and growth for over a century, contributing to the increase in strategic investments and the enhancement of the nation's competitiveness.

On the one hand, the new agreement aims at consolidating the role of the Postal Savings Certificates and Postal Savings Books among the key savings products for Italians and on the other to innovate and expand the range of offered services. Indeed, by this agreement, CDP and Poste Italiane aimed to relaunch Postal Savings by repositioning Certificates and Books, envisaging more investments in technology, communication, promotion and training in order to reach an increasingly wider base of savers, making these products an opportunity to save and invest.

Thanks to their reimbursement flexibility, State guarantee and total absence of costs, Certificates and Books, unique savings products in the financial context, as well as among the most circulated in Italy: 321 billion Euros – of which about 212 billion Euros is in Certificates and about 109 billion Euros deposited in Books – and about 26 million total clients holding Books and Certificates. Remuneration in favour of Poste Italiane is linked to reaching annual net savings targets.



## The managed savings *partnership* with Anima Holding

In December 2017 Poste Italiane and Anima Holding signed a new binding agreement to consolidate the pre-existing partnership in the managed savings sector, confirming their interest and mutual commitment in order to extend and systemize their collaboration.

The operation envisages a partial demerger of the asset management activities underlying Line 1 insurance products (exceeding 70 billion Euros) owned by BancoPosta Fondi SGR in favour of Anima SGR, for a value equal to 120 million Euros. Collaboration agreements shall also be reviewed and expanded between Poste Italiane and Anima Holding and, thanks to the latter, the training and updating activity regarding Poste Italiane's distribution network shall be strengthened in relation to managed savings and as well as to the range of Post Office's products which will be significantly expanded in order to meet Italian savers' requirements.

### 1.3.2 Insurance services

Poste Italiane is also present in the insurance sector through PosteVita, an Italian Insurance Company specialised in life insurance plans and now also active in the non-life insurance sector. Furthermore, PosteVita offers investment and saving products through its distribution platform registering a continuous growth in terms of managed savings accounts. Details of the Company's activity structure are given below:

- **Life Insurance:** PosteVita, active since 1999, is the Italian leader in the Life Insurance in terms both of size and quality of its offer. It stands firm in first place as a single enterprise and third place as an Insurance Group in the Life line in Italy whereas it is the third placed insurance group in the total market (Life and Non-life) in Italy;
- **Non-life Insurance:** with Poste Assicura, established in 2010 and controlled by PosteVita, the Group is present in various lines of the sector: accidents and health, civil and general liability, fire, other damages to assets, assistance, legal protection and pecuniary losses. Moreover Poste Italiane has recently expanded its offer in order to meet insurers' needs both in welfare and healthcare fields. It is expected that Poste Italiane non-life insurance market will offer an increasing potential for further development;
- **Managed savings:** BancoPosta Fondi SGR is the Group's savings management Company. It manages open Real estate mutual investment funds and has produced significant returns over time, especially in the management of Eurozone State securities and corporate bonds. Managed savings are part of the activities on which Poste Italiane is relying for its future growth, aiming to propose simple, clear and well-made products, cultivating the relationship of trust with its customers.

**1.5** bln €  
 Insurance Service  
 Revenues in financial  
 year 2017

## Postaprotezione DalMondo: protection that makes you feel at home

Poste Italiane, by means of Poste Assicura, conceived Postaprotezione DalMondo [protection from the world], a policy dedicated to foreigners regularly residing on the Italian territory which provides protection in the event of an accident and personalized assistance services for policyholders and their families in one sole product, Postaprotezione DalMondo, circulated in ten different languages, meets foreigners' needs of protection and assistance for themselves and their loved ones, thus guaranteeing a concrete support in critical and stressful situations. In particular, it protects the policyholder from injuries suffered both during professional and non-professional activity over 24 hours. The policy contributes to the creation of greater social integration, so that individuals are protected through an insurance product economically within everyone's reach.

### 1.3.3 Mail, Parcels and Distribution

In the sector of mail and logistics, Poste Italiane has been able to interpret its original mission in a modern context by means of a series of investments aimed at keeping its infrastructures up to date and capable of meeting the changing requirements of its customers.

The main activities associated to mail, parcels and distribution in Poste Italiane are:

- **Mail:** since 1862 Poste Italiane has delivered letters to Italian families and enterprises. Today it is the first postal operator in Italy to be exclusively assigned with the Universal Postal Service in our country. The assignment of such service, which includes delivery of mail and parcels to all Italian residents, was renewed by the competent authorities for 15 years starting from April 2011. A multichannel distribution platform is used for deliveries which is based on **12,822 Post Offices** and **28,635 Postmen/women**;
- **Technological solutions:** in order to keep abreast of market developments linked to digitalisation, Poste Italiane has for some time invested in **hybrid mail**, a service allowing a digital document to be "materialised" and then delivered to the recipient in paper format. It is also avant-garde in electronic communications and the Cyber Security sector, having solutions able to guarantee the integrity and certification of digital communications and of transactions;
- **Parcels:** the development of e-commerce has bestowed considerable impetus upon the parcels market. This was particularly reflected in the Express Courier, Logistics and Parcels segment which has experienced constant growth in volume and revenue and which now represents a strategic sector for the growth of Poste Italiane. In 2016 the Group began its partnership with Amazon for the delivery of small sized parcels (less than 5kg) all over the country through the postmen/women network.



### 1.3.4 Payments, Mobile and Digital

The Payments, Mobile and Digital operating sector encompasses the activities performed by PosteMobile S.p.A. and the Consorzio per i servizi di telefonia Mobile ScpA consortium. PosteMobile is the Group's mobile operator which has gradually changed from an *Enhanced Service Provider* (so-called *ESP*) model to a *Full Mobile Virtual Network Operator* (*Full MVNO*) model, in line with its development path.



#### A step away from China

There are currently more than 300 thousand Chinese citizens residing in Italy. For this reason Poste Italiane decided to offer a purposefully conceived service package for this part of the population, in order to allow them to be closer to their country and loved ones.

With "Poste Italiane for China" distances are shortened, allowing Chinese citizens to:

- Make shipments at a preferential rate (-20% on the basic cost), receive customs assistance online and avail of a capillary network of Post Offices in China (over 50,000);
- Make calls to China via PosteMobile at super preferential rate (1 Cent/min);
- Send money by MoneyGram at a special price, thanks to the convention with Poste Italiane;
- Insure them and their families, through Postaprotezione DalMondo in order to protect their relatives guaranteeing full coverage (any damage or repairs will be paid in full by the insurance company) as well as a package of useful services (such as telephone, health assistance or interpreter assistance).

## 1.4 “Deliver 2022”: the Group's Strategy

Poste Italiane launched “Deliver 2022” in February 2018. The new Corporate strategic plan has the objective of maximising its own distribution network, already recognised as the most efficient and secure in the country.

With a view to fully valorising the unique qualities of the network, the new “Deliver 2022” strategic plan envisages a programme that will lead to a significant increase in the operating result (EBIT) from 1.1 to 1.8 billion Euros by 2022, an increased sustained by the growth in revenues and cost efficiency in all the Group's segments of activity.

Indeed, specific and diversified initiatives are foreseen for each one of these, having a limited execution risk:

- **Financial Services:** more efficient allocation of capital by means of a complete and expanded range of products which shall be sustained by cross-selling activities carried forward in the Post Offices and by investments in Information Technology (0.5 billion Euros) which shall allow data analysis to be implemented to support the sales force;
- **Insurance Services:** consolidation of the social welfare and corporate benefits funds; expansion of the Non-life and Accidents line to complete its range of insurance products. This segment is essential to the “Deliver 2022” plan due to the low circulation of such products in the Italian population;
- **Mail, Parcels and Distribution:** implementation of a new operational delivery model for mail and parcels, according to an innovative approach that considers population density and related volumes, with deliveries also foreseen in the afternoon and at the weekend. This is accompanied by the implementation of new distribution and automation technologies and an efficient redefinition of the delivery areas;
- **Payments, Mobile and Digital:** consolidation and enhancement of leadership in the payment systems segment by means of managing the change from traditional payment methods, such as postal orders, to more evolved digital options, also with a view to conformity with the new European directive PSD2 (Payment Service Directive), in force since January 2018.

Alongside the projects implemented in the single business areas, the new strategic plan aims at increasing **professional figures** and talent within the Group and bringing about an effective **investment plan** focussed on the organisation's digital development.

So that such initiatives can be realised, the Plan sets **financial targets** and **operational objectives** that are concrete and realistic, clearly defines KPIs and includes medium term targets fixed for 2020.

## “DELIVER 2022”

	Mail, Parcels and Distribution	Payments, Mobile and Digital	Financial Services	Insurance Services
Financial Targets 2022	<b>Segment revenue:</b> 3.5 bln/€ sustained by Parcels segment	<b>Segment revenue:</b> 0.8 bln/€ (+ 33% since 2017)	<b>Segment revenue:</b> 4.9 bln/€ keeping turnover stable	<b>Segment revenue:</b> 1.9 bln/€ (+ 26.7% since 2017)
Operational Objectives 2022	<p><b>New operational delivery model</b></p> <p><b>Parcels delivered by postmen/women:</b> over 100 mln (+185% since 2017)</p> <p><b>B2C market share:</b> 40% (30% in 2017)</p>	<p><b>PostePay Portfolio total:</b> 18.3 mln new cards</p> <p><b>Card transactions:</b> +12% compared to 2017</p> <p><b>Digital E-wallets<sup>4</sup>:</b> 6.5 m (+282.4% since 2017)</p>	<p><b>Total financial assets:</b> 581 bln/€ (+ 14.8% since 2017)</p> <p><b>Sold products:</b> over 12 mln (+50% since 2017)</p> <p><b>Clients followed by a dedicated advisor:</b> 44-55% (7% as at 2017)</p>	<p><b>Gross premiums:</b> 20.7 bln/€ (+ 2% since 2017) with a considerable increase in the Non-life and Injury line</p> <p><b>Distribution Non-life Policies:</b> 2 million new contracts per year (0.4 million in 2017)</p>

	Financial Targets 2022	Operational Objectives 2022
Human Resources	<p><b>Ordinary staff costs/revenues:</b> 49% (-7.5% compared to 2017) thanks to initiatives aimed at increasing Group efficiency</p> <p><b>Pre-retirement incentives:</b> 0.1 bln/€ (0.5 bln/€ 2017)</p>	<p><b>Personnel:</b> 123,000 effective (-10.9% since 2017) with an average annual reduction of 3,000</p> <p><b>Redistribution and training of personnel:</b> 4,500 employees in service shall be reassigned to commercial roles. 20 mln hours of training between 2018 and 2022 New recruitments: 10,000 new qualified professional figures</p>
Investments Plan	<p><b>Total Investments:</b> 2.8 bln/€ (1.4 bln/€ between 2015 and 2017)</p> <p><b>Investment mix:</b> <b>61% Information Technology;</b> 23% real estate; 16% automation</p>	

4. Number of downloaded e-wallets. E-wallets refer to a type of electronic card used in online transactions via PC or smartphone.

## 1.5 Performance indicators (KPI – GRI Standards)

### [GRI 102-7] Territorial capillarity

	2016		2017	
	Units	Resources	Units	Resources
Mutli-regional areas	9	1,600	9	1,319
Branches	132	3,664	132	3,591
Post Offices	12,845	57,779	12,822	56,765

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# Transparency



## 2. Corporate Governance

The governance system in Poste Italiane – namely the administration and control system aimed at ensuring an effective management of the Company – is essentially aimed at creating value for shareholders in the medium/long term, taking account of the stakeholders' interests whilst also considering the social relevance of the activities.

When it was listed on the Stock Exchange in 2015, the Group took steps to adapt its governance system to comply with legal provisions, the Consob regulations of reference, principles and recommendations contained in the Self-Governance Code for listed companies and also international practices on the matter.



### 2.1 The Governance model

The governance model adopted by the Parent Company is “traditional”, characterised by the dichotomy between the Board of Directors and the Board of Statutory Auditors.

THE SHAREHOLDERS' MEETING	BOARD OF DIRECTORS	BOARD OF STATUTORY AUDITORS
This is the corporate body that expresses the shareholders' wishes and takes the most important decisions in the company's life, amongst which the appointment and revocation of the members of the Board of Directors and the Board of Auditors, as well as the audit company, providing for the remuneration of the latter. Moreover, the Shareholders' Meeting approves the annual financial statements, resolves on statutory amendments and transactions of an extraordinary nature, such as increases in capital, mergers and demergers in the cases in which the law excludes the competence of the Board of Directors.	Formed of not less than five and not more than nine members (currently formed of nine members) the board usually meets on a monthly basis to examine and resolve on operating performance, final results, proposals concerning the organisational model and transactions of significant strategic, economic, equity-related or financial importance. The roles of the Managing Director and Chairman are clearly separated. Corporate representation and signature are due to both the Chairman and the Managing Director, the latter in relation to delegated powers. The BoD has appointed four committees within its sphere, having propositional and advisory functions: the Control, Risks and Sustainability Committee, the Remunerations Committee, the Appointments and Corporate Governance Committee and the Related Parties and Associated Subjects Committee.	It is formed of three statutory and three substitute auditors appointed by the Shareholders' Meeting. It monitors observance of the law and the Articles of Association, respect of the principles of correct administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and its concrete operation.

## 2.1.1 Criteria of appointment and composition of the Corporate bodies

The Shareholders' Meeting of 27 April 2017 appointed the Board of Directors formed of nine members, 4 of which are women. Following the renewal of its composition and thereafter in February 2018, according to information provided by the relevant individuals or in any case available to the Company, the Board of Directors established the existence of the requisites of independence regarding 7 board members, as contemplated by relevant regulations. Such appointment followed the indications contained in the Articles of Association of Poste Italiane, which require that the Board of Directors is formed of a minimum of 5 and maximum of 9 members, deferring the exact number to the decision of the ordinary Shareholders' Meeting. The Articles of Association also provide that minority shareholders may designate a number of their representatives in the Board, equal to one fourth of the total.

**“The Board of Directors appointed in April 2017 is formed of a number of Directors belonging to the less represented gender that is higher than that required by the law and the Articles of Association, with 4 female Directors out of 9, therefore exceeding one third of the total”**

In order to be appointed, Directors must possess the requisites of integrity and professionalism provided by law, the regulatory provisions in force, the Articles of Association and supervisory provisions. Furthermore, a number of Directors not lower than provided under the regulations, also regulatory, as in force, must possess the requisites of independence.

Within the Company's control and administration bodies, gender diversity is of key value. As expressly indicated in the Group's Code of Ethics, Poste Italiane backs and promotes social equality for its employees and condemns any form of discrimination based on nationality, language, sex, ethnicity, religious belief, political and union inclination and physical or psychic conditions.

Furthermore, this aspect is governed by specific articles in the Articles of Association, by which Poste Italiane intends to guarantee observance of the regulations in force on the matter of gender equality. To be specific, article 14.1 of the Articles of Association establishes that the composition of the Board of Directors of Poste Italiane must observe legal and regulatory provisions regarding gender equality.

Directors are appointed by the Shareholders' Meeting based on lists presented by them, in which candidates must be listed according to sequential numbering.

The lists presenting a number of candidates equal to or higher than three must also include candidates of different gender, according to the indications given in the notice of call of the Meeting, so that the composition of the Board of Directors observes the provisions under the regulations in force regarding gender equality.

Thereafter, when the Directors are appointed, if for any reasons one or more Directors are not elected pursuant to the foregoing procedure or their term in office ends, the Shareholders' Meeting resolves, by legal majority, in order to ensure the necessary number of Directors possessing the requisites of independence, again observing the provisions on the matter of gender equality.

### 2.1.1.1 Regulation of the number of offices held by Directors

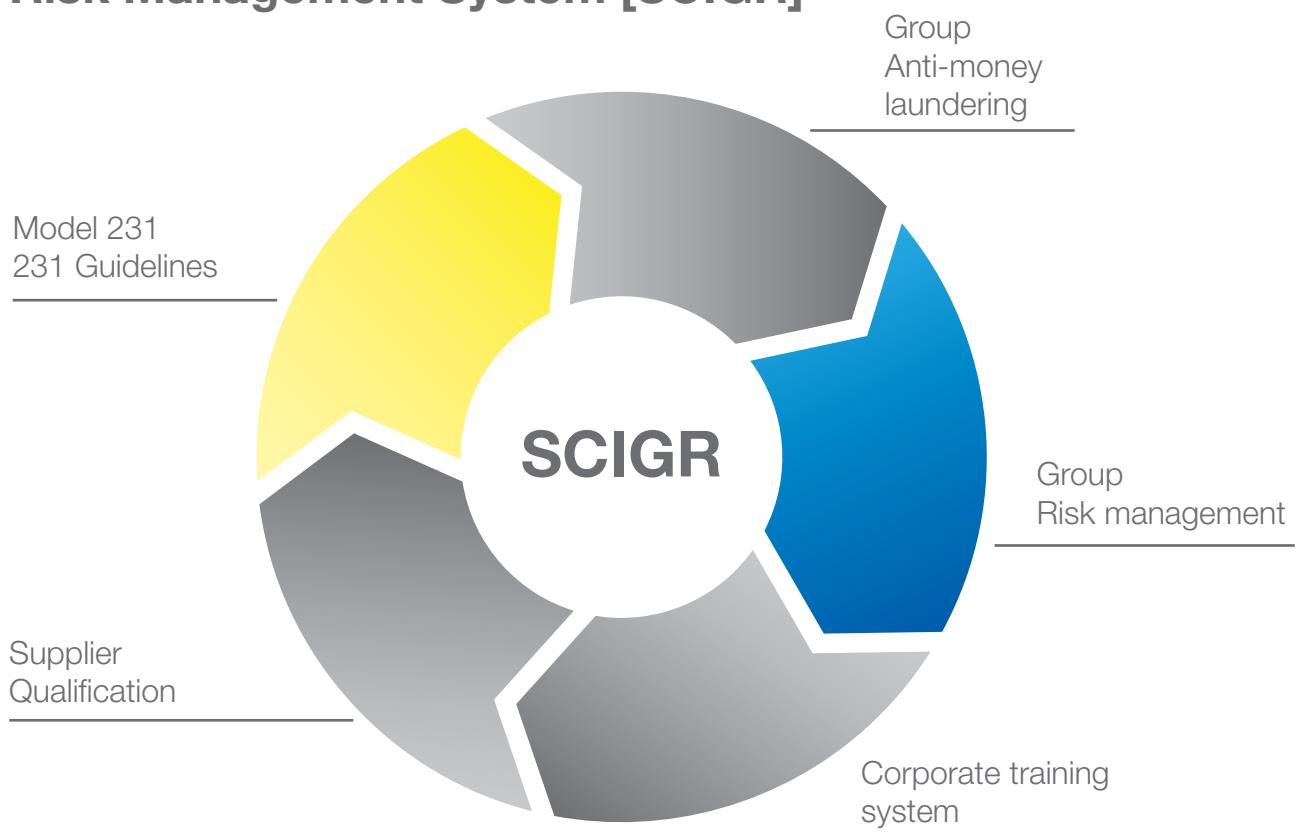
Directors accept the office and keep it inasmuch as they deem that they can dedicate the necessary time to diligently performing their tasks, considering both the number and quality of offices held in the governing and control bodies of other significantly sized companies and the commitment required of them by other professional activities they perform and associated offices covered.

In relation thereto, we point out that in September 2015 the Board of Directors approved (and formalised in a dedicated document) a policy regarding the number of offices the related members may cover in governing and control bodies of companies of significant sizes, in order to assure the relevant parties an availability of time suited to guaranteeing effective fulfilment of the role covered by them in the Board of Directors of Poste Italiane.

Following the indications given in the Self-Governance Code, the aforementioned policy only considers offices covered in the governing and control bodies of the following types of company as relevant for such purposes:

- a. Companies having shares listed in regulated markets, also foreign;
- b. Other companies, Italian or foreign, with shares not listed in regulated markets and having balance sheet assets exceeding 1,000 million Euros and/or revenues exceeding 1,700 million Euros based on the latest approved financial statements.

## 2.2 The Poste Italiane integrated Internal Control and Risk Management System [SCIGR]



Within a context characterised by operational and regulatory complexity and the need to compete in a constantly more efficient manner in the reference markets, risk management and the related control systems assume a central role in decision-making processes and the process of creating value.

In order to promote and keep an adequate Internal Control and Risk Management System (SCIGR), Poste Italiane uses organisational, training and normative instruments which allow the main Group risks to be identified, measured, managed and monitored.

Such system represents a fundamental element of the Poste Italiane Corporate Governance as it allows the Board of Directors to pursue the priority objective of creating value in the medium/long term, also defining the nature and level of risk compatible with corporate objectives.

For this reason Poste Italiane undertook to adopt an Internal Control and Risk Management System (SCIGR) that is integrated both from the internal and external viewpoint of the System. Indeed, on the one hand its components must prove to be coordinated and interdependent with each other and on the other the System, as a whole, must be found to be integrated in the general organisational, administrative and accounting structure of the Company.

In addition to the 231 Model and the related Guidelines (which shall be described in paragraph 2.2.3), the SCIGR is divided into various components and guidelines regulating its function:

- the “Internal Control and Risk Management System Guidelines” recently approved by the BoD and applicable to the whole Group were drawn up in order to integrally govern the Poste Italiane SCIGR consistently with normative requirements, the Self-Governance Code for listed companies and the supervisory provisions applicable to BancoPosta activities;
- the “Group Risk Management Guidelines” is the document defining the Risk Management process in the Poste Italiane Group and which was updated during 2017 with regard to the identification, assessment and risk monitoring process;
- the “Group Anti-money laundering Guidelines”, issued by Poste Italiane S.p.A. in January 2018 in relation to its role in steering and coordinating the Group, identifies the principles of reference and defines the roles and responsibilities for combating the phenomena of money laundering and financing terrorism;
- the “Corporate Normative System Guidelines”, approved in February 2018 has the objective of regulating governance guidelines in the Corporate Normative System (principles of reference, architecture and lifecycle of documental categories, roles and responsibilities of the various players involved) and the management process for such System, also in conformity with the reference norms of the Integrated Management System;
- the “Supplier Qualification Guidelines”, approved in March 2018, have the purpose of indicating the criteria and methods to be observed in the qualification procedure regarding economic operators to be called for the award of works, supplies and service contracts concerning the strategic segments of the Poste Italiane Group, consistently with that established by the “Supplier Qualification System” established, according to the regulations in force, in order to equip the Poste Group with a Suppliers List such as to guarantee indispensable levels of functionality and quality of the procurements, adopting certain and transparent criteria of selection in the purchase procedures. Furthermore, the separation of the Suppliers List function from the Purchases function was brought about, the former merging into the Group Risks Governance context.

Basing itself on the international standard “Enterprise Risk Management – Integrating with Strategy and Performance”, Poste Italiane SpA chose to focus on the following factors enabling integration and rationalisation of its Internal Control and Risk Management System:

- the definition of a model which relates the various components of the Internal Control and Risk Management System to each other, enabling opportunities to improve the comprehensive coverage of such risks, the simplification and operational efficiency and the quality of risk information;
- the convergence of control functions by means of centralising control structures within the corporate functions (central steering, coordination, control and service structures) in order to ensure unified governance at Group level;
- the approach for processes, by means of implementing a reference framework that regulates behaviour and activities; such approach includes policies, guidelines and procedures defined within a pyramidal architecture involving the Board of Directors, the Managing Director, Management and all personnel in the Poste Italiane Group, realising, among other things, the integration of the Internal Control and Risk Management System in corporate processes.

# The principles of reference of the Internal Control and Risk Management System

In defining its Internal Control and Risk Management System, the Company based itself on the international standard "Enterprise Risk Management – Integrating with Strategy and Performance (so-called COSO Framework) and its 12 main principles:

## ■ AUTONOMY OF THE BANCOPOSTA ASSET CONTROL SYSTEM

In compliance with the Supervisory Provisions, the organisational and corporate governance structure of the BancoPosta Asset is based on the principle of organisational and managerial autonomy and the internal control system.

## ■ CONSISTENCY WITH CORPORATE OBJECTIVES

The SCIGR contributes to a method of running the company oriented at sustainable development, maximising the value of the company and that is consistent with corporate objectives.

## ■ TRACEABILITY

Persons involved in the SCIGR must guarantee, each one inasmuch as competent, that activities and documents regarding the process can be traced, ensuring the identification thereof and reconstruction of sources, informative elements and controls carried out in support of the activities.

## ■ CORPORATE AUTONOMY OF THE SUBSIDIARIES

The corporate autonomy of subsidiaries is guaranteed as regards establishing and keeping an adequate and functional SCIGR, in observance of steering and coordination guidelines defined by Poste Italiane.

## ■ KNOWLEDGE AND AWARENESS

The SCIGR represents a fundamental element to guaranteeing full awareness for an effective supervision of risks and their interrelations and also to direct change in strategy and the organisational context.

## ■ SEGREGATION OF TASKS AND ACTIVITIES

The SCIGR envisages a segregation of tasks and responsibilities, among distinct organisational units or within the latter, so as to prevent incompatible activities from being concentrated under common responsibilities.

## ■ INTEGRATED SYSTEM

The components of the SCIGR are inter-coordinated and inter-dependent and, as a whole, the system is in turn integrated into the general organisational, administrative and accounting structure.

## ■ RISKS AND PROCESSES BASED APPROACH

According to a process-based logic, the SCIGR is based on a risk prevention approach and contributes to taking conscious decisions and translating the main risks into opportunities where possible.

## ■ MANAGEMENT EMPOWERMENT (ACCOUNTABILITY)

In relation to the functions covered and in pursuit of the related objectives, the Management guarantees the adequacy of the SCIGR regarding the activities of competence, actively participating in the correct operation thereof.

## ■ CONFORMITY TO LAW AND COMPLIANCE WITH THE INTERNAL REFERENCE FRAMEWORK

The SCIGR is defined in observance of applicable regulations, the Self-Governance Code and consistently with the internal reference framework and national and international best practices.

## ■ RISK AND CONTROL CULTURE

The SCIGR circulates the culture of risk and control, meant as the whole of norms of conduct giving rise to the ability of groups and individuals to identify, measure and mitigate the organisations' current and future risks.

## ■ COMMUNICATION AND INFORMATION

Each corporate body and structure avails of the information required to fulfill its responsibilities, including those regarding the SCIGR.

## 2.2.1 Architecture, roles and responsibilities in the SCIGR

The Poste Italiane SCIGR is a set of instruments, organisational structures, corporate norms and regulations aimed at allowing a healthy, correct running of business, which is consistent with corporate objectives, by means of an adequate process for defining the players, tasks and responsibilities of the various control Bodies and functions; including identification, measurement, management and monitoring of the main risks as well as structuring adequate informative flows so as to guarantee the circulation of information.

In line with the regulations and best practices of reference, the SCIGR is divided into three levels of control and involves several players who are present within the corporate organisation:



<b>1<sup>st</sup> level of control</b> (management/line/ operating functions)	Identifies, assesses, manages and monitors the risks of competence in relation to which it identifies and implements specific actions of treatment aimed at ensuring the correct performance of operations.
<b>2<sup>nd</sup> level of control</b> (control functions/risk monitoring)	Monitors corporate risks, proposes guidelines on related control systems and assesses the adequacy thereof in order to ensure efficiency of the operations, adequate risk control, prudent running of the business, reliability of information and conformity with laws, regulations and internal procedures. The functions assigned to such controls are autonomous, independent and separate from the operational functions.
<b>3<sup>rd</sup> level of control</b> (Internal Audit Functions)	Provides independent assurance regarding the adequacy and effective operation of the first and second levels of control and the SCIGR in general. Its purpose is to assess the completeness, adequacy, functionality and reliability in terms of efficiency and efficacy of the internal control system, as well as identifying violations in procedures and norms applicable to Poste Italiane.

### 2.2.1.1 Bodies and functions supervising aspects of sustainability

The Corporate governance system requires that the Board of Directors is assisted by the Control, Risks and Sustainability Committee, to which investigative functions are attributed of a propositional and advisory nature, regarding assessments and decisions concerning aspects of sustainability.

Furthermore, at managerial level within the Corporate Affairs function there are various structures which safeguard specific social and environmental issues. In particular, the Group Risk Governance function, by means of specific tasks and functions:

- Supports the Top Management in its effective implementation of the Risk Management process at Group level, with reference to all types of risks;
- Ensures the activities related to implementing and actuating management systems and the corporate documental system for corporate quality, the environment, safety at the workplace and the protection of health, secure information, anti-corruption and energy management;
- Manages the supplier qualification process for the Group;

- In collaboration with the involved functions, defines the guidelines and objectives of Corporate Social Responsibility for the Group, identifying the set of indicators for monitoring sustainability performance, in line with best practices and with the international guidelines in this regard, as well as overseeing relations with ethical ratings companies and with the stakeholders;
- Guarantees the protection of corporate reliability by means of verifying the effective compliance of the operational and commercial processes with the service levels declared in the quality and performance indicators.

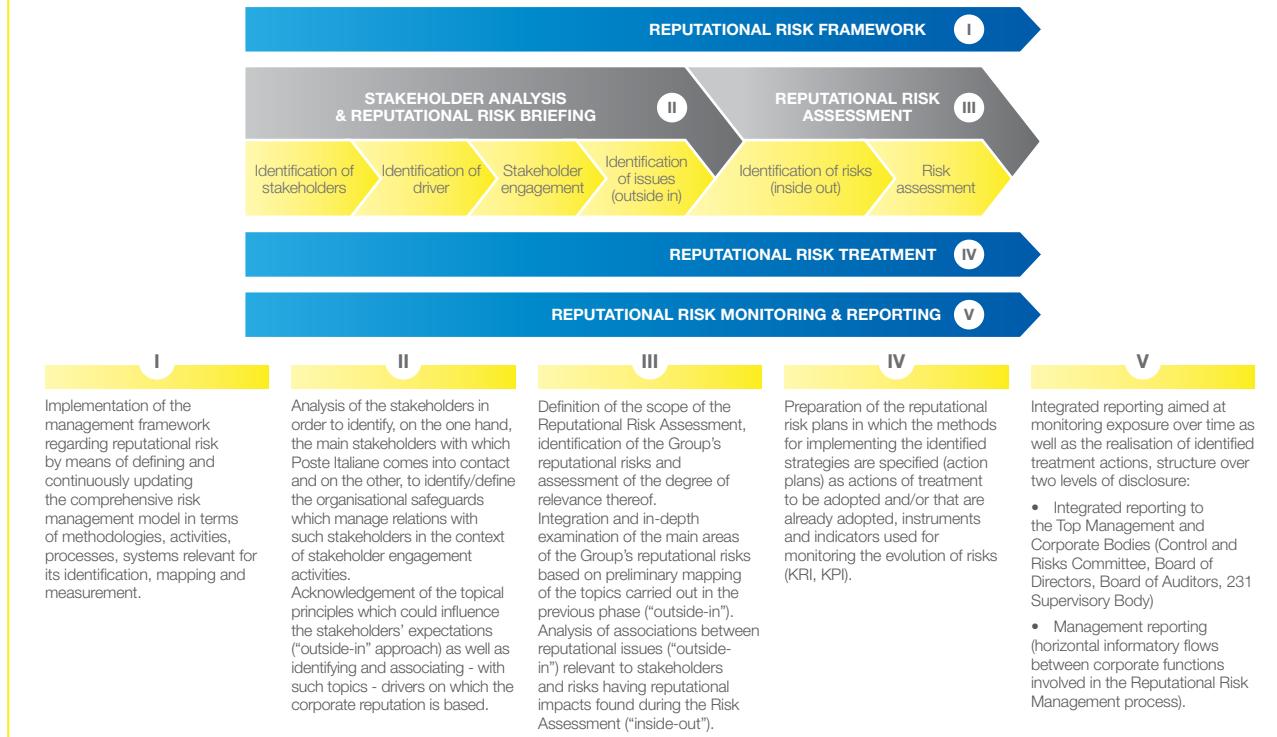
The Corporate Protection function is contextually engaged in:

- Ensuring protection of safety activities at Group level by means of identifying and realising initiatives aimed at assuring adequate levels of safety;
- Managing the definition and circulation of physical safety policies and standards for the Group, verifying the correct implementation thereof and supporting corporate functions in the definition of adequate re-entry plans;
- Ensuring, at Group level, steering, coordination and control activities concerning health and safety at the workplace and the environment, managing the design, implementation and circulation of Management systems for Safety at the Workplace and Environmental Protection, in line with the normative framework in force;
- Guaranteeing, through the coordination of the Corporate Protection Territorial Areas, the correct management of activities entailing physical safety, hygiene and safety at the workplace at territorial level;
- Ensuring activities of steering and coordination with regard to matters of secure information;
- Managing the coordination of corporate activities in relation to Cyber Security and combating cyber crime.

## Managing reputational risks

During 2017 Poste Italiane initiated a Reputational Risk Management process with the purpose of identifying, assessing, monitoring and reporting the main reputational risks affecting Group activities. To this end it is necessary to establish a coordinated set of principles, rules, procedures, methodologies, instruments and organisational structures which introduce safeguards within corporate operations that are able to effectively and efficiently control such risks, generating a continuous flow of information to support decision-making processes. The Reputational Risk Management process was implemented to pursue the following objectives:

- Identify, assess and monitor the Group's reputational risks from an integrated viewpoint by means of coordinating the various organisational structures that protect the stakeholders;
- Use instruments and models for assessing and managing consistent reputational risks at Group level;
- Ensure integrated reporting of the Group's reputational risks regarding the Top Management and corporate Bodies;
- Promote the circulation of a corporate culture that is more orientated towards managing reputational risks.



## 2.2.2 The Code of Ethics

The Poste Italiane Code of Ethics defines the **guidelines of conduct** with which all Group Companies must comply when conducting internal and external relations with all the stakeholders, such as customers, suppliers, institutions, representation bodies and as regards the surrounding natural environment.

The document – approved by Poste Italiane S.p.A the Board of Directors, in November 2003 and updated in September 2009 – is applicable to the entire Group and is not only aimed at its **directors** and **employees** but also at those working, on a full-time or part-time basis, on its behalf.

Having the objective of integrating the codes of conduct adopted over time, during 2017 Poste Italiane began its review of the Code of Ethics, with a view to actualising and expanding the principles and rules of conduct to be followed in relations with all the stakeholders with which the Company holds relations, specifically referring to relations with suppliers, partners, the market and the Shareholders. Such review led to the approval of a new Group Code of Ethics by the Board of Directors of Poste Italiane S.p.A. in April 2018.

The Company sought to define, with greater emphasis, the fundamental principles inspiring the culture and behaviour of the directors, control bodies, management, employees and those working, on a full-time or part-time basis, in the pursuit of the objectives of the Poste Italiane Group. Moreover, criteria of conduct of a general nature were affirmed which the Company acknowledges and implements when performing its activities and in relations with the stakeholders, valorising specific provisions regarding conflict of interest, anti-corruption, anti-money laundering and anti-terrorism, as well as the protection of health, safety, the environment and privacy.

The Code defines principles and rules of conduct such as legality, impartiality and fairness, respect and valorisation of people, transparency and completeness, confidentiality as well as diligence and professionalism. It requires that the recipients of the Code abstain from activities, even occasional, which could generate conflicts with the interests of the Group or which could interfere with the ability to take decisions consistent with corporate objectives. Furthermore, the Company intends to promote the circulation of ethical principles and social responsibility among subjects pertaining to the Group's chain of value.

Such principles are further consolidated with the adoption of the Organisational Model, drawn up pursuant to Legislative Decree 231/2001, which represents a central instrument for defining the organisational and managerial regulations favouring the observance of the main values of social responsibility in Poste Italiane. The Company also undertakes to circulate the Code of Ethics to all recipients so that they observe its contents and to prepare every possible instrument favouring a full application thereof.

**Violation** of the Code of Ethics gives rise to the invalidity of the relationship of trust established with Poste Italiane and can lead to legal action as well as the adoption of measures against the recipients, according to legal provisions and under the provided contractual regimes.

**“The principles and rules of conduct set out by the Code of Ethics contribute to affirming the credibility of the Poste Italiane Group in the civil and economic context, having the objective of translating the appreciation of values characterising the Company’s modus operandi into a competitive advantage”**

## 2.2.3 The Organisational, Management and Control Model

Amongst the core principles of the ethical and social approach of Poste Italiane, there is the necessity for the Company to ensure conditions of correctness and transparency when running corporate activities, not only to protect its image and reputation, but also and above all to guarantee the expectations of its stakeholders and the work of its employees.

Consequently, aware of the importance of having an updated internal control system capable of preventing unlawful conduct by its directors, employees and commercial partners, in 2003 it formed its own **Organisational, Management and Control Model** (hereinafter also "Model" or "Model 231") in conformity with Legislative Decree 231/2001. The purpose of such Model is to build a structured and organic system of guideline principles, operational procedures and other specific measures based on the criteria of healthy corporate management and aimed, amongst others, at preventing any crimes from being committed by exponents of the Company, whether top management or under the management of third parties.

Through the adoption of the 231 Model, the Company pursues the following objectives:

- Forbid behaviours which could entail the criminal offences pursuant to the Decree, amongst which the prevention of the crime of corruption emerges;
- Circulate awareness that the violation of Model 231 and the principles of the Code of Ethics can give rise to the application of sanctionatory, pecuniary and/or injunctive measures, even against the Company;
- Circulate a corporate culture based on lawfulness;
- Give evidence of the existence of an effective organisational structure that is consistent with the adopted operational model, with particular regard to the clear attribution of powers, formation of decisions and their transparency and motivation, to control, preventive and subsequent, actions and activities, as well as the truthfulness of internal and external disclosure;
- Allow the Company, thanks to a system of measures of control and constantly monitoring the correct implementation of such system, to quickly prevent and/or counter the relevant offences pursuant to Decree 231.

Since 2003 Poste Italiane has periodically **updated** its Model 231 to supplement its contents with various legislative interventions that have introduced new categories of predicate offences, receiving normative updates on the matter of criminal liability of entities and acknowledging the evolution of best practices and reference Guidelines.

In January 2018, considering normative novelties<sup>5</sup>, intervening organisational changes<sup>6</sup> as well as retracing areas of risk directly to organisational responsibilities, Poste Italiane has updated its Model 231.

Following the 231 Model update, Poste Italiane shall proceed, in compliance with such Model, with the design and the realisation of a new training path specifically dedicated to corporate management, in the context of awareness and update on the matters of Legislative Decree 231/2001, as well as an effective implementation of the Model in the corporate context, also through greater awareness of the roles and responsibilities aimed at correctly supervising the connected risks.

The specific **training** on the Model tailored for Poste Italiane employees is considered an important element for Model 231 to be efficiently incorporated in the Company. The aim of the training course is to inform about the implementation of the Model and its circulation within the corporate context by means of differentiating the course based on the various activities "at risk" carried out by staff. Furthermore, to the benefit of the Company employees, specific training - which envisages further exploration of the sensitive elements set out in the Poste Italiane Model 231 – is given on a continuous basis, also via e-learning.

5. Such as the acknowledgement of the predicate crime 231 of "Unlawful intermediation and exploitation", introduced by Law 29 October 2016 no. 199; of Legislative Decree 15 March 2017, no. 38 on the matter of combating corruption in the private sector in "Crimes of corruption, also amongst private parties and other crimes in relation with the Public Administration"; of EU Regulation no. 596/2014 of the European Parliament and the Board of 16 April 2014 in "Market Abuse" offences; of Law no. 167/2017 in "Crimes of racism and xenophobia".

6. Such as for example the acknowledgement of the organisational role attributed to the Group Risk Governance function in the context of Corporate Affairs; reviewing the composition of the role of Technical Secretary of the Supervisory Body

The Group assigned a Supervisory Body formed of two members extraneous to the Company and one internal member with the task of monitoring the observance of the prescriptions of the Organisational Model, verifying their actual efficacy and assessing the need for any updates. The duration in office of the Supervisory Body is three years, until May 2019. In particular, the Supervisory Body reports on the activities of its competence to the Board of Directors, Managing Director and the Control, Risks and Sustainability Committee.

As regards the **reporting** procedure with regard to violations of the Model, in line with the provisions provided under the Decree related to the establishment of informative obligations concerning the Supervisory Body the Company established that the latter, delivered in writing and anonymously, can be presented both by traditional mail and via email.

The adoption of similar Models of reference is also promoted at **Group** level. Indeed, Poste Italiane incentivises the adoption and implementation of its organisational models by all subsidiary Companies and, to this end, it requires that each one identifies sensitive activities as well as specific measures of control which should be adopted in respect to the particular nature of their corporate reality. With regards to, it is important to emphasize that in exercising its autonomy, each Subsidiary is deemed to be directly responsible for the adoption and implementation of its Model 231.

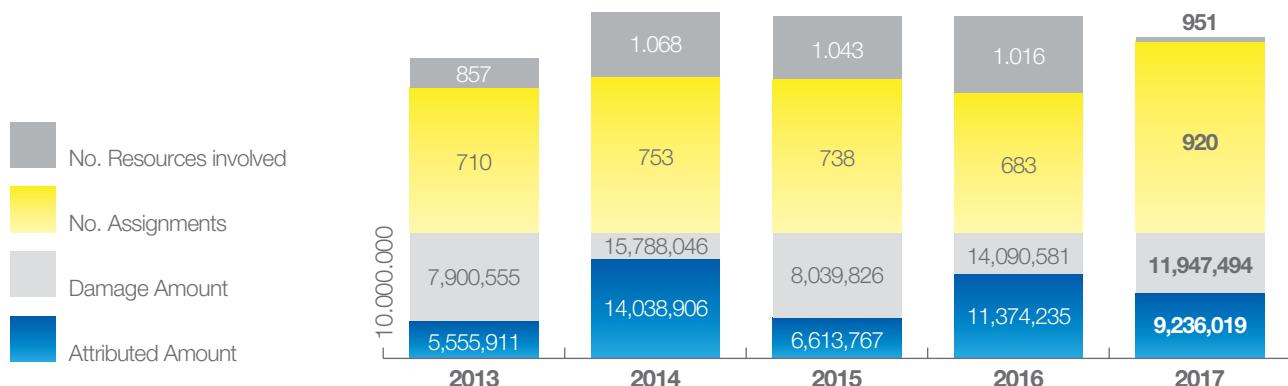
During the implementation of the Poste Italiane S.p.A. Model, the subsidiaries assess, following the analysis of the organisational structure and corporate operations, activities at risk in relation to their characteristics. In the same way each **subsidiary**, in the contest of its internal regulation, assesses possible requirements for the integration of the values and principles set out in the Group codes of conduct indicated by Poste Italiane, in light of operational peculiarities and specific exposures to the risk of crimes. Lastly, in adopting its own Model, each Subsidiary defines an autonomous and independent Supervisory Body, which is exclusively responsible, in relation to the Company of pertinence, for the tasks of controlling the performance of said activities and the operation and observance of the Model to which they refer. In this context, the Company issued Guidelines identifying the general requirements of reference with which Group Companies comply when adopting and updating their own Models 231, considering the specific operations of the undertaking and its organisation. Indeed, the Company's intention is that the Models 231 of each of the Subsidiaries, which are responsible for the related adoption and implementation, constitute an adequate measure for the purposes of correct performance of the entity's activities.

## 2.2.4 Fraud prevention

In relation to Group Risk Governance (GRG), as protection against fraud risk, Poste Italiane has established a specific function named Fraud Management and Security Intelligence, which represents the operational and functional point of reference for corporate structures for reporting unlawful events, or suspected ones, and constantly ensures a fraud prevention service on many fronts:

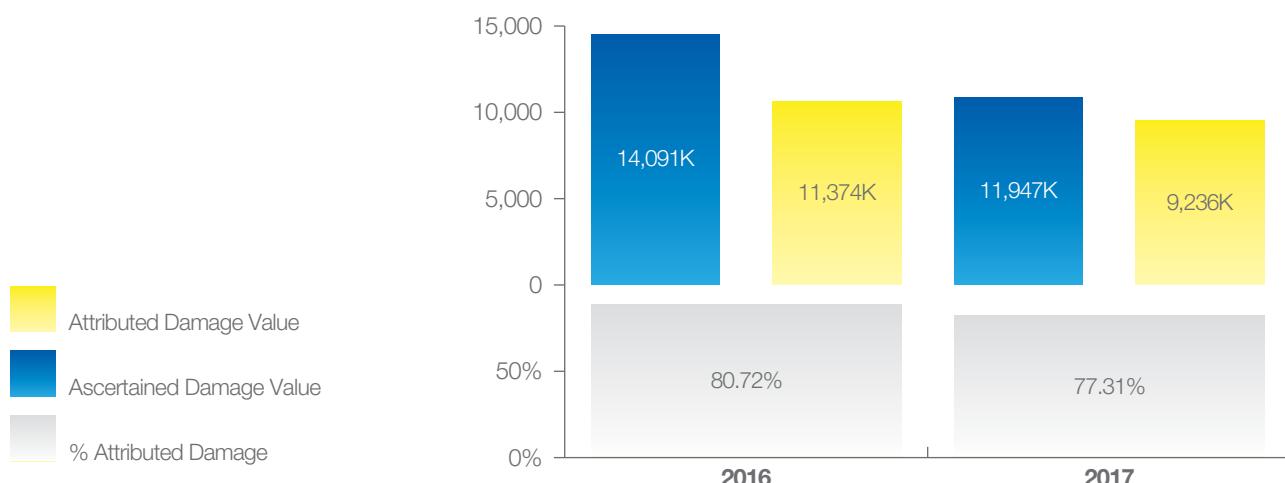
- Analysis and assessment of fraud risk;
- Direct collaboration with the Law Enforcement Agencies (Forze dell'ordine - FF.OO.), Judicial Police (Polizia Giudiziaria - P.G.), Judicial Authority (Autorità Giudiziaria - A.G.);
- Support to other corporate functions such as business and anti-money laundering;
- Exploration of Digital Forensics for IT events;
- Realisation of design initiatives aimed at guaranteeing improved levels of security and monitoring prevention, mitigation and fraud combating activities;
- Detection, monitoring and combating fraudulent attacks on digital service customers and the physical channel;
- Monitoring and blocking suspicious/fraudulent transactions;
- Reporting aimed at monitoring performance levels and fraud trends;
- Specialist anti-fraud support for analysing and defining security requirements respect to new products and services.

## Evolution in Assignments managed from 2013 to 2017



Concerning the management of investigative activities on fraudulent events, of an internal and external nature, a total of 920 assignments were managed during 2017 which led to identifying 951 separate internal responsibilities, thus providing the conditions for recovery (Attributed Damage) of a comprehensive amount equal to 9,236,019 Euros (about 77% of the total damage found due to fraud, a slight decrease compared to the previous year).

## Quantification of economic damage due to fraud



Compared to observations in 2016, it emerges that against an increase in the number of managed assignments a decrease in economic damage found due to fraud is recorded (Ascertained Damage), amounting to a total of 11,947,494 Euros, about 15% less compared to the 14,090,581 Euros found in the previous year. It was possible to attribute an amount equal to 9,236,019 Euros to responsibility. The activities of prevention and transaction monitoring allowed attempts at fraud to be foiled which amounted to a prudentially estimated total of 26,611,300 Euros, of which:

- about 1.9 million Euros on secured services (equal to 52% of the recorded damage);
- about 7.5 million Euros on suspicious reports found during the customer identity assessment phase;
- about 17.1 million Euros on the preventive block of compromised accounts.

## 2.2.5 Internal violation reporting system (“whistleblowing”)

In the context of its Internal Control and Risk Management System, in line with the best practices existing nationally and internationally as well as the normative-regulatory framework of reference, in October 2016 Poste Italiane adopted the “Internal Violation Reporting System” (whistleblowing) Guidelines aimed at governing the internal system for reporting, also anonymously, acts or facts referable to violations of norms, internal and/or external, which govern the activity of Poste Italiane (including the Code of Ethics) as well as unlawful or fraudulent conduct which could directly or indirectly give rise to damage, economic-asset related, or to image, for the Company. Such whistleblowing guidelines shall be updated during 2019 in line with the leading practice principles of reference.

Reports can be received by email or traditional mail and may concern, for example: conflicts of interest; violation of the principles of impartiality, transparency, correctness and professionalism; violations related to the protection of workers; improper use of corporate assets; unlawful and/or fraudulent activities to the damage of customers or corporate assets in general; behaviours not consistent with ethical and deontological duties regarding employees; violations of the normative governing banking and finance activities related to BancoPosta Assets. Included therein are any reports of suspected cases of corruption.

The Poste Italiane internal system for reporting violations ensures that all the appropriate analyses are performed on the reported facts by means of initiating audits carried out by the “Internal Control” function, as well as carrying out fraud management appraisals conducted by the “Corporate Protection” function in the cases of presumed offences, or a request for further managerial examinations addressed to the competent functions.

In particular, the report management process is presided over by the “Report Assessment Committee” (the “Committee” or “CVS”), coordinated by the “Internal Control” function and formed of representatives from the functions: “Human Resources”, “External Relations and Services”, “Legal and Corporate Affairs”, “Internal Control” and “BancoPosta Internal Review” (“on call member intervening only in cases concerning the Balance Sheet assets of BancoPosta, provided for by the related Regulation).

### Whistleblowing principles in Poste Italiane

The internal violation reporting system adopted by Poste Italiane S.p.A. is based on the following general principles:

- **Guarantee of confidentiality of personal data and protection of the reporting party.** All parties receiving, examining and assessing reports, the internal reporting system manager and every other subject involved in the report management process, are bound to guaranteeing the highest confidentiality regarding reported facts, the identity of the reported party and the whistle-blower who, in any case, should be protected from retaliatory, discriminatory or in any case unfair conduct;
- **Protection of the reported subject from reports made in bad faith.** All subjects, employees of Poste Italiane S.p.A., are bound to respect the dignity, integrity and reputation of each person. To this end it is strictly mandatory for the reporting subject to declare if they have a private interest linked to the report. More in general, Poste Italiane S.p.A. guarantees adequate protection from reports in bad faith, censoring such conduct and notifying that reports sent for the purpose of damage or otherwise bringing prejudice as well as any other form of abuse of this document are the source of liability in disciplinary proceedings and other competent proceedings;
- **Impartiality, autonomy and independence of judgement.** All subjects receiving, examining and assessing the reports meet moral and professional requirements and assure that the required conditions of independence are kept, as well as due objectiveness, competence and diligence when performing their activities;
- **Coordination between the activities of the Report Assessment Committee and the Supervisory Body.** Without prejudice to autonomous action and independent judgement of the Supervisory Body as per Legislative Decree 231/2001, the Internal Control Functions ensures coordination between the activities performed by the Report Assessment Committee and those carried out by the Supervisory Body.

During 2016 and 2017 the “Report Assessment Committee” managed 23 reports related to presumed episodes of corruption. In 2017 such reports proved to be wholly groundless, whereas in 2016 in one sole case it was possible to ascertain the truthfulness of the corruption event.

During 2017, by way of alignment to the best practices on the matter, an activity was launched to design and implement an IT portal dedicated to receiving and processing reports. This IT channel will use the most suitable electronic methods for safeguarding the confidentiality of the identity of the whistle-blower and use thereof as an alternative channel for relevant reporting pursuant to Legislative Decree 231/2001 is provided for, also in compliance with the new normative provisions on the matter of whistleblowing introduced by Law 30 November 2017, no. 179.

## 2.3 Legality and transparency

Poste Italiane has always paid great attention to matters of legality and transparency, fundamental principles not only for developing corporate business according to criteria of sustainability and ethics, but also for the development of the entire Country System. From this viewpoint, 2017 represented a strategic year for the Company inasmuch as **two initiatives** were launched that demonstrate Poste Italiane's commitment to circulating a culture of transparency and legality.

In particular, on 6 December 2017 an important **Memorandum of Understanding** was signed between Poste Italiane and the **Financial Police**, having the objective of combating economic and financial crime. The key principles of such memorandum are represented by opposing evasion, elusion, tax fraud, crimes regarding public spending, economic and financial criminality, money laundering, falsification and fraud concerning payment systems. Characterising the agreement above all is the sharing of the valuable information assets of Poste Italiane which are based on the payment systems and digital identity. Such assets shall favour an efficient acquisition of information by the Financial Police with a view to the best prevention and suppression of the fraud and crimes that threaten the economic fabric of the nation.

Another initiative undertaken by Poste Italiane in 2017 is the launch of the new **Open and Transparent Contracts** portal, through which the Company affirms itself as the first Group in Italy to publish all data related to its supply chain. In the context of continuously increasing clarity for citizens, the new portal makes information concerning contracts signed by the Company public and available, regarding tender procedures for the supply of goods and services, of community relevance, as well as works subject to the Code of public contracts and those related to the supply of goods, services and works excluded from the public contracts Code. In particular by navigating through the portal it is possible to gain access to all information and details regarding contracts signed by Poste Italiane and its suppliers: cost, duration, product field, award procedure, name, geographic position of the winner and the subcontractors. The tool was developed to increase the transparency of the Group's supply chain and allow the market to monitor the activities of Poste Italiane, as well as promote the culture of legality throughout the value chain.

### “Identity Check” and legality rating

Access via the web to the “Identity Check” is the initiative that allows relevant information to be reported in order to prevent and suppress fraud and all other crimes of an economic-financial nature as well as ensuring the authenticity of the identity, whether physical or digital, of individuals.

Thanks to the agreement with the Guardia di Finanza (Italian financial police) Poste Italiane shall make its informative assets available, also in order to ascertain the digital identity of an individual constituting a taskforce for studying new criminal scenarios.

As a witness of the level of attention that Poste Italiane pays to the correct management of its business, in 2017 the Company asked and obtained a renewal of its legality rating, receiving the **highest score** which corresponds to three “stars”. The **legality rating** is an instrument introduced in 2012 aimed at Italian enterprises and having the purpose of promoting and introducing the principles of ethical conduct within companies by means of assigning a “recognition” (measured, indeed, in “stars”) indicating the level of observance of legality by undertakings that have applied for it. Upon attributing such rating, the legal system reconnects advantages when granting public funding and subsidies to access bank credit.

## 2.4 Performance indicators (KPI – GRI Standards)

**[GRI 205-1] Companies analysed for corruption risk<sup>1</sup> and coverage<sup>2</sup> of corruption risk processes with audit interventions**

	U.m.	2016	2017
Total number of Group companies analysed for risks associated with corruption	N°	17	18
Total number of Group companies	N°	26	25
Percentage of Group companies analysed for risks associated with corruption	%	65	72
<b>Coverage of processes subject to corruption risk with audit interventions</b>			
High coverage	%	67	94
Medium coverage	%	33	3
Low coverage	%	-	3

1. The analysis of Group companies for corruption risk was carried out during assessments for defining the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001.

2. Coverage represents the comprehensive incidence of the audit activities on corporate processes.

**[GRI 205-2] Specific training on matters of anti-corruption<sup>1</sup>**

	U.m.	2016	2017
Total employees	99,963	56,052	
of which:			
Managers	N°	179	261
Executives	N°	12,441	6,726
Office workers	N°	87,343	49,065

1. Anti-corruption training provided in the online course "Legislative Decree 231/2001" was considered.

**[GRI 405-1] Composition and Division of the Board of Directors of Poste Italiane S.p.A by gender and age group<sup>1</sup>**

Board of Directors	2016		2017	
	N°	%	N°	%
Men	5	56	5	56
< 30 years old	-	-	-	-
30 - 50 years old	2	40	2	40
> 50 years old	3	60	3	60
Women	4	44	4	44
< 30 years old	-	-	-	-
30 - 50 years old	2	50	2	50
> 50 years old	2	50	2	50
<b>Total</b>	<b>9</b>	<b>100</b>	<b>9</b>	<b>100</b>

1. In 2017 the Boards of Directors of the Group companies were chaired by 56 people, 59% of which were over 50 years old and 41% between 30 and 50 years old. The female percentage is equal to 32% of the total, 35% in the 30-50 age group and equal to 30% in the over 50 age group.

**[GRI 205-3] Reports managed by the Assessment Committee**

	U.m.	2016	2017
Managed reports	N°	282	290
<i>of which concerning corruption</i>	N°	23	23
<i>of which effectively grounded</i>	N°	1	-

# Inclusion



### 3. Sustainability in Poste Italiane

Poste Italiane pays great attention to the sustainability of its activities in the awareness that it covers a strategic role in the development of the country and in reaching general sustainable development goals. This commitment translates into adopting and promoting values and conduct being attentive to the needs and expectations of stakeholders: integrity, transparency and a sense of responsibility and reliability steer the Company in its internal relations as well as relations with the outside world, generating trust and credibility in its work.

The need to adopt a sustainable approach is even clearer in the current context in which social and environmental impacts of the activities performed have constantly more evident consequences and extend beyond local borders. In order to limit and manage such impacts, in fact, a cohesive partnership of public subjects and private organisations able to operate at global level is essential. And it is within this framework that the **Sustainable Development Goals** play an active role, 17 global targets adopted by all 193 member countries of the United Nations General Assembly in 2015 through the United Nations Development Programme (UNDP). This concerns “common objectives” entailing the equal involvement, for the first time, of all the countries regardless of their level of support, in reaching well defined economic, social and environmental targets by 2030.

In line with such perspective, Post Italiane intends to develop its own sustainability targets in order to support the Sustainable Development Goals and carry them forward by structurally integrating elements of sustainability in corporate policies, processes and long-term strategy. The Company's commitment for the near future is thereby to undertake a process which, through the involvement of all the organisational areas and active sharing by stakeholders, may lead to the definition of strategic guidelines for sustainability to be included in a **Group Sustainability Plan**, therefore medium/long term objectives consistent with the strategy and business ambitions of the Company and with national and international strategies of social and environmental development.

**“Poste Italiane is committed to grasping opportunities for sustainable development and creating shared value between Company and stakeholder”**

There are currently several activities put in place by the Company for its active participation in the construction and implementation of a local and global sustainable development model that focuses on the following main areas:

- **Reduction of the environmental impact** of the buildings (green buildings), internal processes (digitalisation) and means of transport (green mobility and sustainable logistics);
- **Territorial development**, by means of promoting digitalisation, accessibility to products and services and secure information, also in collaboration with local players (entities, institutions, associations and Third Sector) with a view to active promotion of the principles of proximity and social cohesion;
- **Valorisation of persons**, operating in observance of the principle of no discrimination and equal opportunities, of health, safety and growth in intellectual capital;
- **Ethics and correctness in running the business**, defining an effective governance system and instruments of transparent dialogue with customers and suppliers.

At the decision making level, the corporate body assisting the Board of Directors in assessments and decisions for developing the areas mentioned above is the Control, Risks and Sustainability Committee. Such Committee is attributed with investigative functions, of a propositional and advisory nature, regarding appraisals and decisions on the aspects of sustainability. In the sphere of the organisation, instead, it is the Corporate Responsibility Function which – within the Group Risk Governance function – promotes, in the social, environmental, ethical context and that of governance of sustainability, the corporate objectives and related realisation and communication of the results. The Function also monitors risks connected with the aspects of greater significance in terms of sustainability, able to negatively affect the corporate reputation and identity.

Poste Italiane has always considered essential that assessments and decisions taken with regard to the company are the result of processes of listening, sharing and the involvement of external stakeholders; for this reason the Group actively participates in the main national associations having the objective of stimulating the development and continuous discussion of aspects of sustainability.



**Sodalitas:** a foundation born in 1995 thanks to a commitment made by Assolombarda, as the first reality to promote sustainability in enterprises in Italy, contributing to the evolution of the role of an enterprise as a social and not only economic player, placing the strong points of corporate culture at the service of civil society. A unique reality in the country, given its ability to unite the commitment of more than 100 leader companies and a group of volunteer manager and point of reference for companies considering sustainability as a fundamental strategic dimension, it is accredited as the partner of European Institutions for implementing the Sustainability Agenda in Italy. Moreover, this foundation stands out in its ability to realise multi-stakeholder initiatives through which it generates shared social value.



**Anima per il Sociale:** association that unites a group of managers and companies having the mission of circulating the culture of corporate social responsibility and sustainability at economic, social and environmental level among enterprises in the nation. The partnership allows the Group to access the association's network – consisting in large companies, associations, onlus [non-profit organisations], entities and institutions – to keep updated by means of monitoring, communication and training as well as participating in initiatives and events regarding Corporate Social Responsibility.



**CSR Manager:** a network composed by professionals who, at all types of organisation (enterprises, company foundations, professional firms, Public Administration, non-profit entities) are dedicated to managing social-environmental problems and sustainability associated to corporate activities. The association network offers the opportunity to participate in organised conventions, access documents and studies drawn up by the network and share best practices with the other associates.



**Valore D:** born in 2009, it is the first association of companies to promote diversity, talent and female leadership in support of greater gender equality within the 150 associated organisations. Such collaboration allows participation in programmes and laboratories organised by the Association, as well as taking part in benchmarks and the exchange of best practices on matters of welfare, diversity and female leadership.



**ASPHI:** organisation which has promoted the integration of disabled people in schools, at work and in society for over 30 years, by means of ICT technology. The collaboration with Poste Italiane has been consolidated for several years with regard to joining programmes of inclusion and valorisation of the disabled in corporate contexts.

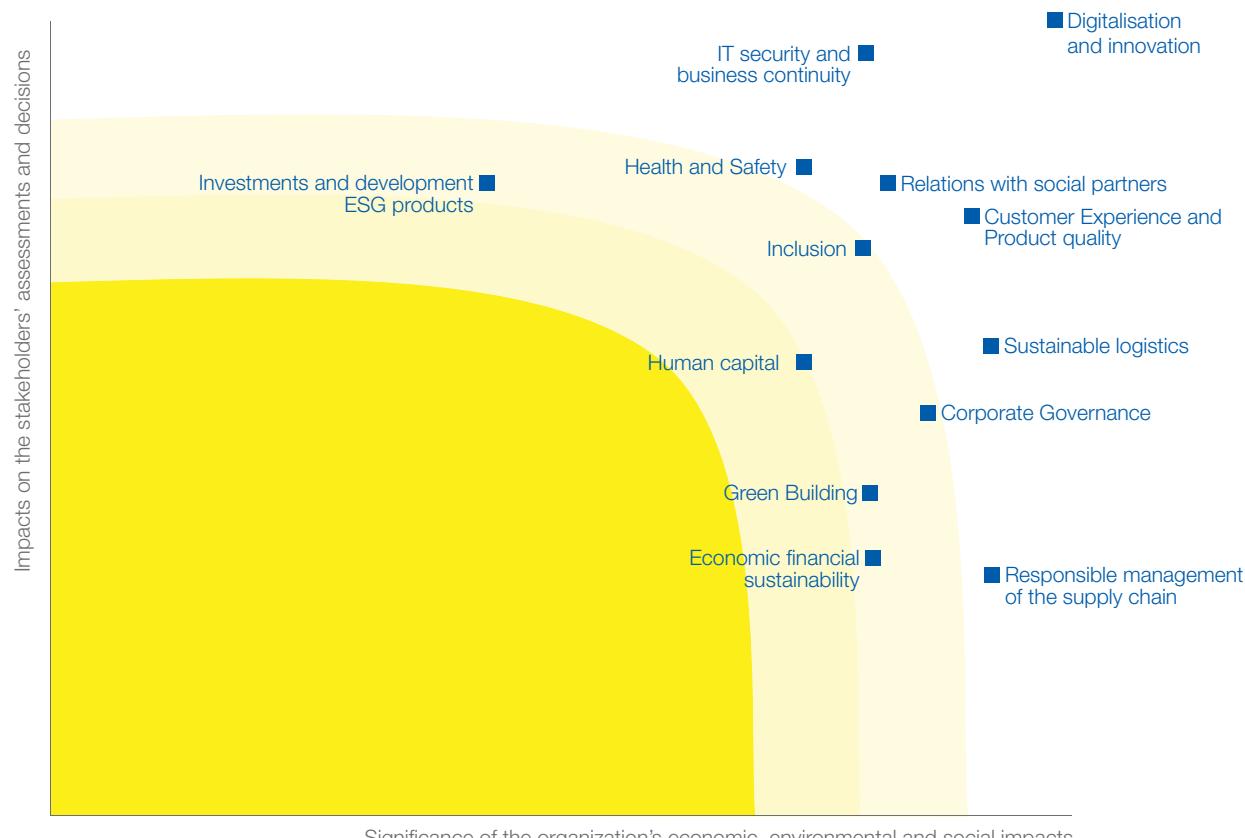
## 3.1 The material aspects of Poste Italiane

In response to the requirements under Legislative Decree 254/2016 in respect of reporting obligations regarding non-financial disclosure starting from financial year 2017 – and considering its structure, network capillarity and the heterogeneous nature of the sectors in which it operates – the Company has taken steps to acquire more knowledge and awareness on the matter of sustainability and identify the “material” and therefore significant aspects which could substantially influence the assessments and decisions of the stakeholders, as well as affect the Corporate strategy.

In order to do so, a careful examination took place of the economic, social and environmental impacts generated by its activity, assessing the relevance thereof respect to corporate priorities and the main expectations of its stakeholders. The process of identifying potentially relevant aspects envisaged various phases of analysis, such as the **benchmark** analysis on sustainability reporting of the main comparable companies in the Group's four business sectors and the **analysis of sector pressures**, by means of mapping the relevant aspects highlighted as such within publications of certain international organisations (RobecoSam, SASB, etc.). The definition of the materiality of the identified topics was carried out thanks to the direct involvement of internal stakeholders (interviews with various corporate functions) analysis of corporate documents (Annual Financial Report, Code of Ethics, Model 231, etc.) and the expectations of the main external stakeholders, by means of promoted listening and involvement activities. The results of the activities carried out, which led to the placement of relevant topics within the materiality matrix and identification of material aspects, were shared with the Poste Italiane management during a dedicated meeting. The importance of these aspects was also confirmed by the stakeholders during the involvement activities carried out in early 2018 (described in the following paragraph).

The materiality matrix below identifies the most relevant aspects required to fully understand the corporate activities, their performance and their economic, social and environmental impacts: the latter constitute the actual subject matter of reporting within this Sustainability Report. The impacts related to the identified material aspects are all generated by the Group apart from the ones related to health and safety and sustainable logistics which are also related to the activity of suppliers who operate on behalf of Poste Italiane on a significant number of Group's operations.

### The Poste Italiane Materiality Matrix



Material aspect*	Relevance for Poste Italiane / Description
<b>Human Capital</b>	Identify the best talents, promote training courses and strategies of professional valorisation and growth. Protect the Group's intellectual assets, competencies, know how, experience and organisational knowledge.
<b>Corporate Governance</b>	Retain a solid corporate governance system formed of rules, norms, practices and a control system to reduce the risk of conduct and decisions which could jeopardise the value of the organisation and operational performance. Follow the normative in force on the matter of combating active and passive corruption in all its forms.
<b>Customer experience and product quality</b>	Adopt service models aimed at promoting the quality of products. Systematic listening, customer satisfaction surveys and effective complaint management are the ingredients to be used for valorising customer relations and meet their needs. Provide a unique and outstanding experience that surpasses the supply of the product or traditional service.
<b>Digitalisation and Innovation</b>	Provide an answer to new customer requirements by means of innovating products and services as well as processes and, in particular, by means of the opportunities offered by digitalisation.
<b>Responsible management of the supply chain</b>	Guarantee ethical conduct within the supply chain, with particular reference to: legislative compliance, measures for combating fraud and corruption, working conditions and health and safety and environmental aspects. Promote green procurement by integrating "minimal environmental criteria" into all phases of purchasing goods and services.
<b>Green building</b>	Reduce the environmental impact of the Group's properties to the minimum with reference to the use of energy, water consumption, waste production and raw materials consumption.
<b>Inclusion</b>	Extend access to financial and insurance services for the more excluded categories, contribute to the process of integration of the weaker categories and promote new technologies for information by means of digital literacy initiatives.
<b>Investments and development of ESG products</b>	Integrate sustainability into the development of new products and services and insert "Environmental, Social, Governance" (ESG) criteria into investments to create social and environmental value, as well as economic.
<b>Sustainable logistics</b>	Ensure logistic solutions able to reduce air emissions and the use of non-renewable natural resources with particular relevance to the mail and parcels delivery sector.
<b>Relations with social partners</b>	Establish relations with Trade Union Organisations, based on the principles of correctness and respect of roles, with the purpose of finding shared solutions aimed at growth, competitiveness and business continuity.
<b>Health and safety</b>	Ensure workers, customers and suppliers high standard of health, safety and security.
<b>IT security and business continuity</b>	Guarantee the privacy of customers' data, protect intellectual property rights and protect the assets from cyber-attacks, internal or external to the organisation. Prevent operational interruptions by implementing disaster recovery plans and promoting the fight against terrorism thanks to data analysis. Plan business continuity by means of prevention and management of interruptions in processes which could give rise to inconveniences for customers and business partners as well as losses in turnover.
<b>Economic-financial sustainability</b>	Guarantee long-term economic results and look after sustainability, solidity and profitability of the Group in the long-term.

\* The aspects are shown in no particular order nor relevance.

## 3.2 Stakeholder involvement

In line with the Group identity and principles of the Code of Ethics, building and developing relationships of loyalty with the stakeholders takes priority within the process of generating and sharing value for the Company and such stakeholders with view to continuity and conciliation of the related interests. Not only does this contribute to affirming the credibility of Poste Italiane in the social context within which it operates, but also to consider possible impacts of a non-financial nature that the Company's activities may have, adopting all measures necessary for preventing and minimising any negative impacts whilst favouring the circulation of the positive impacts.

As its starting point, the Company carefully mapped the categories of stakeholders with which it relates during the performance of its activities, identifying particular stakeholders having an impact in reaching the strategic objectives and those that could be significantly influenced by the latter. Such mapping was performed following the International Standard AA1000-Stakeholder Engagement Standard (SES) guidelines developed by Accountability<sup>7</sup> to methodologically support stakeholder engagement.

The result of the above mentioned activity has led to the identification of seven macro categories of stakeholders: **Shareholders and Financial Community, Community and Territory** (category associations, media, academic world), **Customers** (Consumers' Associations), **Entities and Institutions** (authorities, Fondimpresa, banks and credit institutes), **Suppliers** (Business Partner), **Personnel** (Poste people, Trade Union Organisation) and **Environment**.

The following table shows the macro categories of identified stakeholders and a brief description of the method of involvement and communication is given for each category.

### Poste Italiane's stakeholder engagement

#### Shareholders and financial community

- Shareholders' meeting;
- Corporate Governance Report;
- Financial relations and periodic presentations;
- Road shows and dedicated meetings;
- Institutional website;
- Press releases.

#### Environment

- Press releases;
- Dedicated events;
- Partnerships;
- Collaborations;
- Conventions.

7. Standard AA1000SES version 2015 was considered when drawing up the Model.

## Customers

- Periodic customer satisfaction and customer experience surveys.

## Suppliers

- Specific meetings.

## Personnel

- Instruments of internal communication (company intranet, newsletters, mailing lists, etc.);
- Internal and external events dedicated to employees;
- Periodic meetings;
- First and second level negotiations.

## Community and Territory

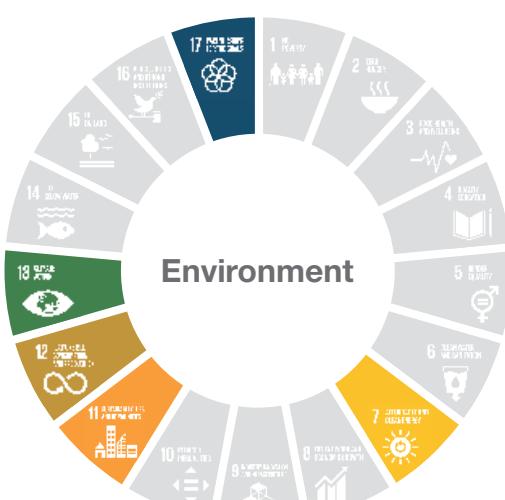
- Projects in favour of the local community;
- Partnerships;
- Press releases;
- Sponsorships, donations;
- Dialogue with local institutions;
- Contacts during the launch of relevant projects, publication of documents, interviews, events.

## Entities and Institutions

- Conventions;
- Specific meetings;
- Institutional communication;
- Periodic communications;
- Organisation of events and conventions on specific aspects;
- Meetings on specific aspects.

Handling relations with these categories, listening to requirements and returning the correct feedback with concrete actions, Poste Italiane is also able to give its contribution to the Sustainable Development Goals (SDGs).

## SDGs impacted by Poste Italiane thanks to stakeholder engagement



The Company is attentive in guaranteeing a structured and continuous dialogue with its stakeholders by means of various instruments which can continuously operate (for example, internal communication with employees) or consist in ad hoc initiatives. Amongst these, in particular, the stakeholder engagement initiative in early 2018 represented an important moment of discussion to set the basis for a new future Group sustainability strategy.

Indeed, Poste Italiane organised its first **Multi-stakeholders' Forum** by creating an opportunity of dialogue and debate about relevant matters of sustainability in the sector with the intention to share ideas and useful projects aimed at creating shared value with the main representatives of institutions, associations, partners, collaborators and other key stakeholders with which Poste Italiane interacts when carrying out its activities. On this occasion, the stakeholders assumed the role of promoters of change and development in the Group's sustainability strategies.

During the meeting, which took place in plenary sessions and group sessions dedicated to specific topics, the stakeholders were called to give their impressions and appraisals on aspects characterised by sustainability relevance for Poste Italiane: the participants were asked to express the level of importance of each aspect from the viewpoint of their own category of pertinence and to define possible evolutionary scenarios in the Company's approach respect to some of the specific macro-topics ("Quality of products and services", "Economic and social development of the territory" and "Green Strategy").

So as to extend involvement and obtain an even greater response, the assessment of aspects of sustainability was completed by asking the 30 stakeholders to express their perception of such topics as discussed during the Multi-stakeholders' Forum by means of an online survey.

From a general point of view, the engagement activities provided by the Forum highlighted an alignment between internal evaluations and the evaluations of the external stakeholders regarding the topics of interest, thereby confirming the ability of reputational protection (also corroborated by the Group's reputational risk management process) of analysis and interpretation of the trends expressed in the territories and by customers on the part of assigned corporate functions. The event has created the bases for a structured and constant relationship among the various stakeholders which could be functional in defining a common vision and a path of sustainable development which could generate shared value in the long-term.



### 3.2.1 Multi-stakeholders' Forum 2018 emerging topics

Thanks to the engagement activities described above, it was possible for Poste Italiane to have a clear idea of the requests of the external subjects respect to its work and the possibilities available for creating social and environmental benefits, exploiting its operational abilities.

Shown below are the main requests arising with regard to the topics subject matter of debate by the stakeholders involved in the engagement activity.

**Relations with institutions.** Recognising the service offered by Poste Italiane as a fundamental "asset" for the Nation and the local community, the opportunity to coordinate the dialogue between the company and local authorities in a continuous and structured way was pointed out. Indeed, it was reaffirmed that Poste Italiane can be a fundamental partner in territorial policy projects and the economic and social development of the territory. Finding shared solutions together would allow the social needs of the community to be answered, contextually permitting the competitiveness and continuity of the business.

**Economic and social impact.** The economic and social impact that Poste Italiane can generate in terms of employment, income and accessibility emerged from the analysis as a highly relevant and priority issue for the stakeholders. Indeed, many acknowledge the key role the Company may have in creating positive impacts in the medium/long period, above all thanks to its capillary distribution in the nation. According to the stakeholders, the Company can exploit its advantageous and strategic position in the national territory to valorise and positively influence the communities within which it operates, especially the smaller ones.

**Inclusion.** The topic of digital inclusion was acknowledged as a key driver for improving the quality of products and services provided, particularly in supporting categories defined as "poorly protected" such as the elderly and teenagers.

**Third Sector as a key stakeholder.** The Third Sector was recognised as an important stakeholder, given its deep knowledge of the community's requirements and ability to give valid support to the Company in correctly identifying possible effective initiatives.

**Customer tailored services.** Also with reference to the need to promote inclusion, stakeholders accentuated the necessity for tailor made products and services for the Customer, with a good level of accessibility and digitalisation. Moreover, the proximity and audience of the Customer during the "post-sales" phase as well were identified by the participant as aspects able to differentiate Poste Italiane from other operators on the market.

**Development of intellectual capital.** Given the number of resources it employees, Poste Italiane is vested with the social responsibility of safeguarding the training and professional growth of its employees, thus also contributing to the pursuit of more general objectives on the matter of social cohesion. These elements are also deemed as fundamental because clients find reliable, informed and aware stakeholder in Poste Italiane.

**"Green" Strategy.** The stakeholders remarked on the utility of defining a "Green" strategy. This can represent a decisive lever in creating shared value. The adoption of low impact solutions and technologies, in fact, allows costs to be optimised over time and benefits to be generated for the environment. Possible solutions include meeting energy demand both through purchase of "clean" energy from renewable sources and through large scale installation of plants that self-produce renewable energy. Furthermore, in order to stimulate heightened environmental responsibility along the supply chain, stakeholders have expressed their appreciation regarding the use of environmental criteria in the supplier selection and assessment process.

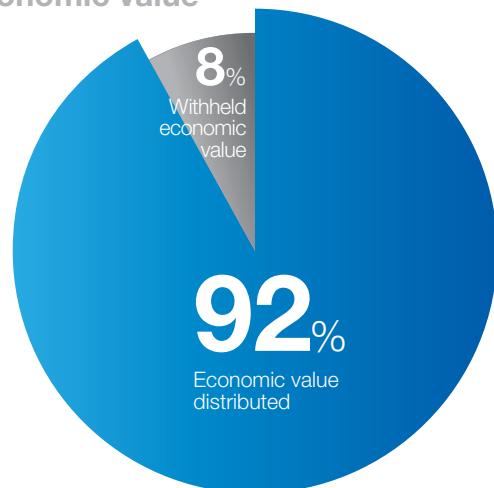
### 3.2.2 Economic value generated and distributed to stakeholders<sup>8</sup>

The summary of production and distribution of economic value allows the wealth generated by a company to be quantified, how it is determined and how it is distributed to the stakeholders. This instrument is able to clearly show the direct economic impacts that Poste Italiane generates on macro-categories of stakeholders, such as employees, suppliers, Public Administration, investors and shareholders.

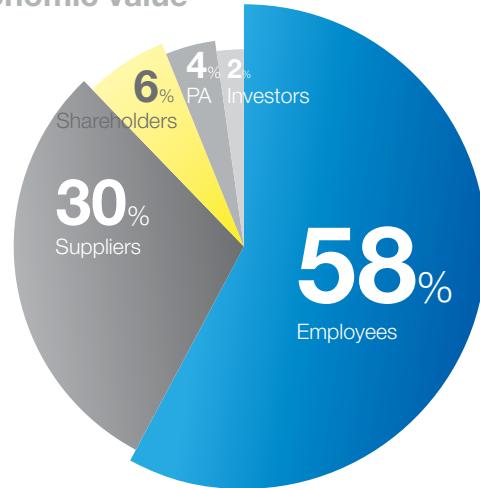
**"The economic value created in 2017 amounts to 10.7 billion Euros, of which 92% distributed to the stakeholders"**

Drawing benefit from most of this value were employees (58%) and suppliers (30%).

**Distribution of the generated economic value**



**Division of distributed economic value**



8. The quantitative information contained in this paragraph is calculated by following the 201-1 indicator of the Global Reporting Initiative (GRI) "GRI Sustainability Reporting Standards".

## 3.3 Group certifications

Management Systems are configured as supportive and functional elements to improving processes and performances, mainly favouring actions of a preventive nature.

With the objective of equipping the Group with a unified Governance on the matter, a specific unit was established – within the Group Risk Governance Function – which supervises the management systems for quality, the environment, safety at work, health, information security, anti-corruption, energy management (Integrated Management System), highlighting potential risks and implementing the necessary actions of improvement, in order to support corporate strategies.

There are various certifications which the single Group companies hold in various sectors. Nonetheless, so as to obtain a first integrated Certification, in 2018 design activities began on the integrated management model for the various existing systems, by means of identifying 7 sectors of convergence (Policy, Context analysis, Risk model, Documental management, Control system, Key performance indicators, Management review) and the definition of a certification plan for the Integrated Management System as well as developing a single portal supporting documental management at Group level.

The certifications obtained from one or more Group companies pertain to the sectors of:

- Quality (ISO 9001);
- Secure information (ISO 27001);
- IT Processes (ISO 20000);
- Safety and health of workers (BS OHSAS 18001);
- Operational continuity (ISO 22301);
- Environment (ISO 14001);
- Social responsibility (SA 8000).

A summary of the certifications of the single Group companies and related fields of application is shown below.

Company and related sectors	ISO 9001	ISO 27001	ISO 20000	OHSAS 18001	ISO 22301	ISO 14001	SA 8000
<b>Poste Italiane</b>							
Delivery and supply of integrated services service	●						
Design, development and supply processes of information Systems, SPID, PEC, GECT	●	●	●				
Production Unit “Central Structures and their Territorial Dependence”				●			
TLC network operational continuity					●		
Postal cheque works, postal certificate works	●						
Design and issue of customer support services	●						

Company and related sectors	ISO 9001	ISO 27001	ISO 20000	OHSAS 18001	ISO 22301	ISO 14001	SA 8000
<b>Postel</b>							
Design, planning, marketing and management of printing services	●					●	●
Electronic document management services and preservation to standard			●				
Mass printing services, document management, preservation to standard and graphometric signature		●					
Mass printing services, document management, preservation to standard				●			
<b>PosteVita Group</b>							
Provision of insurance services					●		
<b>SDA</b>							
Express service, urban motorbike courier service and distribution of postal parcels	●				●		●
<b>Mistral Air</b>							
Air transport services	●						
<b>Poste Welfare Servizi</b>							
Design, development and maintenance of software for information systems	●						
<b>Address Software</b>							
Development of SW projects, issue of services and technical assistance regarding: processing of record and territorial data for mailing purposes	●						
<b>Europa Gestioni Immobiliari</b>							
Process of management and valorisation of real estate assets	●						
Process of management, real estate and wholesale valorisation of electricity				●			

Legend:

- The company obtained certification
- The company has initiated the process for obtaining certification.

## 3.4 The integration of sustainability in business: project “Sustainability: a mutual effort”

The “Sustainability: a mutual effort” project born in 2016 entailed the participation of Poste Italiane and nine Italian organisations (Acea, Eni, Enel, Aidda, Fondazione Marisa Bellisario, Terna, Amarelli, Ania, Ferrovie dello Stato) in the creation of a network for sharing experiences realised in the context of “sustainability”. The establishment of the work group allowed the vision and understanding of trends to be extended and paths for improvement to be highlighted for each involved organisation.

The level of seniority of the various participating entities has been mapped by means of a self-assessment survey focused on four areas: “Governance”, in terms of steering, coordination and culture of the organisation; “Integration”, in relation to the level of integration of the sustainability and how it is strategic in the organisation; “Environmental stewardship” and Social Responsibility”, respectively associated to the environmental and social aspects in the organisation.

**“The results of the survey brought to light the fact that sustainability represents a transversal aspect both within Company processes and between corporate realities that are also profoundly different and have allowed a comparison of the methods of management adopted by the various organisations, identifying synergies, areas of improvement and possible best practices”**

In particular, the work group concluded the works, identifying three key environments subject matter of attention and a set of instruments and actions, the implementation of which, duly broken down according to the reality in which it is activated, is synonymous of a better management of sustainability in the Company:

### Sectors of development

**a. Integrated planning of sustainability**, in order to include the criteria of sustainability within the assessment of the objectives of the various corporate functions as a valid stimulus for further awareness and commitment. So as to bestow efficacy upon the integration process, the instruments able to support it can be: reporting non-financial performance; stakeholder engagement activities aimed at promoting constant dialogue with the stakeholders to understand their expectations, analysis of materiality to identify, assess and prioritise relevant aspects.

### Instruments and actions

Define a multi-year plan, possibly integrated with the industrial plan, which expressly includes environmental and social objectives. Promote the establishment of a Committee formed of the highest corporate offices, board or managerial, having advisory and propositional functions.

**b. Induction and involvement of top management on sustainability matters**, in order to bring topics of sustainability to the interest of the top management and as a basis for the Board's strategic decisions. The awareness of the top management is key to realising full integration of the principles of sustainability within business strategy. Only by sharing the approach and culture of sustainability at top level is it possible to guarantee its active role in defining a vision and strategy that is not only shared and implemented within the company according to a top-down mechanism, but that is appreciated by the external shareholders.

Realise training and awareness courses at all levels of the organisation, focused on sustainability issues that consider its strategic role.

**c. Monitoring sustainability performances for the Board of Directors**, in order to allow integrated monitoring of the financial and non-financial performances and the best management of interdependence among economic, social and environmental trends.

Draw up a brief report (or dashboard) of indicators to be submitted to the corporate top management to monitor the main objectives of sustainability.

Lastly, the organisations belonging to the network have also undertaken to concretely contribute to reaching one or more of the 17 Sustainable Development Goals (SDGs).

## 3.5 Performance indicators (KPI – GRI Standards)

### [GRI 201-1] Economic value generated, distributed and withheld

<b>Generated economic value</b>	<b>U.m.</b>	<b>2016</b>	<b>2017</b>
Economic value generated by the Group	€/mln	10,776	10,726
<hr/>			
<b>Distributed economic value</b>	<b>U.m.</b>	<b>2016</b>	<b>2017</b>
Economic value distributed to the stakeholders	€/mln	9,917	9,828
- Suppliers	€/mln	3,082	2,992
- Employees	€/mln	5,808	5,682
- Lenders	€/mln	73	153
- Public Administration	€/mln	507	447
- Community	€/mln	3	5
- Shareholders	€/mln	444	549
<hr/>			
<b>Withheld economic value</b>	<b>U.m.</b>	<b>2016</b>	<b>2017</b>
Economic value withheld by the Group	€/mln	859	898

# Innovation



## 4. Innovation, digitalisation and security

With a continuously evolving market, innovation and digital transformation represent the ability to compete and the key for promoting change for Poste Italiane, optimising corporate processes and developing new products and services able to meet the expectations and changing needs of the Customer. Furthermore, digitalisation allows a reduction in environmental impact and favours social inclusion, thanks to new methods of accessing information, products and services. In this context rapid technological development leads to the need to be equipped with more and more advanced Cyber Security protection systems for protecting personal data, tangible and intangible assets and intellectual property. Commitment to digital innovation is concretely translated in the Industrial Plan "Deliver 2022", presented to the financial community on 27 February 2018, which explains the new corporate organisation renewed in the operational sector "Payments, Mobile and Digital", in order to best react to the new challenge it shall face when the new European directive PSD2 comes into force.



### 4.1 Innovation as a strategic driver

In light of the main trends in technological change involving the market in which Poste Italiane operates, the Company initiated a **digital transformation** process characterised by the following **key elements**:

- **Valorise** and relaunch one of the fundamental assets, the **Post Office network**;
- Develop **multichannel access** methods;
- **Interpret and anticipate customer** requirements;
- Put itself forward as a key interlocutor in the relationship with the **Public Administration**;
- Become an **inclusive driver** for the nation in the development of the digital economy.

The innovative processes developed by Poste Italiane in order to pursue the aforesaid objectives, are not only focused on the methods by which the Group offers products and services to its clients (product/service innovation) but also on the internal changes to the organisation which exploit new technological opportunities for achieving efficiency and cost reduction (process innovation). In particular:

- **Product/service innovations.** These are processes having the final objective of offering clients new channels for accessing Poste Italiane services (for example website and App), for improving User Experience and reducing waiting times required for issuing the service;



**“The digital transformation process constitutes the means by which Poste Italiane is able to develop its model, so that it is constantly and increasingly directed towards a Customer centrality”**

■ **Process innovations.** These concern all those processes aimed at optimising Poste Italiane's internal processes having positive effects not only in terms of cost, but also the quality of the offered service and environmental impacts (for example dematerialisation projects regarding contracts and transactions).

So as to guarantee consistency between continued evolution in demand and its offer, Poste Italiane constantly **monitors** the adequacy of the key elements in the technological innovation process by means of constantly measuring market needs the Company uses the following **instruments**:

■ **Scenario analyses**, to monitor technological trends in progress and intercept emerging phenomena and necessities in the financial, insurance and logistic/postal sectors;

■ **Customer experience analyses** (customer satisfaction surveys, NPS – Net Promoter Score, CES – Customer Effort Score), in order to obtain indications on how to optimise the digital channels from elements perceived less positively (corporate website and App);

■ **Customer Centred Design process**, in order to realise a simple experience for users at the various touchpoints (from the layout of the Post Offices to Apps and the web), which places the Customer at the centre of the design activity, involving them, from the start, in the analysis of requirements, concept assessment and usability of realised prototypes.

This transformation process has led, to date, to the realisation and innovation in services – for example, the realisation of three Apps, Postepay, BancoPosta and Ufficio Postale, the new website poste.it, the new Digital Collection service for managing undelivered recorded deliveries, – at the touchpoints in Post Offices and in processes by means of their dematerialisation.

The **enabling factors** of the digital transformation process are:

- The definition of an **implementation plan** having continuous and progressive issues;
- The adoption of an **innovative methodological approach**. The latter envisages:
  - **Actively listening** to users (user centred design) in all phases of the service creation and greater flexibility in comparison to traditional approaches;
  - The creation of **interfunctional teams** which guarantee end to end realisation of initiatives in observance of the requirements of "rapid" execution (from marketing to design to IT);
  - Continuous **monitoring** of the behaviour of users in relation to the services provided and the performance of such services, for the purpose of identifying other opportunities for development of the services and the method of use with a view to improving customer experience.
- Orientation towards **cultural change**. Such change takes place by means of:
  - Progressive and exponential involvement of the **digital talent community** to encourage stimuli for innovation within the fields of interest of the core business (for example hackathon/service design jam);
  - an **observatory** dedicated to identifying innovative solutions, also with realised start-ups in order to "accelerate" the execution of the different digital initiatives;
  - an integrated set of training initiatives to favour the circulation of digital culture within and outside of the Company (coding, workshop, lectures);
  - the creation of **dedicated common spaces** (Digital One Room and Digital Factory) and the adoption of specific collaborative instruments to facilitate debate and creativity in the teams and the process of contamination among different competencies, both internal and with external partners, encouraging increased know-how and change management.

**“In line with the key elements of the digital innovation process and indications drawn from the market, since 2015 Poste Italiane has embarked on an important course of digital transformation aimed at unequivocally, innovatively and integrally guaranteeing the development of the digital and hybrid experience of its Customers in a pervasive manner and as the enabler of change both outside and inside the Group”**

In particular, Poste Italiane has brought about various initiatives to promote and favour a **positive cultural knowledge share** which can be divided into:

#### Outside sharing

Young digital talent, invited to listen to needs and necessities with the intention to collecting stimuli of innovation for new ideas and services acting as an accelerator for Poste Italiane.

From the viewpoint of "open innovation" the Company is engaged with organising events dedicated to "Co-creation: Hackathon<sup>10</sup> at the Poste Italiane Talent Garden site – an area of research and innovation in one of the Company's historical sites; proper "marathons" aimed at creating and realising digital projects and software in which young digital and specialist talent (web project manager, developers web designers and marketers) compete, divided into groups; Service jam for collecting ideas and innovation from users to be included in services and products of imminent release.

#### Internal sharing

The purpose of internal sharing is to favour the circulation of digital culture in Poste Italiane. It advances on a recruitment path aimed at bringing new ideas, mindsets and competencies within the company.

The Company also implemented digital training courses in order to develop specific competencies related to new "digital professions" in collaboration with Poste Italiane's Corporate University and thanks to meetings organised with "sector experts" to develop teams of new professionalisms (for example UX designer). Poste Italiane counts on the direct involvement of national resources to favour the pervasiveness of the sharing process, by means of on field interviews.

### Talent Garden Poste Italiane



Created in 2016 from a collaboration with Digital Magics and Talent Garden, **Talent Garden Poste Italiane** is an area of research and innovation where digital talent can share their experiences and **design, realise and experiment** innovative solutions to be applied to Poste Italiane's businesses. In relation to the Company's digital transformation path, Talent Garden Poste Italiane

responds to the intent of giving physicality to **Open Innovation**, thus creating a place for real and tangible innovation which can also favour the contamination process with innovators and digital talent, opening the doors of Poste Italiane and its businesses within a logic of co-participation in innovation. To date the Talent Gardens hosts an ecosystem of about **40 start-ups** which occupy all the available space.

#### 4.1.1. The Business Control Center

The Business Control Centre (BCC) is the area in the Poste Italiane Headquarters in which corporate business processes are controlled according to an integrated service supply model.

The Centre is assigned with four fundamental tasks:

- checking the services issued by Poste Italiane in real time;
- protecting customer safety inside Post Offices and that of the employees in all the workplaces;
- Combating fraud and cybercrime;
- Experimenting the new services offered by the Company.

The Business Control Centre is an actual factory in which new control rooms operate, equipped with avant-garde applications and instruments allowing the **correct operation** of the logistic-postal network to be supervised, the issue of services and **integrity of digital communications** to the customers' benefit.



9. Hack day or hackfest, an event in which experts in the various IT sectors participate for various reasons.

The Business Control Centre is therefore a new frontier in services for the world of businesses and Public Administrations: a workshop of ideas in which the best technological, logistic and infrastructural resources of Poste Italiane are focused and where tailor made solutions are designed and realised for companies

The Centre must also be considered as a **business accelerator**: an ideal place for developing one's own activity, actively participating in the digitalisation of the economy while using the most cutting edge services. The Business Control Centre represents a fundamental partner for all companies looking to the future with a view to efficiency and success, offering the opportunity to learn the processes making product digitalisation possible and presenting itself as a meeting point between customers and Poste Italiane in order to promote, improve and create services.

The complexity of the services and databases managed by Poste Italiane gives rise to the need to ensure the implementation of solutions able to guarantee that systems, data and infrastructures are recovered following serious emergencies or catastrophic events. Indeed, in order to offer a consolidated infrastructure with high standards of governance and safety, in 2017 the Company confirmed its commitment, investing 3.6 million Euros. Furthermore, training exercises increased (5 in 2017 compared to 4 in 2016) which involved 180 people not only belonging to the world of Poste Italiane.

**“The Centre controls a capillary and multichannel infrastructure that ensures the quality of services offered by Poste Italiane and is at the service of individuals, Enterprises and the Public administration for the nation’s modernisation and growth”**

## Business continuity plans

The Group developed and keeps active, pursuant to the memorandum of Banca D’Italia 285/13, the following plans:

- For operational continuity of BancoPosta, having the purpose of explaining strategic, organisational choices and the attribution of roles and responsibilities, carried out in the context of business continuity;
- For Disaster Recovery, which defines the technical and organisational measures for dealing with events causing data processing centres supporting operations to become unavailable;
- For Crisis management aimed at supporting the various corporate players involved in a situation of emergency impacting financial services.”

## 4.2 Digital Transformation Process



In relation to the transformation in progress, Poste Italiane has implemented a long series of specific projects aimed at digitalising products/services and processes.

The former represent projects aimed at **expanding the customers' channels of access** to Poste Italiane services and, in particular, online channels. Indeed, such projects include the new Group App and the new Digital Public Identity System (SPID), which shall become one of the preferential channels of access to Public Administration services to a constantly increasing extent.

### POSTE'S APPS

Three new Apps have been released within the digital transformation process in a “mobile first” context, (Postepay App, BancoPosta App and Ufficio Postale App) which, together with the PosteID App and PosteMobile App, complete the Group's App scenario for consumer customers. These simplified applications are freely available on the main marketplaces and allow many traditional Poste services to be accessed. The Apps offer innovative services such as searching for the most convenient Post Office, booking a place at the counter, tracking shipments and booking a collection. The number of downloads registered during 2017 reached 15 million.

## **POSTeID AND THE DIGITAL PUBLIC IDENTITY SYSTEM (SPID)**

After a specific agreement was signed in 2016 with the Agenzia per l'Italia Digitale (AgID) [Agency for Digital Italy], Poste Italiane began its work as an “Identity Provider”, extending the scope of use of its PosteID service to the Digital Public Identity System (SPID), the system for accessing online services created to simplify relations between individuals, enterprises and the Public Administration, thus allowing access to online Public Administration services through unique credentials. The PosteID service allows the holder to create a digital profile for accessing all online services, Poste Italiane Apps and the services of the Public Administration and private suppliers belonging to SPID. The PosteID Digital Identity (SPID enabled) can be applied for online by all adult Italian citizens who have been recognised de visu at Poste Italiane Post Offices – following the purchase of a BancoPosta financial product or holding the National Services Card (CNS), the Electronic Identity Card (CIE) or digital signature – subject to online registration directly at the Post Office or at home with a postman/woman equipped with a handheld device, for citizens not having their identification recognised online. This project contributes to the use of digital services and is proof of Poste Italiane's commitment to guiding the nation towards greater digital literacy.

As well as these projects, Poste Italiane has implemented others offering a range of online services (such as the possibility to pay bills or collect undelivered recorded deliveries online) which improve and simplify the use of services by customers.

## **THE DEMATERIALISED SAVINGS BOOK**

A customer can ask for an Ordinary Named Book or the Smart Book in dematerialised form as an alternative to the paper based version. The dematerialised book can be in the name of a physical or legal person, envisaging products and additional services already present for the paper version and using all channels according to the same functions as envisaged for paper books.

## **WELFARE SIMULATOR**

This is the new tool, which offers customers a complete and intuitive instrument for identifying their welfare situation and building their “retirement income”, further personalising the expected result and allowing the obtained results to be assessed net of taxation currently in force. It also provides a contribution in terms of education and awareness regarding supplementary pension through several points of advice given during navigation and the aid of a glossary.

## **PAYMENTS PORTAL**

This is a single area accessible from [www.poste.it](http://www.poste.it), in which users can easily pay bills, utilities and charges to enterprises and the Public Administration and receive receipts directly via email and accessing an archive of their payments with the possibility to set up convenient reminders so that due dates are not overlooked. In 2017 16% of postal bills were paid electronically.

## **DIGITAL COLLECTION**

This is a new service allowing individuals to electronically collect an undelivered recorded delivery securely by means of using their digital identity (PosteID). Digital collection is active 24 hours a day, 7 days a week and allows the customer to save time and costs respect to the physical recovery of the dispatched item at the counter for undelivered post.

## **POSTE C'È**

An experimentation of an innovative service uniting human proximity and technology in order to bring customers over 65 closer to the digital world and facilitate their communication with relatives and friends. About 100 customers over 65 years of age (with their relatives) attended the launch of the project, realised in collaboration with IBM and Apple, residing in the Tuscan municipalities of Empoli, Carmignano, Cerreto Guidi, Castelfiorentino and Volterra. In particular, the project envisages that postmen/women deliver a tablet to participants and also train over 65 participants on how to use the iPad. The tablet is loaded with dedicated Apps and allows this age group of the population to remember daily commitments, display the main cultural initiatives in their surrounding area and remotely connect with relatives and friends who also have a dedicated tablet. Furthermore, the postman/woman periodically makes house visits to the over 65s to give them a brief questionnaire on their general conditions and then sends the answers to the relative. The main objectives of this project thereby consist in reducing social isolation of senior citizens, thanks to the familiarity with electronic instruments and strengthening proximity towards a target that is both relevant for the nation and the Group, considering that 28% of the population Poste Italiane is over 65.

## **THE ONLINE POSTMAN/WOMAN**

Through its “online postman/woman” Poste Italiane decided to offer its services electronically and directly at home. The postman/woman – using a handheld device, POS and portable printer for all daily delivery activities – provides customers with standard delivery services (receipt of mail and parcels) or on demand services (such as topping up Postepay cards or paying bills) directly by the Customer.

## PUNTOPOSTE NETWORK

The PuntoPoste network is the new proximity network, complimentary to that of the Post Offices which, with extreme flexibility, allows purchases made online to be collected or returned at lockers and commercial establishments, as well as sending prestamped and prepaid parcels. The network is formed of lockers, automatic kiosks with touchscreen terminals, barcode reader and mini printers, as well as collection points and commercial activities offering parcel collection and dispatch services. The first eight lockers were activated in early 2018 and over the year, the network shall be progressively extended: about 350 lockers shall be activated, distributed through the national territory and the collection points shall be gradually activated from the cities of Rome and Milan. The lockers shall be present in the self service areas of some Post Offices and in highly visited locations such as supermarkets, shopping centres and petrol stations, active up to a 24/7 basis. It is possible to use the lockers and collection points both for collecting online purchases made on e-commerce sites having joined the service and for returning all those to be sent by means of Poste Italiane. The launch of the "PuntoPoste" network represents an important step for Poste Italiane and for developing business linked to e-commerce, which entailed the delivery of almost 60 million parcels ordered online in 2017, of which 1 parcel out of 3 passed through the Poste Italiane sorting systems.

## THE "PUBLIC ADMINISTRATION WORKSITE"

Within the services offered by Poste Italiane on behalf of the Public Administration, the Company has envisaged a "Public Administration Worksite" governing a series of digital solutions. An example of this is POSTE CID which includes a set of services, amongst which: the combination of issuing the Electronic Identity Card though a Post Office counter so as to slim down the issue process; a bundle proposition, namely a combined mode regarding SPID (Digital Public Identification System) services; electronic collection of undelivered recorded deliveries.

## APPLICATIVE COUNTER RE-ENGINEERING

A series of software interventions was realised in 2017 so as to optimise counter operations and improve the service carried out for the Customer. In particular, such initiatives concerned: the simplification of data flows related to the exchange of "undelivered" dispatches between Post Office and the delivery structure; optimisation of counter operations in Post Offices related to multiple acceptance of recorded deliveries (maximum 15 pieces), as if it was a single operation; return to the sender of non-conform international parcels, in the case of failed regularisation of the customs documents.

## Consumers reward innovation

In witness of the Company's ability to bring innovation amongst services and satisfy its customers, the most important online survey conducted in Italy by IRI, an independent institute and world leader, elected the two Apps, BancoPosta and Ufficio Postale, as the Products of the Year 2018, in the "Financial services" and "Queue-jumping services" categories respectively. The award, for the second year running, of the prestigious "Elected product of the year 2018" highlights the ability of Poste Italiane to make innovation simple and predict customer needs.

The **Ufficio Postale App** allows many of the Poste Italiane services to be used from a smartphone or tablet and also to book a place at the Post Office counter for all types of services, including collection of recorded deliveries and parcels. The App also allows payment of bills, sending recorded delivery, priority mail and telegrams, monitor a tracked delivery, localise Post Offices and Postamat ATMs and post boxes.

The **BancoPosta App** on the other hand was conceived to allow BancoPosta Account or Postepay card holders to manage financial services from mobile devices. It allows consultation of balances and movements, payment of bills by entering the necessary data and also by simply scanning the QR code with a mobile, ordering cash transfers with bank transfer and post office giro, top up SIMs and Postepay cards and check the balance of points collected with the "BancoPosta Discounts" loyalty programme; all in total security by authorising the transactions via the PosteID code.

The survey, conducted in September 2017 on a panel of 12,000 consumers highlighted that, to date, innovation is a fundamental element for the success of new products for consumers, considering the changing and frenetic scenario of consumption forcing enterprises to adapt to new demand. In this context, Poste Italiane, with its offers, has been able to respond to the requests of a constantly more knowledgeable, informed customer who is willing to experiment with new products.

Apart from the aforementioned projects, it is worth remembering:

- The new platform in the home banking area of the Poste.it/consumer website;
- The VoIP technology installed at 7,100 Post Offices, making a telephone conversation possible through Internet connection;
- The BancoPostalImpresa Online BPIOL Remote Banking service dedicated to professional, entrepreneurial and non-profit activities and to the Public Administration.



## 4.3 Research and innovation activities

Poste Italiane has established a Research Centre in order to introduce methodologies and innovative instruments supporting the corporate business, launching scientific research initiatives in collaboration with Universities, with specialised research centres and with local institutions, experimenting the studied solutions and putting them into production.

The Centre is divided into two specific areas:

### FUNDED PROJECTS

Research Centre area that manages scientific and industrial research projects on ICT topics.

### PROTOTYPE DESIGNS

An area engaged with realising experimental prototypes for creating innovative products and services, followed by a pre-industrialisation phase where it is assessed whether the prototypes can be integrated into the company's systems.

**“Poste Italiane has always acknowledged the importance of research as a stimulus for circulating an innovative culture and a tool for improving the service and customer interaction”**

## ALICE, the European technological platform

Poste Italiane is part of the ALICE (Alliance for Logistics Innovation through Collaboration in Europe) steering group, an agreement signed at European level in 2013 having the purpose of improving Large Organised Distribution services by means of extending more efficient, competitive and sustainable models to the entire network. The project is based on recognising the need for a global vision of logistics and planning of the distribution chain: according to estimates of the European Commission, in fact, an improvement in efficiency in the sector between 10% and 30% would translate into a saving of between 100 and 300 billion Euros for the industry.

Furthermore ALICE is amongst the supporters of Horizon 2020, a programme set up by the European Union to fund research and technological development in Europe.

The activities carried out by the Research Centre are associated with the e-commerce, e-government, e-tourism and e-working areas:

### ■ E-Commerce

The interest for the Network is due to the possibility to use it not only as another sales channel but also to comprehensively improve all the company's activities.

With e-commerce it is possible: to operate on the **quality of the service to the Customer**, improving pre and post-sales support; optimise the **efficiency of corporate communication** towards the outside by using the internet to circulate information and communicate with its stakeholders; internally redefine corporate processes to integrate workflows on one single support, such as automating orders and transactions or real time coordination of the customer's requirements.

### ■ **E-Government**

Technological progress and people progressively adapting to technology in daily life have given the State the opportunity to improve the quality of its products. The term “e-Government” thereby means using ICT techniques in the provision of public services.

Two of the greater benefits found are the reduction of times and costs for individuals and Public Entities and the development of a Public Administration aimed at individuals and result oriented, as well as built according to market rules.

### ■ **E-Tourism**

The phenomenon of digitalisation has also involved industries operating in the tourism sector and of processes governing the function thereof.

With the great circulation of internet, a large part of the business in these sectors was transferred to the Network: blog and social networks favour the exchange of opinions and information including a wide range of material such as images and videos. In the era of Web 2.0, the key words are collaboration and sharing: in this context the user has become the main character, from time to time becoming a researcher, commentator or generator of content.

### ■ **E-Working**

“E-Working” describes the application of new organisational models in the world of work, based on widespread involvement, collaboration, knowledge sharing and the development of internal and external social networks to the organisation. To this end companies use tools typical of Web 2.0 (blogs, wiki, RSS, etc.) and technological approaches such as Business Process Management, aimed at optimising, monitoring and integrating corporate processes, Rich Internet Applications which ensure the same functions of desktop applications without the need for a hard disk and Service-Oriented Architecture, a software architecture which supports Web services, guaranteeing interoperability between various systems, so as to allow the use of single applications in an integrated and transparent manner.

## 4.3.1 Projects funded by Poste Italiane

Three projects are currently active in the field of research and development which entail the active participation of the Company:

### THE MODULAR LOGISTICS UNITS IN SHARED CO-MODAL NETWORKS PROJECT

This project is the result of Poste Italiane's intention to share the know-how acquired over the years regarding postal collection and delivery services with subsequent verification of the validity and applicability of the solutions, both through simulations and the gradual implementation of key functions of the so-called “Physical Internet”. The purpose of the project is to offer a real contribution to the development of the supply chain, with the ambition of developing interconnected logistics units functioning in a similar way to the transmission of data packages which takes place in the Network. The basic idea is to reduce shipments of partial loads, optimise costs and reduce CO<sub>2</sub> air emissions, using techniques that are easily replicable on the current infrastructures.

### CITIZEN REINFORCING OPEN SMART SYNERGIES (CROSS)

The CROSS digital platform – developed by Poste Italiane in its role as coordinating partner of the project – aims to give value to the **volunteer** world, connecting Public Administrations, volunteer organisations and end users to each other. A common purpose of the three subjects is the **economic, social and cultural development** of the company through the innovative concept of “Growing without Money”.

The project is divided into four areas of action: **assistance service for senior citizens; social inclusion of immigrants; combating scholastic abandonment and low levels of schooling;** assistance for the **disabled**.

The experimental phase of the project shall begin in four metropolitan areas of the European Union: Rome, Turin, Manchester and Seville.

### HORIZON 2020 – THE FRAMEWORK PROGRAMME FOR RESEARCH AND INNOVATION

Poste Italiane participates in Horizon 2020, an integrated Programme of the European Community for **funding Research**

**and Innovation activities.** The purpose of the programme is to provide researchers with the tools needed to realise their projects, transforming them into concrete jobs, **sustainable growth and social progress.**

The funded initiatives are organised according to three guidelines: **excellence in research**, with the objective of guaranteeing leadership in Europe within the sector; **industrial** leadership in order to support research and innovation in European industry with considerable attention paid to small companies, **corporate challenges**, to make new resources available in sectors such as health, climate, safety, transport and energy.

Apart from projects that are still active, Poste Italiane's commitment in the field of research and development can also be appreciated by the number and significance of projects concluded in recent years.

<b>SAPI</b>	The SAPI project (Automatic System for the Partially Sighted), funded by the MIUR (Ministry of Education, Universities and Research), was created to allow the provision of content and services usable online or from fixed stations (for example multimedia kiosks) to the disabled or visually impaired. The result was the construction of a software architecture that adapts to the condition of the various users.
<b>INVIMALL</b>	Funding of InViMall (Intelligent Virtual Mall), a project funded by the MiSE (Ministry of Economic Development) – aimed at Italian Small and Medium Enterprises (SME) in order to promote their trademarks on the Internet – having the objective of defining an e-Commerce model based on the social web and able to improve the purchasing experience and satisfaction of the Customer by means of personalising the offer.
<b>SIPAC</b>	The SIPAC project (Innovative Solutions for the P.A. and Citizens), funded by the MiSE was created to simplify the services issued by the P.A. and also make them accessible from the Web reducing times and costs in the entire structure. The project's objective was to build an e-Government platform of services (also called SOA - Service Oriented Architecture) to be activated over several channels (Web, Mobile, Multimedia Kiosks, Post Office Counters).
<b>DIGICULT</b>	The experience gained in its capacity as intermediary between Public Administration, individuals and entities providing services has compelled Poste Italiane to investing in the cultural sector as well, mediating the activities of the Operator Entities of Cultural and Tourism Assets. The DiGiCult project, funded by the MIUR was created to support economic activities linked to the use of so-called "Widespread Cultural Reserves". The project was intended for Public Entities managing the Territory, Institutional Portals of Tourism and End Users.
<b>FIBAC</b>	The FIBAC project (Innovative Use of Artistic and Cultural Assets), funded by the MIUR was created with the idea of restoring processes of promotion and use of cultural assets, availing of Web 2.0 tools and remediation techniques to create an innovative system aimed at allowing the personalised and adaptive use of works of art within real and virtual museums, at the same time helping the museum curator in their management and creation of content, stories or processes.
<b>MODERN</b>	The Modern (Architectural models for Defining, Executing and Reconfiguring User-Centric Processes in the enterprise 2.0) model, funded by the MIUR, was created to adapt organisations to external changes whilst still being competitive on the markets, learning to manage intellectual capital according to Social Web and Semantic Web logic, with a view to valorising interactions between people and with the systems. The prototype system realised as part of the project is based on a new generation Enterprise Architecture which exploits the "service" metaphor in order to facilitate the integration of traditional Information Systems with new communication and collaboration systems.
<b>TITAN</b>	The TITAN project, funded by the MIUR, supported the circulation of an innovative model in the scenario of electronic payments and the issue of digitalised services. The initiative studied the development of the use of Multifunction Payment Cards, able to integrate electronic meal vouchers, loyalty systems, utilities and mobility services into a single device. The evolution of the project was based on transferring of the technological infrastructure at the basis of the Card on latest generation smartphones and tablets, so as to incentivise the reduction of cash also in the field of micro-payments.

## 4.4 Cyber Security

Within the scope of performing its activity, Poste Italiane manages numerous personal data and confidential and sensitive information, which it undertakes to process in compliance with the legal provisions in force. For the Company guaranteeing high levels of security in the selection and use of its IT systems in order to protect customers and individuals and combat cybercrime represents a commitment, apart from a fundamental value.

**“Poste Italiane has always considered the security of digital service as a strategic, fundamental component of its business. This approach led to its acquisition of a position of leadership in Cyber Security”**

Given that for Poste Italiane the adoption of measures needed to prevent Cyber Security risk represents a priority, a unique hub was created at organisational level to monitor risks related to the security of information and the information systems by means of:

- Identifying a single interlocutor for risk associated to IT security;
- The integrated management of Cyber Security risk;
- Greater efficacy and efficiency in operations by means of reducing the fragmentation of operational processes amongst functions.

In order to guarantee better management, the responsibility of IT security for the Group was assigned to a Chief Information Security Officer (CISO).

In recent years, the company has actuated three technological hubs to guarantee and monitor IT security.

The **Security Innovation Lab**, created in Trento in collaboration with the Italian EIT Digital node – core partner of the European Institute of Innovation and Technology (EIT) – it is engaged in applied research and launched several project initiatives in relation to European programmes FP7. The 7th Framework Programme and Horizon 2020, a European Framework Programme for Research and Innovation (2014-2020).

The **Computer Emergency Response Team** (CERT) established by a team of security experts having the task of coordinating all computer emergency response activities. CERT is aimed both at security specialists and large organisations, customers and consumers to which to offer its experience and competencies to guarantee a correct use of the internet. In particular, the Centre is engaged with preventing, analysing and protecting from IT threats and avails of a Cyber Security Competence Centre, located within the CERT (Rome) which is dedicated to studying new technologies for combating IT emergencies and building relations with private parties aimed at the mutual exchange of knowledge in the Cyber Security field.

The **Cyber Security Technological District** of Cosenza, created in relation to the National Operational Programme “Research and competitiveness 2007-2013” funded by the MIUR. Its purpose is to realise solutions for the protection of electronic payments. The District’s main objective is to study, define and implement evolutionary models, methodologies and prototypes for analysing cyber threats and the protection of personal data in order to heighten defensive capacity and the response of Poste Italiane and guarantee an effective and efficient management of aspects concerning privacy within the Group, also by virtue of the release of the European Regulation on Data Protection.

During 2017 the Company also organised several training activities carried out with **7 workshops**. The main topics of the workshops held during the year were the new Privacy Regulation with related requirements, Information Resilience and the protection of business, Internet of Things, the human factor and Cyber Security, open data and data science, security in the new digital bank and lastly the topic of trust in the digital era.

As regards **awareness** on the matter of Cyber Security and Cyber bullying, in 2017 the Company organised various activities and specific initiatives, which involved over 2,500 users, of which 2,000 were students who filled in 900 self-assessment tests about related knowledge. Among such initiatives, worth of mention are in particular the “Heroes and victims of social media” exhibition, the Cartoon Festival “Roads in the landscape” and the Cartoon Competition on Cyber Security “Navigate with Care”.

Lastly, the Company expanded the scope of its activities on Cyber Security awareness by supporting Calabria University in the creation of two Level Two Masters, recognised by the Academic Committee of the University, on Ethical Hacking and Secure Information.

## International commitment to Cyber Security

Poste Italiane's commitment to Cyber Security is also translated into participating in international organisations promoting IT security and cooperation among the various players involved, such as:



**European Electronic Crime Task Force (EECTF).** Founded in 2009 by Poste Italiane, in partnership with the Postal and Communications Police, the Department of Public Safety of the Ministry of the Interior and the United States Secret Service, the EECTF was created with the objective of creating a strategic alliance for sharing operational information on cybercrime. Furthermore, the involvement of public institutions, the police force, the academic world, magistracy and private sector allow an aggregation of competencies and expertise at European level.

**Global Cyber Security Center (GCSEC).** A non-profit organisation created to promote IT security in Italy and the rest of the world. The Centre was founded, funded and coordinated by Poste Italiane and other associated companies, its seat is in Rome and it collaborates with Italian and international government Institutions, private entities, research institutes and international organisations. The Foundation's mission is to develop and circulate knowledge and awareness regarding IT security, creating the conditions to improve ability in the use and protection of internet.

Within the Group both **SDA** and **Postel SpA** have undertaken the commitment of Poste Italiane in data security and the protection of privacy. Indeed, SDA set up an internal body (**ITC Privacy Compliance & IT Security**) which defines and updates the corporate policy on managing secure information and personal data (**data Privacy**), establishing the guidelines and general rules to be applied internally. On the other hand Postel established the Information Technology Function as a strategic lever supporting the business. This function manages data and information essential to achieving the corporate mission. From this viewpoint, Postel obtained ISO 27001:2013 certification, the objective of which is to ensure, mainly among end users, the security of information manage in operational process of supplying products and services.

## IT Security in SDA



SDA brought about several initiatives in 2017 to increase its level of IT security. Highlighted amongst these are:

- **Network security centre ATP (Sandblast).** A system based on two appliances which prevent infections from unknown vulnerabilities and zero day and targeted attacks (Zero Day protection with Threat Emulation and Threat Extraction);
- **IPS and Managed Security Service.** A technological updating plan, which led to the new IPS / IDS CheckPoint going into production in 2017. The device allows vulnerabilities and threats from the outside to be monitored, both of a traditional nature (DOS attacks) and an evolutionary nature (SQL injection type attacks), in order that any attacks are automatically blocked. Moreover, SDA subscribed a continuous monitoring/alert service based on data generated by the device;
- **Security Centre and related expansion with Passive scanner.** The system is capable of automatically and periodically scanning servers and corporate clients, tracking the status of vulnerability with reports and dashboards, thus allowing re-entry actions to be monitored and implemented. The implementation of the passive scanner module is in progress, this allows anomalous traffic within the corporate network to be controlled;
- **WAF.** Firewall solution for web applications (applicative firewall) which is able to control traffic on web protocols and add another level of defence against malevolent threats aimed at the corporate core businesses.
- **APP Mobile and MDN.** A protection plan for company smartphones is in progress.

## 4.4.1. CERT services and activities for information security

The services and activities carried out by CERT have the purpose of addressing the security of information held and processed by the Company so as to contain, within acceptable limits, the risk of jeopardising confidentiality, integrity and the availability of information, in order to avoid any negative consequences in terms of damage, both to the Group's image and economic ones.

In particular, CERT offers the following security services:

- **Information Sharing.** A service that guarantees a constant exchange of information both within the Group and with qualified networks for the purpose of detecting, preventing and combating potential attacks;
- **Early Warning.** A service aimed at collecting, analysing and disclosing information regarding technological vulnerability;
- **Brand Protection.** A highly specialised service which represents a means for protecting indiscriminate and illegitimate use of registered trademarks by competitors on the internet, identifying all possible improper uses;
- **Data Breach.** A service based on monitoring and analysing systems for seeking out potential unauthorised access to sensitive or confidential data;
- **Cyber Threat Intelligence.** A service by which Poste Italiane collects and analyses information in the network provided by the community and in general by external sources, to seek out any attack models on the infrastructures and information of Poste Italiane.

The main **activities** conducted by the Centre during 2017 can be, in turn, divided into the following three macro-areas of action:

### 1. IT SECURITY RISK ASSESSMENT AND SECURITY BY DESIGN

In 2017, apart from having drawn up the Policies and Guidelines needed to retain **ISO 27001:2013 certification** for CERT and the Privacy Services Centre, a **Risk Analysis** was conducted on the Digital Public Identity System (SPID) with an extension of the scope of analysis to components required for issuing the service present in Poste Italiane. The Risk analysis for the comprehensive scope was concluded in December 2017 with the development of the identified Risk Treatment Plan. Furthermore, there was an assessment of the correct implementation of the **privacy requirements** associated to the appointment of the Managers and Supervisors in charge of the processing of personal data and the system Directors inasmuch as persons involved in the management of information related to the SPID service for various reasons.

Moreover, with regard to risk assessment, the Cyber Risk assessment was completed for any purchases of insurance cover to guarantee liabilities connected with IT related risks, with the possibility of **Crime Clause** (internal and external fraud) and **Reputation Clause** extension.

Moreover, during the year CERT participated in various project activities, supplying support to the analysis and development phase of new projects/services, in order to guarantee an approach oriented to Security by Design by means of observing the binding normative and corporate policies, as well as punctual definition of the security requirements. The main supervised projects are: SPID; Tower GECT; Data Governance; New BPIOL platform; Business Portal; BancoPosta Consumer Account, Tower Payment Engine; smart Savings Books; dematerialised PIN.

**“Security requirements were issued for over one thousand development initiatives regarding aspects concerning Security by Design”**

**“Security requirements were issued not only regarding IT but also process”**

Lastly, as a continuous activity during the course of the year, CERT executed **Quick Assessment & BIA (Business Impact Analysis)** activities regarding corporate project initiatives. The process objective was to classify processed information, identify any impact on business in the case of loss of confidentiality, integrity and availability of the processed information, and direct the security baselines to be implemented and the continuity targets.

## 2. INFORMATION SHARING

The activity of Information Sharing in 2017 made the sharing of information possible with regard to recently discovered threats together with the related **Impairment Indicators** (IoC) concerning threats, attacks and specific vulnerability to potential impact on corporate infrastructures and assets.

Thanks to the Brand Protection service, reports were made for posted information concerning Poste Italiane on social channels, after which unauthorised profiles were blocked, whereas in relation to the **Early Warning** activity, security bulletins were distributed within Poste Italiane which concerned the vulnerability of IT assets, reported by the main institutional alerting services and vendors.

Thanks to the **Cyber Threat Intelligence** activity, the Poste Italiane CERT analysed and reported various cases of IT threats to the structures of competence, such as Ransomware WannaCry (May 2017), Petya Attack (June 2017) and various attempts of Ceo Fraud Attack (July and November 2017) which were aimed at Poste Italiane employees.

## Managing the WannaCry Cyber Attack

The "WannaCry" virus was spread on 12 May 2017, it was a ransomware that infected the IT networks of over 150 countries and more than 200 thousand Windows systems, damaging private companies and public administrations at various levels. Specifically, ransomware is a type of malware that affects the victims computer by encrypting all its content and only decoding it when a ransom is paid (normally by Bitcoin). The Poste Italiane IT function jumped into action immediately, creating a taskforce in order to analyse a possible IT attack on the Company's IT assets, guaranteeing that the identified vulnerability would be covered and preventing the spread and consequent infection of the WannaCry Ransomware. The next day, after a thorough assessment and important collaboration with the technological hubs for Cyber Security, no infected workstations or infections in the Group's IT systems were found. Furthermore, an internal web server was created to intercept and overcome attempts to activate the variants currently known of WannaCry Ransomware, as recommended by the CERT. The analysis of security events following the collaboration of various internal functions, together with a coordinated action of Incident Handling and Patch Management processes, stopped Poste Italiane's systems from being affected by the infection and from it being spread.

Responding to requests received from its clientele, the Poste Italiane Cyber Security Department in 2017 managed all activities concerning the motions as per art. 7 Legislative Decree 196/03 (for example: access to data, correction, integration, erasure), it analysed cases of presumed **Data Breach** and provided support to the Legal Affairs Function regarding reports, appeals and complaints to the Guarantor for the Protection of Personal Data.

## 3. RESEARCH, DATABASES CENSUS AND OTHER INITIATIVES

With regard to the activities of research and development conducted by CERT in 2017, worth of mention is in particular the implementation of three initiatives: closure of the European Project EUOF2CEN for the creation of an information exchange platform regarding bank fraud between European Police, EUROPOL and Financial Institutes; presentation of the project proposal SHADOW2 within the framework programme of the European Commission, Horizon 2020; presentation of the project Distributed Ledger for Secure Open Communities, within the MUIR PNR 2015-2020 Programme.

Lastly, in November 2017 the Census of the Databases was completed, an activity that is part of the wider corporate Databases Management Process for the purposes of privacy and falls among the actions carried out by Poste Italiane, not only to guarantee availability, confidentiality and integrity of personal data held by the Company, but also to safeguard the business and minimise the risk of sanctions.

## 4.4.2. Poste Italiane's IT Security framework

In order to guarantee adequate levels of confidentiality, integrity and availability of data, information and services issued to its clientele, Poste Italiane has developed and adopted a dedicated IT security framework. This objective was reached by adopting, apart from technological measures, also those of the internal devices and operating security processes, guaranteeing a suitable level of performance of the security measures, adequate resilience of the business services and feeding information flows towards the internal control bodies and/or Authorities of reference.

Such security framework is divided into different levels of intervention:

### ■ **IT Security Policy and supporting documental system**

The Policy expresses the objectives and strategic directives aimed at addressing the management of security in IT resources and process supporting business services. The Policy's objective is to contain, within predefined acceptable limits, the risk of jeopardising the confidentiality, integrity and availability of information, both from the viewpoint of protecting business and contributing to the fight against cybercrime.

### ■ **Analysis of IT risk**

Poste Italiane avails of a method for assessing and managing IT risk aimed at containing risks regarding loss of confidentiality, integrity and availability of the corporate IT systems supporting business services, guaranteeing a correct distribution of security investments, in line with the identified risk profiles. The objective of the risk treatment process is that of effectively and efficiently steering initiatives and resources aimed at containing security risks.

### ■ **The Permanent Security Plan (PPS)**

The Plan is formed of all the transversal interventions and technological projects required for guaranteeing the presence, update and correct function of the security platforms. The Plan's chain of interventions is of a permanent nature, depending on the continuous evolution of IT risks and envisaging the implementation of transversal technological infrastructures in the IT systems, in support of all the issued services.

### ■ **Security by Design**

An activity that, in the context of phases of analysis, design, realisation and applied production of the new services or modification of existing services, apart from within the processes of change in the IT systems, are aimed at identifying security requisites for guaranteeing adequate protection of the involved ICT resources. The ultimate purpose of Security By Design activities is that of affecting the entire chain of value and ensure conformity to legal norms and standards regarding IT security, as well as integrating IT security in IT processes and those of Service Creation.

### ■ **Transversal technological security infrastructures**

Given the pervasiveness and complexity which characterises the Poste Italiane information systems, the Group supervises the design, realisation and maintenance of transversal security solutions, based on the market's leading technologies. The realised solutions allow activities of prevention, monitoring and centralised management of security aspects to be carried out, with the purpose of protecting corporate information assets against targeted cyber-attacks, by using avant-garde measures.

### ■ **IT security incident management**

So as to comply with the obligations established by the normative in force regarding data security, prevention and combating cybercrimes, Poste Italiane – in line with Legislative Decree 196/2003 – adopted a specific Incident Handling measure for the prevention, management and escalation of all IT security incidents leading to the violation or threat to confidentiality, integrity and availability of corporate information assets. The methodology for managing IT security incidents implemented by Poste Italiane and formalised in a dedicated Operating Procedure is in accordance with the Good Practice Guide for Incident Management dell'ENISA - European Union Agency for Network and Information Security.

### ■ **Certifications**

Faced with the pressures of the external context, caused by an increasing complexity of the business and normative and regulatory developments, as well as developments in the internal context, Poste Italiane guarantees a structured supervisions of matters of quality regarding IT and security, adopting an Integrated Management System of IT Quality and Security which transposes the aspects highlighted by the international standards and sector benchmarks<sup>10</sup>.

10. In 2017 the Parent Company coordinated activities preparatory to retaining and subsequently renewing Certifications ISO 9001 – 20000 – 27001 for ICT services, PEC [certified email] for employees, GECT Graphometric Signature and the SPID Service and, furthermore, obtained an extension of Certifications ISO 9001 and 27001 also regarding the PosteCert loyalty services of PosteCom (PEC, Digital Signature, Timestamp and Digital Archiving).

## ■ Projects for innovation with regard to security

Poste Italiane pursues innovation on the matter of IT security with reference to realising studies and scenario research on vertical security topics, specifically focusing on issues regarding identity management, mobile security and distributed ledgers<sup>11</sup> (blockchain technology). The Company activated a set of projects having the objective of managing new emerging risks, not only as regards protection but also prevention, within a context such as it is at present, which requires new technologies and high competitiveness in order for the business to grow.

## INNOVATION PROJECTS FOR CORPORATE AND BUSINESS SECURITY

Since 2013 Poste Italiane has activated a set of funded projects regarding IT security by means of European and National programmes having the objective of managing, not only in the context of protection, but also and above all of preventing new emerging risks, within a context, such as it is today, that requires products, processes or services having original characteristics, new technologies, drastic and swift transformations and highly competitive, in order for the business to grow.

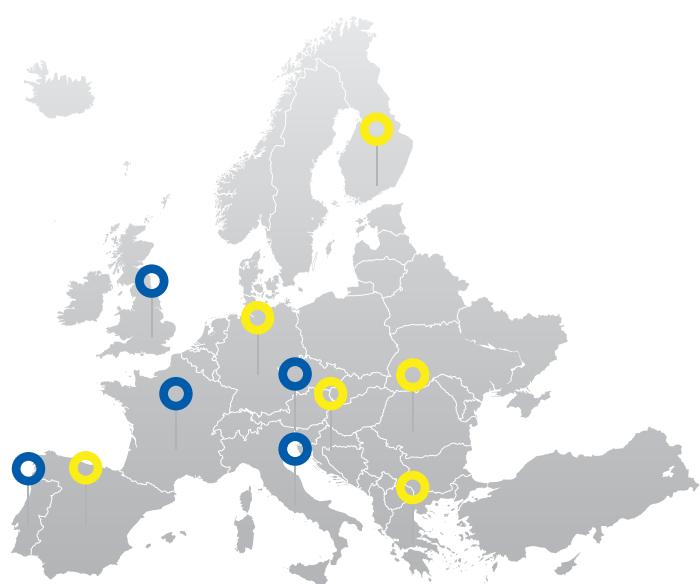
Its participation in such projects has led to advantage of a technological, procedural and economic nature, as well as allowing Poste Italiane to enter a network of over 50 partners between academic realities (Universities and research centres) public institutions (Ministries and Agencies) and private enterprises (amongst which large enterprises and SMEs) that are spread around various member countries.

## Funded Project. National and EU Network

The participation in funded projects by means of European and national programmes allowed Poste Italiane to create a network of over 50 partners spread around the various member countries:

Lazio Connect; Universidad Politecnica Madrid; inLab FIB; Charles University in Prague; Systematic Paris Region System&ICT Cluster; Urbino Carlo Bo University; Link Campus University; Palermo University; Incubatelabs; Polo Innovazione ICT Calabria; LUISS; Padua University; Campus Biomedico University Rome; Aquila University; Atos; Sapienza University Rome; Material Development Centre; National Research Council; European Organisation for Security; Confindustria; BNL Group BNP Paribas; Milan University; Aalto University; Norwegian University of Science and Technology; University of Southampton; Cassidian Cybersecurity; Kemea Center for Security Studies; Royal Holloway University of London; SBA Research; European Cyber Security Organization; University College Cork; University of Seville; BRNO University of Technology; iTTi; Forth; Supsi; Katholieke Universiteit Leuven; SystemX Institut de Recherche Technologique; Visionware; IESE Business School

University of Navarra; Technische Universität Darmstadt; Fondazione Ugo Bordoni; Vicomtech; Shadow server; Inuvov; Siena University; Florence University; Tuscia; University Leonardo; Shopping Innovation Lab; Bruno Kessler Foundation; Alma Mater Studiorum University Bologna; University of Limerick; UniGraz; Federico II University Naples; Catania University; Milan Polytechnic; University Trento; Austrian Institute of Technology; Turin Polytechnic; Vitrociset; Sardegna Ricerche; Tor Vergata University Rome; National Interuniversity Consortium for Telecommunications; Deutsche Telekom; Roma Tre University; Genoa University; Lancaster University; TNO Innovation for Life; Engineering; TU Delft; Luleå Tekniska Universitet; ENEA; VTT; SAP; Bambino Gesù Paediatric Hospital; Cea; Calabria University; Cefri; Pluribus One; UPC; Universität des Saarlanders; University Bari Aldo Moro; Otto Von Guericke Universität Magdeburg; National Centre for Scientific Research "Demokritos"; AREA; Inria; University Cagliari; Fraunhofer.



11. Distributed Databases means Ledgers that can be updated, managed, controlled and coordinated no longer only at central level but in a distributed manner, by all players.

In order to reach the objective of supplying innovative services to its clientele which are secure and without negative impacts on the time-to-market, for some years Poste Italiane has applied a strategy for innovation in security based on its participation in innovative projects funded by the European Commission and, at national level, by Ministries and Regions.

By means of the European and national programmes dedicated to Security, it was possible to fund key elements of the assets envisaged for defending the digital services of Poste Italiane. Such opportunities allowed Poste Italiane to anticipate the processes of innovation of the business and to develop projects that are always in line with the objectives of the Strategic Plan.

Indeed, over the years it has been possible to consolidate specific competencies in the sectors of IT security (for example in the segments of insurance, digital identity, mobile security, digital health services, digital finance, smart logistics, smart energy management), participating in the design, realisation and implementation of innovative security solutions and pilot activities in the aforementioned sectors, also with a view to technological transfer towards corporate functions which operate on such markets on a daily basis.

### The role of innovation in IT security



## Security Project Portfolio

### Funded national projects in the field of IT security:

<b>PROTECT ID</b>	The Protect ID project has the purpose of improving functions related to managing digital identity, building innovative security services and solutions in the context of managing Digital Identity, guaranteeing the protection of privacy and secure sharing of personal information in the network. Advanced behavioural analysis and real-time monitoring services constitute the backbone of the project's outcome.
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### Funded European projects in the area of IT security:

<b>MOBILE SHIELD</b>	The objective of the Mobile Shield project is to produce two new mobile malware detection services, develop new hypervisor technology to protect mobile devices and end users from malware and ransomware and to protect the communications and sensitive data by means of innovated solutions conceived for the protection of mobile business customers of Poste Italiane.
<b>SDIM</b>	The SDIM Secure Digital Identity Management project has the objective of developing secure innovative methods for managing digital identity and guaranteeing privacy in the use of e-Government services. The project was especially significant in respect of developing the national system for supplying SPID Digital Identity.
<b>MOBILE SHIELD II</b>	Project Mobile Shield II, an extension of Mobile Shield, has the objective of producing fraud detection services on mobile platforms. Such services are aimed at protecting business users and consumers using mobile devices from common attacks (for example data or identity theft). Real-time protection is aimed at predicting fraudulent activities rather than intervening once money has been subtracted.
<b>FIDES</b>	Project FIDES Federated IDEntity management System, has the objective of developing secure methods for managing digital identity by developing cross-border solutions for issuing services based on digital identity in the European Union. The project implements services for Anonymity, Unlinkability, Unobservability and Pseudonymity by enabling particularly innovative scenarios for Security and Business.
<b>FIDES II</b>	Project FIDES II extends the management of federated digital identity at international level, integrating innovative technologies supporting mobile platforms and integrating Strong Authentication systems having the highest level security standards. A multi-protocol broker guarantees the support for the state of the art of technologies specialised in issuing services based on Digital Identities.
<b>VAMOSS</b>	Project VAMOSS Vulnerability Analysis and Management for Open-Source Software implements a technology that supports the development cycle of software to assess the impact of open-source code on Java applications, whether mobile, web or stand-alone applications. The service, provided in SaaS mode, was used in the in-line analysis in the process of developing software in Poste Italiane.
<b>WAFFLE</b>	Project WAFFLE Web Application Firewall for Large-scalE phishing attacks (WAFFLE) has the objective of realising a solution for protecting companies from large scale phishing attacks and from spear-phishing. Therefore a solution for protecting personnel and top management based on machine-learning methods using a high performance self-learning engine.
<b>DLS-OCS</b>	Project DLS-OCS Distributed Ledger Services for Online Contract Settlement has the objective of creating solutions for a "trusted market" able to support the stipulation and automatic management of B2B and B2C contracts to manage the exchange and energy balance (physical and financial) in the energy market without intermediation by a Central Authority. An enabling platform for the direct exchange of energy between producers, consumers, prosumers and accumulators.
<b>ESSENCE</b>	The ESSENCE Empowering Safer homes project creates a network of sensors for monitoring the activities of senior citizens and the disabled within their homes (3D geo-fencing). Situations of emergency (malaise, falls, anomalous behaviour, etc.) are detected and reported to operators who can take actions remotely by means of a network of actuators (close gas and water valves, automatic opening of the front door, etc.). All fully observing the security and privacy of the users.

#### Funded European projects in the area of IT security:

<b>DCOT</b>	Project DCOT Digital Chain of Trust has the objective of creating a multi-service, multi-function solution based on blockchain technology which allows the realisation of Digital Chains of Trust. The solution is validated within an applicative context in the Logistics sector (parcel tracking) but is open to strong applications in relation to Digital Forensics.
<b>API ASSISTANT</b>	Project API Assistant Automated Security Assessment of Apps for the API economy has the objective of creating a virtual assistant for mobile app developers, capable of increasing the knowledge of users with regard to Cyber Security and managing threat mitigation in Apps for mobile devices based on the API, offering a Toolkit to arm the code against known security problems.
<b>CYBERROAD</b>	Project CYBERROAD Development of the Cybercrime and Cyberterrorism Research Roadmap has the objective of identifying current and future topics concerning the fight against Cybercrime and Cyberterrorism and defining a strategic roadmap for research in the field of IT security. The European Commission used the results of CyberRoad, contributing to the definition of future funding interventions.
<b>ECOSSIAN</b>	Project ECOSSIAN European Control System Security Incident Analysis Network has the objective of improving the current context of the Protection of Critical Infrastructures by means of an integrated approach for the detection and cooperation management of IT incidents. To this end, the project developed a system that facilitates the activity of Threat Detection, Early Warning, Threat Mitigation, Information Sharing and Disaster Management.
<b>SISSDEN</b>	Project SISSDEN Secure Information Sharing Sensor Delivery Network improves security for European organisations, developing Situational Awareness and operational information Sharing, deploying a distributed network of thousands of sensors scattered over 100 countries of the world, based on existing honeypot/darknet technologies and the creation of a high performance data-processing centre.

#### Security Innovation Lab

The Security Innovation Laboratory promotes alignment between the needs of Corporate and Business Security and the proposition of innovative and disruptive solutions in the security sector. The Laboratory is a natural engine for technological transfer of security to the Company's business segments.

The following take place in the laboratory:

- Activities of technological transfer by means of Demo, Proof-of-Concept and actions for developing competencies;
- Prototype components are developed for projects funded by the European Commission;
- Pilot installations;
- Malware Analysis & Reverse Engineering.

In collaboration with the existing competent legal functions, an appropriate management of Intellectual Property is also realised (e.g. IPR, Consortium and Licence Agreements).

Completing the picture are activities aimed at identifying innovative business models for setting up sustainable security in economic terms.

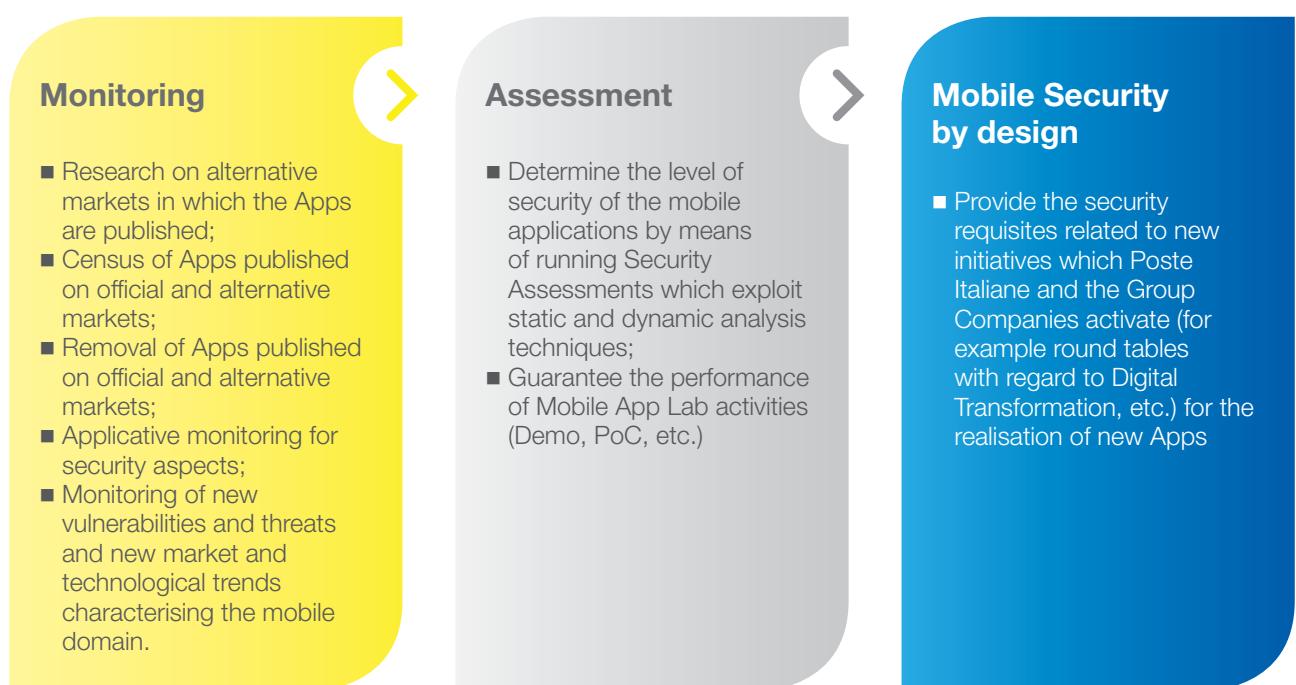
The ultimate objective is to predict the requirements of Research and Innovation in the field of security by developing a profound knowledge of applications for secure and sustainable business, which follows the rapidly changing demands of the market and Poste Italiane clientele.

## Mobile Malware Analysis Lab

Amongst the relevant projects concerning innovative environments is the activity that Poste Italiane runs for making mobile Apps safe, also given the centrality that such channel is assuming in the development of digital business. The purpose of the project is to:

- Analyse the types of data collected and sent, as the case may be, from the used Apps;
- Prevent claims from Customers regarding offences traceable to the use of the App, directly, indirectly or presumed, that are associated to the Poste Italiane brands and Group Companies;
- Prevent direct damage (for example, fraud etc.) due to improper use of the Apps or indirect damage (e.g. damage to image, etc.) due to improper use of the brands;
- Protect intellectual property rights (source code, logos, trademarks, etc.).

The activities shown below involved all Apps bearing marks traceable to Poste Italiane or Group Companies, they are developed by and/or on behalf of the Group or by third parties or offer functions envisaging the processing of customer data and are not only usable via official markets (Google Play Store and Apple Store), but also via alternative markets:



## 4.5 Creation of the Privacy Function

By way of establishing a single supervisory measure, at Group level, regarding all the activities and responsibilities pertaining to Privacy, the Privacy Function was established having the task of guaranteeing the correct application of principles and regulations for protecting personal data.

The structure is also engaged with ensuring fulfilments associated to the normative regarding the protection of personal data, with specific reference to innovations introduced after the General Data Protection Regulation (GDPR), becomes effective, foreseen as of 25 May 2018, having an impact on the organisation and processes of the company and Group.

The Function also represents the sole interlocutor of the Privacy Guarantor Authority, being responsible for managing relations and information flows with the latter and providing the required information and clarificatory elements.

## 4.6 Performance indicators (KPI – GRI Standards)

### [GRI 418-1] Privacy violation and data loss

	U.m.	2016	2017
Complaints received due to privacy violation	N°	12	6
of which complaints received from third parties and recognised by the organisation	N°	12	6
of which complaints received from regulation bodies	N°	-	-
Leaks, theft of customers' data, loss of data of identified customers	N°	-	-

### Digital services in figures

	U.m.	2016	2017
Customers registered in digital channels (web and App) of Poste Italiane	mln	12.5	15
Issued digital identity	mln	0.6	1.8
App downloads - Postepay <sup>1</sup>	mln	4.4	6.1
App downloads - BancoPosta <sup>1</sup>	mln	2.1	3
App downloads - Post Office <sup>1</sup>	mln	0.8	1.8
App downloads - PosteID <sup>1</sup>	mln	0.7	1.4
App downloads - PosteMobile <sup>2</sup>	mln	2.0	2.7
Operations completed by consumer digital channels (web and App) <sup>3</sup>	mln	33	39
<b>Focus – Poste Vita Customers</b>			
Poste Vita Insurance Group Customers registered in the reserved area	N°	316,436	417,657
Users using Poste Vita and Poste Assicura services by means of mobile devices	%	28.1	31.6

1. The App downloads refer to iOS and Android users who have downloaded the App from the launch of the first version until the indicated date (31/12/2016 and 31/12/2017).
2. The App downloads refer to iOS, Android and Windows users who have downloaded the App from the launch of the first version until the indicated date (31/12/2016 and 31/12/2017).
3. These include SEPA and Overseas Bank Transfers and for deductions, Postagiro, RAV, F24, Ricarica Postepay, Moneygram, Girofondi, telephone top-ups.

## Resources of the business continuity plan

	U.m.	2016	2017
Investments <sup>1</sup>	€/mln	4.1	3.6
Training exercises	N°	4	5
Persons involved	N°	180	180
Mainframe services (Open services under processing) covered by disaster recovery plans	%	100	100

1. The investments refer to Business Continuity Management and technological disaster recovery Adaptation.

# Quality



## 5. Customers and suppliers

Poste Italiane is one of the main national players in financial and insurance services, with historical activity in delivery, mail and logistics.

By way of the best valorisation of the three main segments in which it operates (mail and parcels, financial services, insurance and managed savings), the Group has adopted an organisational model based on a logic of industrial integration. The unitary and integrated management of the Company ensures the development of synergies and internal cohesion, guaranteeing an unequivocal and coordinated approach to the market. All three business areas revolve around **Client focus** and a **relationship of trust** in the long term with families, enterprises and public administrations, to which it offers a wide range of products and simple and transparent services.



### 5.1 The customers

Poste Italiane takes care of its customers by offering a range of products and services that meet the requirements of a large number of them. The Group Mission is to become **the nation's comprehensive growth driver**, steering individuals, enterprises and the Public Administration towards the new digital economy through offering quality services that are simple, transparent and reliable. Driven by this ambitious objective, Poste Italiane realises products and services suited to a constantly expanding, diversified user base, comprising retail and business customers.

Thanks to its hundred year history as a player in the Italian market, today the Poste Italiane Group is recognised as a market leader by consumers in an increasingly dynamic context under continuous development. This places the Company in a position of advantage for best exploiting new opportunities offered by the market: the growth in supplementary welfare and the insurance market; the rising demand for managed savings (sustained by low interest rates); constant growth of e-commerce and related logistics services; numeric increase of new Italians and senior citizens and segments of interest for the Group.

Nonetheless, such opportunities are flanked by certain market trends that threaten the position of the Poste Italiane Group, such as a fluid competitive market (increase in “unconventional” competitors), changes in the distribution structure, a continued reduction in the mail market and a very prudent allocation of savings in Italy. In order to tackle such scenarios it is necessary to adapt and, even better, predict evolution in the current market.

## Poste Italiane's offer for families, new Italians, senior citizens and young people

Segment	Objective	Offered Products
<b>Families</b> The widest customer group addressed by Poste Italiane with a multitude of products and services dedicated to the needs of the entire family nucleus	Improve relations to develop product platforms that are already active and accelerate cross-selling	BancoPosta App, New Current Account, Target Date Funds, Doppio certo, Digital collection of undelivered mail through SPID, “Punto Poste” Network
<b>New Italians</b> A population of foreigners now regularly residing in Italy and seeking products and services able to ease the distance from their country of origin	Confirm the role of main partner in the segment, improving the physical and digital User Experience	Money Transfer from Post Offices and electronically, Health Service Card, Offer dedicated to data and voice
<b>Senior</b> The over 65 age group population looking for solid products, consolidated over time with low risk	Consolidate the relationship of trust with the Group through a targeted Value Proposition that also includes assistance and monitoring	Senior Line Policy, Health Services Card, Project Silver, PosteMobile Casa
<b>Young people</b> The youngest age group in the population seeking innovative, smart and digital products	Develop an offer based on service digitalisation and hybridisation of the User Experience (from the Post Office to digital and vice versa)	PostePay App, Salute 2.0, New offer and WowWow App, PosteMobile

### 5.1.1 Customer experience and the quality of services

Poste Italiane places its Customers as the central objective of its quality policies and the listening function as a fundamental process for orientation towards its entire customer base. The achievement of such objectives is also pursued by means of instruments of communication with consumers and rapid, easy settlement of disputes.

In order to improve its **service quality** offer, in 2017 the Group installed 1,202 new **queuing management systems** in as many Post Offices (+69% compared to 2016), out of a total of 2,948 Post Offices (23% of the total). This action is part of the “New service user flow management system” project to which Poste Italiane has allocated over 56 million Euros for the three-year period 2015-2017 and which consists in realising a multichannel system capable of the best management of customer flows. The new technology allows the use of different channels for accessing the Post Office, amongst which the Totem for choosing the services, the BancoPosta, Book and Enterprise card reader, digital channels (Apps and website) for booking appointments and scanning the QR Code for collecting mail and parcels in storage. In this way times are shortened regarding the issue and use of the offered services, thus raising the level of customer satisfaction.

Poste Italiane's commitment to achieve these objectives continued by means of a progressive reallocation of counters for collected undelivered items (namely letters, parcels or other items that could not be delivered to the recipient) at the Post Offices. The migration project concerning undelivered items from the delivery centres to Post Offices is, in fact, aimed at facilitating the collection of such items by the customer with a view to greater proximity of item's collection point. In 2017 about 12,400 Post Offices were comprehensively enabled for such service, equalling 96% of the total existing Post Offices, with an increase of more than 20% compared to 2016.

+1,202  
New queuing management systems

## It's always a good day to protect yourself

In 2017 Poste Assicura launched the "it's always a good day to protect yourself" competition, dedicated to all Italian citizens who have chosen to purchase insurance products to protect themselves and their assets. The competition envisaged the award of 54 rewards per month, amounting to a total of 324 rewards.

Apart from such initiatives, the various digitalisation projects implemented by the Group have considerably contributed to increase the quality of services that Poste Italiane provides to its clients. In particular, thanks to the digital transformation process, the Company counts on improving its customer user experience regarding its own digital properties by offering a simple and unique experience in every interaction with Poste Italiane. The objective is to increasingly facilitate the Customer's digital engagement, allowing them to make use of Poste Italiane services in the comfort of their home or on the move thanks to the created Apps. Furthermore, it is not only possible to locate Post Offices on a map but also book tickets at the most convenient Post Office for the same day or the next day, consequently reducing waiting times for the customer.

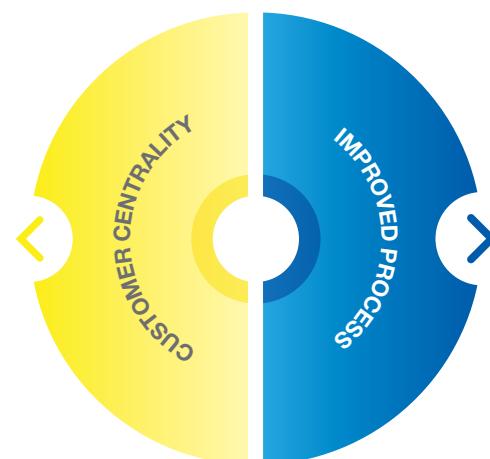
Lastly, the quality of the Universal Postal Services is linked to delivery time targets for national Mail, all fully reached with success in 2017. This is flanked by an improvement in international Mail times compared to the results for 2016.

Apart from the efforts to reduce waiting times, Poste Italiane continued with its commitment to improving customer relations by means of building 106 new "**consultancy rooms**". These areas are fully dedicated to managing the relationship with customers and foresee the presence of specialist advisors on specific products (e.g. loan and insurance products).

In terms of **customer experience**, the Poste Italiane Group has undertaken improvement activities which follow two main paths: bestowing more centrality to the Customer and improving processes. In respect to the first point, up to 2014 customer listening activities were mainly aimed at measuring satisfaction by means of traditional customer satisfaction surveys. In 2015 the Company gave the go ahead for measuring customer experience by introducing a new listening model which represents a detachment with the past. Two new indicators were introduced into the Company: the **Net Promoter Score** (NPS) for measuring the performance of BancoPosta, Post Communication and Logistics and Poste Vita and the **Customer Effort Score** (CES) for monitoring the channels through which the services are provided (Post Offices, call centres and web)<sup>13</sup>. Furthermore, the Group uses different methods according to the particular type of clientele for the surveys useful for

+106  
New consultancy rooms

**"The initial data obtained from the prediction by Barometer 2017<sup>12</sup> show that customers reward the commitments carried forward by the Group in terms of improving the quality of offered services: on a scale from 1 to 10 they gave a value of 8 for waiting time (thus confirming the positive trend since 2011) and 8.7 for overall experience at the Post Office (8.4 in 2016)"**



12. The Barometer is a survey realised every year having the purpose of analysing the profile of visitors to Post Offices, it includes visiting habits, measures waiting times perceived by the clientele and analyses customer experience. The survey envisages about 5,000 personal interviews with visitors to Post Offices out of a sample representing Offices present throughout the country.

13. The Net Promoter Score (NPS) is a management tool used to assess loyalty in an enterprise-Customer relationship whereas the Customer Effort Score (CES) measures Customer satisfaction by analysing how the company quickly and easily solves problems.

building such indicators and for the management of deriving indicators. To be specific, for **private users** (consumers) and **SMEs** the surveys concerning the NPS are carried out twice a year by means of telephone interviews, whereas those related to CES are carried out once a year by means of interviews on the spot with people leaving the Post Offices and twice a year through telephone interviews to measure the satisfaction with the service provided by call centres. Listening to the web channel, on the other hand is substantially continuous. From the indications originating from the surveys on this type of customer, a detailed analysis is carried out and a list of priorities is defined that is useful for the Company in its planning of activities aimed at improvement. For **Top Customers** (Large Customers) involved through annual web surveys, a targeted project was launched; in fact, given the nature of the target it was necessary to guarantee personalised feedback for customers ("close the loop") about the problems raised during the interviews. In order to guarantee such responses in good time, a dedicated plan was implemented in order to give priority to improvement interventions and coordinate their implementation together with business functions and the service supply channel. After two years of measuring customer experience by means of NPS and CES indicators, Poste Italiane, in concert with the Remunerations Committee and the Board of Directors, decided to include a **perceived quality objective** in the Management by Objectives (MBO) system 2017, based on the new listening model described hereabove.

In all the sectors in which the Group operates a quality management system was adopted that complies with international standard ISO 9001. In terms of process improvement, since 2016 Poste Italiane introduced a new methodology called Lean Six Sigma. Apart from seeking to improve the processes (cost reduction, heightened quality of services offered to its customers), this system also aims to spread the culture of continuous improvement by means of a progressive acquisition of competencies by the participants to the work team. The key points of this new methodology are:

- **VOC** - the areas of improvement originate from the Customer's Voice, they fully reflect the desire to place the Customer at the centre of the initiatives;
- **data focus** - this methodology is based on analysing a large quantity of data and, by means of using statistical tools, it allows the causes at the root of problems to be identified;
- **bottom-up approach** - this methodology envisages the involvement of people who "work" directly on the process with a bottom-up approach.

Area	Project	Description
<b>Private Market</b>	Successions	Reduce times for working through succession documents by lowering non conformities and the number of documents to be presented.
<b>IT systems</b>	Help Desk Hardware	Reduce assistance request ticket resolution time to improve the availability of assets.
<b>IT systems</b>	Help Desk Software	Reduce assistance request ticket resolution time to improve the efficiency of the assets.
<b>Post Communication &amp; Logistics</b>	Tracking	Increase tracking performance to the street number by ensuring that tracking is correct and times are respected
<b>Post Communication &amp; Logistics</b>	Undelivered	Reduce the number of "undelivered" Mail (Mail items not delivered due to recipient absence).
<b>Post Communication &amp; Logistics</b>	CFSM	Maximise the effective capacity of "Compact Flats Sorting Machines" (CFSM), shortening setup times, small stops, mishandling and work recirculation.
<b>Postel</b>	Mass Printing	Reduce process work rejects starting with incoming flow process activities and up to enveloping activities.

Lean Six Sigma – Process improvement workshops active in Italy

## THE SERVICE QUALITY GUARANTEE

Poste Italiane established a corporate trust structure in relation to Group Risk Governance in order to implement a supervision system which is separate from the business/operational functions which is also responsible for verifying the effective compliance of operational and commercial process to the service levels declared in the quality and performance indicators.

### Security in Post Offices

In order to comply with the requisites of health and safety in the structures, Poste Italiane aims at guaranteeing its commitment to adopting an appropriate and effective model in which safety strategies and prevention and protection systems for used assets, resources and company assets are standardised.

Activities continued in 2017 for upgrading active security in Post Offices by means of implementing, integrating and replacing advanced alarm and video surveillance systems, as well as passive security thanks to the introduction of burglary prevention protection systems. The strategies, methods and measures for physical safety, in line with the organisational mission, are aimed at containing the level of exposure to criminal attacks with consequent positive effects on the conditions of safety in working environments and areas open to the public.

In relation to active safety, innovative solutions have been introduced to combat predatory actions in the districts in which Post Offices have been the subject matter of criminal events. In particular, a "remote security officer" system was installed in 13 Branches in Catania – which flanks the existing active and passive safety measures – it simulates the presence of a Special Sworn Security Officer, thanks to audio visual link with the dedicated control room. Added to this are "fog" security systems corresponding to area adjacent to ATMs which discharge a dense and persistent fog in the event of an attack that prevents completion of the predatory act through disorientation.

Whereas with regard to **passive safety**, Post Offices were equipped with new burglary prevention protection systems and construction adaptation works were carried out to heighten the level of physical safety in the buildings.

With the purpose of consolidating the relationship of collaboration with the Postal and Communications Police on the matter of safety, in order to prevent and combat offences committed to the damage of users, a Framework Agreement was signed with the Ministry of the Interior. The Postal and Communications Police guarantees the prevention and opposition to any form of fraud or cyber-attack, ensuring its cooperation in protecting the IT networks and infrastructures of Poste Italiane, territorial work centres, indicated Post Offices and Group personnel, as well as contributing to the training and information of its competence.



## 5.1.2 Dialogue with consumers

Poste Italiane has been active in the world of consumerism since 1999 when it began to establish its first relations with Consumers' Associations belonging to the National Council of Consumers and Users. The Company's attention to its customers and their representatives has continued to grow and important results have been achieved, such as defining conciliation procedures. Furthermore, the Poste Italiane Group is among the founding members of the Consumer's Forum and activated a specific governance structure dedicated to relations with Consumers' Associations.

### NATIONAL COUNCIL OF CONSUMERS AND USERS (CNCU)

For some time Poste Italiane has collaborated with Consumer Associates recognised by the CNCU, a body established in the Ministry of Economic Development.

### THE CONSUMERS' FORUM

The Consumers' Forum is an independent association which includes the most important Consumers' Associations, several industrial and service undertakings and category associations, institutions, universities and research centres; its purpose is to overcome difficulties in the dialogue between Consumers' Associations and enterprises. The objective is to favour the search for quality in products and services and improve conciliation procedures regarding consumer disputes. In particular, working with the Consumers' Forum immediately led to the creation of work groups for defining a regulation for conciliation, which is now official and active.

## WEBSITE

The Company website also has a section dedicated to Consumers' Associations which briefly explains the reconciliation procedure and gives a link to the main documents governing the quality of services supplied by Poste Italiane to its customers, by means of a reserved area for the Consumers' Associations with which the Company holds relations of collaboration. Each representative of the Consumers' Associations can access a reserved part of the website in they have exclusive availability of documents, data and information material.

## GOVERNANCE

In order to rapidly respond to the requests of the Associations, Poste Italiane activated a specific structure which is engaged in relations with the Associations (Relations with category Associations and Consumers). The responsibility of this task lies with the Institutional Relations function, which coordinates the areas into which the national territory was divided.

In 2014, Poste Italiane and the representatives of 19 Consumers' Associations belonging to the Associations Commission renewed the **Framework Agreement** (originally signed in 2011) by means of which the objectives the Company undertakes to observe in relation to its customers are set out (increased quality of products and services; transparency and correctness of relations with customers; correctness of information). Furthermore, such agreement renews the initiative launched earlier in 2011 of the **Consumers' Workshops**, a permanent advisory round table between Company and Associations having the objective of constantly improving the quality of products and services offered to customers. A representative for each Association and Poste Italiane representatives attend the periodic meetings of the Consumers' Workshop. In particular, 7 round tables took place in 2017 in which various issues were discussed amongst which: the presentation of new products, regulations or procedures; signature on the conciliation regulation for the Invest Real Security (IRS) fund; focus on specific topics; new model for undelivered items (envisaging the progressive migration of undelivered items from the current delivery centres to Post Offices and therefore closer to the customer's domicile with consequent improvement of the offered service).

### 5.1.3 The conciliation procedures

With the aim of offering an additional tool for supporting customers having experienced difficulties with the Company, Poste Italiane also implements so-called conciliation procedures. Such procedures represent an out of court resolution system realised in collaboration with recognised Consumers' Associations in Italy by the Ministry of Economic Development; they seek to amicably settle disputes with a consequent reduction of litigation and greater satisfaction for the complainant Customer.

The first conciliation procedures were developed in relation to **Postal Services** in 2001. In particular, the Postal Services Charters establish that if a Customer complaint has not been successfully resolved or no reply has been received within **45 days** from when it was sent, the interested party may recur to the conciliation procedure within **12 months** from submitting the complaint. Conciliation, which takes place at the local office and possibly with the assistance of the Consumers' Association, conclude within **60 days** from receipt of the application, by means of drawing up a report which is sent to the user. If the conciliation procedure has been unsuccessful (namely the parties have failed to reach an agreement), within **90 days** from its conclusion the interested party may contact **AGCOM** and send a request to settle the dispute by means of completing the "CP Form" available from the AGCOM website. In fact from 2015 onwards conciliations are part of the AGCOM dispute management system and are included in the list of Alternative Dispute Resolution (ADR) procedures recognised by the law, also with regard to the European Union. Without prejudice, moreover, to the faculty to involve a Judicial Authority. Considering the special nature of the various segments of its clientele, Poste Italiane defined two specific regulations for the postal services offered to **retail customers** and for those offered to **business customers** respectively. So as to guarantee the rapid performance of both customer types, it established **nine commissions** at regional level (formed of a representative of Poste Italiane and one from the signee Associations of the regulation) who are responsible for agreeing on a solution that satisfies both parties. In 2017, the number of requests for conciliation concerning postal products made by retail customers equalled 1,072, recording an increase of 22% compared to 2016. The percentage of discussed applications increased by 19% compared to last year and in 84% of the cases an agreement was reached between the parties. A similar trend was recorded in 2017 regarding conciliation procedures on postal products dedicated to business customers where, against over twice the amount of applications as 2016, the percentage of discussed applications changed from 88% to 96%.

Apart from the conciliation procedures defined for postal services, the Company has progressively developed similar procedures for other products. In particular, in 2006 the procedure related to **BancoPosta** account services was developed having disputes concerning the BancoPosta current account (only natural persons) within its scope of application.

Furthermore the procedure for **PosteMobile** was devised in 2010, which applies to problems concerning the traditional services of electronic communication, disruptions in activation, sim/services functions, telephone top ups, credit/debit of telephone traffic and post sales activities. A single national commission is competent for BancoPosta and PosteMobile conciliation. Customers can start a conciliation procedure every time that, after having submitted a complaint, they receive a response from the Company deemed as unsatisfactory, or they have not received a response within the foreseen term. The application can be submitted through the Consumers' Associations adhering to the initiative or directly at the Post Office.

**“Comprehensively 1,368 settlements were discussed in 2017 (+26% compared to 2016) and an agreement was reached in 75% of the cases, in line with the previous year”**

## Conciliation procedure for Poste Italiane customers investing in the Real Estate Fund “Invest Real Security (IRS)”

In 2003, Poste Italiane issued the real estate mutual investment Fund named “Invest Real Security” (IRS), which reached its expiry in late 2016, managed by a savings management company outside the Poste Italiane group. By means of the collected capital, the fund acquired real estate which it then sold or rented and thus divided the proceeds from the transactions among its investors. However, due to the negative economic situation and trend in the real estate market, the fund's customers suffered capital losses. By way of protection and keeping its good reputation and credentials in the Group's operating capacity in relation to its customers, Poste Italiane quickly took steps to **reimburse such loss**, providing for a monetary reimbursement of the registered loss for those over 80 years of age as at 31 December 2016, also offering all the other investors the possibility to subscribe a life insurance policy which does not include commissions for subscription, leaving and management and which, in 5 years, should guarantee the recovery of the suffered loss. The Company also guaranteed its customers that if the capital liquidated from the policy at the end of 5 years was not sufficient to cover the initial loss, the Company would make a payment to cover such loss.

Moreover, so as to protect persons who, although not being recorded aged 80 years on 31 December 2016, find themselves in **particularly disadvantaged situations** (economic and/or health related), Poste Italiane signed an agreement with the Consumers' Associations which sets out a **settlement procedure** by means of which such customers are able to access the monetary refund, equal to the registered loss, without having to subscribe the policy

### 5.1.4 Complaint management

For Poste Italiane managing complaints represents a fundamental and defining activity inasmuch as it consists in an important moment of contact and discussion with the clientele which allows actions of improvement to be taken respect to the quality of the services and the level of customer experience.

With reference to the **Postal Services**, the quality objectives are contained in the Universal Postal Service Charter<sup>14</sup> and in the Postal Services Charter<sup>15</sup>. Apart from objectives in terms of the quality of supplied services, these documents (available at Post Offices and from [www.poste.it](http://www.poste.it)) give a detailed description of the procedures, times and types of **complaint** that clients may submit and, at the same time, they describe the times and procedures for replying, together

**14 gg**

Average complaint response time (postal parcels)

14. The Universal Postal Service (a service which, pursuant to Legislative Decree 261/99, must be provided in all areas of the national territory including the specific situations of smaller islands and rural and mountain regions, at prices affordable to the user) including the transborder service, includes: the collection, sorting and distribution of postal items up to 2 kg; the collection, transport, sorting and distribution of postal parcels up to 20 kg; services related to recorded deliveries and insured items.

15. The Non Universal Postal Services include all services that Poste Italiane decides to offer freely under the regime of free market competition.

with the foreseen reimbursements. The simplicity by which all clients can submit a complaint (both for universal postal services and for non-universal postal services) is ensured by the possibility to freely use a variety of channels. In particular, for **non-customized clientele** it is possible to fill in a specific form called "Letter of complaint" which can be sent via a wide range of channels (e.g. PEC, fax, hand delivery, post box, internet, toll free number).

Poste Italiane guarantees the possibility to submit complaints in the following cases: delay in delivery; failed delivery damage/tampering (total/partial), specifically challenged at the time of delivery; failed/incorrect cash on delivery; failure to complete the service; failed/irregular notice of receipt. As regards processing times for the procedure, Poste Italiane is committed to notifying the Customer of its decision within 45 calendar days starting from the date of receipt of the complaint (for international services the observance of the indicated time is restricted to the response by the foreign operator).

A positive trend in complaint management was recorded in 2017, above all with reference to the parcels category. Despite the number of complaints received in 2017, for this class there was a 33% increase compared to 2016, also consequent to the dispatched volumes, the number of managed complaints changed from 99.1% to 99.3% with an average response time of 14 days, significantly lower than the average response time recorded in 2016 (21 days).

The Post Communications and Logistics Business Unit, both through the central and territorial functions, analyses complaints in a structured manner on the various products and related reasons with the objective of realising a continuous process of improvement.

The Customers' collaboration is essential to identify and remove the reasons for the inconvenience in order to implement corrective interventions needed to improve the processes.

The "Poste Risponde" Call Centre handled about 26 million calls in 2017 (21 million calls in 2016). Support is given on financial and postal services, insurance and welfare services and PosteMobile customers. Two new free-of-charge numbers were dedicated to customer support in 2017 as well as the Health Card Startup Post Offices and caring campaigns were conducted with about 15 thousand calls aimed at learning opinions on certain post sales processes.

**"All the Group Companies implemented specific procedures which define the principles and rules for complaint management that are approved and periodically reviewed by the Boards of Directors."**

## The Poste Vita and Poste Assicura Complaint Management Policy

Poste Vita and Poste Assicura consider that with regard to their activity, it is necessary to apply due attention to the needs of their customers so as to ensure their satisfaction and in order to offer the product or service most suited to their necessities and preferences. In fact, in the event that customers' expectations are not satisfied, the collaboration of the customer becomes essential through submitting a complaint in order to identify and remove the reasons for the inconvenience.

In order to ensure a correct and timely treatment of complaints from their customers, Poste Vita and Poste Assicura defined specific Complaint Management Policies. In particular, by means of such policies the two Companies define the **principles** (impartiality; objectivity and good faith; traceability; correctness, clarity; transparency; promptness), the **process** and **governance** at the basis of the treatment of complaints received from their customers.

## 5.2 The suppliers

In its capacity as a “Public Enterprise” operating in special sectors, Poste Italiane applies the rules of public procedure pursuant to the new **Public Contracts Code** (Legislative Decree 50 of 18 April 2016), as amended by Legislative Decree 56/2017 so-called “Corrective decree” for the award of contracts intended for “Postal Services” pursuant to art. 120 of such Code. The entry into force of the new regulations which took place for the Corrective Decree on 20 May 2017, required an update of the procedural and regulatory format of purchases as well as tender documents and contractual standards. In November 2017 the Board of Directors of Poste Italiane approved the new Internal Regulation for Works, Services and Supply Contracts Award Procedures and completed the update of its own internal procedures governing the purchase process both related to Tenders subject to the Public Contracts Code, pursuant to such Code, and with regard to tenders excluded from the scope of application of the Code.

These procedures constitute, together with the Code where applicable, the main normative governance and compliance measure for awards of Poste Italiane.

The Poste Italiane supply chain is characterised by various product categories and by a geographic division of suppliers on the basis of the offered services, also by virtue of the capillarity characterising corporate operations throughout the national territory.

Substantially the Group procures from national suppliers, however it also turns to multinationals operating in Italy for some goods/services, above all of a technological nature.

For some of the main product categories characterising the Group’s supply chain there is the **Poste Italiane List of Suppliers**, drawn up in 2006 in order to equip the Group with a group of economic operators having abilities such as to satisfy the requirements requested by Poste Italiane and adopt selection criteria that are certain and transparent in the procedures for purchasing goods, services and works.

Award procedures are carried out by means of the **“Poste-Procurement” Purchase Portal**, a web platform for procurement activities and for managing the List of suppliers.

### 5.2.1 Tender management and the List of Suppliers

In relation to the award procedures fulfilled by Poste Italiane, the trend recorded in recent years highlights a constant and massive recourse to competitive comparisons guaranteeing competitive advantages for the Company and assuring suppliers impartiality, transparency and equal opportunities for collaboration.

In order to equip the Group with a range of economic operators having abilities such as to satisfy the requirements requested by Poste Italiane and adopt certain and transparent criteria of selection in the procedures for acquiring goods, services and works, Poste Italiane, in line with the normative in force (art. 134 of the current Public Contracts Code), drew up its own List of Suppliers. The adoption of the List allowed award procedures to be simplified, contextually ensuring homogeneity between the selected subjects in each product range, as well as transparency towards the market.

In particular, all economic operators possessing the requirements can apply to register and qualification can concern both Italian entities and entities from other European countries, third countries and GATT (General Agreement on Tariffs and Trade) signees.

The List of suppliers is structured into product categories (for example: environmental cleanliness and hygiene, multiservice, ICT) structured, according to complexity, into subcategories and classes. The categories last for three years starting from the date indicated in the notice of establishment referred to the specific product category published in the OJEU (Official Journal of the European Union). The qualification activity can be activated by:

- Spontaneous request for qualification by the Economic Operator;
- Renewal of the qualification after the maximum term of validity of a prior qualification.

The creation and management of the List is governed by the Regulation for the List of Suppliers which regulates the Qualification System in the Supplier’s List and the Regulation of the Qualification System which governs the system and qualification procedure for each single and specific product category. Access to the List of suppliers for each of the product categories can take place at any time by presenting the application enclosing the required documents with reference to the product category of interest.

All suppliers having applied to qualify for the List of suppliers are required to possess, apart from the **general requisites** (of morality and professional suitability), **special requisites** of an economic-financial and technical-organisational nature. Moreover, in relations with suppliers of works, services and supplies, Poste Italiane operates according to **standard contractual clauses** which may be reviewed according to new provisions as well as specific requirements expressed by the internal customer. The adoption of uniform contractual standards thus becomes a necessary method for accelerating the process, shortening contractualization times as much as possible and, more importantly, improving supervision over given topics.

Lastly, among the policies described within its Internal Regulation for works, services and supply contract award procedures, Poste Italiane, pursuant to Law 190/2012 as amended, entitled "Provisions for the prevention and suppression of corruption and unlawfulness in the public administration" periodically publishes information concerning the award procedures identified by the normative of reference and according to the procedures established therein on its institutional website in a sections that is freely consultable by all individuals.

## 5.2.2 Selection according to social and environmental criteria



For some time Poste Italiane has paid particular attention to the social and environmental aspects related to the management of its supply chain. Indeed, the Company is convinced that the development of transparent and long-lasting relations with its suppliers, attention to quality, safety and respect of the environment in the supply chain, observance of the normative in force – including therein the specific regulation on the matter of labour – represent principles that are not only useful for constantly improving the service offered to its clientele but also for pursing an objective of public interest for the entire Country System.

In the first place, the attention paid by Poste Italiane on to the quality of its supply chain is corroborated by means of the provision of clauses to be included in contracts with its suppliers. In particular, the main clauses concern: contributory and remuneration regularity of the supplier; observance of the normative concerning manual labour (Legislative Decree 276/03 as amended, Public Contracts Code); applicability of the Collective Labour Agreements; the absence of breach of the norms on safety at the workplace (Legislative Decree 81/2008 as amended); the absence of environmental offences (Legislative Decree 3 April 2006 no. 152 as amended). Furthermore, other specific measures regarding health and safety were introduced into works contracts, the appraisal and measurement of which are contained in the Safety and Coordination Plans (PSC) and in the specific Operational Safety Plans (POS). Reaffirming the importance attributed by Poste Italiane to the matter of health and safety at the workplace, the Group has established and provided for the possibility to terminate supply contracts in the event that the violation of one or more aspects of the related safety documentation has been ascertained.

Apart from these measures, Poste Italiane has adopted a Suppliers and Partners Code of Conduct which defines ethical-social guidelines with which enterprises participating in the award procedures must comply and, more in general, the suppliers of all the entities of the Poste Italiane Group. This code, which constitutes an integral part of all the supply contracts and conventions stipulated by the Group, is a document which completes and consolidates the principles contained in the laws and regulations on the matter and promotes commercial relations based on negotiation ethics by means of circulating ethical principles and social responsibility in the context of the Company's supply chain. Through the Code, the Group intends to promote the adoption of ethical standards of conduct by its suppliers, also incentivising the achievement of **Certificates of Quality** (ISO 9001:2000), **Environmental Certificates** (ISO 14001), **Social Certificates** (SA 8000) and certificates related to **Worker's Health and Safety** (OHSAS 18001).

Moreover, suppliers belonging to certain categories presenting relevant social or environmental risks are required to possess the following certificates, SA 8000 (Social Responsibility), OHSAS 18001 (Health and Safety at the Workplace) and ISO 14001 (Environment).

In particular, the implemented **Supplier Qualification System** foresees, with regard to environmental sustainability, for product categories "Environmental Cleanliness and Hygiene" and "Multiservice", that the supplier possesses certification for environmental management - ISO 14001 as an excluding requirement for access to the List.

**"Economic operators qualified with environmental sustainability requirements amount to a total of 160, equal to 20% of the qualified Supplier group"**

Also envisaged, in the ICT List, is a reward scoring system for suppliers having implemented one or more initiatives aimed at greater corporate sustainability or Green IT strategy.

In conclusion, special attention is paid to worksite waste management, requiring specific "Waste Management Plans" with at least 70% of the latter sent for recycling, as well as rewarding the supply of products manufactured from recycled material having a percentage exceeding the minimum fixed by the Ministerial Decrees of reference (CAM).

As regard Social Responsibility and in compliance with the norms on the matter of Health and Safety, required by way of a necessary requisite, is the possession of SA 8000 and OHSAS 18001 certificates in order to be registered in the "Environmental Cleanliness and Hygiene", "Multiservice" and "Works" Lists from class 4-bis upwards.

Lastly, with regard to the matter of sustainable management of the supply chain, Green Public Procurement (an approach according to which Public Administrations integrate environmental criteria in all phases of the procurement process) represent a strategic choice for Poste Italiane, inasmuch as they combine sustainability in terms of reducing environmental impacts and costs rationalisation. In particular, art. 34 of the **Public Contracts Code** ("Sustainability criteria for energy and the environment") provided – as regards awards of public contracts of any nature and amount – the obligation to include, in design and tender documents, at least the technical specifications and contractual clauses contained in the "Minimum Environmental Criteria" or "CAM" listed in the documents approved for each category of product or service with specific Ministerial Decree.

With the objective of reducing the environmental impact of the works, goods and services used, Poste Italiane transposed the criteria provided for in the Green Public Procurement, even earlier than said "corrective" decree came into force. In particular, in its tenders, Poste Italiane transposed, by specific provisions within the specifications and/or specific tender methodologies, the ministerial indications which, as said, establish the minimum criteria for a Tender to be considered as "Green".

## ASSESSING THE RELIABILITY AND INTEGRITY OF SUBJECTS/COUNTERPARTIES

In order to identify all the elements of operational and reputational detail required for assessing the reliability and integrity of subjects/counterparties, the Fraud Management Functions performs verifications, assessments and monitoring of subjects and counterparties (corporate, financial and equity analyses on companies and exponents, analysis of existing relations with Poste Italiane). The appraisal of subjects/counterparties has the objective of:

- Limiting risks deriving from transactions with third parties;
- Guaranteeing an adequate rotation of suppliers;
- Minimising losses deriving from unenforceable credit.

More focus on the activities for the prevention of unlawful events by means of integrated analysis of internal and external information to Poste Italiane, allows the detection of direct and indirect relationships which highlight possible criticalities. Combating fraudulent events is therefore carried out by means of a process of continuous monitoring of the degree of fraud risk and the factors of risk by means of collecting and analysing reports and indices of potential offences, examining processes and the adoption of adequate measures of governance and control that are increasingly stricter for fraud prevention.

Procurement risk supervision represents a priority for the Poste Italiane Group; to this end various actions for consolidating the measures were activated, such as:

- Transparency and collaboration with the Police Force;
- Open and Transparent Contracts portal;
- Supplier Qualification measure;
- Update of normative measures such as the "Internal regulation for works, services and supply contract award procedures" approved by the BoD on 9 November 2017;
- Group Procurement consolidation process.

**"Economic operators qualified with requisites of a social nature amount to a total of 150 operators, corresponding to about 20% of the total qualified Suppliers"**



## 5.2.3 Support of local suppliers

In confirmation of the importance attributed by Poste Italiane to social and environmental aspects of its supply chain, it is possible to highlight some concrete examples linked to environmental sustainability.

### CATERING

In relation to catering Services for employees, Poste Italiane, transposing the "Minimum Environmental Criteria" set out by the Decrees of the Ministry of the Environment, rewards the supply of foodstuffs exceeding the minimum quantities prescribed by the CAMs, acquiring **sustainable products** (BIO, IGP, DOP, sustainable fishing, etc.) in meals provided in corporate canteens present in certain locations (e.g. Headquarters, Cagliari, Mestre, Firenze etc.). Within this context, local suppliers are potentially involved of foodstuffs intended for the canteen and bar, who guarantee certified products. 12 contracts are currently active throughout the nation, of which 10 are "green".

The estimate of average daily users (in tender provisions) is about 3,190 for the canteen and catering and 2,340 for the bar.

### WORKS

The List of suppliers for the Works categories, apart from being structured into specific product categories by nature of works (civil and industrial buildings, water and heating stations, plants, etc.) envisages a system for qualifying economic operators according to the type of tender, by regional area or by Territorial Area (corresponding to regions or aggregations of regions) having the primary or secondary seat in the territory of registration or which have executed tenders of a considerable entity.

In relation to works contracts, specifically those having as subject matter interventions of a construction-plant nature, characterised by services of modest economic entity to be executed on buildings/sites located throughout the national territory, this system favours the presence of **local manual labour** as well as the **supply of material preferably at zero km**, all in order to contain procurement costs, thus optimising the eco-sustainable aspects of the system (shorter times and distances and consequent reduced emission of CO<sub>2</sub>).

Poste Italiane, for the same purpose, uses the system of dividing interventions into lots for the aforementioned contracts, according to geographic areas circumscribed by Metropolitan Area (e.g. Rome, Catania, Palermo, Naples) and/or into two or more provinces. Another example of a localised supply chain is that adopted for works to be carried out in the two major islands of Sardinia and Sicily where calls from the List are only directed to **regional suppliers**.

### CLOTHING

In more recent contracts, for the supply of clothing and footwear particular attention was paid to the "green" requisites of the equipment to be supplied to the delivery workers. Required, in particular, is:

- For footwear (80,000 pieces) as a requirement of the offered product "recyclability of external packaging";
- For postman/women uniforms (46,000 uniforms) that the fabric used for packaging bears the Oeko-tex or Ecolabel certificate. This certificate guarantees that the packaging process of such fabric does not contain/release substances harmful to human health and certifies products characterised by a reduced environmental impact.

## 5.3 Performance indicators (KPI – GRI Standards)

### The quality of the Universal Postal Service

Product	Delivery within	U.m.	2016		2017	
			Target	Result	Target	Result
Post 1 – Priority	1 day	%	80.0	83.9	80.0	82.2
Post 1 – Priority	4 days	%	98.0	99.2	98.0	99.1
Post 4 – Ordinary <sup>1</sup>	4 days	%	90.0	96.0	90.0	91.2
Mass mailing	4 days	%	90.0	97.0	90.0	96.7
Recorded delivery	4 days	%	90.0	97.0	90.0	95.1
Insured mail	4 days	%	90.0	99.8	90.0	99.6
Ordinary parcel	4 days	%	90.0	96.8	90.0	92.2

1. Elaboration on data certified by IZI by appointment of AGCOM.

### Customers experience in Post Offices

	U.m.	2016	2017
Average waiting time in Post Offices	minuti	8.61	8.97
Customers served within 15 minutes	%	82.9	81.9
Customer satisfaction regarding waiting time (1-10) <sup>1</sup>	N°	7.9	8.0
Comprehensive customer satisfaction with their experience at the Post Office <sup>1</sup>	N°	8.4	8.7

1. Source: Barometro Uffici Postali 2017, [Post Office Barometer] 5.069 interviews of visitors to Post Offices (Doxa).

## Customers' complaints by type

	U.m.	2016	2017
<b>Post Offices</b>			
Complaints received	N°	9,880	10,096
Average response time	gg.	n.d.	32
<b>Mail</b>			
Complaints received	N°	96,177	89,681
Average response time	gg.	22	34
<b>Parcels</b>			
Complaints received	N°	92,300	122,580
Average response time	gg.	21	14
<b>Financial Services</b>			
Complaints received <sup>1</sup>	N°	60,961	76,107
Average response time	gg.	35	21
<b>Insurance Services</b>			
Complaints received	N°	3,658	2,577
Average response time	gg.	16	16
Investigations launched by the Insurance Supervisory Body	N°	299	169
<b>Poste Mobile</b>			
Complaints received mobile telephony <sup>2</sup>	N°	141,356	33,098
Average response time	gg.	12	3
Complaints received landline	N°	n.a.	469
Average response time	gg.	n.a.	6

1. The increase in complaints (the data shown in the table do not include appeals to out-of-court bodies, Financial Bank Arbitrator – ABF- and Arbitrator for Financial Disputes – ACF- of BancoPosta) particularly concerned the following products: Savings books due to the decrease in interest rates and for an increase in requests for ISEE reserves; prepaid cards due to the progressive introduction of the Postepay evolution which allow more customer services; Postal Savings Certificates, due to various return expectations by customers.
2. The high volume of mobile telephony complaints 2016 is linked to technical disruptions which occurred as the first mass migration trials took place of customers from the ESP platform to FULL. In 2017 the complaints decreased thanks to certain interventions, already carried out as from late 2016.

## Settlements

Settlements discussed about Postal Retail products	U.m.	2016	2017
Discussed	N°	678	831
<i>of which settled</i>	N°	596	698
	%	88	84
<b>Settlements discussed regarding Postal Business products</b>			
Discussed	N°	37	94
<i>of which settled</i>	N°	25	83
	%	68	88
<b>Settlements discussed regarding BancoPosta products</b>			
Discussed	N°	352	370
<i>of which settled</i>	N°	178	183
	%	51	49
<b>Settlements discussed regarding PosteMobile services</b>			
Discussed	N°	17	38
<i>of which settled</i>	N°	12	23
	%	71	61
<b>Settlements discussed regarding Fondo Immobiliare IRS (no. of applications)</b>			
Discussed	N°	n.a.	35
<i>of which settled</i>	N°	n.a.	35
	%	n.a.	100
<b>Total discussed settlements</b>	<b>N°</b>	<b>1,084</b>	<b>1,368</b>
<i>of which settled</i>	N°	811	1,022
	%	75	75

# Valorisation



## 6. The human capital at Poste Italiane

Poste Italiane is represented by its people, a key element encompassing the identity of the Group and a real competitive advantage.

The wellbeing of workers is a main ethic for Poste Italiane which works on a daily basis to favour a working environment without prejudice, characterised by the respect of the personality of workers and the dignity of everyone. For this reason, the Company works in favour of diversity, with a view to corporate growth that is sustainable and inclusive. Relations among the employees are based on values of civil coexistence and take place in observance of the respect of the rights and freedoms of people, guaranteeing fair treatment and preventing and combating any form of discrimination.

Considering the rapid and significant development in the external scenario, for Poste Italiane is fundamental to support and prepare its people in facing new challenges, valorising their satisfaction, as well as their growth and talent development, strictly connected to the ability to innovate and adapt itself to Customer requirements.

Poste Italiane also believes that promoting a suitable working environment in the context of safety and health of the employees is of primary importance and takes all the measures necessary to do so.

Lastly, continuing a constant relationship of information and consultation with Trade Union Organisations regarding issues of common interest represents an indispensable priority for the Group which undertakes to ensure the protection of the rights of its workers, safeguarding freedom of association and valorising collective negotiations on every level.

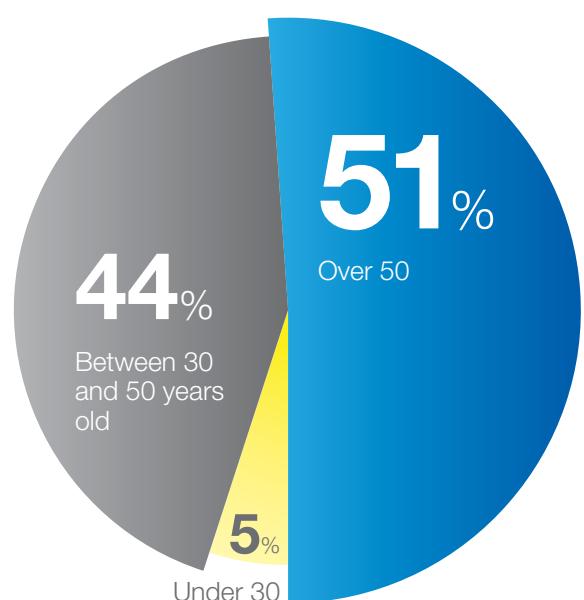


### 6.1 The Group employees



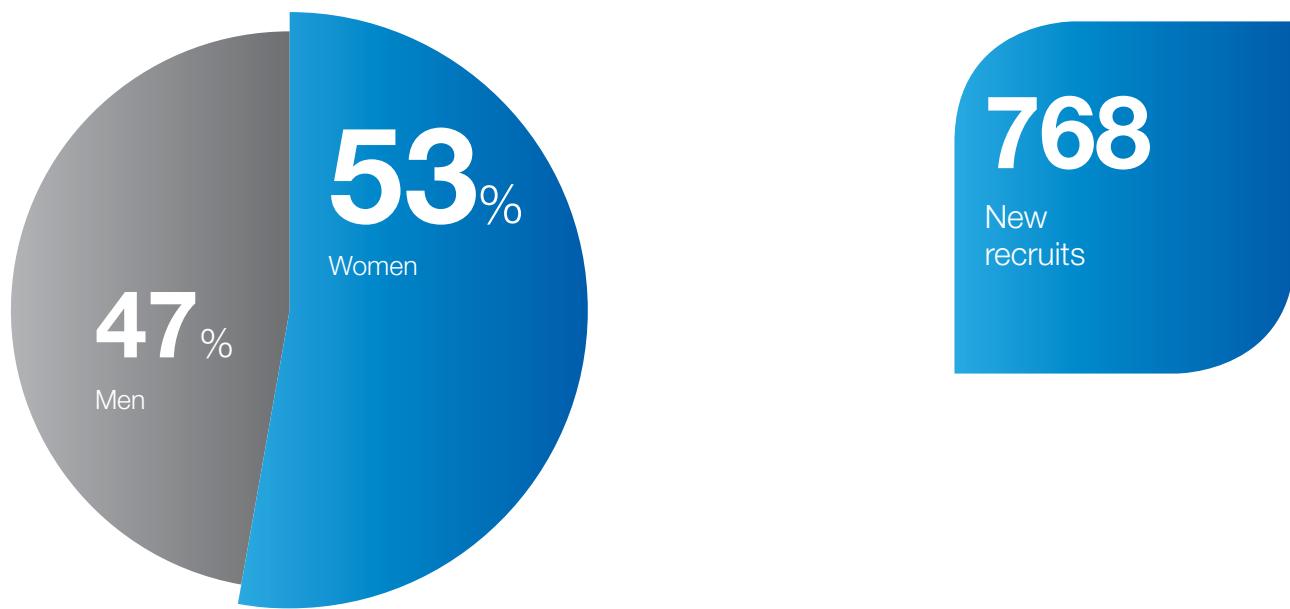
People are at the centre of the policies and strategies implemented by the Company. For this reasons the Group sets itself the objective of ensuring a healthy and balance working environment.

At the end of 2017 Poste Italiane counted 136,555 employees, with a relevant portion of women (about 53% of the total) which qualifies gender diversity as a characterising element and as strong point of the Company. With reference to contractual form, almost all of the non-management population (93% in terms of Full Time Equivalent - FTE) is recruited with open-ended contracts. 786 people were recruited in 2017 and the most represented age group was 30 to 50 years old (57% of the total recruitment).



The Poste Italiane CCNL [collective labour agreement] covers about 95% of the Group employees, whereas SDA and Mistral Air have independent contractual regulations.

### Snapshot of people in Poste Italiane in 2017



### 6.1.1 Staff management

The Company has structured an organisation envisaging the following functions dedicated to the processes human resources assigned with well-defined roles and responsibilities:

- *Staff Planning and Compensation* defines, with regard to corporate functions/Group Companies, the qualitative-quantitative development plans for the Group staffing structure in the context of multi-year planning and budget cycles, in concert with the Administration, Finance and Control function; it handles the preparation of reports on the trend in occupational dynamics as well as the main managerial indicators, proposing the appropriate corrective actions. The function also guarantees the definition and implementation of remuneration policies as well as commercial, operational, professional and managerial incentivisation systems, short and long term, coordinating the related final balancing processes in concert with the involved functions;
- *Organisation and Development* guarantees the activities of analysis and design of the organisational structure in compliance with the Group's strategic objectives, as well as defining micro-organisational function models, associated professional structures and sizing analyses. Furthermore, the function defines, at Group level, the implementation of policies, methods and instruments for the development of human resources, including service assessment systems. In addition, it ensures the processing and management of methodologies and instruments turnover in time;
- *Manager Management and Selection* guarantees the activity of management, development and administration of Group managers, overseeing their professional growth. The function also ensures the elaboration and management of the methodologies and instruments of recruitment and handles staff selection process from the internal and external market for the Group, also keeping relations with the universities. Moreover, it ensures the coordination of intercompany mobility throughout the national territory and oversees the support of the Remunerations Committee;
- *Industrial relations* manages relations with Trade Union Organisations at national level, based on contractual definitions concerning corporate-trade union relations and ensures the phases of collective bargaining, handling the circulation of national agreements at territorial level and providing support and guidelines for the correct application and management thereof. The function also guarantees the study and monitoring of normative and doctrinal evolution in the matter of legal employment, it advises corporate functions in interpreting legal and contractual provisions concerning the working relationship; it oversees the definition of "active policies" regarding work and the administration of

non-management personnel. Lastly it guarantees the design, development and implementation of welfare policies for the employees;

- *Work Disputes* ensures, also by means of advisory and support activities in concert with the involved functions, the supervision of pre-dispute issues at central and territorial level with regard to a work dispute related to the headquarters, as well as that concerning transversal topics and those of strategic relevance, moreover, it guarantees the preparation and circulation of guidelines for the effective management of dispute activities carried out at territorial level, verifying the application thereof;
- *Corporate University* ensures the development of strategic and distinctive skills for supervising business and creating a competitive advantage, by means of integrating all the instruments and channels available to valorise, innovate and circulate knowledge and skills, also by means of exchanges with players outside of the corporate context;
- *HR Business Partner Corporate* guarantees, in accordance with the defined policies, the activities of management and development related to personnel from the corporate functions and the Group Companies pertaining thereto, also by means of circulating guidelines useful for pursuing the objectives of the corporate functions among the Regional Human Resources structures;
- *HR Business Partner* (functions dedicated to supervising human resource processed for Post, Communications and Logistics, Private Market and Business Market and Public Administration, as well as the BancoPosta function) which oversees, inasmuch as competent, the activities of managing personnel, training and internal communication as well as those of operational organisation (excluding the Business Market and Public Administration channel, the operational organisation of which is carried out, in service, by the Organisational and Development function);
- *Regional Human Resources* (formed of 9 functions with multi-regional skills), it guarantees, in line with the established roots of the Company within the territory, supervision of human resource processes supporting the optimal fulfilment of corporate operations in the territorial area, in compliance with the administrative norms and procedures defined at central level.

## 6.2 Poste Italiane and its recruiting process

The activities related to finding and externally selecting staff in the Poste Italiane Group are conducted according to a specific operational procedure ("Recruitment and Selection of Personnel for open-ended and fixed term contract employment") drawn up considering, amongst others, the principles of control provided for by the organisational model in force which the Company adopted pursuant to Legislative Decree 231/2001.

The recruiting process envisages collecting and assessing candidatures received both via the corporate internet website and from other external sources. Furthermore, for some specific types of staff search, the collection of candidatures is carried out by means of publishing dedicated announcements on the corporate internet website or local/national press or even on specialised external websites. Such announcements, in line with the indications in the cited procedure, specify, amongst other information, certain relevant minimum requirements for accessing the selection process, such as the minimum grade for a diploma and/or degree or specific suitability regarding the role of entry (by way of non-limiting example, driving a motorised means), as well as the proximity of residence to the place of work and/or willingness to secondment.

The presence of needs of personnel distributed throughout the national territory, also on a temporary basis and transparent access criteria for the selection process allow Poste Italiane to offer work opportunities to candidates in the vicinity of the district of residence, according to a principle of fair treatment, whilst ensuring sufficient competitiveness amongst candidates to obtain an adequate level of professionalism.

The selection process, instead, is aimed at verifying the possession of the requisites required by the professional profile and is structured over various phases and articulated tests, as described below, for the specific professional profiles. On the outcome of such structured tests, exploring technical skill and motivation, suitable candidates are identified who shall be offered a contract proposal.

## The phases and instruments of selection by professional profile

Profile	Instruments
Operational	<ul style="list-style-type: none"> <li>■ 2 Aptitude tests</li> <li>■ 1 English test</li> <li>■ Structured interview and motivational biography</li> </ul>
New graduates	<ul style="list-style-type: none"> <li>■ 2 Aptitude tests</li> <li>■ 1 English test</li> <li>■ Group test</li> <li>■ Structured interview and motivational biography</li> <li>■ Technical assessment by the Line</li> </ul>
Professional	<ul style="list-style-type: none"> <li>■ Questionnaire on organisational conduct</li> <li>■ Language test if relevant to the sought profile</li> <li>■ Structured interview and motivational biography</li> <li>■ Technical assessment by the Line</li> </ul>
Manager	<ul style="list-style-type: none"> <li>■ Structured interview and motivational biography</li> <li>■ Technical assessment by the Line</li> </ul>

### 6.2.1 Internal selection and Job Posting

With the objective of valorising internal skills and developing people in the Group, favouring processes of internal mobility, job advertisements are systematically published regarding open positions through the intranet portal and company notice boards.

This channel directly involves people, encourage proactive individuals who, by putting themselves forward, put their motivation into play and grasp opportunities for diversification and professional growth.

During 2017 the Company focussed its attention on the process, publishing 32 job postings in the search for personnel both in Poste Italiane and the Group companies, receiving around 6,000 applications.

### 6.2.2 Intercompany mobility

Faced with the need to ensure correct and equal treatment of countless requests for transfer, Poste Italiane signed an agreement with the Trade Union Organisations that established, on the one hand, the requisites needed to be able to present a transfer request and on the other, those according to which a single worker accrues a score and is placed in a specific classification of priority. The single classifications - separated by professional role and province of destination - are activated on the basis of corporate requirements to correctly distribute human resources around the nation.

## 6.3 Growing professionally in Poste Italiane



The development and valorisation of people's skills represent fundamental strategic levers supporting the growth of the Group's business and are based on a meritocratic logic, in observance of corporate values and the leadership model broken down into all organisational levels.

The development goal in Poste Italiane is to build a virtuous company in which everyone is able to access a path to professional enrichment, skill and experience.

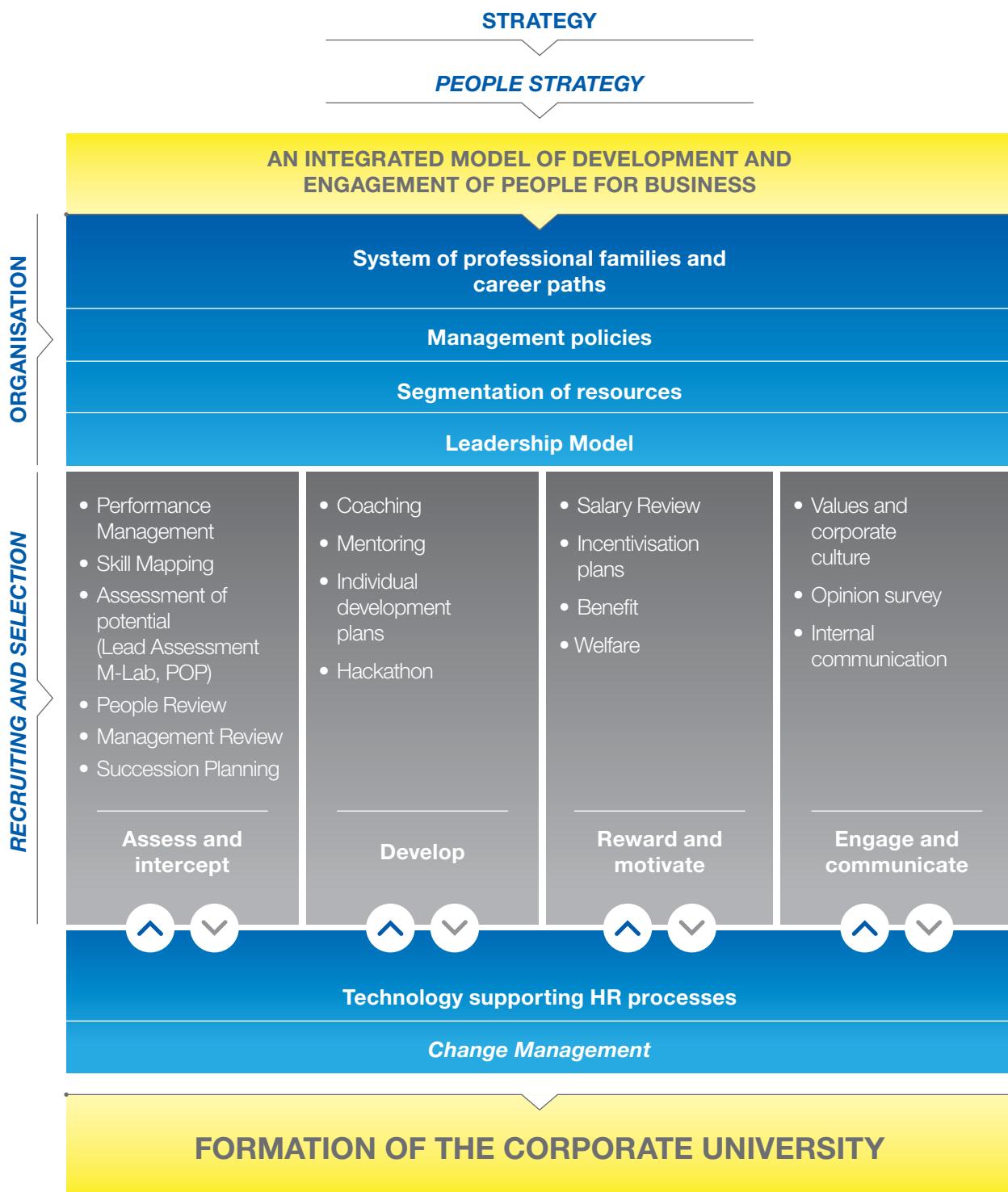
The Company offers fair and transparent instruments and methodologies which consider, in their application, the heterogeneity of various segments of business and function.

### 6.3.1 The integrated development model

The development of people in Poste Italiane is managed by means of an integrated model aimed at valorising the merit and growth of human capital during the entire professional lifecycle.

The architecture of the model takes form from the wider lines of People Strategy which define the contribution of the Human Resources and Organisation function to the implementation of the Strategic Plan.

#### The integrated development model



The strategy is conceived and structured in order to lay down the phases of the development process over bearing axes, transversal to the entire corporate population. The mission is precisely that of sustaining business growth by means of valorising human capital, capturing its potential, developing its talent, sustaining the motivation thereof and consolidating its experience by means of growth opportunities.

## Mission



In the last two years the main Poste Italiane people development processes were redesigned and implemented. The general architecture of the new development system is structured into three main macro processes:

- **scouting:** aimed at detecting potential and intercepting the best resources;
- **management planning:** to identify development priorities with a view to succession and “management risk” containment;
- **development:** aimed at sustaining individual growth of resources with potential and accelerating their development.

The Development System is strongly integrated with **Change Management** activities that affect corporate culture and collective aptitudes.

## Development system and Change Management



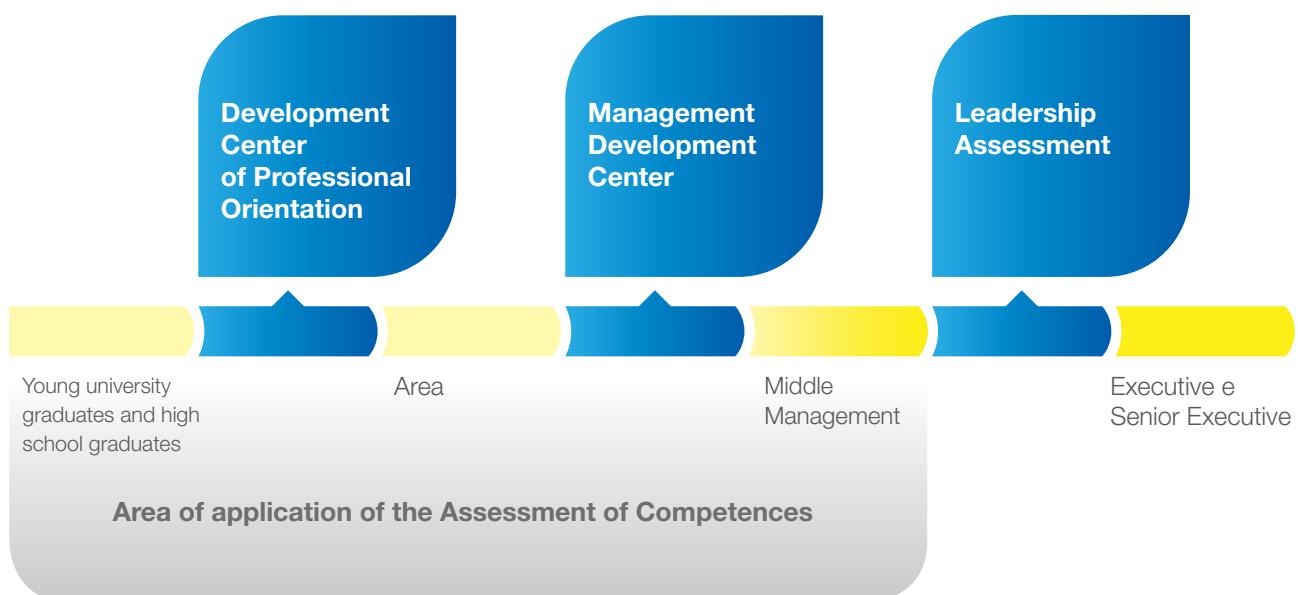
### 6.3.1.1 The scouting process

The application of the scouting process allows the best talents to be intercepted and to:

- Steer development levers on the single action, meant as a whole of instruments, methodologies, approaches and supports that improve the managerial and professional efficacy of each person;
- Map the talent resource base and plan its development in relation to the different level of readiness/availability on target positions.

The characteristics and criteria of access to scouting processes foreseen in Poste Italiane are specific and differentiated in relation to the target population and level of professional maturity expressed by the participants.

### Scouting processes by interested target



Within these processes, Poste Italiane uses various types of Assessment:

- **Assessment of skills**, a transversal type process on the corporate population up to middle management positions, aimed at mapping and/or certifying existing skills in the Company and the level of role coverage;
- **Assessment of Professional Orientation (POP)**, dedicated to the youngest corporate population and aimed at identifying best performers on which to invest primarily in terms of development, recognising so-called young talent;
- **Assessment of Management Potential (MLAB)**, intended for the professionally more mature corporate population and aimed at identifying key persons - so-called key talent – to cover middle management roles.

## MLAB Community

The MLAB programme foresees another evolutionary step in the establishment of a Community, a virtual community aimed at consolidating management skills in line with the change that Poste Italiane is facing. There are two envisaged instruments through which to steer and explore the driver contents: social tools and collaborative learning methods, aimed at activating a management gym by means of individual coaching lessons on the specific request of the interested parties, practice groups on management topics and meetings with corporate testimonials

- **Leadership Assessment**, dedicated to expert managers and aimed at identifying possible successors, or leaders, for the Group's key positions.

There is another type of assessment in the scouting processes which is Skill UP, aimed at mapping and/or certifying technical-specialist skills in the Company and the degree of role coverage. Such assessment involves the Company in a transversal manner, addressing specific professional families. The activity involved 468 resources in the context of 33 Individual Business Coaching paths dedicated to managers under development.

### 6.3.1.2 Planning management development

In the moment of synthesis between the potential of people and corporate necessity, Poste Italiane periodically manages the process of management planning by means of Review meetings between the Human Resources and Organisation function and the Function Managers.



The characteristics and criteria for accessing Review processes foreseen in Poste Italiane are specific and differentiated in relation to the target population to which they are directed and have the objective of guaranteeing supervision and turnover over time of organisation positions, as well as the activation of consistent actions supporting the development of people, to be specific:

- **People Review**, addressing executives and office workers and aimed at intercepting persons with development potential towards target middle management roles essential to the business;

**“The Management Review & Succession Planning processes realised in 2017 involved 26 function Managers, allowing the classification of 600 managers and another 220 best performers with growth potential inserted into the so-called “Talent Pyramid”. ”**

- **Management Review**, aimed at managers and executives in position and directed at intercepting managers with development potential towards organisational level two target roles;
- **Succession Planning**, dedicated to second and third level managers and aimed at intercepting persons with development potential towards organisational level one target roles.

### 6.3.1.3 Actions of individual development

Development actions are a whole of interventions, articulated and coordinated, which allow people to be accompanied in their growth in relation to corporate necessities on the basis of evidence of scouting and planning processes. In this context, during 2017 coaching and mentoring courses were activated and planned in order to develop soft skills and leadership.

Furthermore, a programme was launched dedicated to innovation built on the Hackathon format (innovation marathon) by means of two pilot projects (Poste Innovation Storm), which involved 100 corporate talents in the proposition of innovative lines linked to priority business challenges.

### 6.3.1.4 The Performance Assessment Process

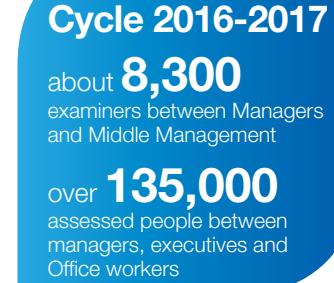
In late 2000, Poste Italiane implemented a Performance Assessment Process (VdP) which represents one of the main instruments supporting management, development and personnel training policies.

Over the years the number of assessed people increased constantly until, in the latest assessment campaign (which ended in April 2017) it reached almost all the corporate population, with a 4% increase compared to the previous year.

During cycle 2016-2017 about 8,300 assessors were registered, between managers and middle management and over 135,000 assessed subjects between managers, office workers and executives.

In 2017 the Performance Assessment model was reviewed according to certain evolutionary principles leading to better consistency with the corporate vision and Group strategy, such as to render the process a key instrument for the development of people.

Shown below are the main drivers to guide the evolution of the Poste Italiane VdP system.



<b>Transparency model</b>	The new Performance Management model was orientated at criteria of transparency, promoting rules and procedures that were clear and shared among the entire involved population.
<b>Assessment culture</b>	The new Performance Management model was backed by a cultural change process aimed at valorising excellence, developing the culture of assessment.
<b>Leadership Model</b>	The new Performance Management model was structured to direct the behaviour of resources towards the company's expectations, complying with the new Poste Italiane Leadership Model 2020.
<b>Standard objectives</b>	The new Performance Management model superseded the current fragmentation of the logic for building objectives, defining a framework of objectives and promoting company cascading and functional cascading logic.
<b>Segmentation of the population</b>	The new Performance Management model was able to capture the characteristics and necessities of the various included populations, in any case guaranteeing the simplicity and usability of the model.
<b>Assessment and feedback</b>	The new Performance Management model was conceived in line with the best market practice, bringing the concept of development closer and envisaging 180° assessment mechanisms.

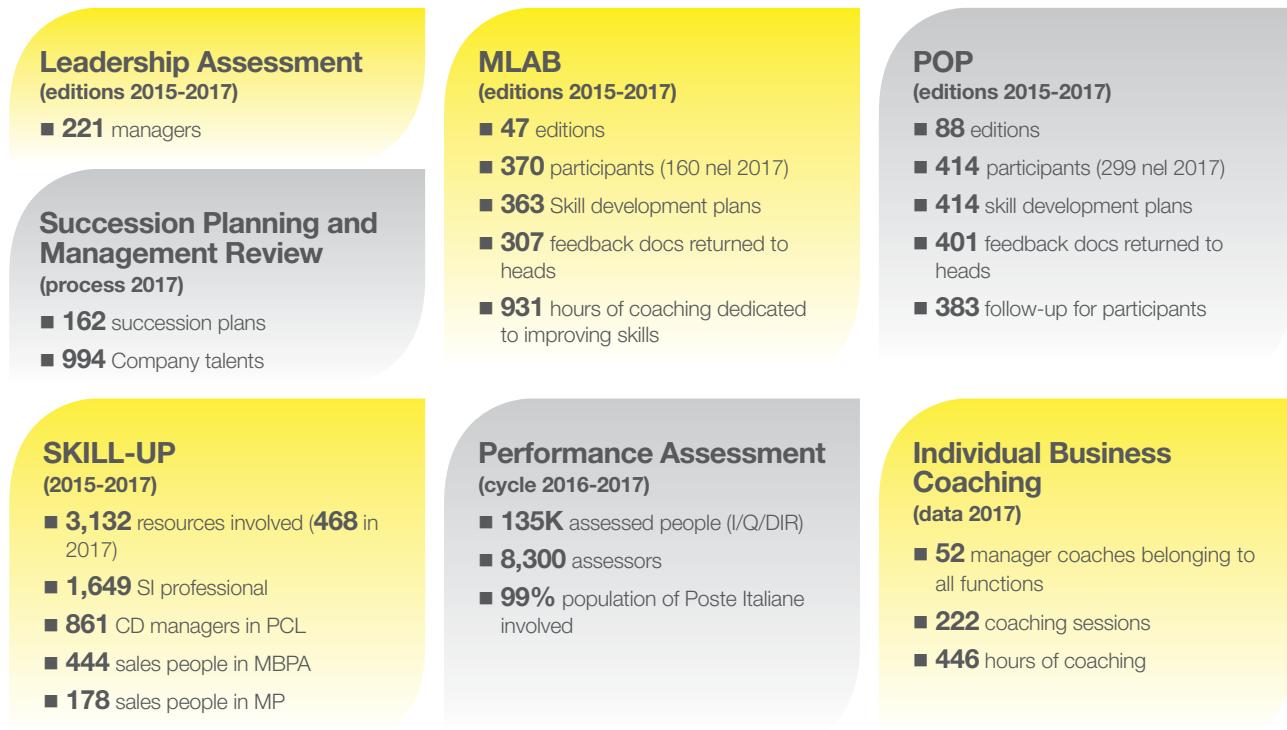
The assessment system was redefined as a continuous process throughout the year and is marked by three main phases:

### The performance assessment model



Moreover, once again in the context of performance assessment, in 2017 an "expanded pilot assessment" was launched (180° assessment), which involved the Group Executives and about 200 1<sup>st</sup> and 2<sup>nd</sup> organisational level managers in order to gather the various opinions on the resource and divulge the effective managerial conduct. The assessment, expressed by peers selected according to the main organisational relations existing between them, took place online through a dedicated SDM (Succession and Development Management) system.

### Numeric snapshot of the main development initiatives up to 2017



### 6.3.1.5 The remuneration policy

Remuneration policies represent a fundamental instrument for pursuing the strategic objectives of the Company by means of three main guidelines:

- Valorisation of merit and performance;
- External competitiveness and internal fairness;
- Alignment with medium/long term strategies of the Company.

Short term variable remuneration has the purpose of reinforcing the attention to the creation of value, consistently with corporate strategy and budget, connecting the issue of annual bonuses for effectively achieved performances during the year of reference. For financial year 2017 the objectives subject matter of incentivisation for beneficiaries were: economic-financial, customer experience and function.

Long term variable remuneration has the purpose of focussing the attention of resources on factors of strategic success and the creation of value in the long term, connecting the issue of incentives to performances effectively achieved within the multi-year horizon of reference.

It is foreseen that the various types of variable remuneration are subject to claw back mechanisms (full or partial repayment of the variable issued component) in the event of fraudulent behaviour of gross misconduct to the damage of the Company brought about by an employee.

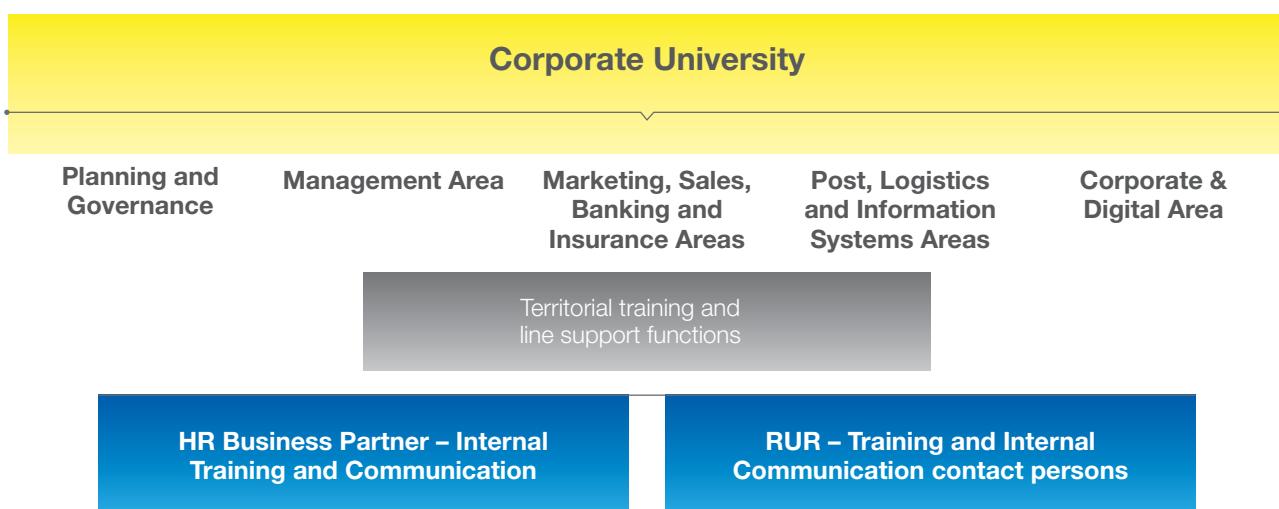


## 6.4 Poste Italiane's Corporate University

Created in early 2015 within the Human Resources and Organisation Function, this structure is aimed at assuring governance at Group level of all the processes and services for education, in order to guarantee a constant, adaptation, consolidation and development of professional and managerial skills. The structure also ensures a relationship with the academic world and research entities, as well as within the Company with "content experts" present in the various lines of business.

Consistently with the corporate organisational structure, the internal organisation with which the Corporate University is equipped defines, alongside business lines, a specific management supervision focussed on the training requirements of resources operating in the various functions, availing, in addition, of training contact persons from business functions who operate throughout the national territory.

### The organisation of the Corporate University



In its capacity as an enabling factor for the developing the skills of its resources, the reference target consists in the entire corporate population, distributed throughout the national territory with professional profiles of various types, in particular financial/insurance front-end and mail delivery. Furthermore, the technological infrastructure supporting the Group's business requires constant alignment of skills to its continuous evolutions. Specific training initiatives are designated according to the various professional profiles present in the Company: by way of example, Post Office directors, counter assistants, specialist financial advisors, postmen/women, transport and logistics operators, staff area specialists and marketing specialists. An online survey that involves all the corporate functions on an annual basis identifies the training requirements which constitute the annual Training Plan, this is structured over three backbones: management training, technical-specialist training, mandatory training and compliance.

**Management training** has, among its objectives: investing in the development of leadership; promoting the construction of a management culture adapted to the value of Customer centrality, professional excellence and the development of resources; sustaining the efficacy of people overseeing key business processes for the Company; consolidating management skills highlighted by the Leadership Assessment, Managerial Lab and Management Review processes and bridging and emerging gaps.

**Technical-specialist training**, aimed at developing and retaining the most strategic skills for the business, pays particular attention to: the front-end world, in the logic of transforming the sales network in respect to Customer relations management; the world of logistics, accompanying a considerable reconfiguration of industrial processes.

**Mandatory and compliance training**, focussed on normative topic transversally involving the corporate population (e.g. safety at the workplace, normative compliance, organisational model 231/01, IT security, privacy and safe transport).

#### 6.4.1 Multifaceted learning

Aware of the importance of training and information aspects to the company, Poste Italiane pays increasing attention to providing its employees with instruments to valorise their specific skills. In 2017 the number of provided training hours totalled about 3.8 million, with courses held in classrooms and via e-learning.

With a view to continuing more significant initiatives launched in 2016, Poste Italiane S.p.A. focussed management training on research and experimentation activities regarding new formats and topics, also opening itself - in respect of age management - to a European comparison with other postal operators. Discussed in particular were marketing topics, performance assessment, digitalisation and innovation. Whereas with regard to technical-specialist training, activities was envisaged to support specific figures of strategic relevance to the Group such as initiatives dedicated to the world of specialists in the financial and insurance field and for postmen/women, the role of whom, given their proximity to citizens, is vested with great social responsibility.

Poste Vita's training activity for 2017 concerned sectorial issues, from anti-money laundering and anti-terrorism to the circulation of corporate culture regarding insurance, to international accounting standards and IT security.

In SDA Express Courier S.p.A. training activities were comprehensives transversal to professional families and differentiated from the viewpoint of content, and also aimed at both behavioural skills and enhancing technical knowhow.

#### The target dimensions

- 140,000 employees
- 140 jobs
- 237 professional figures

#### Didactics in figures

- 25 topic areas
- 7 normative contexts
- About 1,000 course titles



**3.8 mln**

Training hours performed

#### Training hours pro-capita:

- **28 hours for managers**  
equal to 4 days pro-capita
- **57 hours for executives**  
equal to 8.29 days pro-capita
- **24 hours for office workers**  
equal to 3.43 days pro-capita

#### Distribution by training backbone

- 1% management training
- 38% technical specialist training
- 61% compliance training

Training in Postel S.p.A. not only concerned topics of a technical nature, aimed at all personnel in the facilities but also linked to aspects of IT and management and digital skills.

The training interventions of Europa Gestioni Immobiliari S.p.A., lastly, were addressed to developing skills in the Real Estate sector, both from the management viewpoint and real estate valorisation and from the viewpoint of taxation in asset management.



## 6.5 Diversity that creates value

Diversity among people represents a key value for the Group and one of its greatest resources, giving value to the corporate system. Indeed, Poste Italiane supports and promotes diversity in all its forms and expressions, at various levels of the organisation.

Adopting the perspective of the value of diversity means recognising differences, supporting different lifestyles and taking account of the various associated requirements.

### 6.5.1 The valorisation of female personnel

In particular, the Group is characterised by a significant presence of women, not only among its office workers but also at management level, albeit to a different extent based on the functions of reference.

Given its size and significant female presence, the Company has become increasingly undertaken to promote an organisational culture over the years based on the added value of diversity. Indeed, since 1865, the year in which the first woman was recruited, the company has grown, established itself and is strongly rooted in every part of the country, also thanks to the contribution of women.

It is precisely the female component that has, for some time, give rise to the need for a strategic approach to the effective realisation of equal opportunities in the company, this came about through positive actions and remunerative and development policies based on equality and performance.

This basic principle is guaranteed by corporate policies based on meritocracy and the benchmark with best practices, as well as a careful and punctual comparison with the reference market, condemning any form of discrimination, starting from the selection activities up to establishing the working relationship and the distribution of training.

In Poste Italiane, women form 53% of the personnel, which means more than 70 thousand employees. Gender diversity is found at all staff levels. Indeed, 46% of executive management staff are women.

### Female presence in the Post Offices

Considering the Post Offices, women holding the office of director count more than 58%, with an excellent presence in Northern and Central Italy: Piedmont (74%), Emilia Romagna (78%), Umbria (71%), Friuli Venezia Giulia (69%), Trentino Alto Adige (70%), Tuscany (68%), Liguria (67%), Valle D'Aosta (68%), Marche (66%), Veneto (61%) and Lombardy (59%).

The Central-South and islands also have a positive number of female Directors: Molise (60%) Sardinia (52%) and Abruzzo (54%). Also significant is the presence in Lazio (54%), Basilicata (48%) and Calabria (45%). The percentage is lower in Campania (42%), Puglia (32%) and Sicily (36%).

There is also a large female presence in the top management of Poste Italiane S.p.A.: 44% of the members of the BoD are women and 21% of executive positions are held by women.

Added to this datum is that more than 40% of the 132 Branches (structures responsible for managing Post Offices in a district) is steered by women.

Lastly, as regards postal services, out of 35 thousand delivery persons, postwomen represent 44%.

### 6.5.1.1 Commitment to women

Poste Italiane participates, also by means of its presence in committees and associations engaged with women's issues, in initiatives and events having the purpose of promoting the active participation of women in the world of work.

The Group also adheres to the **Charter for equal opportunities**, a declaration of intent, voluntarily signed by enterprises of all sizes, to circulate a corporate culture and policies for inclusive human resources that are free from discrimination and prejudice and capable to valorise talent in all its diversity.

Training and seminar interventions are numerous, also thanks to the collaboration with various Associations, in particular: highly qualified mentorship interventions of the cross-company type in order to promote professional growth thereof towards managerial roles and growing responsibilities (in which 4 participants take part every year) and pluralistic management training and skill building interventions to promote topics associated with gender balance.

At the same time, the Company contributes to the realisation of events, testimonials and intercompany round tables concerning diversity management, conciliation and intercompany welfare Lab programmes to develop and share best practices, joining research and surveys on the argument to measure up with other similar sized social realities. Worthy of mention among the initiatives is "**Talent with no age**" directed at favouring the development of age diversity measures in favour of female staff in the over 50 age group - and "**Women at the Top**" aimed at identifying reasons at dynamics at the base of gender inequality in the working world in management positions.

### Poste Italiane and the Bellisario Award



FONDAZIONE MARISA BELLISARIO

Poste Italiane received the "Women Friendly Company" Award, launched by the Fondazione Marisa Bellisario foundation for edition 2017. The objective of this award is to valorise organisations that are outstanding in the field of gender equality, implementing concrete policies and strategies to guarantee men and women equal conditions in work, wages and career.

Poste Italiane also participates in **Network Diversity & Inclusion** promoted by the Chairmen of some large Italian companies, aimed at appreciating the level of seniority reached on the matter by various organisations and identifying best practicing and possible synergies. The network proposed to contribute to the development of common gender diversity projects and the Company joined the "**Women in Motion**", aimed at promoting the study of technical subjects by new generations of female students by means of initiatives of orientation and intercompany community. It also hosted a stretch of the "**Girls in Motion**" orientation path in the Business Control Centre in Rome.

At the same time it proposed that network companies participated in another common project called "**A Women's Network**", to combat gender violence, having possible synergy guidelines consisting in: joining integrated communication and awareness campaigns; paths to autonomy, entry to work and training; tutoring and corporate volunteering models.

## Poste Italiane against violence and gender discrimination

**1522** THE ANTI-VIOLENCE AND STALKING NUMBER

violence, stalking and all other forms of violence and exploitation to the damage of women and minors, including female genital mutilation. The agreement also includes initiatives for the protection of human rights, those of infants and adolescents, as well as initiatives favouring equality between women and men to eliminate all forms of discrimination.

As a first concrete result of such collaboration, Poste Italiane has contributed to freely circulating the knowledge of the public telephone help service number **1522** within the network of Post Offices, as well as the territorial network of anti-violence centres articulated throughout the national territory.

### 1522 National anti-violence and stalking number

This toll free number, both from fixed and mobile networks and active 24 hours a day, is managed by **Telefono Rosa** [pink telephone] with specialised female operators who receive calls for help and support the victims of violence and stalking in Italian, English, French, Spanish and Arabic. The telephone operators dedicated to the service provide a first response to the needs of the victims of gender violence and stalking, offering information useful to directing them to social health services, public and private, present in the country and entered in the official mapping of the Department of Equal Opportunities of the Council Chairmanship. Through its support for victims, **1522** offers full guarantee of anonymity. Cases of violence of an urgent nature fall within a specific technical operational procedure shared with the Police Force. In this context, following the introduction by the Legislator of compensated leave for women who are victims of gender violence, as an active tool to sustain women inserted into protection processes, Poste Italiane proactively circulated knowledge of such institute to all personnel and also acknowledges it in the collective employment contract.



Più forti insieme.

### E-LOVE, multimedia training on gender violence

Reaffirming the attention paid by Poste Italiane to the issue of gender violence, thanks to funding issued by the **Poste Insieme Onlus** foundation, **Telefono Rosa** realised a remote training platform for operators engaged against gender violence which also obtained the patronage of the Department of Equal Opportunities of the Council Chairmanship and the State Police. It is called E-LOVE (E-Learning Operators Violence Effects), the project aimed at social and work related reinsertion of women who have suffered violence, placing the anti-violence centres spread around Italy into the network and connecting them to the public help service **1522** run by Telefono Rosa on behalf of the Department of Equal Opportunities of the Council Chairmanship. A remote training platform of the same name was also established, structured into training modules addressing everyone which explore topics of relevance such as orientation, counselling and actions to combat gender violence. E-LOVE is part of the projects sustained by the Poste Insieme Onlus foundation which have received memberships from the network of volunteers of Poste Italiane comprising Group employees who have freely chosen to join.

### 6.5.2 The valorisation and protection of the disabled

In order to contribute to breaking down physical, sensorial and cultural barriers, the Company realises projects aimed at promoting policies for inclusive valorisation of differences. In this context, especially worthy of mention are:

- “**School Ship**”, a project aimed at improving professional inclusion by means of IT literacy and conduct courses for those with impaired hearing. The applied method involves the construction of in-field experimentation of diversified training actions to be replicated in various districts at national level (behavioural course: individual motivation and conduct dynamics at the workplace to improve communications among colleagues and the boss; IT literacy course).

■ **“Culture and Disability”**, awareness modules activated in 2016 for trainers of the Post, Communications and Logistics (PCL) function to raise awareness of people involved on matters of disability, provide information, knowledge and strategies to overcome “barriers” of various natures and make training courses truly accessible to all. The classroom trainer awareness plan also led to a complete review of didactic material so that it could be used by disabled persons as well, adapting it to their needs and making it simpler and comprehensible.

■ **Summer breaks** are offered to disabled children of Group employees, they last 15 days in accessible structures including an assistant dedicated to each child and costs fully charged to the Company. Families choosing to accompany their children are offered holiday packages at preferential economic conditions. There were 41 participants in 2017 who join the 200 children of employees who took part in the six previous editions.

Furthermore, an agreement stipulated with the **Municipality of Rome** allowed children with cognitive disabilities to complete an apprenticeship at some corporate structures (8 youngsters were able to avail of this opportunity in 2017).

Lastly, it is important to remember that, in compliance with the normative obligations on the matter of placement concerning **disabled workers** pursuant to Law 68/99, an information prospectus presented in January 2017 by Poste Italiane S.p.A. related to 2016. Given the evidence drawn from the presentation of such information prospectus the Company promptly took steps with the Provinces interested in the discovery of disabled persons, stipulating agreements with the latter aimed at the gradual insertion of these resources. The corporate approach, apart from guaranteeing observance of legal provisions on this matter, is based on the valorisation of disabled personnel and related full integration of the latter into the Group's working context.

## The meeting between Poste Italiane and His Holiness Pope Francis

On 18 February 2018 Pope Francis received 400 people between managers and Group personnel at the Clementina Room in the Vatican. “Poste Italiane has not put profit at the forefront but people, albeit following market logic”: the Pope commended the attention the Company pays not only to its customers but also its employees and asked that it would continue to do so, ensuring capillary presence in the territory. The Holy Father focused on 6 main topics pertaining to the Group's work in the community and the nation:

- **“There is availability at the counter”**: conduct which must be concretely adopted by those in contact with the public every day and must respond to requirements with patience and goodwill.
- **“A smile is the bridge of the great”**: the Pope knows that, although it can be hard, it is important during the thousand daily relations one has that a style of availability is preserved. One should learn to act with mercy even in the smallest gestures, to smile instead of sigh, because “a smile is a bridge from heart to heart”.
- **“A company at your service”**: the Pope appreciates the fact that the Company has implemented a corporate strategy at the service of citizens, adopting as its “guideline criterion of strategic choices” the attention to Customers “setting standards to be reached in performance and personalising services, undertaking to train “contact personnel” and interacting with users”.
- **“Attention to families and female workers”**: moreover, Poste Italiane “has always sought to have particular care for female workers and families, representing a sign for each working environment and showing that full respect of workers and their rights is not opposed to gain and efficiency, rather, to the contrary, it increases it”.
- **“Capillary presence in the territory”**: the Pope also asks that the difficult balance between cost containment and competitiveness does not jeopardise “the capillary presence of Post Offices and counters throughout the territory”. Indeed, since its establishment Poste Italiane has kept Italy united by keeping families and faraway places in contact, also influence the economic development of the country.
- **“Environmental protection”**: Lastly, Pope Francis also considered the protection of the natural environment because there can be no real development if nature is perceived as a warehouse full of resources to be consumed.

## 6.5.3 Reconciling working life and private life

The commitment to guaranteeing the wellbeing and development of Group personnel and is expressed in the numerous initiatives conceived by Poste Italiane for its employees, with particular regard to reconciling life at work with private life.

### SUPPORTING MATERNITY AND PATERNITY

With regard to normative treatment related to safeguarding maternity and paternity, the Company guarantees preferential treatment respect to that provided by the law. Indeed, in Poste Italiane, female workers using maternity leave have the right to 100% remuneration for all five months of leave from work compared to paying 80% of the remuneration provided for by the law.

On the matter of parental leave, mothers and fathers are assured that should they so choose, they will receive preferential economic treatment equal to 80% for the first two months against 30% provided by law, limited to the first six years of the child's life.

In addition, if a breastfeeding female worker needs to be near home, the Company may approval requests for temporary assignment in other office within the regions belonging to the areas of competence of the Regional Human Resources structure of reference, possibly in the Municipality of normal residence or neighbouring Municipality, in respect of the organisational requirements and job of the interested person.

In order to favour and sustain active parenting paths for both parents, the Company promotes specific campaigns upon the introduction of normative novelties concerning the protection of maternity and paternity, aimed at updating employees in respect of the measures provided for to protect such right.

Poste Italiane also conceived specific programmes for accompanying future mothers from when they go on leave to when they return to work. **“Maam U – Maternity as a Master”** (with about 370 registrations to the Maam platform) is the programme dedicated to pregnant women that transforms the experience of maternity leave into a moment of growth, also professional, for women. The objective is to turn the traditional view of perceiving maternity as a necessary but difficult absence, a moment of interruption, both for companies and workers, on its head so as to favour the development of active parenting and the inclusion of women in the world of work. In this context, women pass the months of leave as a recognised and appreciated time, also useful for working reasons, during which her skills increased and her identity enriched. This derives from a training course which began in 2015 and is accessed from an IT tool by which once discovers and learns soft skills acquired in the role of a mother (e.g. relational, organisational, creative, etc.) also in the working environment. The plan is also associated to a service called “Engage” to provide an exchange on a voluntary basis between managers and employees on maternity leave by means of a dedicated App, in order to favour and efficient return to work. The plan is supported by a community in which participants exchange experiences, emotions and reflections on the journey and on maternity.

It is also important to cite the **“Parcheggi Rosa”** [pink car parks] initiative, which foresees the temporary assignment of parking spaces to pregnant workers, starting from the seventh month of pregnancy until they begin maternity leave.

**“About 9,100 employees benefitted for preferential treatment during parental leave in 2017, of which more than 6,300 were women (equal to 70%)”**

**“99 new Maam U courses were activated in 2017 and 100 Engage courses”**

## TELEWORKING

Lastly, in response to the growing need for flexibility and reconciliation expressed by the workers, Poste Italiane has progressed with its "Social Inclusion" project for several years, aimed at people with objective needs for car per se (e.g. mothers ante and post-partum, employees resuming service after a long illness, injury or leave, the disabled, etc.) or for their relatives (e.g. employees needing to help elderly parents or children in a certain period of time) who can choose to work from home, guaranteeing one or more office visits per week in the company. It was found in recent years that the experimentation on organisational solutions based on using technologies, such as telework, recorded a positive increase in productivity (+12%) and a reduction in absenteeism (-10%). There were 290 active workstations in 2017.

## CRÈCHES

The crèche service was launched in the seat of Rome, Bologna, and by mutual agreement, Milan (for babies from 3 to 36 months). These structures can host 52 babies at the PosteBimbi è in Rome and 69 at the crèche in Bologna. They are open to both the children of Group employees and children from municipal and third party entity lists on the basis of agreements for supporting collective applications and under conditions of reciprocity.

The third crèche, in Milan, valorises a joint collaboration with another company so as to mutually guarantee the availability of places in the respective crèches in other seats in Italy (8 places reserved for Postitaliane in Tim's "MioNido").

The objective of company crèches is to guarantee employees a flexible educational service, the distinctive characteristics of which are a relational approach by all those involved in the process, values of echo-sustainability and interculturalism (bilingualism) and a constant educational alliance with families so as to favour a structured dialogue, also by means of innovative means of communicating (e.g. seminars supporting parenting).

A contribution by the Company - regulated according to the type of chosen hours and/or income situation of the families, on average equal to 50% of the monthly fee - guarantees facilitated economic conditions of access to the crèche.

## PosteAperte

### POSTEAPERTE

PosteAperte is the annual appointment in which the Company opens its doors to the children of employees. The event involves children from 3 to 10 years old and allows them to visit the place where their parents work and be involved in entertaining activities and recreational laboratories.

The initiative, now on its twelfth edition, valorises a topic of a social and educational level every year, such as healthy eating, respecting the environment, the value of exchange and multiculturalism. The edition 2017, focused on the topic of collaboration, involved 1,100 children in 19 seats at national level.

## STARS OF MERIT

**Distinction** awarded every 1<sup>st</sup> May by the President of the Republic to public or private enterprises having demonstrated special expertise, effort and good moral conduct in the company.

There were 63 awarded employees of Poste Italiane in the eighth edition.

## SUPPORTING STUDY AND EMPLOYMENT FOR EMPLOYEES' CHILDREN

On the matter of culture and instruction, in 2017 Poste Italiane issued 14 annual scholarships and stays overseas, reserved to the worthy children of employees and fully sustained by the Company.

Poste Italiane envisages the activation of a scholastic and professional orientation service reserved to the children of employees, called "**PosteOriente**", having two main targets, teenagers starting from 13 years old (secondary school) and 17-18 year olds (high school). The programme includes specific seminars organised in various corporate seats, as well as the possibility to access a portal through which to navigate more than 300 professions with videos and topical

descriptions, as well as drawing up a statement of skills and abilities, participate in online courses and digital literacy webinar and access opportunities available to enter the world of work. About 500 young people were involved in the 25 seminars at national level in 2017.

Moreover, the Group organised the first **Talent Day** addressing employees' children and young people from other network realities, to help them effectively move closer to the world of work. The day dedicated to young university students and graduates offered an opportunity for learning about active employment search techniques together with Human Resources managers and the possibility to receive support with orientation and keep up with professional activities. 75 youngsters participated at the Rome seat.

#### **Corporate support for employees**

Subsidies constitute the instrument of corporate support for employees in situations of special necessity, caused by serious personal and/or family conditions or consequent to serious events of natural disaster. The interventions issued in 2017 totalled 59 in compliance with the requisites indicated in the specific "Subsidies Guidelines" and related economic frameworks.

### **AGREEMENTS UNDER PREFERENTIAL CONDITIONS REGARDING PRODUCTS/SERVICES**

Furthermore, in 2017 the Company activated 120 agreements and temporary topical campaigns dedicated to the proposal of products and services under preferential conditions, with particular attention to services linked to health and summer camps for young children and teenagers.

## **Healthcare**

In signing the CCNL in 2017, a form of **supplementary healthcare assistance** was established to the benefit of all the employees of the Poste Italiane Group, with costs fully borne by the Company its is "Basic" version only for an employee. Moreover, it is possible to extend this to further healthcare cover in a "Plus" version subject to a fee charged to the employee. Both the "Basic" and "Plus" versions can be extended to the family nucleus against a fee charged to the employee. It shall be possible to avail of doctors/structures of trust or also a network of about 5,000 healthcare structures for the healthcare services.

### **MULTICULTURALISM IN POSTE ITALIANE**

Consistently with the constant attention Poste Italiane pays to the matter of multiculturalism, a course was designed and realised to be circulated in the Company by means of educational snippets for valorising cultural diversity as a factor of personal and working growth and as an opportunity for the company.

## **6.6 The commitment to the health and safety of personnel**



Poste Italiane promotes the psychophysical wellbeing of workers by means of policies and programmes of prevention, information and awareness and adopts all the necessary measures to reduce accidents, injuries at work and professional sickness.

In actual fact, the Company considers the assessment and prevention of work related risks as fundamental principles to which each worker should contribute when performing they daily job. This overall vision translates into a corporate strategy aimed at pursing the highest levels of protection and guarantee for workers by means of planning and implementing all actions directed at ensuring the health and safety of processes and workplaces, in all the phases forming the chain of value.

So as to protect and fully guarantee the health and safety of workers, some Group companies have adopted policies and procedures which guarantee a correct and uniform management of these issues. To be specific, SDA and Poste Italiane S.p.A. implemented an efficient management system for **Health and Safety at the Workplace** (OSH), in conformity with standard BS OHSAS 18001, envisaging the involvement of the central and territorial structures and identifying roles and responsibilities in the fulfilment of requirements. The special attention reserved to protecting health and safety of workers is also expressed in the related policies explaining the objectives the companies intend to pursue in the sector of health and safety at the workplace to safeguard workers, the local community and the environment.

The special attention paid to risk prevention and continuous improvement is described in the Group policy on the matter of health and safety of the workers, defining the key elements of the management system, amongst which:

- The continuous assessment of risks and definition/updating of associated regulations and procedures;
- A guarantee that the innovations, transformations and working processes are always compliant with the objectives of health and safety of the workers;
- Timely adaptation to all normative amendments and updates;
- The identification of roles and responsibilities within the organisation and assignment of resources needed to plan and realise programmes aimed at reaching objectives;
- An efficient and transparent communication that ensures that all information is circulated, useful for the purposes of prevention, including measures of cooperation and coordination with the contractor companies;
- A periodic review of the management system by the top management in order to appraise the correctness and efficacy thereof with a view to continuous improvement.

Starting with the Group policy, each health and safety officer approved the policy for their own production unit, making it available to all the workers.

Furthermore, Poste Italiane has also applied protective tools to means of transport used for Group services:

- Upgrade of the company fleet equipped with the “**Black Box**” system, formed of technological apparatuses which collect data needed to identify the geographic position of the vehicle, detect accidents and reconstruct their dynamics, petrol stops, reading the employee's badge to collect the vehicle and entry and exit to and from the workshop. In particular, by means of this device, in the case of an accident it is possible to contact emergency services and find the vehicle via GPS, guaranteeing more safety for the employee during their journey. This device also monitors due dates for maintenance interventions on the vehicles and to punctually schedule them;
- As regards the normative requirements concerning **Aviation Safety** applied to the **Mistral Air** fleet, Airport Handling Agent Certificate renewal was applied for in 2017, this allows ground mail assistance services to be carried out in sites internal or external to the airport. Such certificate, together with that of the Regulated Agent, allows safety checks to be carried out on goods and mail in order to ensure the safety of person and prevent the perpetration of unlawful acts from on the aircraft.

## 6.6.1 Training, information and control

With a view to alignment with the State-Regions Conference Agreement (SR), as regards safety training, the Company has implemented new educational methods. To be specific, actions of improvement concerned the central roles of the safety organisation, namely managers and supervisors, by means of training interventions assigned to high level lecturers and thanks to innovative management techniques aimed at consolidated the related technical baggage and enhancing the awareness of the role. With reference to persons assigned to the emergency teams, the Company strengthened training, increasing the coverage of the distribution sites to heighten attendance at the courses.

In order to implement effective prevention regarding safety at the workplace, a notable training activity has been foreseen for the three-year period 2018-2020 articulated over internal information channels such as intranet, House organ, mailing, dedicated events (Safety Week) and the introduction of e-learning courses based on interactive learning methods.

Alongside the training activities an information plan was also implemented which focused on consolidating protective measures provided for under the Risk Assessment Document (DVR), channelled through information vademecum addressing the Post, Communications and Logistics and Private Market (PCL and MP), reaching more than 100,000 employees.

Considering the company's attention to the accident phenomenon, particularly sensitive in the delivery sector, as in 2016, the assessment activity took place, entitled "Operational Assessment/Awareness OHS (Occupational Health and Safety)" which involved, apart from the 50 Distribution Centres having the highest accident frequency indicators, also 18 Post Offices, amongst which the main ones by size and number. Technical audits regarding OSH flank this awareness activity, which concern plant/structural aspects at 122 sites, both operational and managerial. In relation to the technical inspections and certifications of the Occupational Health and Safety Management Systems (OHSMS), such Technical Audit activity continued in 2017 with the support of internal personnel, already launched in 2016 with over 576 inspections and analyses performed. In relation to the Safety Management System, in conformity with the international standard, the Annual Audit Plan OHSMS involved 59 sites, amongst which the "Central Structures and their Territorial Dependence" Production Unit which, in 2017, undertook the certification process of the Management System according to international standard BS OHSAS 18001.

During the year, with the participation of all the Company's Production Units, the Enterprise Risk Assessment (ERM method) took place on OSH processes and particularly emphasises the mapping of corporate internal processes related to operational and process risks and governance/compliance transversal to the management of occupational safety in the Company. The results formed the basis for raising suggestions regarding plans of action aimed at the continuous improvement of the OSH service.

## 6.6.2 Safety in figures

Poste Italiane constantly monitors events associated to safety and by implementing increasingly more efficient tools, it brings about actions such as to reduce and prevent the occurrence of incidents.

Compared to 2016, the analysis of the accident phenomenon, in absolute terms, shows a lower number of 203 injuries (-2.84%). The frequency indicator of accidents recorded a 0.31% reduction compared to that recorded in the same period of 2016, similarly to the indicator of severity which fell by 1.67% (changing from 1.20 to 1.18).

### The activities at greatest risk of injury Poste Italiane SpA

The work most subject to accidents is confirmed as that of **delivery** which, alone, represents 72.1% of the total accident events in the period of reference. **Delivery by motorised means** is the activity at greatest risk of accidents at 38.2%. Also assuming significance are events associated to **delivery by foot**, representing 21.9% of the total events. Events associated to **manual and mechanical working** of mail, carried out in the postal sorting centres and Post Offices, contribute to about 12.4% of the phenomenon. In relation to **postal sales and back-shop services**, 12.5% of the total events is recorded. In this activity burglary risk is relevant, with 3.1% of the incidents in Poste Italiane.

**"About 400 thousand hours of training were supplied on health and safety at the workplace during 2017"**

**-203**  
Accidents  
(-2.84% compared to 2016)

**-0.31%**  
Frequency indicator  
compared to 2016

**-1.67%**  
Severity indicator  
compared to 2016



## 6.7 Industrial Relations

Poste Italiane conducts constant discussions with Trade Union Organisations, providing an important contribution to the definition of shared solutions.

### 6.7.1 Aspects of sustainability in agreements with Trade Union Organisations

On 30 November 2017, the renewal of the Collective Labour Agreement was signed with all the Trade Union Organisations for non-management personnel of Poste Italiane with reference to the three-year period 2016-2018.

The renewal is structured into three macro areas: economic treatment, envisaging a comprehensive average monthly increase of 103 Euros pro-capita; the new institutions of corporate welfare, with the introduction of the healthcare fund and the increase of the corporate portion related to supplementary welfare: normative amendments to the protection system provided for workers.

So as to extend protections reserved to workers, also with a view to reconciling time at work and private life, the Contract in force includes the following novelties in favour of employees:

- **Flexible work**, as an instrument of organisational flexibility which allows work to be done in different times and spaces by using technologies whilst observing the assigned objectives. In relation thereto, the Parties committed to meeting within six months to identify the organisational environments and professional profiles of reference;
- Wider protection regarding keeping jobs in the case of **especially serious sickness**, following the extension of the mandatory list shown in the CCNL;
- Increase in “preferential economic treatment” linked to safeguarding **maternity and paternity**;
- Expansion of the percentage of part-time work and granting the right of precedence, in accepting applications for transformation into part-time work for employees in situations of hardship or serious sickness, according to a specific order of priority;
- Possibility to grant **flexible hours** for parents of pupils in the first cycle of education having specific learning disorders (SLD), duly certified, engaged in the assistance of school activities at home. Extension of the **unpaid leave provided for in cases of drug addicts and alcoholics** also to workers diagnosed with pathological addiction to gambling.

Profiles of sustainability are also found in the context of the industrial relations system defined with the renewal of the CCNL; in particular, in the event of significant organisational changes (reorganisation processes and/or corporate restructuring and/or transformation) an adequate informative procedure is foreseen with regard to the decisions and measures the Company intends to adopt should the implementation of organisational changes were to lead to consequences on the social level with repercussions on working conditions (e.g. collective mobility processes) of national importance or involving two or more regions, a specific discussion procedure is also provided for between the Company and national Trade Union Organisations stipulating the CCNL.

### 6.7.1.1 Other agreements with Trade Union Organisations

Apart from those described above, there have been several occasions for debate with Trade Union Organisations. The table below summarises the main agreements in the last two years.

Date and subject of the initiative	Achieved results
<b>27 January 2016 – PCL Delivery Agencies</b>	Agreement on the opportunity of transformation to open-ended basis, under part-time conditions, for a maximum number of 125 fixed term contracts stipulated by application of the reports signed with the Trade Union Organisations between 2013 and 2014. Conversion into open-ended contracts which took place in March 2016 referred to workers in service as at the date of signing the agreement for performing delivery activities at the sites of assignment; such workers had been part-time office workers.
<b>24 February 2016 – PCL Reorganisation 2016 per Poste Italiane S.p.A.</b>	Report concluding the joint examination of reorganisation projects concerning 2016, defined in consistency with the guidelines shared in the agreement of 25 September 2015. The agreement envisaged, starting from 2016, the implementation of new delivery models for large provincial towns and unregulated suburban areas and regulated suburban areas (identified previously in the 2015 agreement). This procedure will favour optimal management of the related occupational repercussions. The agreement identifies over 4 thousand excesses. In confirming the management of the institution of operational flexibility, the Parties also provided for a rise in the monthly and annual limits within which the execution of such flexibility shall be included for postmen/women having weekly hours structured over 5 working days. Lastly, the Company was willing to propose the transformation of the working relationship from part-time to full-time for at least 150 workers, wherever applied, in order to carry out deliveries in the provinces of Milan and Monza Brianza.
<b>14 April 2016 – National Voluntary Mobility for Poste Italiane S.p.A.</b>	An agreement governing the management procedures for voluntary applications for transfer for workers interested in carrying out their jobs in regions other than those of assignment. The agreement, effective for two years (2016 and 2017), confirms socially relevant situations. Indeed, facilitated transfer, already provided for workers suffering from "serious pathologies" expressly indicated under art. 41 of the CCNL or who have cohabiting children or spouse/partner "more uxorio" suffering from the same pathologies, is extended to employees administering life saving treatment or who have children in the conditions qualified as "chronic and disabling" by the Ministry of Health.
<b>14 April 2016 – PCL Part-Time/Full-Time Conversions for Poste Italiane S.p.A.</b>	An agreement which defined the times and criteria for workers to adhere to the proposal for transforming the working relationship from part-time to full-time for at least 150 workers, wherever applied, in order to carry out delivery activities in the provinces of Milan and Monza Brianza.
<b>12 May 2016, 31 May 2016 and 23 June 2016 – Uptime S.p.A.</b>	Agreement to safeguard employment levels after the collective dismissal procedure was opened which concerned all employees by Uptime S.p.A. – an investee of SDA Express Courier S.p.A. – on 31 May 2016. Once dismissal takes place, recourse to social safety nets is envisaged with contextual initiation, by means of an outplacement company identified by Poste Italiane, of the search for occupational alternatives, with full-time open ended employment contracts and consistently with gained professional experience. In relation to workers for whom there is no possibility of reallocation in the employment market over a period of 6 months, Post Italiane shall offer recruitment on a part-time open ended basis within the municipality of Rome.

**Date and subject of the initiative**

**Achieved results**

<b>30 August 2016, 7 September 2016 and 7 November 2016 – Initiatives following the earthquake in Central Italy for Poste Italiane S.p.A. and the companies of the Group Postel S.p.A., Poste Vita S.p.A., Poste Assicura S.p.A., Postetutela S.p.A., EGI S.p.A., BancoPosta Fondi S.p.A. SGR and Poste Mobile S.p.A.</b>	Report concerning initiatives in favour of employees and populations affected by the seismic events which, starting from August 2016, have affected Central Italy. The understandings provide for the possibility to request an advance on severance indemnity in order to deal with any commitments of an economic nature consequent to the earthquake, also confirming the commitment to take account of the days Post Offices were close inasmuch as pertinent to commercial objectives, to temporarily suspend the start of reorganising delivery in municipalities affected by the earthquake and to examine, with particular attention, the matter of individual transfers and temporary applications at other sites. Moreover, it was agreed that the Poste Italiane Group would participate in the initiative launched by Confindustria and CGIL-CISL-UIL regarding the activation of the Solidarity Fund for the Populations of Central Italy, specifically with the establishment of the "Ethical Hour", employees were able to contribute by paying a contributions equal to one hour of their remuneration or one day of their remuneration in the case of management personnel, against which the Company shall donate an equivalent amount.
<b>5 September 2017 – PCL International mail Project CMP Milano Roserio for Poste Italiane S.p.A.</b>	Report concerning the logistic review project for international mail of the CMP Milano Borromeo and Milano Roserio. The agreement defines both the timeframe for the progressive movement of the activities and the management procedures for resources involved in the organisational manoeuvre.
<b>25 October 2017 – Joint examination as per art. 47 Law 428/1990 for Poste Italiane S.p.A. and Postetutela</b>	Report related to the process of merger by incorporation of Postetutela into Poste Italiane.

In observance of the agreements with the Trade Union Organisations, the Proposal for an Agreement to reorganise Delivery activities was signed on 8 February 2018. Such organisational restructuring shall take place during 2018 and 2019. The Parties also defined the procedures for managing occupational excesses originating from the process of reorganisation, excluding recourse to the collective dismissal procedures as per articles 4 and 24 of Law no. 223/91.

The agreement represents one of the main elements enabling the achievement of efficiency provided under **Strategic Plan "Deliver 2022"**, guaranteeing the growth, competitiveness and continuity of the business.

## 6.7.2 The Understanding on the matter of Corporate Social Responsibility (CSR)

In a market scenario continuously more exposed to the challenges of globalisation and competition, Corporate Social Responsibility represents an important element in the development policies of European enterprises, as well as the European model of companies based on knowhow, equal opportunities, quality of life, social inclusion and environmental protection. The importance of the foregoing assumes even more relevance for enterprises which, like Poste Italiane, are called to guarantee local communities, within a market imminently becoming fully deregulated, a service of general economic interest, thereby contributing to the development of the country system.

As early as 2007 Poste Italiane, convinced of the significance of matters concerning Corporate Social Responsibility, has signed an Understanding with the Trade Union Organisations which identifies sharing and circulating tools regarding CSR practices as well as implementing positive actions with reference to the following topical areas:

### ■ **Information and involvement of the employees**

Recognising the strategic value of information for employees, the implementation of systematic actions of information and debates is envisaged by means of, for example, the use of innovative information management strategies that are reliable and transparent, such as the use of advanced technologies facilitating interactions with the recipients and supporting initiatives for meeting (e.g. seminars, conventions, etc.).

The activity also envisages a growing involvement of employees in various organisational sectors in order to valorise the worth of social and professional relations within the complex and articulated reality that is Poste Italiane, by means of promoting exchanges in knowledge between employees in order to create greater awareness of each other's roles.

#### ■ **Values and principles of conduct**

Implementation of specific activities so as to consolidate the sense of belonging, sharing a value component which combines ethics and development to promote conduct and ethical principles with the corporate culture.

#### ■ **Wellbeing of persons and quality of work**

Implementation of management policies for human resources aimed at developing the wellbeing of employees, with particular reference to the personal and professional growth of workers, aimed at improving the environment in which they work and the organisational climate that the Company deems necessary in order to promote increasingly higher levels of service quality.

#### ■ **Employment, policies for young generations and welfare policies**

Active role of promotion of policies to favour employment by means of a risk management system on the matter of occupational structures and in relation to market requirements, it aims at promoting reconciliation between greater flexibility in work and maximising safety at the workplace.

### 6.7.3 Other social dialogue initiatives

At national level, Poste Italiane sealed the formation of joint Company/Union committees regarding issues of relevance also with regard to sustainability, amongst which:

■ **Committee for implementing principles of fair treatment and equal opportunities**, with the objective of implementing and consolidating a culture attentive to diversity, also gender, by means of positive actions aimed at realising examples of good practice in relation to the Group and removing obstacles *de facto* impeding the realisation of equal opportunities". In this context, the Committee shall cover aspect pertaining to integration and inclusion of persons with disabilities as well as those relate to other factors of discrimination.

■ **Bilateral Body for Training and Professional Requalification**, through which the Parties jointly promote activities on the matter of training and professional requalification, concerning both the provisions of the Consolidated Act on the matter of occupational health and safety and with reference to any processes of reorganisation and/or restructuring and/or corporate transformation, or the introduction of technological innovations.

■ **Joint Organisation for Occupational Health and Safety**, having the purpose of "implementing measures aimed at promoting the improvement of health and safety of the workers".

The activity of the **Bilateral Body for Training and Professional Requalification** continued in 2017 which, by means of technical in-depth examination works, supported the preparation, presentation and activation of several projects, as well as the subscription of agreements which allowed the Company to access loans issued by Fondimpresa. The activity of the National Joint Organisation for occupational health and safety also continued, with regard to a uniform and correct application of orientations concerning safety and health of workers, with particular regard to issues concerning the new criteria of assessing risk of work-related stress.

The "**Training, Health & Safety**" workgroup of the **Social Dialogue Committee for the European postal sector** presided over by Poste Italiane, continued, during 2017, the implementation of the "**Promoting Social Dialogue in the postal sector in an enlarged Europe**" project., funded by the European Commission. This initiative aims to circulate awareness of the European social dialogue at postal companies and European Trade Union Organisations, as well as analyse the impact of digitalisation in the postal sector, with particular reference to training and requalification programmes. To this end, the first of three international seminars planned by the project took place in Prague from 21 to 22 September 2017, with the participation of Poste Italiane.

## 6.7.4 Work Disputes

In this context, the function engaged with Work Disputes ensure constant support for the Human Resources Management structures, both at central and district level, having the objective of identifying solutions allowing the phenomenon to be resized and consequently reduce the total number of disputes.

In comprehensive terms and with reference to the Poste Italiane Group, a slight increase in disputes was recorded in 2017 compared to the same period in 2016 (increased from 1,085 to 1,195).

The increase of about 15.6% is focussed on the dispute regarding the “establishment of the working relationship” (e.g. Fixed Term Contracts - CTD; Temporary Work: agency supply contracts) which changed from 123 cases in 2016 to 133 cases in 2017 and regarding cases related to “fulfilling the working relationship” (e.g. superior tasks transfers/mobility; conservative disciplinary sanctions; demotion; etc) which changed from 793 cases in 2016 to 926 cases in 2017. Whereas there was a fall in cases regarding “termination of the working relationship” (e.g. disciplinary dismissal; dismissal for exceeding the extension period) which changed from 169 in 2016 to 133 in 2017.

With specific reference to the Parent Company, Poste Italiane S.p.A., the disputes in which represent about 97% of the total, it is pointed out that regarding “establishment of the working relationship” disputes in 2017 totalled 90 (there were 73 in 2016) of which 80 CTD litigations and none for Temporary Work. Following the drainage initiatives brought about in previous years, such cases reduced considerably, settling on physiological values. The rate of lost cases regarding CTD was found to be about 10%; those on the issue of Temporary Work about 44%. Moving on instead to typologies concerning “termination of the working relationship”, there were 134 disputes (those for the same period of 2016 counted 165), of which 108 for disciplinary dismissal, having a rate of lost cases of about 18%. Lastly, on the matter of “fulfilling the working relationship”, we divulge that disputes brought about in 2017 were found to have grown, reaching 920 (compared to 764 in 2016), of which 521 for conservative disciplinary sanctions and 156 for transfers/mobility. The rate of lost cases in 2017 regarding conservative sanctions was 38% whereas for cases having secondment as subject matter were around 37%.

These last issues, moreover, are the same that are mainly connoting pre-disputes occurring in such years.

## 6.8 Performance indicators (KPI – GRI Standards)

### Composition of staff

Permanent staff	U.m.	Number of employees <sup>1</sup>			
		Average		31.12.2016	31.12.2017
		2016	2017		
Managers	N°	773	732	748	699
Executives	N°	16,113	15,859	15,807	15,481
Office workers	N°	119,772	114,767	115,947	111,251
of which operational areas	N°	118,720	114,007	115,035	110,607
of which basic areas	N°	1,052	760	912	644
<b>Total units on an open-ended basis</b>	<b>N°</b>	<b>136,658</b>	<b>131,358</b>	<b>132,502</b>	<b>127,431</b>
Apprenticeship contracts	N°	32	12	23	4
<b>Total</b>	<b>N°</b>	<b>136,690</b>	<b>131,370</b>	<b>132,525</b>	<b>127,435</b>
<b>Flexible staff</b>					
Agency contracts	N°	11	27	3	50
Fixed term contracts	N°	4,545	6,643	4,211	9,070
<b>Total</b>	<b>N°</b>	<b>4,556</b>	<b>6,670</b>	<b>4,214</b>	<b>9,120</b>
<b>Total permanent and flexible staff</b>	<b>N°</b>	<b>141,246</b>	<b>138,040</b>	<b>136,739</b>	<b>136,555</b>

1. Data expressed as Full Time Equivalent (FTE).

### [GRI 102-8] Number of employees by contract type and gender<sup>1</sup>

Employment type	U.m.	2016			2017		
		Men	Women	Total	Men	Women	Total
Permanent <sup>2</sup>	N°	61,916	70,609	132,525	58,812	68,623	127,435
Flexible <sup>3</sup>	N°	2,539	1,675	4,214	5,436	3,684	9,120
<b>Totale</b>	<b>N°</b>	<b>64,455</b>	<b>72,284</b>	<b>136,739</b>	<b>64,248</b>	<b>72,307</b>	<b>136,555</b>

1. Data expressed as Full Time Equivalent(FTE).

2. Includes employees on an open-ended contract and apprentice contracts.

3. Includes employees on a fixed term contract and agency supply contracts.

### [GRI 102-8] Number of employees by job type and gender<sup>1</sup>

Job type	U.m.	2016			2017		
		Men	Women	Total	Men	Women	Total
Full-time	N°	62,686	68,102	130,788	62,557	68,256	130,813
Part-time	N°	3,280	7,084	10,364	3,133	6,828	9,961
<b>Total</b>	<b>N°</b>	<b>65,966</b>	<b>75,186</b>	<b>141,152</b>	<b>65,690</b>	<b>75,084</b>	<b>140,774</b>

1. The data refer to the headcount as at 31/12.

### Distribution of employees by educational qualification

	U.m.	2016	2017
Degree	%	11.7	12.2
Diploma	%	70.6	70.8
Secondary school certificate	%	17.5	16.8
Primary school certificate	%	0.2	0.2
<b>Total</b>	<b>%</b>	<b>100</b>	<b>100</b>

### [GRI 403-2] Data related to injuries<sup>1</sup>

	U.m.	Men	Women	Total	Men	Women	Total
Number of injuries	N°	3,515	3,631	7,146	3,455	3,488	6,943
Number of deaths at work	N°	1	-	1	1	2	3
Cases of professional sick-ness	N°	9	12	21	14	10	24

1. Accidents during travel are not included. The number of accidents and injury indices include data from Mistral Air S.r.l, regarding which only cases of professional sickness are shown.

	U.m.	2016	2017
Frequency rate <sup>1</sup>	%	35.07	34.96
Severity rate <sup>2</sup>	%	1.20	1.18
Frequency rate of professional sicknesses <sup>3</sup>	%	0.10	0.12

1. Number of accidents/hours worked x 1.000.000.

2. Number of days of absence due to injury/hours worked x 1.000.

3. Number of professional sickness/hours worked x 1.000.000.

### [GRI 403-2] Number of accidents by type

	U.m.	2016	2017
Fall from a motorised means	N°	1,705	1,760
Incident with a company means	N°	844	733
Hit by a car	N°	28	30
Incident with private means	N°	47	63
Fall and/or awkward movement	N°	2,117	2,182
Aggression	N°	539	544
Manual movement of loads	N°	376	320
Theft	N°	337	216
Crushing/contusion	N°	953	867
Other causes	N°	200	228
<b>Total</b>	<b>N°</b>	<b>7,146</b>	<b>6,943</b>

### [GRI 404-1] Average hours of training by gender and office

Category	U.m.	2016			2017		
		Men	Women	Total	Men	Women	Total
Managers	N° average hours	30	36	32	27	29	28
Executives	N° average hours	40	45	42	52	64	57
Office workers	N° average hours	17	21	19	21	27	24

### Hours by type of training

Type of training	U.m.	2016	2017
Managerial	N°	83,600	42,000
Technical specialist	N°	1,262,000	1,452,000
Compliance	N°	1,610,500	2,360,000
<b>Total</b>	<b>N°</b>	<b>2,956,100</b>	<b>3,854,000</b>

### [GRI 404-3] Employees divided by office receiving performance assessments

Office	U.m.	2016	2017
Managers	%	84	98
Executives	%	93	100
Office workers	%	90	99
<b>Total</b>	<b>%</b>	<b>90</b>	<b>99</b>

### Number of participants in the development programmes

	U.m.	2016	2017
Development of young talent (POP)	N°	356	299
Valorisation of executives under development (MLAB)	N°	132	160
Assessment of Managers' potential (Leadership assessment)	N°	43	18
Skills Assessment <sup>1</sup>	N°	n.a.	468
<b>Total</b>	<b>N°</b>	<b>531</b>	<b>945</b>

1. Programme introduced in 2017.

### [405-1] Occupational classification of employees by gender and age group<sup>1</sup>

	U.m.	2016			2017		
		Men	Women	Total	Men	Women	Total
<b>Managers</b>	<b>N°</b>	<b>565</b>	<b>189</b>	<b>754</b>	<b>527</b>	<b>182</b>	<b>709</b>
< 30 years	%	-	-	-	-	-	-
30-50	%	38.6	40.2	39.0	35.3	37.4	35.8
> 50 years	%	61.4	59.8	61.0	64.7	62.6	64.2
<b>Executives</b>	<b>N°</b>	<b>8,608</b>	<b>7,210</b>	<b>15,819</b>	<b>8,381</b>	<b>7,109</b>	<b>15,490</b>
< 30 years	%	0.2	0.2	0.2	0.3	0.2	0.3
30-50	%	36.4	37.9	37.1	37.0	38.8	37.9
> 50 years	%	63.4	61.9	62.7	62.7	61.0	61.9
<b>Office workers</b>	<b>N°</b>	<b>55,282</b>	<b>64,884</b>	<b>120,166</b>	<b>55,340</b>	<b>65,016</b>	<b>120,356</b>
< 30 years	%	5.9	3.6	4.7	7.9	4.5	6.1
30-50	%	40.3	48.0	44.4	41.2	47.2	44.4
> 50 years	%	53.8	48.4	50.9	50.9	48.3	49.5

1. Data expressed as Full Time Equivalent (FTE).

## Disputes

	U.m.	2016	2017
Disputes with employees	N°	13	23

# Proximity



## 7. Local Community and Territory

In line with its territorial capillarity and service mission, Poste Italiane orientates its business strategies through a structured and transparent dialogue with its stakeholders, accompanying local communities in the processes of modernisation and digitalisation in progress and contributing to the processes of development and social cohesion in the country.



### 7.1 Social-economic inclusion



In recent years Poste Italiane has developed and managed a set of initiatives aimed at promoting economic solidarity, social inclusion and cultural integration.

#### 7.1.1 The Purchases, SIA and REI Cards

Following the award of a tender procedure in 2017, Poste Italiane continues to manage the integrated service related to the Purchases Card and the SIA (Support for Active Inclusion) Card, expanded with the REI Card (Inclusion Income)<sup>16</sup>.

Indeed, during the year Poste Italiane stipulated a contract with the Ministry of the Economy and Finance to issue the Purchases Card with a new programme: "Inclusion Income" (REI). Applications from citizens to join the REI programme began on 1<sup>st</sup> December 2017 (at the Municipality of residence) however the launch of the new REI programme (which replaced the SIA) took place on 1<sup>st</sup> January 2018. Therefore, from this date two initiatives are in progress on the Purchases Card, the ordinary process and that associated to the REI programme.

16. The Purchases Card [Carta Acquisti] was introduced with Law Decree 112 of 25 June 2008, converted into law 113 of 6 August 2008. The SIA Card was introduced with Law Decree 5 of 9 February 2012, converted with amendments by law 35 of 4 April 2012. The REI Card was introduced with Legislative Decree 147 of 15 September 2017 (bearing provisions for the introduction of a national measure to combat poverty).

These are electronic payment cards of the Ministry of the Economy and Finance issued by Poste Italiane (service provider) which can be topped up by the State (Ministry of the Economy and Finance) by means of credit flows ordered by the INPS (implementer). The service envisaged the issue of a different economic benefit by type of card.

The cards can be issued in exercises enabled for the Mastercard services to carry out purchases (food stores, chemists and parapharmacies) and at Post Offices to pay electricity and gas bills. They work like a normal electronic payment card.

It is possible to withdraw cash within a limit of 240 Euros a month using SIA and REI Cards, at Postamat ATMs and bank ATMs in Italy.

All those over 65 years old or parents of a child under 3 years old can benefit from the Purchases Card, providing they meet the requirements established by Law Decree 112 of 25 June 2008. With a benefit equal to 40 Euros per month, the Card is automatically topped up every two months with 80 Euros and can be applied for at authorised Post Offices.

With reference, on the other hand, to the SIA Card, families in economic difficult can use it provided they meet the requirements provided under the normative of reference of Support for Active Inclusion (SIA\_). The monthly value of the credit contribution to the card - subject to verification of the requisites by the INPS and Municipalities - can ranged from 80 Euros to 400 Euros, according to the number of members in the family nucleus. The Benefit last for a maximum of 12 months. The Card is topped up every two months and can be applied for from Town Halls: from 1st November 2017 applications could no longer be submitted. Recipients also meeting the requirements for accessing Inclusion Income (REI) can ask to change the SIA into REI. In any case, the use of the higher benefit is only foreseen for the maximum duration foreseen for the SIA (12 months). If the change is made from SIA to REI, the maximum duration of the REI (18 months) is reduced by the number of months in which the SIA was received. To the contrary, SIA users not wishing to change to REI can in any case request access to the REI upon expiry of the SIA, provided they meet the due requirements. In this case if the SIA has been fully used, the REI shall last for a maximum of 6 months in order to ensure a comprehensive cover of the benefit (SIA+REI) equal to 18 months. If instead the SIA has been used for duration shorter than 12 months, the maximum duration of the REI (18 months) is reduced by the number of months in which the SIA was received.

Legislative Decree 147/2017 defines the requirements of residence and permit, family, economic and compatibility according to which the advantages of the REI Card can be enjoyed. Keeping the benefit is subject to singing a personalised social and working activation project with one's municipality or territorial district, by which the family undertakes to carry out certain activities (e.g. contact with services, actively looking for work, joining training projects, scholastic attendance and commitment, prevention and protection of health, etc.) having the objective of overcoming the condition of poverty and gradually regaining their independence. The maximum monthly benefit - subject to verification by the INPS and Municipalities - can range from 187.50 Euros to 485.40 Euros, according to the number of members in the family nucleus. The benefit is granted for a maximum period of 18 months and, where necessary, can be renewed for another 12 months. In this case the request for renewal may be forwarded no earlier than 6 months from the issue of the last monthly payment. The Card is topped up every month and can be applied for from Town Halls.

## 7.1.2 Sportello Amico [friendly counter]

Poste Italiane has proposed its Sportello Amico initiative to citizens for some years: an “advanced counter” offering the possibility, regardless of their location, to avail of the same services offered by district offices of the Public Administration (PA). The capillary network of Sportello Amico Post Offices - equal to 5,734 counters (45% of the total), identified by a specific logo and dedicated web platform - are an example of Poste Italiane's ability to support the evolutionary process of the PA and meet the requirements of citizens.

To date, the active services include:

- Payment of healthcare tickets on behalf of the related member structures;
- Print of record certificates on behalf of member Municipalities;
- Issue of land registry searches;
- ELI: Issue/renewal of residence permits/papers.



## 7.1.3 Multi-ethnic Post Offices

The attention paid by Poste Italiane to the evolution of the social context translates into the realisation of multi-ethnic Post Offices proposing to contribute to social and cultural integration processes of foreign citizens regularly staying in Italy, offering them a dedicated channel of access, by means of overcoming the language barrier and offering specific products and services.

Located in districts with a high rate of foreign residents or areas with higher traffic of people (for example railway stations), the Offices were developed according to two different models based on the specific requirements of the territory: **mono-ethnic**, a reference point in centres and districts with a strong concentration of single communities (for example the 4 Post Offices in Prato with Chinese ethnicity and the Office at Foggia Centro with African ethnicity) and **multi-ethnic**, meeting point for the major ethnicities present in an area/city of reference (for example, Milan, Turin and Rome).

In support of the operators, an ad hoc outfitting was created using all the advertising and communication material translated into the various languages of the identified target clientele.

27 multi-ethnic offices were launched in 2014-2017, spread throughout the national territory; in particular, in 2017 four more were activated. This particular network of Post Offices recorded more than 3.3 million visits from customers in 2017 (+20% compared to 2016) and completed over 5.5 million transactions in one year (+2% compared to 2016).

**27**  
Multi-ethnic post offices activated in 2014-2017

**“The objective is to propose Poste Italiane as a sole interlocutor, able to meet the various needs of its target customers in a simple and integrated manner, valorising corporate assets: Territorial capillarity, proximity of the brand and breadth of the offer”**

### 7.1.3.1 Poste People: “a magazine for new Italians”

The initiative “Poste People – The world within reach of new Italians” originates from the collaboration with Consumer Associations to provide an overview of all the products and services that Poste Italiane offers to consumers in general and, in particular, to so-called “new Italians”.

The magazine tells some stories, starting inside multi-ethnic Post Offices having Poste Italiane employees and foreign customers as the protagonists.

The publication, distributed in 60 thousand copies in all the multi-ethnic Offices spread around the nation, was realised in Italian and English and is also available in Arabic, Chinese, Philippine, French, Polish, Spanish and Ukrainian, thanks to a QR code on its cover. An electronic format of the magazine is also foreseen in the Company website.

11 presentation meetings were organised in as many Italian cities – Bari, Naples, Ancona, Modena, Milan, Padua, Palermo, Genoa, Turin, Florence and Prato – attended by the local representatives of the Consumers' Associations.

**“Welcome, integration, proximity and dialogue are the key words to simply and comprehensibly explain all the services and products which most meet the needs of this particular customer base”**

## **Poste Italiane in Termini, the multi-ethnic Office that speaks all the languages of the world**

The Post Office in Via Marsala, in Rome is an “out of the ordinary” office: it was the first multi-ethnic Post Office in Italy. Not by chance, this office was created inside Termini Station (crossed by thousands of tourists every day) and just a few hundred metres from Esquilino, a borough that has recorded the highest concentrations of foreign residents in Rome for decades.

There are two foreign operators in the staffing structure at via Marsala (Chinese and Rumanian), a mother tongue operator (Egyptian), four Italians who speak English, French and Spanish, a Philippine financial advisor and an English mother tongue specialist in VAT numbers, coordinated by a Rumanian female director and a Philippine make deputy director.

Everything is multilingual here: from notices to forms to the web TV circuit fully subtitled in the various languages. Suffice to go to the classic yellow box which electronically manages shift operations to realise that Poste Customers in via Marsala not only select the type of operation to be executed but also choose which language to proceed with the service. And at its 7 counters it is also possible to request record certificates and all the documents required for applications or renewing residence permits.

### **7.1.4 Post Offices with LIS [italian sign language] operations and ATMs for the blind and partially sighted**

Poste Italiane is always closer to its customer's needs. In order to facilitate operations for people affected by deafness, three Post Offices (Genova Centro, Venezia 4 and Palermo Ausonia) were involved in an experimentation and four resources engaged (three at the counter and one in the consultancy room) able to communicate in the Italian sign language (LIS). Their presence is notified by a notice displayed next to the queue operator or in any case on a clearly visible stand, to anyone entering the Post Office, with an indication of the resource to ask for.

The objective is to eliminate architectonic and instrumental barriers by using systems and technologies able to offer equal opportunities of access for disabled people too. An example is given by using ATMs equipped by contrast screens and a headphone jack for the blind and partially sighted. In particular, the system guides customer navigations by means of a set of high contrast graphic maps which can be activated by pressing key five on the numeric keypad having a raised direction dot. Users can guide the entire operation by using the numeric keypad and two of the side buttons for the “CANCEL” and “CONFIRM” functions. 100% of Poste Italiane ATMs are equipped with keys for the blind and partially sighted.

Blind customers can also count on the help of a complete voice guide available by using headphones to be inserted in the dedicated jack on 5,847 ATMs. Withdrawal is available from all 7,257 Poste Italiane ATMs and also a list of movement for the partially sighted as from December 2017.

**“The attention to disabled customers is an important value for Poste Italiane which is also translated into the design and realisation of new generation Post Offices”**

**100 %**  
ATMs have keypads for the partially sighted of which

**81 %**  
with a voice guide for the blind

## 7.2 Collaboration with the Public Administration



### 7.2.1 Main agreements with Ministries

#### THE MINISTRY OF THE INTERIOR AND SUPPORT FOR TRAFFIC POLICE

Poste Italiane supports Traffic Police in managing the entire sanctionatory process related to violations originating from automatic detection systems. The Company makes a platform available and supports the Administration by guaranteeing:

- Full digitalisation of all incoming documents;
- Reduced times in processing records and replying to appeals.

The CNAI (National Violation Assessment Centre) managing 1,200 documents per day on average, 60% of which on paper and 40% via PEC, amounting to an annual total of more than 700,000 reports, with annual revenue of about 2.5 million Euros. The service is currently supplied on an extension basis.

**“Its capillary presence in the territory, wide experience and technological assets make Poste Italiane a reference point for competitiveness in the nation and a natural partner of the Public Administration in the development of services to the citizens.”**

over  
**700** thousand  
 reports managed  
 annually

#### THE MINISTRY OF THE INTERIOR AND RESIDENCE PERMITS

Since 2006 Poste Italiane has overseen the management, at the network of Sportello Amico Post Offices, of paper documents requesting/releasing the Electronic Residence Permit (PSE). Applications, accepted at the counter, are then sent to the Company's Administrative Services Centres (CSA) which carries out full dematerialisation thereof and transmission, through computer flows, to the competent police headquarters. More than 900 thousand documents are managed at the counter per annum; over 894 thousand applications were managed digitally in 2017.

around  
**894** thousand  
 applications  
 managed in 2017

#### THE MINISTRY OF TRANSPORT AND PRINTING/DELIVERY OF DRIVING LICENSES

In 2012 the Ministry of Infrastructures and Transport ordered the award of the tender to assign centralised printing services and consignment/delivery of driving licences in favour of the Temporary Association of Companies (RTI) Poste Italiane S.p.A. (agent), Postecom S.p.A., Dedem Automatica S.r.l. and Muhlbauer ID Services GmbH, which was followed, on 6 December 2012, by the establishment of **Patenti- ViaPoste ScpA**. The “centralised printing and consignment of driving licences” project has the objective of simplifying and standardising licence printing services which were mainly carried out at all the Civil Motoring Offices in the past, at the same time facilitating delivery of such driving licences to their holders. This is an integrated process between the printing and delivery activity of an identification documents by means of a postal product (licence mail), payment of which is reconciled on delivery, contemporarily guaranteeing the accounting of payments of the Transport Department's (DT) fees associated to duplicate licences due to loss, theft or destruction.

over  
**7** million  
 Applications  
 managed in 2017

The service, which was launched in July 2013, concerned printing/delivery of driving licences at the Civil Motoring Offices (UMC) and printing/delivery of duplicate licences due to theft/loss/destruction to citizens. Since January 2014, **PatentiViaPoste** initiated the centralised printing and consignment/delivery to citizens also with regard to renewed licence validity which represent the predominant volume of the Company's production. In March 2014 it also began the supply of the additional centralised printing and forwarding service for duplicate road tax cards due to damage/loss/theft/destruction.

## **THE MINISTRY OF THE ECONOMY AND FINANCE AND THE PURCHASES CARD SIA/REI CARD**

As already stated in section 7.1.1, Poste Italiane stipulated a contract following the award of a tender (6 September 2017 - 5 September 2020) in its capacity as Agent of the RTI Poste - Postel, with the Ministry of Economy and Finance for the integrated management service of the Purchases Card and the SIA Card.

The single national measure for combating poverty REI (Inclusion Income) was issued in October 2017, providing for, as from 1st December 2017, the possibility to apply for an REI Card REI (whereas it was no longer possible to apply for the SIA Card as from 1<sup>st</sup> November 2017).

The REI benefit can be claimed, with the issue of the REI Card, as from 1<sup>st</sup> January 2018.

The integrated management service envisages the issue of a (prepaid) electronic payment card onto which an economic contribution is loaded in support of categories of citizens under economic hardship who have proven possession of the requisites established by the reference normative for the type of card.

The main services offered are:

- Collection and digitalisation of applications solely for the Purchases Card;
- Issue and distribution of the cards;
- Periodic top up of contributions on active/issued cards;
- Issue of the cards in the network of authorised Post Offices;
- Replacement of the cards in the event of theft/loss/destruction;
- Accounting services;
- Form printing (only Purchases Card) and of information material;
- Telephone assistance services (IVR - Interactive Voice Response);
- Automatic message sending services (SMS) for each completed transaction and the balance and remaining credit on the card;
- Telematic portal to obtain information.

## **THE MINISTRY OF EDUCATION, UNIVERSITIES AND RESEARCH AND SCHOOL- WORK ALTERNATION**

Poste Italiane is part of the "Champions of Alternation" project of the MIUR which involves large Italian and multinational companies. Post Italiane signed a specific Understanding on the matter with the Ministry of Education, Universities and Research, identifying seven school-work alternation paths, grouped in five areas (retail customer and large companies marketing, logistics and delivery, managerial functions, financial education, customer experience) which may involve, as from scholastic year 2017/2018, up to 1,000 students in 111 cities.

**"In 2017**

**PatentiViaPoste printed 7,265,655 driving licences, of which 5,819,648 delivered to citizens"**

**"About 1,000,000 SIA/REI cards were active at 31<sup>st</sup> December 2017"**

## 7.2.2 Main agreements with Local Authorities

### REGION OF PIEDMONT AND ANCI PIEMONTE - MEMORANDUM OF UNDERSTANDING WITH POSTE ITALIANE

The initiative created between Poste Italiane, the Region of Piedmont and the National Association of Italian Municipalities (ANCI) Piedmont, is aimed at valorising Post Offices as structures of proximity at the service of users, with particular reference to the territorial areas having low residential density.

The Parties formed a work group aimed at making the Post Office multifunctional, which services connected to mobility (for example subscriptions, parking, tickets, car tax, fines, etc.) and health (for example to pay for tickets, book visits, collect medical reports) as well as other projects for improving the quality of services offered to citizens.

Two projects are currently being studied with various municipal realities of the Region of Piedmont, having as subject matter:

- Literacy in using digital technologies. By means of organising training courses in computer classes in scholastic institutes of the district, the aim is to favour the active life of senior citizens, gradually bridging the digital divide and transferring knowledge about using computers and digital identity;
- The delivery of drugs to the home by means of a delivery product observing the technical specifications for medicine consignment, to be identified with the district pharmacies.

### THE AUTONOMOUS PROVINCE OF BOLZANO AND THE AGREEMENT WITH POSTE ITALIANE

The Agreement, stipulated between Poste Italiane and the autonomous province of Bolzano, governs the assumption of charges for the universal service borne by such province and regulates additional public service obligations charged to Poste Italiane which are aimed at integrating the universal postal service in the provincial area.

In the context of the project, certain concrete implementary measures of sustainability are under assessment, such as introducing ecological means for the delivery services and IT literacy for the population.

### The call centre Memorandum

Signed in May 2017 at Palazzo Chigi – in the presence of the President of the Council and the Ministry of Economic Development - was the Memorandum of Understanding regarding call centres which defines social and commercial best practices for managing direct or indirect customer contact services.

The Memorandum, lasting 18 months and subject to annual verification, binds the 13 signee companies to limit outsourcing outside of the Italian territory, guaranteeing that 95% of the activities carried out directly are performed in Italy within 6 months of the stipulation and with reference to new contacts, at least 80% of the volumes under outsourcing is carried out in Italy.

## 7.3 Poste Italiane 2.0

In a constantly changing economy, the evolution of internet, explosion of social media, reduced traditional means of communication, together with the changed behaviour of consumers, have all played a decisive role in the emergence of a new system of values. Digital technology allows content to be created and published, to be quickly and simply accessed and used; consequently more news, opinions and information are available from the consumer's viewpoint compared to the past.



**“Poste Italiane has decided to align itself to the new lifestyles, by becoming increasingly more technological”**

### 7.3.1 Free Wi-Fi in Post Offices

With the free Wi-Fi project in Post Offices, Poste Italiane testifies its commitment to promoting the development of a widespread digital culture, effectively bringing people closer to technology, especially the weaker groups, and allowing everyone to take advantage of these opportunities.

To use the services in all Post Offices equipped with Wi-Fi – today amounting to 4,119 (32% of the total), of which 895 activated in 2017 - the Customer can access tablets or PC with their smartphone by means of one sole registration. Simultaneous use of up to three mobile devices is possible for each registration and each user can connect for a maximum of three comprehensive hours per day. Moreover, by way of user protection, in the case of service revocation data are eliminated by the systems.

**“The Post Office is changing and from a place of service and aggregation it is also becoming a place to access the network”**

**4,119**

Post Offices  
with Wi-Fi  
Service

### 7.3.2 Poste Italiane and the social media

Poste Italiane is open to the world of social media with the objective of developing a constantly more transparent, fast and direct communication.

Given its presence in the most important and visited social platforms - Facebook, Twitter, LinkedIn and YouTube – the Company proposes to build a collaborative relationship with users, providing information and support in real time by means of web 2.0 channels.

<p><b>TWITTER</b></p> 	<p>Poste Italiane created three official profiles on <b>Twitter</b> social media:  <b>PosteNews</b>, dedicated to providing news, updates and notifications about the Company, on products and services and national and district events;  <b>PosteSpedizioni</b>, dedicated to support with postal products and services and logistics, both traditional and online;  <b>WebPoste</b>, dedicated to technical support for private parties to register at poste.it to access online services.</p>
<p><b>FACEBOOK</b></p> 	<p>Poste Italiane is present on <b>Facebook</b> through two official pages:  <b>Poste Italiane</b>, a page dedicated to news on the Company and its initiatives, stories from the past and tales about the territory which communicate the values of its roots and proximity in the nation;  <b>Postepay</b>, a page dedicated to the world of prepaid cards. A space dedicated to youngsters and their arguments of interest.</p>
<p><b>LINKEDIN</b></p> 	<p>The official channel of Poste Italiane of <b>LinkedIn</b> flanks the section dedicated to recruiting: an editorial container communicating the main news on the Company and its initiatives, with particular attention to matters of innovation and Corporate Social Responsibility.</p>
<p><b>YOUTUBE</b></p> 	<p>It is also possible to find a Poste Italiane official video channel on <b>Youtube</b> which traces the history of the Company by means of material collected from the historical and multimedia Company archive, up to the most recent initiatives of institutional and product related communication.</p>

## PostepaySound

PostepaySound represents the community of Postepay customers who are music lovers and Poste Italiane offers them the possibility to live unique, free experiences with exclusive advantages. With the Postepay-Sound initiatives customers are offered the possibility of free use or with exclusive advantages, of content or experiences associated to the world of music.

In 2012-2017 PostepaySound initiatives included more than 1,200,000 spectators, thanks to partnerships with festivals and the most important summer events at national level, offering discounted tickets and fast track priority entries. An involvement which continued in 2017 also at digital level with exclusive content freely given (live streaming concerts on the Postepay site and the Postpay Facebook page). There was huge public response with average reach of 400 thousand people per event. In particular, the Afterhours concert on 27 July during the Postepay Rock event in Rome was the pilot concert transmitted through the new live streaming function. The video generated 154 thousand views (compared to an average of 10 thousand view on Youtube) and 25,864 interactions among users (shares, comments, likes) making the Postepay page go viral on the web.

### 7.3.3 Project “Nonni in rete. Tutti giovani alle Poste”

Following the success of the first edition in scholastic year 2015-2016, the second edition of “Nonni in Rete. Tutti giovani alle Poste” [Grandparents in the network. All youngsters to Poste” took place from October 2016 to May 2017. The project represented a privileged opportunity of discovery and meeting between different generations.

In the classrooms of Italian schools 400 digital natives and as many citizens over 65 worked together under the supervision of coordinating supervisors, in order to promote digital literacy, stimulate access to digital services, improve digital skills and also promote volunteering and civil engagement.



## 7.4 The Company's commitment through the Foundation



### 7.4.1 Poste Insieme Onlus and its mission

Poste Insieme Onlus was created on 16 April 2015 the intention of Poste Italiane to promote an organic institutional presence supporting policies of social inclusion and solidarity.

The choice of building a participation foundation - to which all the subsidiaries of the Parent Company are members - derives from the intent to optimise the use of corporate resources intended for social activities, thus avoiding duplications and fragmented interventions.

Poste Insieme Onlus focuses its activity on well structured initiatives and projects, which bring benefits to the community and, in particular, to all those categories of people living in situations of hardship due to their physical, mental conditions and family, ethnical and social situations. Exclusively setting itself purposes of social use and solidarity, the mission of Poste Insieme Onlus is to operate in the sector of social and social-healthcare assistance, charity, education and amateur sports. In particular, the foundation supports projects and initiatives aimed at protecting the civil rights of disadvantaged subjects, with particular reference to infants, young people, families, equal opportunities, the disabled and the elderly.

This confirms the attention that has always been paid to meeting the most special needs of its clientele, guaranteeing, thanks to its capillary presence in the land, the ability to be present, if necessary, with interventions of a purely social nature.

### 7.4.2 Activities and initiatives

The operations of Poste Insieme Onlus are extended to the entire national territory and structured into activities and initiatives promoted and realised directly, also in collaboration, association and participation with other institutions or through free issue of cash supporting specific projects of use and social solidarity consistent with its own statutory purposes. The latter are proposed by public and private legal subjects on a no profit basis, operating in the Foundation's sector of intervention.

#### **Areas of intervention:**

- Social and social-healthcare assistance
- Education and instruction
- Amateur sports
- Protection of civil rights

**“The Poste Insieme Onlus foundation received the 9<sup>th</sup> “Eubiosia” Award from Fondazione ANT<sup>17</sup> for the “best project in contributing to territorial welfare”**

#### **Beneficiaries:**

Subjects who are disadvantaged and under conditions of hardship, with particular reference to infants, young people, families, equal opportunities, the disabled and the elderly.

17. The Eubiosia Award is the symbolic recognition that the Fondazione ANT Italia ONLUS foundation, a non-profit organisation for specialist domestic assistance for people suffering from tumours and free welfare, which is given to companies which do or do not support ANT, every year that are sensitive to the matter of social welfare and to all involved stakeholders".

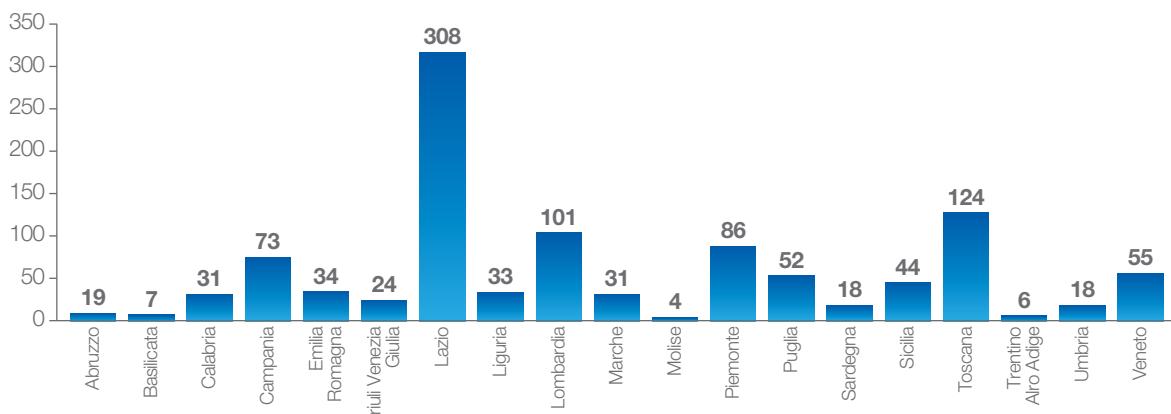
## Corporate Volunteerism

Promoted in relation to social responsibility, Corporate volunteerism represents the Company's ethical choice which is widely shared by employees. The initiative aims to create a network of solidarity in the territory and consolidate the collaborative ability of people. More than 1,000 employees have already joined the "Corporate Volunteerism" project, involved in several associated projects, not least those sustained by the Poste Insieme Onlus foundation, as well as dedicated training plans.

A typical Poste Italiane volunteer is a woman (61%), already involved as a volunteer (75%) in the sport-recreation sector (39%) for more than 5 years (11%), she also wants to volunteer in the Company (91%) being engaged in social-recreational initiatives intended for minors (31%) on a weekly basis (43%) dedicating up to 3 hours (61%) outside of working hours, making her knowhow and skills available (89%) above all in communications (29%) and is willing to attend training courses to expand her skills (95%).

Since January 2017 the volunteers of Poste Italiane have been involved in cognitive meetings to assess the assignments to the indicated sectors together, as well as specific projects available throughout the nation. There are many different areas, from assisting the elderly to redeveloping school buildings and care for families and women under hardship, amongst others.

### Volunteers divided by region



### 7.4.3 Funded projects

Since 2015 Poste Insieme Onlus has supported initiatives and projects sustainable and measurable over time, aimed directly at the identified beneficiaries and referring to ascertained and not transitional needs consistent with the territorial planning for the sector.

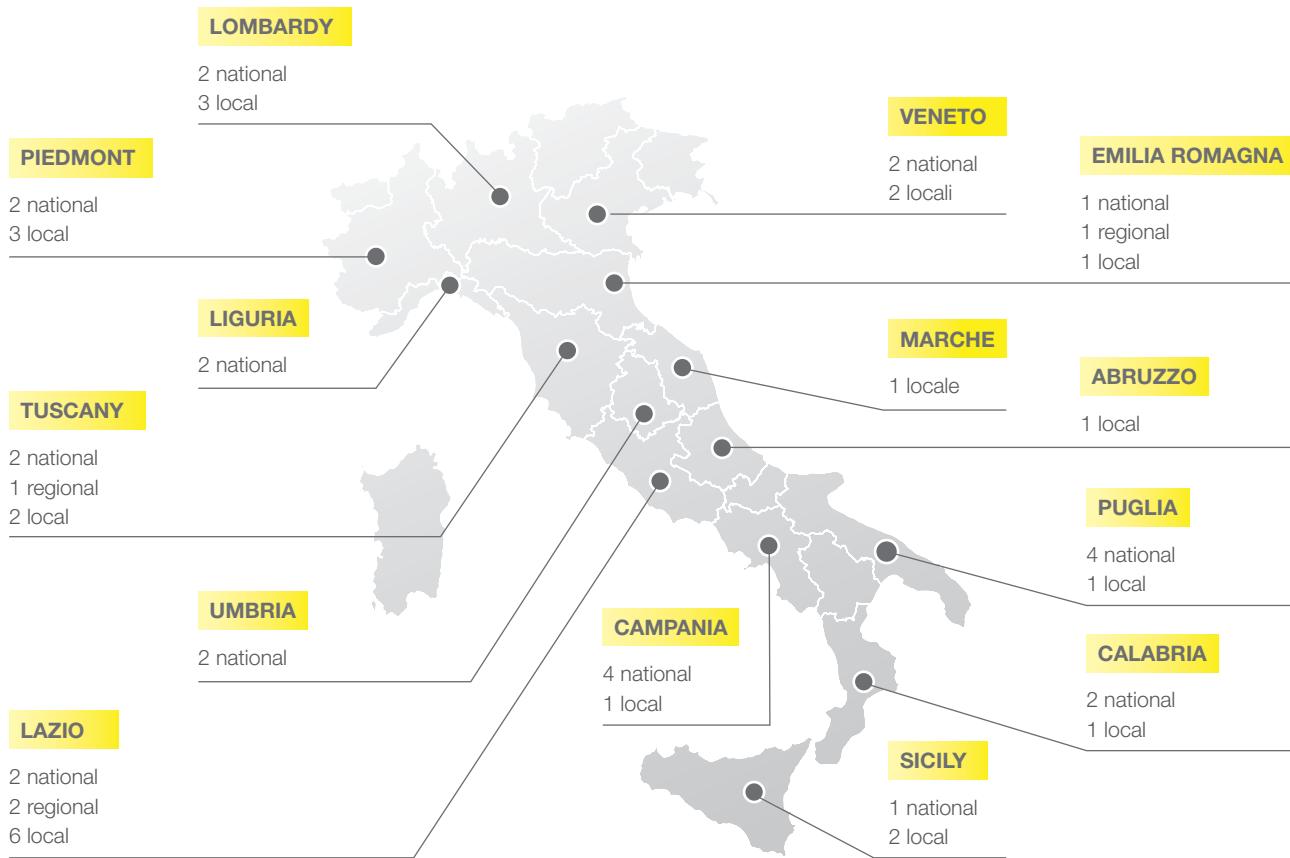
The Foundation promotes a proactive role in the organisation of the Third Sector, supporting the creation and development of volunteer networks and favouring participation and involvement of the entire community, starting with the employees and customers of Poste Italiane.

#### 7.4.3.1 Choosing the projects

The Board of Directors of Poste Insieme Onlus, also availing of assistance from the Scientific Committee, identifies, on an annual or multi-year basis, the topical areas and priority environments of intervention of the Foundation, in relation to the guidelines for implementing the statutory purposes.

In response to the call for presenting requests for funding, Poste Insieme Onlus received a total of 641 project proposals which underwent thorough formal and merit assessment.

## Territorial Distribution of the Projects



At the end of the investigation, 89 project proposals were thus identified, deemed worthy of receiving support from the Foundation. Of these, 44 project proposals were eligible for funding, of which 16 nationally or supra-regionally, 4 regionally and 24 locally in the two-year period 2016-2017. The choice of the 44 project proposals within the group of the 89 suitable proposals was made on the basis of another joint examination of the contents of the single projects, their contextualisation in the district of reference, no overlapping and the possibility of putting more projects pertaining to the same topic in the network.

**641**

received project  
proposals

**44**

funded project  
proposals

**44**

Projects in  
2016-2017

**89**

suitable project  
proposals



**1,740,000 €**

Issued funds

**850,000 €** for financial year 2016

**890,000 €** for financial year 2017

**Topical areas of intervention**

Disability	2 national projects, 1 regional project, 4 local projects
Women	1 national project, 1 regional project, 4 local projects
Poverty	1 national project, 1 regional project, 8 local projects
Families (support services)	6 national projects, 1 regional project, 2 local projects
Young people (entry to work)	2 national projects, 2 local projects
Minors (prevention of underprivileged children, inclusion of foreign children)	2 national projects, 3 local projects
Elderly	2 national projects, 1 local project

## **Casa di Leda: the first protected family home for imprisoned mothers with children**

According to the official data of the Ministry of Justice as at 31 December 2017, there are 51 mothers detained in prison with their children to follow, for a total of 56 children, 14 of which in the region of Lazio. This condition often produces serious repercussions on the educational relationship and overall psycho-physical balance of the minors.

Law 62 of 21 April 2011, which established the introduction of specific structures intended to receive them outside of the prison scope - so-called Protected Family Homes - provides that the latter must, nonetheless, be established by local authorities and financially supported by them.

Precisely to deal with this situation, the Poste Insieme Onlus foundation, by means of subscribing a Memorandum of Understanding with the Ministry of Justice (Department of Penitentiary Administration) and the Municipality of Rome, decided to contribute to the opening and running of the **first Protected Family Home in Italy** with its own resources, which was established in a building removed from organised crime and assigned to the Court of the Municipality of Rome.

The structure took the name "Casa di Leda" in memory of Leda Colombini – who passed away in 2011 – promoter of the battle for the adoption of a law against children in prison and founder of the "A Roma Insieme" [In Rome together] Association which has carried out activities in Rebibbia prison for over twenty years.

Thanks to this intervention, consistently with covering startup costs and activity management, the Convention of Rights of Infants of the United Nations was fully implemented, also sustaining a course for social reinsertion and inclusion of the detained women.

The project was launched in January 2017 and became operational from 22 March 2017 upon the entry of the first mother-child nuclei, whereas a total of 7 mothers with as many children were accepted during 2017. Reaffirming the good will of the project promoted by Poste Italiane, by means of the Poste Insieme Onlus foundation, on 2 March 2018 **Casa di Leda received a visit from His Holiness Pope Francis**.

## 7.5 Other initiatives for the community



Poste Italiane favours the participation and involvement of local communities by means of several initiatives involving entities and associations, schools, hospitals and all those local organisations able to favour occasions for aggregation, inclusion and solidarity in the territory.

### **PosteMobile**



PosteMobile, in accordance with other telephone operators, supports joining campaigns by means of fundraising through messages or calls from fixed networks. The service is free for associations requesting the joint number and all donated amounts from the Customer are fully forwarded to the non profit of reference of the chosen initiative. During 2017 PosteMobile supported 117 campaigns which included Telethon, AIRC, AIL, Unicef, Save the Children, UNHCR and Doctors without Borders.

### **PROJECT P.A.I.N.T.**

Project P.A.I.N.T. (Poste e Artisti Insieme Nel Territorio) [Poste, and Artists together in the territory], Poste Italiane, through a national contest launched in June 2016, which also took place in 2017, selected young street artists to paint 22 works on the external walls of as many Post Offices distributed throughout the nation.

**P. A. I. N. T.**

Having the objective of redeveloping boroughs and making Post Offices lovelier places, the artists found inspiration, in the Company's desire to evolve and in the social and cultural themes linked to the territory, to realise their work, making the social role of Poste Italiane and its proximity to citizens and locations the fundamental elements of the P.A.I.N.T. project.

From Ronchi dei Legionari to Pantelleria, the walls of Post Offices were thus transformed into white canvases on which the artists painted murals representing hope, dreams and desires of a changing Italy.

The integrated communication project began with the walls of Post Offices and arrived at reaching all, or almost, the most modern channels of communication, bringing about the realisation of:

- 19 Murals (the last 3 Post Offices are being completed);
- A mini-series with 8 Episodes, produced by Sky which was broadcast on the Sky Art channel;
- Activities on the social channels of Poste Italiane;
- Media relations activities (16 national and local TV broadcasts - more than 100 local articles);
- A website, *paint.posteitaliane.it*, telling about the project and describing its stages;
- Inauguration events for the single projects which involved local communities and authorities.

P.A.I.N.T. was awarded in the "Corporate Art Awards" sector – organised by LUISS Business School with the support of the Ministry of Cultural Heritage, Activities and Tourism, as well as backing from the Presidency of the Republic, Confindustria, ABI, Museimpresa and the Ministry of Foreign Affairs - so as to increase the visibility and reputation of the projects capable of forming a bridge between the business world and the world of art, in which 80 companies participates from 18 countries.

## PROJECT FICO: FABBRICA ITALIANA CONTADINA [ITALIAN FARMER FACTORY]

Project F.I.CO. (Fabbrica Italiana Contadina) concerns the creation, within the Agro-Foodstuff Centre of Bologna ("CAAB"), of a complex in which to concentrate the excellence of Italian wine and food in a direct relationship of production, commercialisation and supply. To be specific, Poste Italiane outfitted a space of about 430 square metres which, apart from being equipped with free Wi-Fi, offers all postal services, from shipments to payments, financial services to insurance services. The peculiarity of this Office is the offer of a packaging and shipment service of purchases made in the park, 7 days a week from 10:20 to 22:00. The service is called "**Heavy shopping? Travel light**" and allows products acquired in the theme park to be packed and sent to your home.

## PROJECT FATHER CHRISTMAS'S MAIL

**20 December 2017**

Hello Father Christmas, I am a lucky boy because the monster hasn't taken my house away or my mummy and daddy. This year I don't want anything for me, I want you to bring a lot of peace to children who have lost their home and if you haven't got enough toys for everyone come and get mine to take to them.

**Federico**

Federico writes from Amatrice and is one of many children putting their thoughts and wishes down in black and white in the famous letter to Father Christmas.

From Lombardy to Sicily the famous tradition linked to "Father Christmas's Mail" took place again, it is part of the initiatives aimed at consolidating the Company's value for citizens by promoting its social and educational role.

Starting from November of each year, the project entails initiating an operational and logistic process in which dedicated personnel carry out sorting and collection of paper letters addressed to Father Christmas in the postal centres all of the country and prepare and send a reply to the letters, even without stamps, bearing the sender's full address. The letters delivered in a letter box included a themed gadget and a digital game created for children. There is also a web page to request a reply to the letter written by the child online. For collective requests from schools there is a network of contact people who coordinate the initiative in the district. In relation to the "Father Christmas's Mail" project, writing kits a special Christmas boxes have been installed in 250 Post Offices so that children can write and send their letters using an App.

The project has evolved over the years to keep abreast of the times, flanking the traditional paper reply forms of communication with digital online forms according to the new multimedia consumer habits of families. The initiative involved schools, hospitals and local associations, favouring several occasions for aggregation and solidarity in local communities, recording, in 2017, a significant participation with wholly respectable numbers: 49 events all over the land, 2,150 children involved from schools, more than 200 thousand letters received (+20% compared to 2016). The letter includes an invitation to freely download the App "Father Christmas's Alphabet" through which children can make letters and create animated designs.

**“The objective of this project is to communicate the proximity of Poste Italiane to the values of Christmas and promote awareness in the youngest age groups and the value of using letters as a vehicle for sending messages of emotions and a tool to express linguistic ability”**

**“By means of this project, Poste Italiane has promoted the value of writing as an instrument of expression for children and adults, both in its traditional calligraphic from and in its digital evolutions”**

## **CONTEST – NEW UNIFORMS FOR POSTMEN/WOMEN**

In 2016 Poste Italiane launched a contest dedicated to making new uniforms for postmen/women, challenging students from all the most important universities and institutes of design and fashion. The prize for the winning school is an award consisting in a scholarship worth 20,000 Euros for achieving masters or specialist courses in Italy or overseas. The restyling of the uniform is signed by Beatrice Bazzano, a twenty-two year old student at the Pontedera Modartech Institute.

The pilot project lasting 30 days began in February 2017 to experiment the new uniforms: the postmen/women of Merano (BZ), Cavalese (TN), Courmayeur (AO) and Cuneo (CN) were the first to wear the new kit of workwear realised according to the design which won the context. The pilot project will allow Poste Italiane to thoroughly assess the yield of the new materials in the uniforms. The new clothing efficiently interprets the operational needs of postmen/women, imaging a particularly practical and comfortable outfit both in the winter and summer version, rich in details useful for daily working life of postmen/women.

In order to promote this initiative, Poste Italiane realised a dedicated communication campaign to give visibility both to schools and students, also creating the #postestyle hashtag to make the project more easily recognisable and promote an exchange of information and opinions through social networks.

The contest for ideas about the new uniforms for postmen/women confirms the Group's commitment in the framework of a process of corporate change and development in progress and represents an important factor within the wider concept of corporate social responsibility aimed at supporting the talent of young students.

## **PostepayCrowd**

PostepayCrowd is the initiative created three years ago from a collaboration between Postepay and Eppela (main Italian crowdfunding reward platform), by which Poste Italiane promotes the realisation of creative projects and entrepreneurial initiatives supporting young people.

The best projects are chosen through Postepaycrowd having innovative connotations, market appetite and offer digital services (Mobile Apps for services, e-commerce, social innovation, maker projects and musical productions).

New projects are published every month: those reaching the target of 50% of fundraising through online donations from their own supporters, are co-financed for the remaining 50% by Postepay (up to 5,000 Euros per initiative).

From 2014 to today Poste Italiane has supported the launch and development of about 190 products or services of success in the sectors of technology, design, creativity, games and music, **with a total fundraising of more than 2.5 million Euros**.

There are more than 50 million views of the projects on the dedicated web page, with 600,000 users registered to the monthly newsletter dedicated to co-funding projects.

## **7.5.1 The support of Poste Italiane in the emergencies**

The activity of coordination continued in 2017 between Poste Italiane and the national Civil Protection, following a sequence of earthquakes which involved Central Italy and the island of Ischia. Poste Italiane was inserted into the national Alert System for tsunamis caused by earthquakes which ensures that alerts are received and managed, sent out by the **Civil Protection Department**. The Company is the recipient of alert messages issued by the Situation Room Italy of the national Department of Civil Protection and is included in the main instruments for national emergency rescue planning against seismic risk, the hydrogeological risk and emergency plan for the Vesuvius - Flegrea area, ensuring an activity of information and prevention in the territory.

## PROJECT EARTHQUAKE

The rebuilding of Central Italy after various seismic events occurring between August 2016 and January 2017, is set in line with the objectives of various non-profit organisations, amongst which the **Italian Red Cross**, based on an analysis of the necessities and vulnerability of the communities affected by the earthquake. In fact, it is considered that promoting social resilience in the hit areas is the result of a whole of synergic actions able to create a climate of trust to restore relations that were lost.

There were also actions aimed directly at the Customers, such as suspending payment of the monthly instalments for loans received up to a maximum of twelve months in order to deal with the situations of economic hardship.

Following the collaboration between the Italian Red Cross and Poste Italiane, it was possible to plan various interventions within the seismic crater. Investments were identified for infrastructures in three Italian municipalities strongly hit by the earthquake:

<b>Norcia</b>	Realisation of a multifunctional centre with gaming-recreational centres dedicated to sport and other activities favouring the meeting of generations.
<b>Arquata del Tronto</b>	Preliminary works preparatory to the Memorandum of Understanding to build a Multifunctional Centre.
<b>Amatrice</b>	Amatrice is the symbol of the earthquake which brought Central Italy to its knees in August 2016. For this reason, precisely in this place, apart from initiatives to reform the economic and social fabric, it is particularly important to remember the centre before the quake and celebrate the great expression of solidarity. The objective of the "Museum of memories" project is to keep the historic, architectonic and cultural memory of the Municipalities affected by the earthquake alive. A construction that was also testimony to the many interventions by volunteer rescuers who supported and helped the populations through the difficult hours and in the days after the quake.

Furthermore, in relation to the actions supporting the populations hit by the quake, the Company intervened in favour of its employees involved, issuing 45 subsidies to people suffering serious damages.

## We are here

"We are here" is an initiative of solidarity promoted and realised by the Poste Insieme Onlus foundation, in favour of children and young people who became **orphans** of one or both parents, following the **seismic events** that affected central Italy in 2016 and the tragedy that involved the guests of **Hotel Rigopiano** in January 2017. The project, fully funded by the income from the sale of the philatelic folceer "Spaghetti all'Amatriciana", was realised by means of a set of personalised projects of educational, training and social worth, aimed at supporting **24 people between children, youngsters and young people along their road to recovery and reinsertion after the trauma associated to the seismic events, due to which they lost one or both parents**.

The "We are here" programme was conceived and realised in close collaboration with the competent local institutions and involved the network of corporate volunteers, through which the "volunteer tutors" made themselves available - each one mentoring a child/youngster beneficiary - in the educational course deemed as most suitable, as also in the cases in which the need/request "for support" were expressed,

The initiative supported by the Foundation was presented to the beneficiary children/youngsters, their tutors and the representatives of the local institutions on 13 March 2017 at the headquarters of Poste Italiane.

**"Poste italiane set up a current account to promote donations for the inhabitants of the centres hit by the earthquake, comprehensively raising 6,464,000 Euros for the Italian Red Cross to fund rebuilding projects shared with the territory"**

## 7.5.2 Financial literacy: Saving that teaches

Project "saving that teaches" was created in 2014 following a Memorandum of Understanding signed by Poste Italiane, Cassa Depositi e Prestiti and the Ministry of Education, Universities and Research, in which the parties undertook, for the following three years, to promote initiatives of awareness about the culture and value of savings in primary and secondary schools. Students from the second level secondary schools were involved through launching a video contest to describe their idea about savings.

In late 2017, the Memorandum was renewed, with a five year duration to launch the project by means of conceiving a training programme: the objective is to provide young people, from all educational levels, with economic-financial skills and of citizenship required to use savings as an instrument of development for the country.

The second and renewed edition of the project has, as its scenario, a world in fast and continuous change in which Poste Italiane e Cassa Deposit e Prestiti want to take action to prepare young generations to build their future through putting forward initiatives aimed at education and responsibility.

Therefore, by promoting a dynamic, ethical and value related vision of savings as an instrument of progress and wellbeing for all, there is a contribution to building an aware, active and participatory citizenship.

Furthermore, the programme is part of the "**National strategy for financial, insurance and welfare related education**" having the task of promoting and planning initiatives of awareness and financial education, favouring the collaboration of public and private subjects.

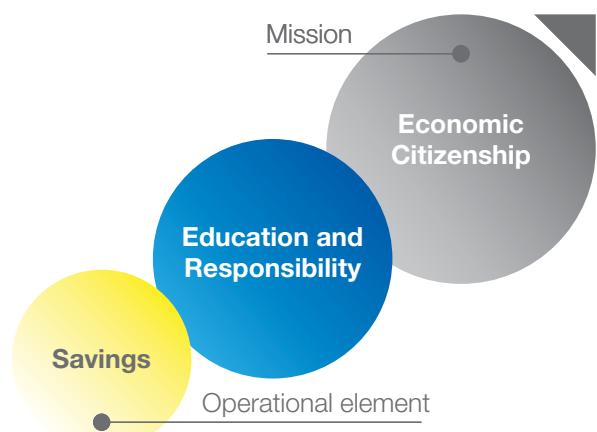
The conceived path, in its three phases, develops life skills such as:

- empathy, creativity, ability to communicate, spirit of initiative, team work;
- orientation to results, innovation and change;
- ability to put oneself forward and solve problems, choose and take decisions.

The critical assessment of the topic "savings", promoted by the project, develops the ability to make critical and responsible consumer choices, considering the different associated variables and repercussions on the country system as a whole, in terms of saving resources but also economic progress and work opportunities.

In support of the comprehension and development of the skills of teachers and students, instruments and activities were devised to be carried out in the classroom and at home, differentiated by primary schools, first level secondary schools and second level secondary schools:

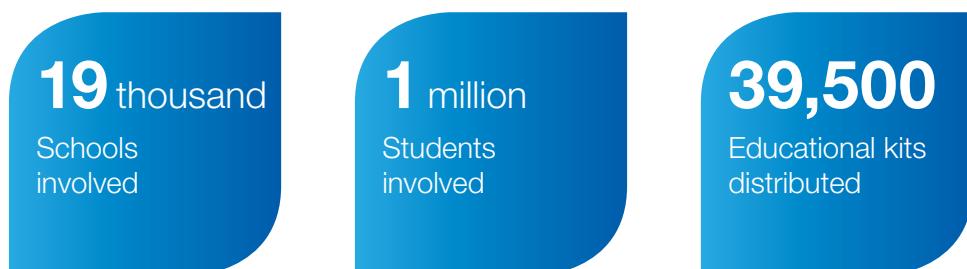
**"Saving that teaches" is a programme that promotes an economic and financial culture intended in the wide and value related sense, with a laboratory type and collaborative approach. The project provides information needed to put students in the condition to become protagonists of their own learning path"**



**"Saving that teaches" has high social value inasmuch as it will be proposed to all the schools in Italy with an expected redemption, in the five year period, of one million students"**

- online instruments (dedicated portal with student/teacher areas with videos, online games, discussion walls/forums);
- offline instruments (didactic kits including methodological guides, boxed games, albums, magazines, posters).

### The “Savings that Teach” project in figures for the five year period



### The financial inclusion of minors

New types of products and services have been progressively introduced in the financial sector over the years, in order to meet the different needs of clientele. The Postal Savings Book dedicated to minors is, for example, a simple solution for bringing the youngest of age closer to the world of savings. The types of Book differ according to the age of the minor (“I grow” 0-12 years; “I know” 12-14 years and “I understand” 14-18 years) and offer different levels of autonomy for savers. In the same way the Savings Bond dedicated to minors and the “Small and good” savings plan are products specific to this category of customer

### 7.5.3 Philately in Italy

Philately is the art of collecting stamps and philatelic products. There are countless types of stamp collections, amongst which: topical issues, postal stationery and first day envelopes.

From this viewpoint, Poste Italiane has developed, in recent years, a series of initiatives aimed at relaunching the value of Philately, with special care regarding aesthetics of the philatelic products, by means of constant graphic research allowing the interest of new generations of collectors to be gained.

In an exhibition held in 2016 at Palazzo Quirinale, “Women” was the theme on the stamps of the Republic of Italy with particular attention to their contribution to national history. In 2017 the exhibition became mobile and was shown in the ten big cities of Italy hosting “Philately Spaces”.

In the wake of the artistic connotation of Philately, for the first time in Italy, in 2017 a philatelic lithography was realised having as subject matter the painting by Filippino Lippi “Madonna e Angeli”, one of the most famous round renaissance paintings in the history of Italian and global art.

The cultural divulgatory mission of stamps is corroborated by the realisation of explanatory leaflets which accompany the philatelic issues and which can be defined as the cultural manifest of every stamp issue by the Italian Government.

Relevant cultural and museum institutions were also celebrated with stamps, such as the Historical Museum of the Force of Carabinieri, that of the Financial Police and that of the Liberation.

**“Philately is an expressive form  
connote by deep cultural worth:  
a stamp is a tiny icon which is  
a cultural ambassador of Italian  
excellence in the world”**

A special mention must be given to philatelic products connected to the issue dedicated to the Treaties of Rome which represent the basis of the current European Union.

Lastly, the 70<sup>th</sup> anniversary of the promulgation of the Italian Institutional Charter was celebrated with a stamp, for Poste Italiane this was a highly significant moment to give the right emphasis to the founding values of the Republic.

On this passion common to many individuals, Poste Italiane decided to create two projects dedicated to socially sensitive categories: the youngest of age and prisoners.

**“This new path taken by Italian Philatelics guides one towards a horizon in which cultural messages are of great importance and constitute the exaltation of inventive works or life stories which, in their exemplarity, are simply unique”**

### 7.5.3.1 Philately and Schools

Project “Philately and Schools” has the objective of bringing youngsters closer to stamp collecting, a passion that consists in enriching knowledge and represents a healthy management of free time. Through Philately, young people can develop transversal abilities, such as observation, reflection, order and collaboration, acquiring - by means of the game - historical, geographic, scientific and artistic knowledge.

This origin of this initiative lies in the Memorandum of Understanding stipulated between **Poste Italiane and the Ministry of Education, Universities and Research** on 26 January 2006, reviewed and signed in October 2017 in a new version which contemplates, as already mentioned, the introduction into the Company of School-Work Alternation. The memorandum allowed primary and secondary schools to be contracts to guide the values linked to the world of stamp collecting and its interconnections with subjects of study in the indicated scholastic cycles.

#### Project “Philately and Schools”: scholastic year 2016-2017

Territorial Area	Branch	Institutes	Class	Number of pupils
North East	4	16	22	490
North West	9	9	14	395
Lombardy	7	12	37	815
Central	8	17	33	913
Central North	9	29	67	1,678
Central 1	4	4	14	220
South	3	4	7	334
South 1	2	2	5	151
Sicily	5	6	133	2,693
<b>Total</b>	<b>51</b>	<b>99</b>	<b>332</b>	<b>7,689</b>

### 7.5.3.2 Philately in Prisons

This project of a social nature originates in relation to the development and circulation of stamp collecting, having the precise purpose of helping prisoners in the **process of rehabilitation and reinsertion into society with activities aimed at re-socialising** them by means of continuous relations with the outside world.

The idea of developing and educational project in prisons came about in 2010 on the impulse of a group of prisoners in Bollate who had a passion for stamps and autonomously formed a philatelic circle within the structure housing them.

Through Philately the participants in the project have the possibility of exploring topics on the most diverse subjects such as history, music, art, geography and religion, all seen through the intrinsic value that a stamp holds within it.

On the basis of this experience in Milan in 2013 a memorandum was signed between the **Department of Penitentiary Administration of the Ministry of Justice, the Department for Communications of the Ministry of Economic Development**, the Federation among Italian Philatelic Societies and Poste Italiane, thanks to which similar projects were launched in other prisons.

In particular thanks to the project, prisoners can:

- Develop transversal abilities, such reflection, order and collaboration;
- Be facilitated in gaining historical, geographic, scientific and artistic knowledge;
- Increase their level of socialisation;
- Participate in the educational and re-educational purposes of the prison;
- Regain those healthy values pertaining to Philately.

The project involved 17 Institutes: Turin, Novara, Genoa, Milano Opera, Milano San Vittore, Pavia, Venice, Padua, Trieste, Volterra, Prato, Firenze Sollicciano, Firenze Gozzini, Roma Rebibbia and Pescara, followed later on by Latina and Paliano.

In this context the Ministry of Justice and in particular the Department of Penitentiary Administration, undertakes to favour the insertion of Philately in prison institutes, by means of interventions of support and awareness by its own territorial structures.

The **Federation between Italian Philatelic Societies** and the **Italian Philatelic Union** support the project by providing technical material and trainers assigned with managing the training of tutors as well as volunteers already working in the prison, who in turn develop projects in contact with the prisoners.

The phases of the project envisage:

- The establishment of a philatelic circle in the single member Institute;
- The involvement of prisoners in the realisation of a collective collection which becomes the common asset of the circle;
- The organisation of training courses for tutor volunteers (identified among the prisoners of particular interest and sensitivity) who in turn perform activities of awareness and circulation of philately among the prison population;
- The organisation of philatelic events within the prison, activating an ad hoc philately services for special postmarks;
- Exhibition of the prisoners' works during philately events outside of the prison.

In promoting such project, Poste Italiane also realises manifestations aimed at prisons, promoting the constitution and development of internal philatelic circles and supporting the activity by means of realising dedicated kits for trainers and participants, as well as special postmarks and dedicated postcards.

## 7.6 Economic support for cultural and social initiatives

In 2017 Poste Italiane confirmed its commitment to communities by further supporting a set of cultural initiatives and projects for social inclusion of national and territorial value.

### 7.6.1 Support for cultural initiatives

<b>“Domeniche in Musica”</b>	Event organised by the National Academy of Santa Cecilia aiming to bring families closer to music. The concerts envisage an introduction to listening held by a musicologist. In relation to the initiative the Company reserves invitations for its employees.
<b>“Fabbrica Young Artist Program”</b>	Rome Theatre of the Opera offers the best students, already educated at Academies and/or Conservatories, to undertake a “training on the job” course aimed at insertion into the world of work. The Company has reserved gift tickets for its employees for the scheduled performances.
<b>“Seminamusica”</b>	A training programme of the San Carlo Theatre in Naples aimed at students from 1 <sup>st</sup> and 2 <sup>nd</sup> level primary and secondary schools. 16 primary schools were involved in the project and 1,900 children and 60 1 <sup>st</sup> and 2 <sup>nd</sup> level secondary schools with over 800 youngsters. The Company has reserved gift tickets for its employees for the scheduled performances.
<b>“Cantiamo l’Opera”, “Prove d’orchestra aperte” e “Rassegna Baby BoFè”</b>	Initiatives of the Communal Theatre of Bologna aimed at students of primary and secondary schools (1 <sup>st</sup> and 2 <sup>nd</sup> level) from the city and its province, aimed at favouring the circulation of musical culture to a younger public than the traditional audience at the opera. The Company has reserved gift tickets for its employees for the scheduled performances.
<b>“Educational/stagione Young”</b>	Didactic programme of the Carlo Felice Theatre of Genoa aimed at children and youngsters of school age to bring them closer to the theatre and music. The Company has reserved gift tickets for its employees for the scheduled performances.
<b>Concorso Pianistico Internazionale di Roma</b>	Organised under the High Patronage of the President of the Republic and with the Sponsorship of the National Italian Commission for the United Nations Educational, Scientific and Cultural Organisation (UNESCO) proposes to make new talents emerge in the musical scenario.
<b>“Festival Sole Luna”</b>	An international event promoted by the “Sun and Moon Association - A bridge between cultures” dedicated to documentaries in the context of a wider programme of initiatives, amongst which concerts, exhibitions, meetings with authors and presentation of books.
<b>“Palcoscenico della legalità”</b>	Promoted by The CO <sup>2</sup> Crisis Opportunity Onlus, this is a national project in which theatre becomes an instrument of education to legality by means of laboratories in schools, in juvenile detentions and a travelling show.
<b>“A mano disarmata”</b>	International forum of information against the mafia promoted by the homonymous Association. Edition 2017, entitled “Women of the Mafia and Anti-Mafia - Camorra Women”, envisaged didactic activities in 70 schools and training seminars for journalists.
<b>“Trame: Festival dei libri sulle mafie”</b>	Promoted by the Antiracket Lamezia Onlus Association, proposed as an appointment for discussion, analysis and debate on matters of legality and law.
<b>“Parole Ostili”</b>	Meeting organised by the homonymous Committee with the objective of prompting a public debate combating violence of language in the network.
<b>Issue of two scholarships for masters and courses promoted by Mefop S.p.A.</b>	Initiative aimed at students of La Sapienza and Luiss Guido Carli Universities.
<b>Issue of one scholarship named in the memory of the employee Stefano Lalli</b>	Registration and free attendance to the Master in Management and Technology – Major in Digital Ecosystem of the LUISS Business School.

## 7.6.2 Support for social initiatives

<b>“Race For the Cure”</b>	Promoted by the Susan G. Komen Onlus, this is a sporting event for awareness on the matter of breast cancer and fundraising for prevention projects. Poste Italiane presided the event with dedicated initiatives and participated in the exhibition with a representation of its employees.
<b>“Christmas Jumper Day”</b>	Campaign promoted by Save the Children inviting people to procure a Christmas jumper and organise an event or party, involving friends, relatives and colleagues to raise funds and make donations to the projects of this non profit organisation.
<b>“The Bridge - Un Ponte per Lampedusa”</b>	This is a project having as its objective the realisation of a communal stadium for sporting and social activities to the benefit of the territory.
<b>“Giovani Promesse”</b>	This is a programme promoted by Calciosociale which includes a series of sporting, pedagogic and training activities for 40 girls and boys from Rome.
<b>“Con il Cuore”</b>	Benefit event broadcast live on Rai Uno promoted by the Sacred Convent of Assisi in favour of Francesan missions in the world.
<b>“Concerto di Natale in Vaticano”</b>	Benefit event in favour of a project on Cyberbullying of the Fondazione Scholas Occurrentes and the “Children out of mines” project in Congo of the Fondazione Don Bosco nel Mondo.
<b>“Scuole inclusive”</b>	Promoted by the Consorzio Sintesi Onlus consortium, this is an educational project on matter of disability, diversity and bullying which has involved teachers, youngsters and parents from 30 schools in Rome.
<b>“Punto Fundraising”</b>	Project of the Fondazione Tommasino Bacciotti Onlus supporting the new assistance centre for the families of children hospitalised at the Meyer Oncological Hospital in Florence.
<b>“La bellezza dei margini”</b>	Initiative promoted by the Istituto Leonarda Vaccari institute which involved the realisation of a web series able to talk about the daily life of disabled workers and their social cultural contexts.
<b>“Una vita da social”</b>	Campaign promoted by the Postal Police, in collaboration with the Ministry of Education, Universities and Research, in the context of initiatives of awareness and prevention of risks and dangers of the network for minors: 45 national stops on matters of social networking, cyberbullying, online grooming and the importance of the security of privacy. In three years of activity over 1 million students met both in the squares and in schools, 106,125 parents, 59,451 teachers for a total of 8,548 scholastic institutes, 30,000 km travelled, reaching 150 cities in the land and a Facebook page with 108,000 likes and 12 million monthly users on matters of safety online.

## 7.7 Performance indicators (KPI – GRI Standards)

### [FS14] ATMs for inclusion

	U.m.	2016	2017
ATM equipped with keypads for the partially sighted and blind	N°	7,249	7,257
ATM equipped with voice guide	N°	5,269	5,847

### [FS14] Offices for cultural integration

	U.m.	2016	2017
Mono-ethnic	N°	2	2
Multi-ethnic	N°	21	25
Number of customers served	N°	2,751,153	3,311,214
<b>Total operations performed</b>	<b>N°</b>	<b>5,379,679</b>	<b>5,503,076</b>

## Incidence of new customers in categories most at risk from financial exclusion out of the total of new acquisitions<sup>1</sup>

	U.m.	2016	2017
<b>New openings of retail current accounts</b>			
Incidence of young current account holders (under 35)	%	24.6	25.4
Incidence of senior current account holders (over 65)	%	24.0	24.4
Incidence of "new Italian" current account holders	%	16.5	17.6
<b>New openings of Postepay standard<sup>2</sup></b>			
Incidence of young holders of Postepay standard (under 35)	%	39.1	38.0
Incidence of senior holders of Postepay standard senior (over 65)	%	6.4	7.0
Incidence of "new Italian" holders of Postepay standard	%	12.4	12.6
<b>New openings of Postepay Evolution<sup>2</sup></b>			
Incidence of young holders of Postepay Evolution (under 35)	%	44.4	45.9
Incidence of senior holders of Postepay Evolution (over 65)	%	5.3	5.5
Incidence of "new Italian" holders of Postepay Evolution	%	19.6	20.6

1. The young and senior categories include new openings both by Italians and immigrants, whereas openings concerning "new Italians" also include a portion of young people and senior citizens.

2. Renewals during the year of subscriptions to Postepay Standard and Evolution are excluded.

# Environment



## 8. Environment

**38** million

Dematerialised operations

**-9,290**

ton CO<sub>2</sub>  
thanks to the Mobility Management programme

**74%**

Post Offices equipped with dematerialised management methods

**8** thousand

ton CO<sub>2</sub>  
per 526 GWh consumed by properties

In recent years the attention to environmental issues has become more consolidated at national and international level above all thanks to the normative interventions and to the greater sensitivity by the civil and entrepreneurial society.

Poste Italiane deems it necessary and fundamental to monitor its environmental impacts in order to increase awareness on matters of environmental sustainability, at the same time, systematically defining sectorial action plans. Quality of products and services, in fact, also means pursuing an approach aimed at the correct management of environmental impacts generated by its activities, in conformity not only with laws and applicable regulations, but also the international and Italian objectives on the matter of sustainable development.

In order to increase awareness on the impact that daily actions have on the environment of all subjects permanently or temporarily operating in the Group companies, for some years Poste Italiane has realised the "**Charter of Environmental Value**". The responsibility of guaranteeing compliance with normative provisions in force on the use of energy, monitoring and measurement of consumption, identification of sources of saving and definition of enhanced efficiency projects are attributed to one sole function. In demonstration of the commitment towards the protection and safeguarding of the environment and with a view to continuous improvement, the Company also focussed its efforts on implementing a **Green Strategy** makes the Group constantly more efficient and with lower environmental impact in all the businesses in which it operates.

**“SDA Express Courier And Postel achieved ISO14001 certification of its own environmental management system”**

### 8.1 Poste Italiane's Green Strategy

The Poste Italiane **Green Strategy** is based on the definition of Green Economy adopted by the United Nations in 2008, it means "an economy able to increase wellbeing and social equality, significantly reducing environmental risks and the deterioration of ecosystems"; in other words "an economy with low carbon emissions, efficient in using resources and socially inclusive" (**UNEP, United Nations Environment Programme**). Therefore "Green", is not only a synonym of environment, but encompasses a wider field, characterised by the awareness of the close relationship between environment and company and requiring an integrated approach which considers interrelations between these two dimensions.

Starting from this perspective, two general strategic goals were identified which drive the entire activity of the Poste Italiane Green Strategy: protection of the environment, starting from the climate, and promotion of social inclusion. These two goals were not only set out in terms of governance of the organisation of Poste Italiane, but also a wider mission that Poste Italiane intends to pursue and which is corroborated in the ambition to propose itself as an active subject in a process of profound innovation of the country system.



## 8.1.1 Dematerialisation: the era of digitalisation

The process of **digitalisation** was set out within the Green Strategy launched by Poste Italiane in the awareness that the instrument of digital innovation potentially presents an important “double dividend”, namely its ability to contribute to the reduction of the pressure on the environment by means of **dematerialisation**. Not only does this entail the replacement of paper documents with digital versions, but system innovation leading, for example to rationalising logistics, reducing movements of objects and people. It also constitutes an important driver for social inclusion because it extends the methods of access to services, information and products.

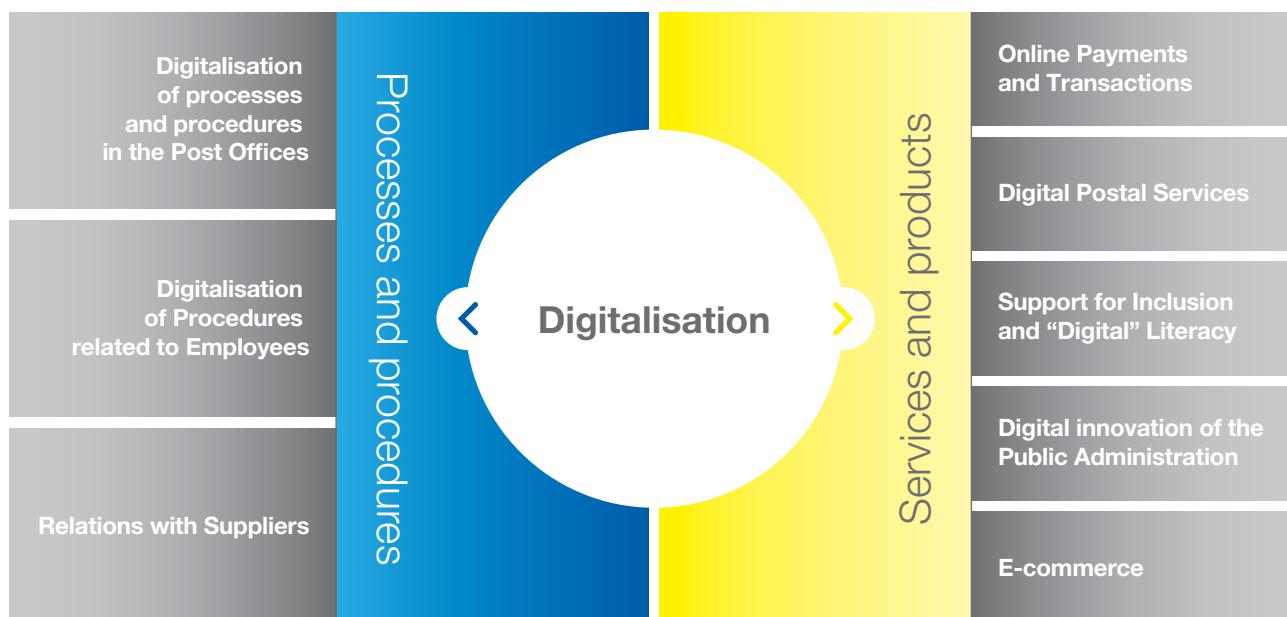
In particular, during 2017 various interventions were implemented with a view to dematerialisation aimed at realising complete working processes in electronic mode. These operations allow the elimination of printing in fact, as well as keeping paper in office records and notifying Customers of their own contractual copy by email, through the introduction of electronic originals signed using an electronic signature and kept pursuant to law.

Two primary environments were identified into which to insert projects and activities. On the one hand, activities were analysed, and the related effects, which act on “Processes and Procedures”, involving management systems and relations with employees and suppliers. On the other hand the activities of digital innovation were included, which directly concern “Products and Services” offered by Poste Italiane to its customers. Therefore the former generate an internal advantage within the organisation, in terms of better process efficiency, cost reduction and shorter times and more safety. The latter, instead, offer customers constantly more innovative products, able to guarantee high level performance and/or improve the users’ quality of life.

**“In 2017, the new methods of dematerialised management were extended to 78% of the Post Offices, therefore achieving coverage of 9,943 Post Offices and about 5,000 consultancy rooms (75%)”**



## The digitalisation process at the service of internal and external customers



### CONTRACTS AND TRANSACTIONS

Dematerialisation processes were extended to new contracts and transactions in 2017, such as: full acquiring Poste Vita, new consumer account, damages policy, transformation of paper Savings Book into dematerialised, Transfer of the pensioner's fifth, ACI Stamp.

In particular, the dematerialisation processes were extended to growing number of contracts: the total dematerialised contracts signed in the Post Offices equipped with GET (Electronic Management of Contracts and Transactions) platforms was equal to over 7 million, recording a significant increase compared to 2016 (+107%).

The transactions were also characterised by dematerialisation process in 2017, in Post Offices equipped with GET platforms, about 26.3 million transactions were completed and 4.4 million operations consisting in payments using digital documents.

In 2017,  
**38 million**  
dematerialised  
operations, of which  
**more than 7 million**  
of contracts (+107%  
compared to 2016)

### DOCUMENTS CONCERNING STAFF MANAGEMENT

Dematerialisation also concerned certain staff administration processes (requests for family cheques and tax deductions, authorisations/accounting of transfers, communications of changes in records).

**"In late 2017, the new methods of dematerialised management concern 90% of the main applications by customers and 96% of corresponding transactions"**

Starting from 2010 and still in the phase of completion, the replacement of traditional supports to administrative documents as regards procedures related to personnel (employee file) in favour of electronic document has taken place. The **electronic employee file** is managed according to two methods: one is full digital, wherein the file is generated an acquired in digital format from the start, eliminating the consumption of paper; one that is hybrid, in which once proceeds with digitalising existing paper documents, avoiding the generation of new prints, to which great advantages are associated in terms of security, practical management and accessibility.

Worthy of note, furthermore, are also the two dematerialisation projects launched in 2017 which envisaged the adaptation to electronic format of restaurant ticket sand the stamping system relating to the authorisation process for permits and attendance cards.

Lastly, certain staff administration processes were digitalised which no longer envisaged printing and paper management:

- Request for family allowance cheques;
- Requests for tax deductions;
- Authorisations/accounting of transfers;
- Communications of geographic variation.

**“In late 2017 over 90 million pages, 110,000 primary files and about 170,000 between secondary file and accounts files were dematerialised. With reference to avoided costs, the estimate is 1.1 million Euros to bring archives to standard and 200,000 Euros of ordinary annual management costs.”**

## THE DOCUMENTATION RELATED TO THE PURCHASE PROCESS AND SUPPLIERS

As regards the management of the **List of suppliers**, a digital platform was implemented, used to manage tenders online, in general, for all e-Procurement activities governed by the normative in force. Moreover, the supplier file, like the employee file, was digitalised according to two methods - full digital and hybrid – as mentioned previously.

As said, the digital transformation process focused the attention on the Customer too, innovating and restructuring the offer of services so as to respond with progressive completeness to their needs (for further information see section 4.2 “Digital Transformation” of this document).

With a view to simplifying and accelerating corporate processes, also realised was the **“Purchase Order (RDA) Dematerialisation”** project. Such project consists in the implementation of a flow of approval of the RDA fully supported by IT systems, contextually surpassing paper document flows. Launched experimentally in 2017, it will be progressively extended throughout the nation.

## SPECIFIC INITIATIVES OF THE GROUP COMPANIES

The Group companies have also decided to undertake specific dematerialisation initiatives.

Amongst these, **Poste Vita e Poste Assicura** has launched, some time ago, a dematerialisation process for managing all polices and all paper documents of incoming and outgoing correspondence: most of the company documents (for example contracts, invoices, etc.) are archived and used by functions in digitalised form, favouring quick access to information and contextual reduced use of paper. The Companies favoured the rational use of paper in printers and photocopiers by envisaging a user credit system via password which incentivised the use of scans instead of producing photocopies and implementing a remote monitoring system on the printers in order to verify, in real time, the number of realised prints.

**BancoPosta Fondi SGR** launched a project in 2013 which involved the administrative structure, allowing digitalisation of the corporate protocol and the creation of virtual desks. Moreover, in order to increase awareness about the use of paper, specific instructions were given to Company personnel concerning procedures for procuring such resource.

Lastly it is important to mention an initiative by **Postel** in which the technological modernisation also implies environmental sustainability. The Company, which issues 10 thousand tonnes of paper to serve about 4 thousand undertakings mainly active in the banking and utility sectors, in fact upgraded its printing and enveloping machines, acquiring modern, fast machines equipped with automatic control systems allowing consumption to be limited as well as production rejects. So as to further favour less consumption of raw materials and reduce environmental impact, Postel also introduced lightweight paper (60-70 g/m<sup>2</sup>) and replaced Polyvinyl chloride (PVC) in the transparent window of envelopes with biodegradable biological materials.

### 8.1.1.1 The impact on paper consumption

The passage to using the **full digital electronic employee files** has allowed 128,000 digital folders to be created. Hypothesising that on average each file is consulted twice a year and the consulted sections is less than two pages, the annual saving is estimated as 512,000 sheets, equal to 2.5 tonnes of paper.

As regard digitalising staff administration processes, the estimated saving of paper is 1,700,000 sheets<sup>18</sup>, equal on an annual basis to 8.5 tonnes of paper.

**11** ton of paper  
saved by staff  
documents

## Sustainable paper solutions

Consumption of paper in the Group for 2017 amounts to 19,460 tonnes, slightly lower than the previous year. The Company's attention to the environment is also found in its choice of recycled or certified paper: in the two year period 2016-2017 more than 96% of the paper in question is recycled and 29% of paper on coils is certified as originating from eco-compatible FSC production (Forest Stewardship Council) a brand that identifies materials such as wood and its derivatives (cellulose paste and paper) originating from controlled forests managed according to criteria of social and environmental sustainability. As a whole, recycled paper formed 32% of total consumptions in 2017. In this context **Postel**, a Group company engaged in providing digital storage services that, by allowing dematerialization and electronic processing of data, is also active in the printing services sector at the centres of Milan, Rome and Genoa, equipped with mass printing systems (bills, invoices, statements) and enveloping with a production capacity exceeding 4 billion printed sheets per year. To minimise the impact associated to the use of paper, solutions were adopted using lightweight paper and envelopes with windows made of biodegradable material which observe the management system of the FSC® Chain of Care which guarantees traceability of materials such as wood and its derivatives (cellulose paste and paper) originating from responsibly managed forests.

### 8.1.2 Energy saving in the real estate assets



Poste Italiane owns vast property assets and its efficient management allows the optimisation of energy performance and a reduced environmental impact. In 2017 the initiatives aimed at lowering wastes continued by means of installing and activating energy consumption which allow performance to be monitored, analyse consumption, conduct measurements at the most energy consuming sites and execute the correct setting of temperatures and operating hours of the cooling and heating systems.

#### 8.1.2.1 Real estate asset management

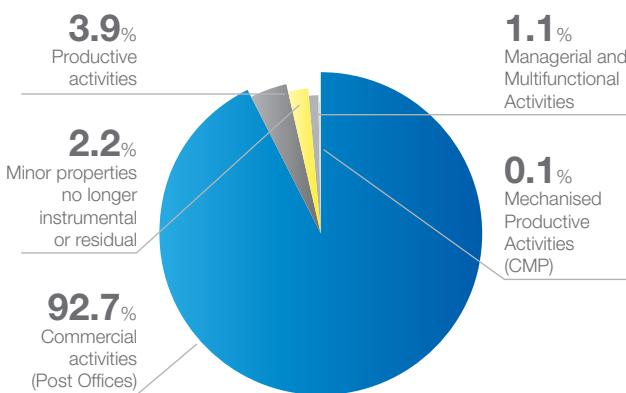
The real estate assets managed by the Poste Italiane Group is formed of 4 Data Centres and more than 13,700 properties counting about 5.5 million square metres of gross surface area, divided thus, according to their main use:

- **12,727 Commercial Activities (Post Offices).** Small sized buildings in high numbers and territorial spread, totalling a gross surface area of 2.2 million square metres and an average surface area of 140 square meters;
- **152 Managerial and Multifunctional Activities.** Large sized complex buildings, of a comprehensive surface area of 1.2 million di square metres;

18. The number was calculated in the following manner:

- Family allowance cheques; 19,300 applications yearly of 6 sheets each;
- Tax deductions; 130,000 deductions yearly on 1 sheet each
- Transfer authorisations; 1,390,093 authorisations yearly on 1 sheet each
- Record changes; 65,000 sheets used in one year.

- **16 Mechanized Productive Activities (CMP).** Buildings with high surface areas and complex structure due to the type of machinery and industrial activity, of a comprehensive surface area of 0.47 million di square metres;
- **529 Productive Activities.** Buildings housing industrial type works, of a comprehensive surface area of 1.16 million di square metres;
- **301 Minor buildings** no longer instrumental or used for residual activities not pertinent to previous uses, of a comprehensive surface area of 0.46 million di square metres.



## Reusing properties as a social concern

Properties that are no longer deemed suitable for use in commercial, logistic or managerial activities of the Group - and therefore not included among those that are "instrumental", albeit retaining their intrinsic real estate value - are usually managed in such a way as to notably reduce their economic impact. However in some cases Poste Italiane deems that such decommissioned property assets can create added value where assigned to associations operating in the Third Sector. To date the Group has freely granted the use of some areas within its buildings to various organisations, in particular:

- An area at the Roma Eur site to the Poste Insieme Onlus foundation;
- Museum of Communications which occupies a surface area of about 1,600 square metres in the Roma Eur building complex, to the Ministry for Economic Development;
- Two areas in the Roma Eur complex to the Global Cyber Security Centre foundation;
- About 200 square metres in the building in Messina (hamlet Pistinina) to the Associazione Oikoumene Onlus association which carries out activities for the disabled.

At Group level, the main consumption of energy in the real estate context is attributable to electricity which covers 72% of the total consumption, followed by methane gas consumption from heating at 23%, whereas the rest is due to diesel, LPG and remote heating consumption (5%). In 2017, 95.2% of the electricity was procured from renewable sources certified with Guarantees of Origin<sup>19</sup> and a small portion, equal to 0.4%, self-produced from owned photovoltaic plants. The remaining portion of electricity, equal to 4.4%, is non-renewable and derives from the national grid. The reduction in recourse to non-renewable electricity is due to the higher self-production from photovoltaic plants (+48% compared to 2016) and the process of internalising data storage and management activities at data centres owned by the Group, which use renewable electricity.

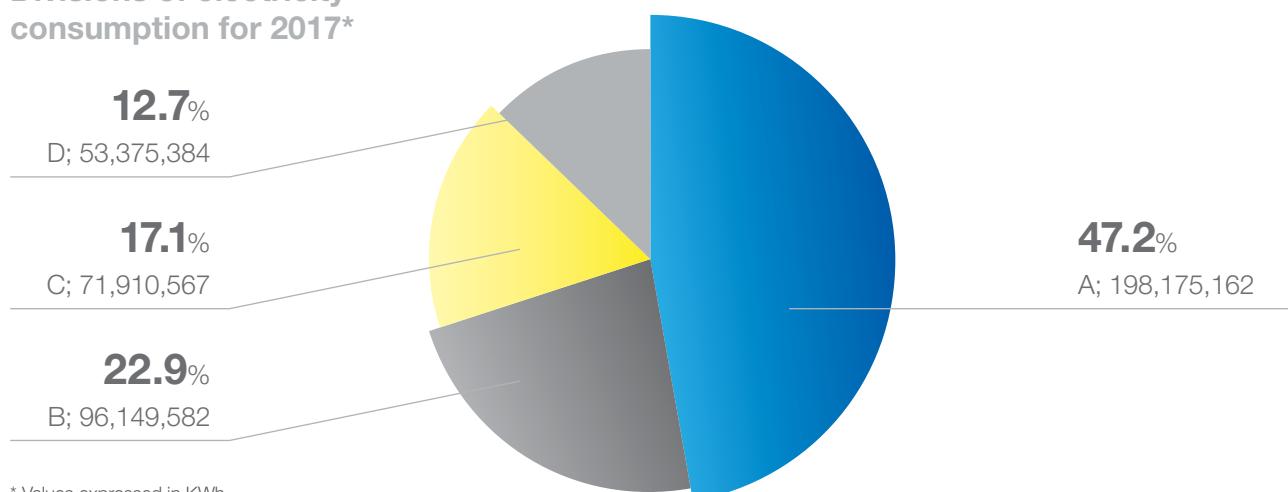
Every year the Company sets reduction targets for energy consumption and CO<sub>2</sub> emissions associated to electricity and gas consumption and promotes technical and infrastructural energy saving interventions.

The electricity consumption for the Group in 2017 is equal to 526 GWh, for a total value of CO<sub>2</sub> emissions equal to 8 thousand tonnes thanks to the significant quantity of energy acquired that originates from a renewable source. In order to identify the energy rating for the properties, the real estate assets of the Parent Company were clustered according to the levels of electricity consumption recorded in the 13,701 power on demand points (POD), defining the following four energy classes (POD Class A: >120 MWh, POD Class B: 35 – 120 MWh, POD Class C: 14 – 35 MWh, POD Class D: < 14 MWh) as shown in the following chart<sup>20</sup>.

19. Guarantees of Origin (GO) are electronically issued certificates that certify the renewable origin of sources used by qualified IGO plants (qualification subject to the issue of the GO identifying plants fed by renewable sources). A GO certificate is issued for every MWh of energy emitted into the network by such plants.

20. The data refer to consumption falling within contracts with a sole supplier.

## Divisions of electricity consumption for 2017\*



The analysis revealed that Class A is mainly formed of Managerial Offices and Postal Mechanisation Centres, plus a very limited number of large Post Offices. Classes B, C and D mainly concern the Post Offices and Minor Industrial Buildings.

### 8.1.2.2 Energy strategy: redeveloping buildings

Poste Italiane's strategy on the matter of energy saving in buildings can be referred to four strategic axes of intervention:

- Renewable sources.** In order to promote renewable sources, Poste Italiane counted on the dispersion of solar panels embedded in the buildings. The electricity produced by the 5 photovoltaic plants, already active for some years and located in Rome, l'Aquila, Bari, Fiumicino and Catania, and by the 2 new photovoltaic plans which became operational in 2014 – CMP (Postal Mechanisation Centre) in Modugno (Bari) and the Post Office in Marina di Campo (Isle of Elba) – amounts to 1.9 TWh/year;
- High efficiency heating and electricity plants.** Realisation of energy saving interventions on instrumental properties by means of using consolidated technologies in order to reduce electricity and methane gas consumptions. The interventions falling within such process can be divided into the following typologies:

#### Thermoregulation of apparatuses

Verification and installation of new intelligent systems optimising thermal energy in 2,800 existing complex systems (timers, presence sensors, astronomic clocks), for savings equal to about 15% of the annual gas consumption.

#### Plant optimisation

Experimentation of control systems on infrared heat pumps and intelligent regulation systems for boilers, with analysis of results and study of centralised management systems in compliance with Legislative Decree 102 of 2014, on the 27 sites involved in the first phase. The activities referred to the LED projects envisaging the replacement of light sources containing fluorescent bulbs (neon) with LED technology light sources.

#### Condensation boilers

Replacement of low yield boilers with high yield condensation boilers in 116 sites, with a considerable energy saving on consumption in heating plants powered by methane and a reduction in air pollution, with an estimated saving of around 20% in consumption.

The initiatives aimed at reducing methane gas consumption in 2017 generated a 3% saving in the annual consumption of gas in the real estate structures of the Group, equal to about 20 thousand GJ;

3. **Intelligent technologies.** Poste Italiane has particularly invested in the area of Smart Technologies, relying, in the first place, on the circulation of presence sensors to automatically switch the lighting systems on and off, as well as the realisation of a capillary remote reading and remote control network for the Post Offices and Minor Industrial Buildings. Such action was considered as strategic in order to efficiently manage, by centring all the information in one national Control Room, assets of more than 12 thousand buildings spread all over the country. The network was created to function consistently with the plants respect to the hours of working activity, having the objective of reducing waste connected to anomalous out of hours consumption (night and weekend). By means of clustering and comparing utilities, the system also allows interventions on the efficiency of the plants, anticipating any faults and correcting poor working practices;
4. **Incentivising good working practice.** The Company has carried out activities of communication by means of the Company intranet and created notices for display in the company notice boards in production areas in order to divulge good working practice as regards energy. Moreover, online training modules were implemented to be administered to managers and supervisors of the operational sites to further involve them. Lastly, a national Control Room was created where cases identified as "very critical" or "critical" are analysed daily, from the viewpoint of energy consumption, in order to highlight consumption that is not as expected and restore the correct use of the plants.

### 8.1.2.3 Energy strategy: consumption of electricity, gas and water

Specific measures were also taken for managing energy and water consumption which mainly concern:

- Definition of electricity, gas and water consumption containment targets;
- Hire of one sole supplier for electricity and one for gas, so as dispose of an organic base of consumption of the single utilities for each month of supply;
- Acquisition of green energy for all the utilities of Companies having joined the new electricity supply contract on the part of the internal supplier;
- Analysis of electricity and gas consumption measured or supplied by distributors, identifying wastage or anomalous consumption;
- Activation of a project for containing water costs, which envisages auditing existing contracts with suppliers of the higher consumption sites.



### 8.1.3 Sustainable logistics

Every day Poste Italiane reaches cities, districts and villages to deliver mail to citizens, by means of 28,635 postmen/women who move around the entire national territory in a capillary manner, using multiple means of transport. Precisely for this reason, efforts aimed at improving the environmental performance of the Group begin from managing the car fleet, potentially capable of contributing to greenhouse gas emissions and air pollutants. Indeed, in line with the Company's approach aimed at favouring rational and efficient use of renewable sources and the rationalisation of energy consumption from fossil sources, Poste Italiane is introducing means that are more and more ecological, such as hybrid cars and electrical means, and optimising logistic routes thanks to latest generation technologies and the minimum environmental requirements from outsourcing transport suppliers, such as the use of means with classes no lower than Euro 4.

For this reason in 2016 a partnership was signed with Nissan to supply and new fleet of 70 fully electric vans which is added to the 1,000 Free Duck electrical vehicles (quad bikes made by Ducati) that have delivered, every day for years, mail to town centres, travelling more than 2 million km and avoiding the emission of over 300 tonnes of CO<sub>2</sub> respect to using a traditional motorbike. Added to these are 1,700 methane powered vehicles, over 1,000 LPG powered vehicles and 41 hybrid means.

As regards planning and managing the commercial offer of mail and parcels and distribution, Poste Italiane oversees the entire process of acceptance, collection, sorting, delivery and return management thereof, also availing of the

services of the subsidiaries **Postel** and **SDA Express Courier**. Part of the logistics services, equal to 2/3 in terms of energy consumption, are managed by Poste Italiane helped by a network of suppliers and by means of SDA, the Group Company engages with express courier services for business customers.

The Group's integrated logistics chain is organised into 9 logistic areas, 23 sorting centres (divided into 16 CMP and 7 CP) and 2,051 delivery Offices. The physical sites of the logistics chain are connected through a primary network formed of motorway and air sections integrated with an organisation of SDA independent couriers and external road, rail and air carriers as needed. In order to make its logistics even more sustainable, Poste Italiane adopted the **PTV Smartour**, software for planning and optimising transport and the distribution which manages delivery and collection orders of the goods thanks to an algorithm aimed at the organisation of the routes. Moreover, with the objective of providing operating instructions and regarding conduct to staff using the vehicles, the Company drew up the "Regulations for use and maintenance of corporate vehicles" which describes the tasks of the central and territorial organisation structures and defines the activities and responsibilities related to the ordinary and extraordinary maintenance processes for the vehicles.

## The fleet for air and road transport in figures

In 2017, 38,690 means form the corporate fleet used for the commercial offer of mail and parcels which are divided into motorised means and quad bikes, good vehicles for delivery, vans and light lorries, service saloon cars. The Group's commitment is testified by the increased use of low environmental impact vehicles, in particular: 4,369 alternatively powered vehicles of which 1,064 electrically powered and about 3,192 powered by petrol/methane/LPG. Following the introduction of LPG powered vehicles, vehicles having lower horse power and interventions for a better optimisation of the loads in transport, the CO<sub>2</sub> emissions per travelled kilometre record a reduction, changing from 215 g/km to 210 g/km in 2017.

In 2017 the Group Company engaged with the air transport service of mail on behalf of Poste Italiane, **Mistral Air**, used a fleet partially under wet lease, formed of 25 aircraft between Boeing 737 (used for medium and short range scheduled flights and charter flights) with a total capacity of 148 seats, ATR with 68 seats (used for regional scheduled flights) and ATR Cargo with a transport capacity of 8 tonnes of goods. Present in the list of operational air companies in the 31 EEA (European Economic Area), Member States, the Company is subject to European Directive 2008/101/EC (EU ETS – Emission Trading System) and, considering such commitments, particular attention is paid to environmental protection by means of monitoring emissions and optimising consumptions of fuel in the fleet.

### 8.1.4 Mobility Management

Poste Italiane undertook a Mobility Management process starting from late 2012, having the objective of improve home to work movements of its staff, this envisages more use of public transport, car pooling, alternative mobility (bicycle) collective mobility at low environmental impact and optimisation of the areas of entry and parking in the corporate premises. The actions taken in recent years are multiple and heterogeneous and have allowed Poste Italiane to avail of a complete framework of home to work mobility at the main sites in the national territory. Moreover, concrete actions were planned for improving workers' movements with a view to sustainability, facilitating and implementing the use of mobility services in the territory.

**“With regard to environmental impact, the Mobility Management measures have allowed an estimated saving<sup>21</sup> in 2017 of over 9,290 tonnes of CO<sub>2</sub>. In particular, for work movements a reduction equal to 8,119 tonnes of CO<sub>2</sub>, is estimated whereas for non-work related movements, the saving is 1,175 tonnes. The containment of emissions in 2017 equals 38% of the total produced emissions”**

21. The COPERT method was introduced by the EEA (European Environment Agency) to draw up reports on the environmental status by the National Reference Centre for the realisation of national emission inventories in relation to the CORINAIR (COoRdination INformation AIR) project.

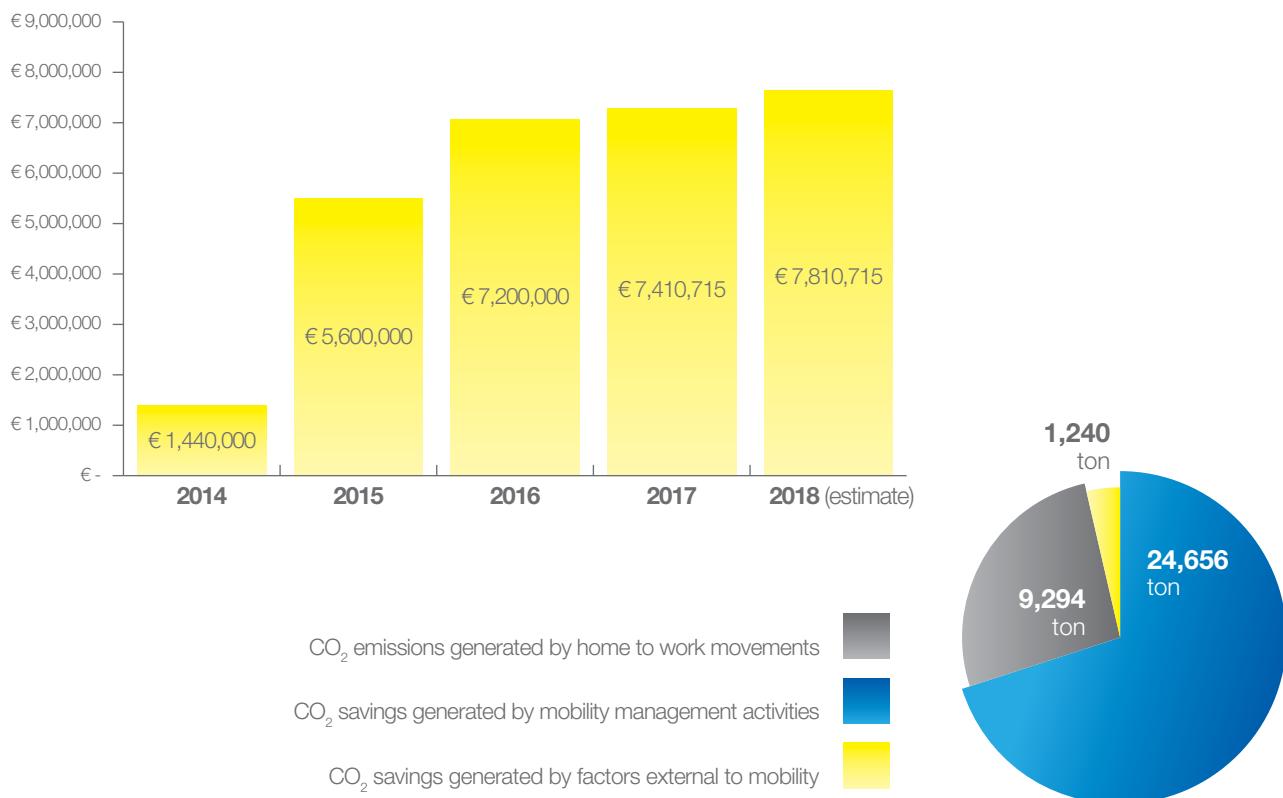
The primary objective of this process is to contribute to the reduction of CO<sub>2</sub> air emissions, favouring sustainable mobility solutions in urban areas.

In this context Poste Italiane by adhering to the Observatory on Mobility and Transport of the **Eurispes**, has appointed a Mobility Manager and adopted Mobility Management policies for the whole Group.

The obtained results place the Company in a position of absolute importance in the national scenario, as confirmed by some benchmarks conducted on the mobility management of other Italian companies. Thanks to the use of the **COPERT** (Computer Programme to calculate Emissions from Road Traffic) calculation method widespread in Europe for estimating emissions of air pollutants due to road transport, it was possible to determine the quantity of pollutant emissions generated by home to work movements of Poste Italiane employees: the emissions prove to be quantifiable as 24,656 tonnes of CO<sub>2</sub>, equal to 940 kilograms per employee, that can be offset, in terms of CO<sub>2</sub>, with about 6,164 hectares of forest, equal to the surface area of 8,629 football pitches.

Also considered in the analysis were savings generated from external factors to the Mobility Management activities, such as the evolution of the car fleet and variation in the number of employees, the impact of which amounts to a total of almost 1,240 tonnes per annum of additional CO<sub>2</sub>. Data aggregation allows an identification of the estimate of monetary value of external economic costs avoided thanks to the Mobility Management actions which, for 2017, were found to equal more than 7.4 million Euros.

### Air emissions avoided by Mobility Management initiatives



### SPREADING THE CULTURE OF ENVIRONMENTAL SUSTAINABILITY

A fundamental lever for obtaining positive impacts on the environment is constituted by the conduct of single employees: by means of their daily practice it is possible to obtain long-lasting benefits over time. For this reason, Poste Italiane included internal information campaigns among its Mobility Management initiatives of 2017.

In particular, the actions of communication and awareness on Mobility Management topics was carried out through the

use of multiple channels of dialogue with the employees, continuing on from previous years, thanks to initiatives aimed at workers and their families. These include:

- The realisation of an animated video on sustainable mobility intended for the children of Group employees of school age (6-12 years). As in all aspects of environmental sustainability, also with regard to mobility, the improvement in the life style of individuals and obtaining concrete and durable results in the long term pass on, above all, through the formation and education of younger generations. This was the reason for realising the "**EduMobility**" cartoon – projected for the first time during the annual "**Poste Aperte**" event and then made permanently available on the company intranet – its purpose to make youngsters aware of the aspects of sustainable mobility, with the objective of transforming learning into conduct. The cartoon, presented by a cartoon character named "**Professor Mobility**", shows children a series of information related to mobility and the environment, as well as some precautions related to safety on the journey between school and home;
- The publication, in September 2016, permanently on the company intranet of the "**eco-driving snippets**", which entails a series of recommendations related to vehicles and driving techniques, aimed at encouraging ecological, economic and safe driving;
- The creation of an e-book which illustrates a set of good practices and economic advantages linked to the assumption of eco-sustainable lifestyles having the purpose of inducing a reconsideration of mobility as a sustainable concern.

For years Poste Italiane has also participated in awareness initiatives "**I'll light myself up less**" and "**Earth Hour**". The former is a campaign organised by the Radio 2 Caterpillar broadcast which, in 2017, covered aspects of energy saving and sharing against wasted resources. Whereas "**Earth Hour**" is an international campaign promote for Italy by the World Wildlife Fund (WWF), which consists in switching off lights for one hour from 20:30 to 21:30 all over the world.

These two initiatives, similar and close in time, were carried out concurrently, thus forming an actual "green month" dedicated to care for the environment. Common element of both was switching off and lowering lights in buildings all over the nation, added to which was the involvement of employees on the matter "lighting and wasted resources", with the exhortation to agree on actions to be taken to effectively contribute to the environment. In particular, the following initiatives were implemented:

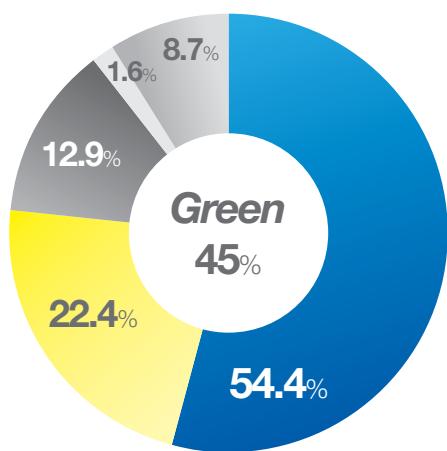
- Switching off or lowering lights in 325 buildings situated in the sites of Turin, Milan, Genoa, Venice, Trieste, Trento, Bologna, Florence, Ancona, Teramo, L'Aquila, Rome, Perugia, Campobasso, Naples, Potenza, Lecce, Reggio Calabria, Catania and Cagliari;
- Updated "Ten Commandments" on energy saving, circulated on the corporate intranet and by leaflet;
- Involvement, in the wake of the radio broadcast, of employees, invited to talk about actions taken in the office and private life by means of the audio book "Word for word" or on the company intranet;
- Circulation by press release and posts on Facebook and Twitter accounts, to involve citizens as well.

### 8.1.4.1 How employees move: the survey

In 2017 Poste Italiane completed its fifth survey on Mobility Management. The survey on the home to work movements involved 18 cities, 38 sites and more than 26 thousand people, having the objective of finding out the methods of home to work movement, habits and preferences regarding employee mobility and the environmental impacts generated by their systematic home to work movements.

The "**Home to Work Movement Plan**" analysed the transport offer in the territory and accessibility of Poste Italiane sites, as well as methods for home to work movements and the employees' mobility desires. The analysis related to accessibility of the work places and the transport offer in the territory was carried out site by site, studying the geo-location of personnel and contextually the accessibility to each site by means of private car (in terms of viability, traffic flows and available parking spaces), local public transport (TPL) and bicycle.

The results highlighted a varying situation. Employees from the larger cities (Rome, Milan and Naples) were most inclined to suing public means and therefore less inclined only to suing private means. Genoa, however, was the only city in which the use of company shuttles is relevant. Employees in Brescia, Cagliari and Ancona, lastly, seem to have the best practices regarding the use of the so-called "sweet mobility", (bike, by foot car pooling) to get to work.



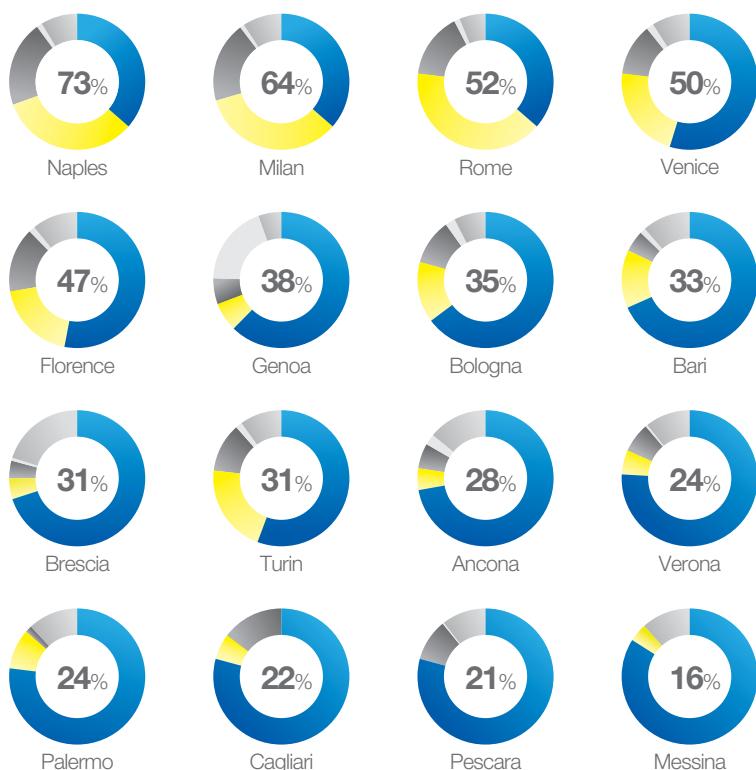
■ Sweet mobility (bicycle, on foot, car pooling)

■ Company shuttle

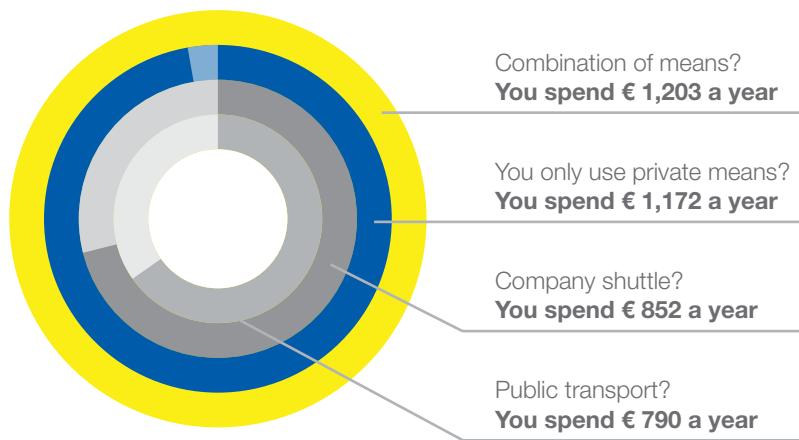
■ Combination of private means and collective transport

■ Only public means

■ Only private means (car/motorbike)



These findings are surrounded by data related to expenses traceable to every choice of mobility as shown in the following chart. Comparing the two extremes in terms of expense shown in the survey, one notes that the choice to move using public means translates into an economic saving, on average, equal to 413 Euros per year. 54.4% of the respondents, however, declared a preference for using private means for reasons linked to the consequent saving of time, despite the higher cost associated to this choice.



**413 €**  
The annual saving  
for those choosing  
public transport

## 8.1.4.2 “Green” movements

Poste Italiane commitment to incentivising sustainable mobility is corroborated by the following projects:

<b>Poste Mobile Office Portal</b>	The Poste Mobile Office Portal, accessible from the corporate intranet, workstation and web, is aimed at issuing services on a national and local scale which facilitate employees in their home to work movements, with particular reference to savings in costs and time. To be specific, the project promotes collective transport and the introduction of innovative forms that are less pollutant, aimed at reducing individual use of private cars as well as offering information on Mobility Management in Poste Italiane and useful links for sustainable mobility.
<b>Company shuttles</b>	The company shuttle service is, historically, one of the most significant actions brought about by Poste Italiane to facilitate reaching places of work particularly isolated or distant from public transport. The shuttles reach the work place via points of aggregation of the local public transport where the employees meet. This allows employees to solve situations in which the exclusive use of Local Public Transport would lead to excessive expenditure of time and energy, incentivising the employee to choose their private car as means of transport. The shuttle service allows about 4 thousand employees to reach their office every day, using 100 lines of company shuttles distributed in 11 cities served in 2017 (Rome, Milan, Genoa, Bologna, Ancona, Florence, Cagliari, Salerno, Bari, Lamezia Terme and Catania).
<b>Home to Work Movement Plan</b>	The Home to Work Movement Plan represents a fundamental instrument which, through replies given by employees in dedicated questionnaires, allows the Mobility Management to obtain all the information it needs to fix priority intervention strategies and actions required to be actuated in order to reach the objectives of optimisation.
<b>Subsidies for Public Transport</b>	Poste Italiane has brought about agreements with some Local Public Transport operators in big cities allowing Group employees to obtain an annual subscription at a discounted price respect to the value of the subscription sold to the public. Moreover, Poste Italiane undertakes to advance the full amount of such subscription to the transport firm, by setting up instalments - at no charge to the employee - of the cost in the wage slip, up to a maximum of 12 monthly instalments. The project involved the cities of Rome, Milan, Venice, Bologna, Turin, Brescia, Ancona, Catania and Verona, extended in 2017 to Naples and Cagliari and to the children of employees in the cities of Turin, Brescia and Cagliari.
<b>Car Pooling</b>	Since October 2016 the #iofaccioCarpooling, campaign has run, the new company Car Pooling service which allows employees of the Poste Italiane Group in the sites of Milan (Piazza Vesuvio) and Rome (Polo Roma Eur) – via the PMO portal (Poste Mobility Office) – to form daily teams of at least three people on board one car to get to work. Moreover, in the starting stage of the initiative, Poste Italiane offered the additional subsidy of preferential use of a limited number of parking spaces in garages under agreement (30 spaces in Milan and 60 in Rome).
<b>Car sharing</b>	The project is aimed at circulating the culture of differentiated use of shared public transport at low environmental impact, as an alternative to private cars. Poste Italiane Mobility Management signed an agreement in 2014 - at no cost - with the Car2Go operator, thanks to which Poste employees and their relatives were offered preferential rates such as free registration to the Car2Go service (worth 19 Euros) and a free driving bonus of 60 minutes for employees (worth 14.90 Euros) and 30 minutes for relatives (worth 8.70 Euros). In 2016, Poste Italiane Mobility Management launched the #IoVadoInCarsharing campaign with the distribution of 2,800 free 60 minute driving vouchers to Group employees to be used in the cities of Turin, Milan, Florence and Rome. The campaign was repeated in 2017 too, with the distribution of 900 vouchers to Group employees to be used in the same cities and again worth 60 minutes of driving.
<b>Eco-Driving courses</b>	In late 2014 Mobility Management launched its training plan on eco-driving courses (in classroom with driving simulator) to promote a correct knowhow concerning technique and conduct in eco-sustainable driving in order to reduce CO <sub>2</sub> emissions during systematic home to work movement. In the same period it also launched a pilot session of courses on eco-driving which ended in May 2015. It is believed that, following attendance, the application of eco-driving techniques allows very non-fleet driver to reduce fuel consumption by 10-15%, giving rise to a notable saving both in terms of economy and green house emissions. In addition, this saving is not only put into practice in the days when the employee uses the car to go to work, but also in the days they use a car for personal reasons. The results of a specific benchmark analysis conducted on the matter of circulating eco-driving among large Italian and European companies, showed that Post Italiane represents the first Italian Big Company and, one of the first in Europe, with regard to training on ecological driving with low emission impact for its non-fleet personnel, thereby emphasising the innovative nature of the project both at national and European level. Upon closure of the pilot session of courses on eco-driving, which concerned training 500 employees, the project evolved into the transposition of its content into videos becoming “eco-driving snippets” in order to maximise the use thereof by the entire corporate propulsion on a permanent basis, by means of the intranet.

<p><b>Cyclist facilities</b></p>	<p>Every employee travelling the home to work route by bicycle or on foot has a zero emission impact, even lower than the impact of employees moving by public transport. For this reason it is essential to favour the mobility of personnel deciding to use a bicycle when systematically moving from home to work and create services for pedestrians. The first infrastructural intervention of the Mobility Management investment plan concerned the Poste Italiane site in Polo Centrale Roma Eur (Viale Europa), in the context of a wider space requalification project of the atrium and basement floors, where it was possible to outfit a "Changing Room", offering, apart from bicycle parking spaces (40 new ones apart from the existing 40), also a series of new structures for welcoming cyclists and pedestrians at work: changing rooms with lockers, showers, services and a stretching room are available to employees who jog or cycle to work. Access is guaranteed through a dedicated entrance using the company badge.</p> <p>following this initiative, the building works on changing rooms were also extended to the sites of in Roma Ostiense and Mestre-Venezia (opening is imminent). The objective is to circulate the practice in the main sites of the national territory, thereby extending the investment project to all the cities in which there is a greater inclination to cycle from home to work. In confirmation of this, the Changing Room in Polo Centrale Roma Eur, which opened in 2017, recorded 600 registrations in the first week it opened.</p> <p>Moreover, in 2016 Mobility Management realised its first #IoVadoInBici campaign, with the distribution of personalised harness and backpacks to bike friendly employees to be used during Bike-to-Work- Days and during the European Sustainable Mobility Week. The initiative was repeated in 2017 in 16 cities in the land, which was followed by the #MyPostoBiciVerona campaign, dedicated to the employees of the local CMP who cycle from home to work, which envisaged the assignment of a bike parking space for one year, leased by agreement by Poste Italiane with the operator of the real estate complex of Porta Nuova station. In 2017, Poste Italiane offered a testimonial of its initiative during the Bike Summit "A bike is an Enterprise. Companies which pedal" organised in Rome by Legambiente.</p>
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## 8.2 National and international initiatives to reduce climate changing emissions



On the matter of safeguarding air quality and reducing phenomena linked to climate change, Poste Italiane considers it essential to undertake to guarantee efficient and rational use of energy resources to improve its performances and reduce climate changing emissions linked to activities directly managed by the Group.

During 2017 the Company actively participated in a series of international activities regarding environmental responsibility which were annually broken down into projects developed by the main international organisations of the sector. In particular: the Universal Postal Union (UPU), International Post Corporation<sup>22</sup> (IPC, a cooperative formed of the largest postal companies at global level) the Association of European public postal Operators<sup>23</sup> (PostEurop) and the Committee for Social Dialogue of the European Commission.

### UPU – UNIVERSAL POSTAL UNION

In 2016 the International Bureau of the UPU launched the OSCAR (Online Solution for Carbon Analysis and Reporting) project, a simplified procedure for reporting pollutant emissions produced by activities of designated operators from the 192 members countries of the Union, applying principles set out by the GreenHouse Gas Inventory Standard for the postal sector. The Group's active membership in the project, since its launch, has allowed monitoring, on an annual basis, of its emissions which contributes to reducing CO<sub>2</sub> emissions at global level. In 2017 Poste Italiane was placed in the medium-high group for performance in terms of environmental sustainability, contributing the target reduction of about 18 thousand tonnes of CO<sub>2</sub> from direct emissions compared to the previous year.

## IPC – INTERNATIONAL POST CORPORATION

As regards the IPC (International Post Corporation), the activities aimed at reducing the impact of postal activities on the environment fall within the EMMS project (Environmental Monitoring and Measurement System) created in 2008 having the purpose of monitoring CO<sub>2</sub> emissions and assessing the level of sustainability of the participants' performances. To date, the programme counts 20 participating operators from all over the world (18 of the 24 members of the IPC, added to which are operators from Brazil and South Africa) which comprehensively manage about 51,700 square kilometres of surface area of the owned properties, a fleet of 576 thousand vehicles and about 1,700,000 people.

In the report carried out in 2017 on the consolidated data for 2016, the contribution of each participant led to a reduction in CO<sub>2</sub> emissions of over 26% compared to the datum 2008, the year of reference, changing from 8,360 thousand tonnes to 6,458 thousand tonnes of CO<sub>2</sub>, with a comprehensive saving of over 112.7 million tonnes of CO<sub>2</sub> over a period of eight years from the creation of the programme. In the same way, in the same period there was a reduction in fuel consumption respect to the datum 2008, with a saving exceeding 460 million litres of fuel during the eight years (equal to about 403 million Euros); and, equally, the consumption of electricity for the group of participants changed from 9.95 TWh to 7.77 TWh, with a saving of about 11.6 TWh in eight years (equal to about 1 billion Euros).

The excellent results achieved confirm the efforts of postal operators in containing the impact on the environment and also testify a growing professionalism and skill on the matter, such as to render the EMMS the first sustainability programme at sector level based on an efficient and concrete model for sustainable development.

Collaborations began, lastly, with important international associations active in the sector (e.g. WWF, World Resources Institute - WRI, Carbon Disclosure Program - CDP, United Nations Global Compact - UNGC) to which the EMMS programme refers, in order to standardise not only the measurements, but also reporting.

As a whole, in 2017 too, the Poste Italiane Group placed itself in the medium-high performance group in terms of environmental sustainability, contributing to the reduction target - to the extent of 18 thousand tonnes of CO<sub>2</sub> – from direct emissions compared to the previous year.

## POSTEUROP

In relation to the activities of PostEurop, there is a Committee dedicated to Social Corporate Responsibility with the objective of supporting and promoting the fulfilment of the commitments of its members regarding social and ethical problems.

In 2017 the Poste Italiane Group participated in the annual edition of the "The Postal Sector, leading the way in Corporate Social Responsibility" publication with the following internal projects:

- Health Plan, dedicated to primary and secondary welfare of employees, by means of providing free welfare visits, as well as organising a series of seminars to promote a correct lifestyle;
- PosteOrienta, dedicated to the children of employees, with the purpose of helping them and supporting them in the choice of school subjects by means of a series of meetings and dedicated portal;
- Changing Room, for employees choosing to cycle to work from home, supporting urban mobility at low environmental impact.

## CDS (EUROPEAN SOCIAL DIALOGUE COMMITTEE FOR THE POSTAL SECTOR)

A participatory collaboration was guaranteed by Poste Italiane during 2017 within the work groups active in the European Social Dialogue Committee for the postal sector (CDS), in particular: "Evolution of the postal sector and "Training, Health and Safety". The Chairmanship of such group was assigned to Poste Italiane.

The first work group, aiming to analyse the impact of market deregulation on the corporate organisation, social legislation, universal service and more in general, on the analysis of the evolution in the postal sector in terms of products and services, finalised, by means of a publication, the results of the "Mobilising Social partners in the European postal sector" study funded by the European Commission for analysing the role of social parties in the reorganisation of postal companies. At the end of this study a joint statement was signed between Trade Union Organisations and the European Social Dialogue Committee for the postal sector.

The work group also presented a new project to the European Commission, entitled “Trend research for the European postal sector in 2030” which received approval for funding.

Under the direct coordination of Poste Italiane, the second work group was dedicated to the implementation of the study, approved and funded by the European Commission, “Promoting Social Dialogue in the postal sector in an enlarged Europe”. As well as addressing the circulation of awareness of the CDS and the European Social Dialogue as a place of reference for industrial relations at corporate level, carries out an analysis of the impact of digitalisation on the new services of the sector, such as e-commerce, and on training programmes provided by postal companies. The project envisages the realisation of three international seminars and a final conference in Brussels. During the course of 2017 the work group was dedicated to both the structuring and presentation of the project and the organisation of the first of three regional seminars planned to be held in Prague. The closure of the project is envisaged by 2019.

## PHILATELIC POSTMARK FOR THE G7 ENVIRONMENT

The Bologna Branch, during the “G7 Environment” which took place from 11 to 12 June 2017, readied a special philatelic postmark. The previous year a stamp had celebrated the 30 years of the Ministry of the Environment.

## International Comparison

As testimony of the constant commitment of Poste Italiane and its continuous comparison to international sector leaders, the Company carried out a benchmark analysis focused on the main actions and initiatives traceable to a Green Strategy process, brought about or planned by some of the most important European and international postal operators. The environmental commitment of such subjects can include multiple actions under various levels of implementation in a more or less integrated context with the industrial development Plans of the postal groups included in the analysis.

The postal operators selected for this benchmark were all active subjects in the “Environmental Measurement and Monitoring System” (EMMS) programme of the International Post Corporation (IPC), in the hypothesis that such programme would attract more active postal organisations on the matter of sustainability and Green Economy. Poste Italiane also adheres to such initiative, thereby, together with the other operators, it has assumed the same commitments to reducing emissions.

Apart from the IPC documents, research was conducted, beginning with the information provided by the single postal operators by means of sector documents prepared by the organisations (for example environmental reports, sustainability reports) and by information made available through web channels based on the availability of updated data for the most recent year. The comparison between the information of an environmental nature supplied by the various operators allowed the identification, first of all of the most recurrent initiatives and then pointed out the best practices for providing concrete evidence of the possible initiatives for each area of analysis.

Starting with the information thus collected for each sector, a summary table was drawn up which lists the initiatives proving to be of greatest interest with a view to Green Strategy.

The analysis revolves around the following topics: waste; efficiency of the resources and circular economy; mobility and logistics; energy saving and renewables; certifications; suppliers, Value Chains and Green Public Procurement (GPP); green postal products; green financial products; environmental strategies and objectives.

Lastly a comparison was made regarding the comprehensive commitment of each operator which illustrated whether or not green actions were present in the various sectors and highlighted the reported best practices.

## 8.3 Responsible waste management



Responsible waste management, governed by Legislative Decree no. 152 of 2006 (also known as the "Consolidated Environment Act") represents a distinctive value for Poste Italiane, committed in a conscious manner to the matter in order to guarantee the prevention, or reduction of produced waste and the recovery of materials and energy. In performing its corporate activities, the Company mainly generates two categories of waste: similar t urban and special waste (hazardous and non hazardous).

With reference to waste assimilated to urban waste, Poste Italiane subscribed, with AMA, Azienda Municipale Ambiente di Roma Capitale [municipal environment company of Rome] an Experimental Memorandum of Understanding for differentiated collection within the structures of the Headquarters in the Roma Eur Complex by means of dedicated containers. Part of this waste (for example paper and plastic) is sent directly for recycling by means of operators authorised to manage special waste - observing, in this case, the requirements provided for special waste and the Company benefits from the reduction in the tax/rate established by the regulations in force.

In the context of uniform management and creation of corporate culture, the Group promoted information and training programmes aimed at making personnel aware, both at the work place and in their private sphere, of adopting correct behaviours during waste conferral.

As regards special waste produced by Poste Italiane, on the other hand, the highest portion is represented by non hazardous waste (e.g. paper packaging, cardboard, plastic, wooden pallets, etc.). nonetheless, within some postal centres and at the Group Data Centres, considering the substances used, there can be a production of some special waste (e.g. containers for printer ink and ink effluents). Pursuant to the provisions under the Consolidated Environment Act, special waste is sent for recovery/disposal according to passive cycle contracts stipulated by the Company with authorised firms in observance of the requirements pertaining to moving and tracing waste (e.g. forms, load/unload log, MUD - Single Environmental Declaration Form). Transfer agreements stipulated according to active cycle, instead, govern the portion of special waste sent for recycling/recovery.

Since 2012 Poste Italiane has launched various initiatives in order to change from waste management based on landfill disposal to an integrated system aimed at the transition towards a stronger and circular economy, in which resources are used more sustainably.

The objective of "closing the circle" of the life cycle of products and draw maximum value from them is inserted into a wider process aimed at the gradual elimination, starting from the procurement phase, of products and materials which give rise to hazardous waste at the end of their life, by favouring similar but more eco-compatible products. Moreover, in light of the corporate commitment to guaranteeing an increasingly more efficient and sustainable management of waste and consequent reduction of that which is generated, Poste Italiane has launched and projects which are kept active for the "virtuous" reuse to goods and equipment/tools that are obsolete for the Company but still having a "second life. Such goods such as obsolete electrical equipment (about 2500 pieces) and some types of vehicles (about 250) were removed from the waste management cycle and "transferred" to third parties for reuse.

The same procedure applied to equipment and furnishings decommissioned by the company canteen in Rome which were freely given to primary Third Sector organisations for their reuse in social canteens for persons under hardship.

With a view to reducing food waste, as from 2012 Poste Italiane has joined the "Siticibo" programme promoted by the Banco Alimentare Onlus foundation having the purpose of recovering food left over from the company canteen in Roma Eur.

**"In 2017 57%  
of hazardous waste  
was sent  
for recycling"**

## The “Solidarity Package”

Based on the normative in force, SDA Express Courier is obliged to keep and preserve at its expense, for a given period of time (from 6 to 12 months according to typology) the so-called “anonymous batches” or “abandoned batches” that are not delivered due to force majeure, as well as arrange for their disposal or destruction at the end of the period in question.

SDA Express Courier, in concert with the Group Risk Governance - Corporate Social Responsibility function of Poste Italiane, scheduled the activation of a recovery and reuse process for social purposes of containers used in the “anonymous and abandoned batches”.

The Poste Italiane Group – in further confirmation of its proximity to families and local communities and its widespread ability to also intercept social needs - intends to organically contribute to the corporate strategy by means of realising an experimental activity called “Joint Package” aimed at making the assets constituted by the content of parcels that have not been delivered due to force majeure available to families in conditions of poverty or social hardship;

According to an analysis related to the type of beneficiaries and capillary circulation over the territory, Caritas was identified as the ideal partner for such initiative, with particular reference to the national network of Solidarity Emporiums which, starting from that opened in Rome, has spread throughout the nation, touching 60 units.

The project envisages that Caritas:

- Makes its industrial depot available as well as other spaces in the “Emporium of Solidarity” network in Rome, in which to store the received goods;
- Takes over, selects and registers the received goods, managing their effective destination for social purposes by means of subsequent reassignment and reuse by users of the “Solidarity Emporium” or, in the case of unusable goods or not needed for such purpose or of a significant value, oversee the sale thereof to third parties by means of special auctions or fundraising initiatives, also online, with conditions, terms and procedures compliant to the normative in force;
- Where necessary, arrange for any fulfilments pertaining to legal obligations related to their disposal;
- Involve diocesan Caritas to which the identified “Solidarity Emporiums” refer, sending them the portion of goods received according to the related user catchment.

For goods having more value not suited or needed for the purposes of directly supporting Emporium users, forms of economic valorisation are foreseen by means of fundraising activities and sale to third parties through special “solidarity auctions”. Such funds are expressly restricted to activating professional requalification and work reinsertion courses for the same disadvantaged subjects by means of establishing a specific “fund”.

Also foreseen is active participation of the corporate volunteer network by means of support activity carried out by the competited Corporate Social Responsibility function of Poste Italiane.

The use of the “fund” may also envisage - again through dedicated projects and personalised course to be submitted for the approval of the assessment Team - funding of training internships or apprenticeships for entry to work at companies firms partners of SDA Express Courier S.p.A. aimed at members of the counted families who are users of the Emporiums, in particular the unemployed are unoccupied for a long time regarding whom the completion of the six months of admission to Emporium services is forthcoming.

## 8.4 Performance Indicators (KPI – GRI Standards)

### [GRI 301-1] Materials used by weight and volume

Type of raw material/materials	U.m.	2016	2017
Recycled and natural paper	ton	22,717	19,460
<b>Focus - Postel</b>			
Paper and cardboard	ton	19,726	18,743

### [GRI 301-2] Recycled materials used

Type of raw material/materials	U.m.	2016	2017
Paper	%	27.89	31.55

### [GRI 302-1] Total energy consumption for the Group<sup>1</sup>

	U.m.	2016	2017
Renewable electricity	GJ	1,791,787	1,812,424
Non renewable electricity	GJ	2,783,864	2,937,824
<i>of which:</i>			
Electricity procured from the national grid	GJ	94,811	83,377
Methane gas	GJ	671,061	657,874
LPG	GJ	9,997	35,057
Diesel	GJ	517,351	860,664
Petrol	GJ	553,425	173,278
Jet Fuel	GJ	919,688	1,104,614
Remote heating	GJ	17,531	22,960
<b>Total energy</b>	<b>GJ</b>	<b>4,575,651</b>	<b>4,750,248</b>

1. Including energy referring to Real Estate structures and that associated to the business of road logistics and passenger transport and airmail.

### [GRI 305-1] Direct GHG emissions (Scope 1); [GRI 305-2] Indirect GHG emissions (Scope 2); [GRI 305-3] Other indirect GHG emissions (Scope 3)

Total CO <sub>2</sub> emissions of the Group	U.m.	2016	2017
Direct emissions - Scope 1 <sup>1</sup>	ton	180,797	193,774
Indirect emissions - Scope 2 <sup>2</sup>	ton	10,804	9,901
Indirect emissions - Scope 3	ton	170,675	157,916

1. The factors used for the conversion of fuels into CO<sub>2</sub>: GPL (1.5704 kgCO<sub>2</sub>/litre) Methane (2.6928 kgCO<sub>2</sub>/Kg) Petrol (2.3839 KgCO<sub>2</sub>/litre), Diesel (2.74790 KgCO<sub>2</sub>/litre) Jet Fuel (2.4910 kgCO<sub>2</sub>/litre). Source: Methodology Paper for Emission Factors 2017 drawn up by the UK Department for Environment Food & Rural Affairs (Defra) and Regulation 601/2012 on the EU ETS system (for calculating air transport CO<sub>2</sub> emissions).

2. Poste Italiane acquire certificates of guaranteed renewable origin for a portion equal to about 95% of its electricity consumption. The GRI Sustainability Reporting Standards provide for two methods for calculating emissions of Scope 2, the "Location-based method" and the "Market-based method". The "Market-based method" (method used by Poste Italiane) is based in the CO<sub>2</sub> emissions by energy suppliers from which the organisation acquires, by contract, electricity (in this case certificates of guaranteed origin from renewable source of the energy and the remaining 5%, factors of emission of the national grid (emission factor: 375 g CO<sub>2</sub>/kWh, Source: Terna 2015)). The location-based method, instead is based on average emission factors related to the generation of regional, supranational or national energy. Applying the location-based method, the total emissions for the Group in Scope 2 in 2016 is equal to 199,871 tonnes of CO<sub>2</sub> and equal to 198,347 tonnes in 2017 (emission factor: 375 g CO<sub>2</sub>/kWh, Source: Terna 2015).

## Data on the company fleet

	U.m.	2016	2017
Total km travelled	N°	328,223,769	336,360,628
Total vehicles	N°	50,528	38,690
<i>of which traditional vehicles</i>	N°	45,176	34,321
<i>of which alternative vehicles</i>	N°	5,676	4,693
<i>of which:</i>			
Bicycles	N°	324	324
Electric vehicles	N°	1,091	1,064
Hybrid cars	N°	32	113
Vehicles fuelled by petrol-methane	N°	2,963	2,210
Vehicles fuelled by petrol -LPG	N°	-	982
Vehicles fuelled by petrol diesel-methane	N°	339	-
Vehicles fuelled by petrol LPG	N°	927	-
Percentage of alternative vehicles	%	11.2	12.1
CO <sub>2</sub> /km	gr	215	210

## [GRI 302-1; GRI 305-1; GRI 305-2] Energy consumption and internal CO<sub>2</sub> emissions to the company road fleet

	U.m.	2016	2017
Diesel	GJ	422,061	739,837
Petrol	GJ	553,678	173,279
Methane	GJ	55,890	60,553
LPG	GJ	1,693	23,351
Certified guarantee of origin electricity	GJ	1,540	1,682
<b>Total energy</b>	<b>GJ</b>	<b>1,034,862</b>	<b>998,702</b>
Direct emissions- Scope 1	ton	72,873	71,676
Indirect emissions- Scope 2 <sup>1</sup>	ton	-	-

1. The electricity used to power vehicles all comes from renewable sources

## [GRI 302-2; GRI 305-3] Energy consumption and internal CO<sub>2</sub> emissions to contracted road logistics<sup>1</sup>

	U.m.	2016	2017
Energy external to the Group	GJ	1,861,003	1,675,733
Emissions of another type external to the Group – Scope 3	ton	137,488	123,753

1. A part of the logistics services equal to about 2/3 in terms of energy consumption and a significant portion of dedicated human resources are managed by Poste Italiane and SDA Express Courier (the Group company engaged with express courier services for business customers) with the help of a network of suppliers.

## Data on the air transport fleet

	U.m.	2016	2017
Means	N°	28	25
Airmail	N°	2,648	3,247
Charter	N°	4,985	9,512

**[GRI 302-1; GRI 305-1] Energy consumption and emissions of air mail and charter transport**

	U.m.	2016	2017
Energy internal to the Group	GJ	919,688	1,104,614
Direct emissions– Scope 1 <sup>1</sup>	ton	65,692	78,901

1. Conversion factor: ton of Jet fuel \* 3.15.

**[GRI 302-1] Internal energy consumption referred to real estate structures by source**

	U.m.	2016	2017
<b>Renewable energy</b>	GJ	1,790,247	1,810,741
Self-produced electricity from solar panels GJ	4,779	4,779	7,057
Electricity certified by guarantee of origin <sup>1</sup>	GJ	1,785,468	1,803,684
<b>Non renewable energy</b>	GJ	848,114	836,190
<i>of which:</i>			
Electricity procured from the national grid <sup>2</sup>	GJ	94,811	83,377
Methane gas	GJ	615,172	597,321
LPG	GJ	8,304	11,705
Diesel	GJ	112,296	120,827
Remote heating	GJ	17,531	22,960
<b>Total energy</b>	GJ	<b>2,638,361</b>	<b>2,646,932</b>

1. Includes energy consumption of the SDA agencies equal to 10,719 GJ.

2. Includes energy of the external data centres without utility ownership.

**Weight of electricity consumptions referred to real estate structures by type of business**

	U.m.	2016	2017
Post Offices	%	55	55
Managerial Offices	%	14	14
Industrial Plants (Postal mechanization centres)	%	14	14
Logistic Centres for delivery	%	13	13
Data Centres	%	4	4

**[GRI 305-1; GRI 305-2] Direct and indirect CO<sub>2</sub> emissions referred to real estate structures**

	U.m.	2016	2017
Direct emissions– Scope 1	ton	43,512	43,197
Indirect emissions– Scope 2 <sup>1</sup>	ton	10,771	9,901
<b>Total emissions</b>		<b>54,283</b>	<b>53,098</b>

1. Includes CO<sub>2</sub> emissions of the external data centres without utility ownership.

### [GRI 306-2] Waste produced by typology and method of disposal

	U.m.	2016	2017
<b>Total Hazardous Waste</b>	ton	142.5	346.0
<i>of which:</i>			
sent for recycling	ton	17.0	277.7
landfill disposal	ton	0.7	2.5
sent for incineration	ton	-	0.4
sending for other of disposal	ton	124.8	65.4
<b>Total non hazardous waste</b>	ton	21,821.6	25,790.6
<i>of which:</i>			
sent for recycling	ton	21,205.3	25,190.1
landfill disposal	ton	218.3	182.5
sent for incineration	ton	-	-
sending for other of disposal	ton	398.0	418.0
<b>Total waste</b>	<b>ton</b>	<b>21,964.1</b>	<b>26,136.6</b>

### [GRI 303-1] Water drawn from source

	U.m.	2016	2017
Water supplied by public aqueducts or from other water service providers	m³	91,307	94,023

## Dematerialisation of documents and corresponding transactions

Document type (data in thousands)	2016		2017	
	Total no. documents	% Dematerialised	Total no. documents	% Dematerialised
Bonds	819	89	1,289	94
Current Accounts	705	84	417	86
Savings Books	417	78	674	93
Postepay Evolution <sup>1</sup>	-	-	1,227	91
Life Policy <sup>1</sup>	-	-	274	70
MiFID	1,270	96	2,571	96
Poste Mobile	22	44	815	70
<b>Total Documents<sup>2</sup></b>	<b>3,233</b>	<b>89</b>	<b>7,267</b>	<b>90</b>

Corresponding Transactions <sup>3</sup>	U.m.	2016	2017
Total Transactions	mln	28.0	31.5
Total electronic transactions	mln	27.0	30.3
Dematerialised transactions	%	96.4	96.2

1. Dematerialisation services activated in the second half-year 2016.

2. The increase in volumes of dematerialised documents in 2016 and 2017 is linked to the increase in enabled Post Offices (about 8,000 in 2016 and about 10,000 in 2017) and of the new activated contractual aspects.

3. The increase in volumes of electronic transactions in 2016 and 2017 is attributable to the "digitalisation" of certain operations with consequent elimination of the receipt. In fact, in 2017 the volumes of digitalised operations equalled to about 30 million.

# Methodological note

## Applied Standards

In 2017 Poste Italiane is required to publish the Sustainability Report in accordance with the most widespread standard at international level: GRI Global Reporting Initiative Standards pursuant to the option “in accordance – Core”, published by Global Reporting Initiative (GRI) in 2016 and inclusive of the supplement dedicated to the Financial Services sector issued in 2013 by GRI (“Financial Services Sector Disclosures”). This year this document, which shall be published on a yearly basis, is drawn up voluntarily and is not, therefore, subject to external assurance. The Sustainability Report 2017 testifies the process undertaken by the Poste Italiane Group for the adoption of sustainability as a managerial model based on the involved of all interested parties, in order to highlight the actions taken respect to sustainability goals assumed and to transparently satisfy the expectations of the stakeholders.

In order to define the contents of the Report, the following accounting principles of the GRI Standards were observed, amongst which the principle of materiality to identify significant aspects to be disclosed (for further information refer to section 3.1 “The relevant aspects of Poste Italiane”) and the presentation of performances achieved by the Group with reference to such aspects and the sustainability goals. In particular, in consideration of the principle of relevance, the degree of thoroughness with which the various topics are covered in the disclosure was defined according to their weight in the objectives and strategies of the Poste Italiane Group and their relevance for the stakeholders, determined by means of a structured process of materiality analysis.

As regards the identified material topics, the Investment and development of ESG products topic, particularly interesting the companies of the Poste Vita and BancoPosta Fondi SGR, is that on which the Group shall assess a future path of development in line with national and international best practices.

The information and data included in this document refer to 2017 and the performance trends for the two-year period 2016–2017, where available. The qualitative and quantitative information derive from corporate information systems of the Group and from a non-financial reporting system purposefully implemented to meet the requirements of the “GRI Sustainability Reporting Standards”. The data were processed by means of punctual calculi and, where specifically indicated, by estimates. Estimated data concerns some entries of electricity consumption internal and external to the organisation; in particular, data on electricity consumption (for the protection and related to Data Centres are not directly managed), methane gas and remote heating of the Group’s real estate structures were calculated considering the costs borne and average rate, whereas diesel and LPG were estimated according to historical and actual values of tank exhaust. Consumption linked to logistics is all estimated according to the travelled stretches and/or average consumption of the means and the transported load, with the exception of the company owned cars.

In order to identify the contribution of Poste Italiane to achieving the 17 Sustainable Development Goals – SDGs of the United Nations, a link was formed between the actions taken by Poste Italiane and the SDGs, following the indications in the document “SDG Compass” prepared by GRI, UN Global Compact and WBCSD (World Business Council for Sustainable Development), further supplemented by an analysis of the single Goals and related to the 169 targets associated to them.

## Report Boundary

The report boundary includes data of the “Mother Company” (Poste Italiane S.p.A.) and her “Daughter Companies” fully consolidated for financial reporting. The exceptions to this border are explicitly report within the document.

The main risks, generated or suffered, linked to material topics and which derive from Group activities are explained in the Risks Management section of the Management Report.

The following table outlines the relations between material topics of Poste Italiane and the corresponding GRI Standards and describes, for each material topic, the related impact generated both inside and outside of the organisation.

<b>Impact of the aspect</b>			
<b>Identification of Poste Italiane's material aspects</b>	<b>Topic - specific GRI Standard of reference</b>	<b>Internal</b>	<b>External</b>
Human capital	Employment	Poste Italiane Group	-
	Training and education	Poste Italiane Group	-
	Diversity and equal opportunities	Poste Italiane Group	-
Corporate Governance	Anti-corruption	Poste Italiane Group	Suppliers
	Diversity and equal opportunities	Poste Italiane Group	Suppliers
Customer experience and product quality	-	Poste Italiane Group	Customers, Suppliers
Digitalisation and innovation	-	Poste Italiane Group	Business Partner, Community
Responsible management of the supply chain	Environmental assessment of the Suppliers	Poste Italiane Group	Suppliers
	Social assessment of the Suppliers	Poste Italiane Group	Suppliers
Green building	Materials		
	Energy		
	Water	Poste Italiane Group	Customers, Suppliers, Environment, Community
	Emissions		
	Effluents and waste		
Inclusion	Local communities	Poste Italiane Group	Customers Community
Sustainable logistics	Energy		
	Emissions	Poste Italiane Group	Customers, Suppliers, Environment, Community
Relations with social parties	Industrial relations	Poste Italiane Group	-
Health and safety	Occupational health and safety	Poste Italiane Group	Suppliers
IT security and business continuity	Privacy of Customers	Poste Italiane Group	Customers Community
Economic-financial sustainability	Economic performance	Poste Italiane Group	-

For further information and explanations on the topics and indicators shown in this Report, contact:

Poste Italiane SpA  
 Corporate Affairs/Group Risk Governance/Corporate Social Responsibility Function  
 Viale Europa, 190  
 00144 Rome – Italy  
 Email: rsi@posteitaliane.it

# GRI Content Index

GRI Standard	Number and description of the indicator	Paragraph /Page
<b>GRI 101: Foundation 2016</b>		
<b>GRI 102: GENERAL DISCLOSURES</b>		
<b>GRI 102: General disclosures</b>	<b>Organisation profile</b>	
	102-1 Organisation name	13 (1.1 The Poste Italiane Group: an infrastructure serving the country)
	102-2 Activity, primary brands, products, and services	18-21 (1.3 The Group's operating sectors)
	102-3 Location of the organization's headquarters.	Viale Europa 190, Rome, Italy
	102-4 Name and number of countries where the organization operates	13 (1.1 The Poste Italiane Group: an infrastructure serving the country)
	102-5 Nature of ownership and legal form	13 (1.1 The Poste Italiane Group: an infrastructure serving the country)
	102-6 Markets served	13 (1.1 The Poste Italiane Group: an infrastructure serving the country); 18 (1.3 The Group's operating sectors)
	102-7 Scale of the organization	13 (1.1 The Poste Italiane Group: an infrastructure serving the country); 24 (1.5 Performance Indicators KPI – GRI Standards)
	102-8 Information on employees and other workers	121-122 (6.8 Performance Indicators KPI – GRI Standards)
	102-9 Description of organisation's supply chain	87-90 (5.2 The suppliers)
	102-10 Significant changes in the period of reference regarding the organisation and its supply chain	17 (1.2 The Group's Structure)
	102-11 Explain any methods for applying the cautionary principle or approach	52-53 (3.3 Group certifications) The cautionary approach recalled by principle 15 of the Rio Declaration of the United Nations is applied by Poste Italiane to protect the environment in the development and introduction of new products and services and in planning new operational activities
	102-12 Principles and charters related to sustainability which the company has subscribed or adheres to	43 (Chapter 3 Sustainability in Poste Italiane) 108-109 (6.5.1.1 Commitment to women) 161-166 (8.1.4 Mobility Management)
	102-13 Participation as a member to national or international organisations	44 (Chapter 3 Sustainability in Poste Italiane) 166-168 (8.2 National and international initiatives to reduce climate changing emissions) 119 (6.7.3 Other social dialogue initiatives)

GRI Standard	Number and description of the indicator	Paragraph /Page
<b>GRI 102: General disclosures</b>	<b>Strategy</b>	102-14 Statement from the most senior decision-maker about the relevance of sustainability to the organisation and its strategy for addressing sustainability 6-8 (Letter by the Chief Executive Officer and General Manager)
	102-15 Key impacts, risks and opportunities	Consolidated Statement of a non Financial Nature: Methodological Note
	<b>Ethics and integrity</b>	102 –16 Values, principle and company norms 153-154 (8.1 Poste Italiane's Green Strategy) 34 (2.2.2 The Code of Ethics) 35-36 (2.2.3 The Organisational, Management and Control Model)
	<b>Corporate Governance</b>	
	102-18 Governance structure of the organisation	27 (2.1. The governance model)
	102-19 Processes for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	In the context of the organisation, the Corporate Responsibility Function established within the risk Governance structure of the Group (which does not report directly to the BoD) promotes, socially, environmentally, ethically and regarding governance, the corporate objectives and related realisation and notification of the results. The function also monitors the risks associated with aspect of greater significance in terms of sustainability, capable to negatively affecting its reputation and corporate identity. The Managing Director talks directly with various classes of stakeholder and delegates specific tasks in relations with stakeholders to the corporate functions by means of internal service orders
	102-20 Executive-level responsibility for economic, environmental, and social topics	
	102-21 Consulting stakeholders on economic, environmental, and social topics	
	102-22 Composition of the highest governance body and its committees	Report on corporate governance and the ownership structures: 7.2 Control, risks and sustainability Committee (formerly control and risks Committee)
	102-23 Chairman of the highest governance body	Report on corporate governance and the ownership structures: 6.6 Managing Director
	102-24 Nomination and selection processes for the highest governance body	Report on corporate governance and the ownership structures: 6 Board of Directors; 6.1 Current composition and term in office (as per art. 123- bis, paragraph 2, letter d), TUF; 6.8 Independent directors; 6.10 Evaluation of the performance of the board of directors and committees; 6.11 Diversity policies (as per art. 123- bis, paragraph 2, letter d), TUF
	102-25 Conflicts of interest	Report on corporate governance and the ownership structures: 14 Other corporate governance procedures (ex art. 123-bis, comma 2, lett. a), TUF
	102-26 Roles of the highest governance body in the development of goals related to economic, environmental and social impacts	Report on corporate governance and the ownership structures: 6.6 Managing Director; 7.2 Control, risks and sustainability Committee (formerly control and risks Committee)
	102-27 Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Report on corporate governance and the ownership structures: 6.3 Roles and functions (as per art. 123- bis, paragraph 2, letter d), TUF; 6.8 Independent directors; 6.10 Evaluation of the performance of the board of directors and committees
	102-28 Processes for evaluation of the highest governance body's performance	Report on corporate governance and the ownership structures: 6.10 Evaluation of the performance of the board of directors and committees

GRI Standard	Number and description of the indicator	Paragraph /Page
	102-29 Identification and management of economic, environmental and social impacts	Report on corporate governance and the ownership structures: 6.3 Role and functions (as per art. 123-bis, paragraph 2, letter d), TUF)
<b>GRI 102: General disclosures</b>	102-30 Effectiveness of the processes for economic, environmental and social topics	Report on corporate governance and the ownership structures: 7.2 Control, risks and sustainability Committee (formerly control and risks Committee)
	102-31 Frequency of the controls by the highest governance body on economic, environmental and social topics	
	102-33 Processes for communicating critical concerns to the highest governance body.	Report on corporate governance and the ownership structures: 5.5 Employees' shareholdings: vote exercise mechanisms (as per art. 123- bis, paragraph 1, letter e), TUF); 7.2 Control, risks and sustainability Committee (formerly control and risks Committee)
	102-36 Processes for determining remuneration	Report on corporate governance and the ownership structures: 6.12 Payments
<b>Stakeholder engagement</b>		
	102-40 List of stakeholder groups engaged by the organisation	47 (3.2 Stakeholder involvement)
	102-41 Collective bargaining agreements	95 (Chapter 6 The human capital at Poste Italiane)
	102-42 Basis for identification and selection of stakeholders with whom to engage	47 (3.2. Stakeholder involvement)
	102-43 Approach to the activity of stakeholder engagement	47-51 (3.2. Stakeholder involvement); 80-83 (5.1.1 Customer experience and the quality of services); 83-84 (5.1.2 The dialogue with consumers)
	102-44 Key topics and criticalities that have been raised through stakeholder engagement and related actions	50-51 (3.2.1 Multi-stakeholders' Forum 2018 emerging topics); 84-85 (5.1.3 The Conciliation procedures); 85-86 (5.1.4 Complaint management)
<b>Reporting practice</b>		
	102-45 List of the companies included in the consolidated financial statements and those not included in the Sustainability Report	176-177 (Methodological note: Report Boundary)
	102-46 Process for defining the report content and boundary	176 (Methodological note: Applied Standards) 45 (3.1 The material aspects of Poste Italiane)
	102-47 List of material aspects	46 (3.1 The material aspects of Poste Italiane)
	102-48 Restatement of information disclosed in the previous reports and reason for such changes	Non applicable. This Sustainability Report constitutes the first application of the GRI Standards of the Global Reporting Initiative
	102-49 Significant changes respect to the previous reporting period	Non applicable. This Sustainability Report constitutes the first application of the GRI Standards of the Global Reporting Initiative.
	102-50 Period of disclosure	176 (Methodological note)
	102-51 Publication date of the most recent sustainability report	Sustainability Report 2012
	102-52 Disclosure frequency	176 (Methodological note)
	102-53 Contacts for requesting information on the sustainability report	177 (Methodological note)
	102-54 Declaration of conformity with GRI Standards	176 (Methodological note)
	102-55 GRI content index	178-186 (GRI Content Index)
	102-56 External assurance	176 (Methodological note)

GRI Standard	Number and description of the indicator	Paragraph/Page	Notes/omissions
<b>Material topics</b>			
<b>GRI 200: ECONOMIC PERFORMANCE INDICATORS</b>			
<b>Economic performance</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 51 (3.2.2 Economic value generated and distributed to stakeholders); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 201: Economic performance</b>	201-1 Direct economic value generated and distributed	55 (3.5 Performance Indicators KPI – GRI Standards)	
<b>Anti-corruption</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	35-36 (2.2.3 The Organisational, Management and Control Model); 45-46 (3.1 The material aspects of Poste Italiane); 87-88 (5.2.1 Tender management and the List of suppliers) 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the management approach		
<b>GRI 205: Anti-corruption</b>	205-1 Operations at risk of corruption	40 (2.4 Performance Indicators KPI – GRI Standards)	
	205-2 Communication and training on policies and procedures on the fight against corruption	40 (2.4 Performance Indicators KPI – GRI Standards)	Information not available. The current reporting system did not allow reporting on training issued to members of governing bodies and suppliers and/or commercial partners. Moreover the training issued to employees by professional category was not disclosed in percentage terms. We expect to report this information in the next cycles of disclosure.
<b>GRI 300: ENVIRONMENTAL PERFORMANCE INDICATORS</b>			
<b>Materials</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 157 (8.1.1.1 The impact on paper consumption); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		

GRI Standard	Number and description of the indicator	Paragraph/Page	Notes/omissions
<b>GRI 301: Materials</b>	301-1 Materials used by weight and volume	171 (8.4 Performance Indicators KPI – GRI Standards)	
	301-2 Recycled materials used	171 (8.4 Performance Indicators KPI – GRI Standards)	
<b>Energy</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 157-159 (8.1.2 Energy saving in the Real Estate assets); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 302: Energy</b>	302-1 Energy consumption within the organisation	171 (8.4 Performance Indicators KPI – GRI Standards)	
	302-2 Energy consumption outside the organisation	171 (8.4 Performance Indicators KPI – GRI Standards)	
<b>Water</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 160 (8.1.2.3 The energy strategy: consumption of electricity, gas and water); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 303: Water</b>	303-1 Total volume of water collected by source	175 (8.4 Performance Indicators KPI – GRI Standards)	
<b>Emissions</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 153-154 (8.1 Poste Italiane's Green Strategy); 161-162 (8.1.4 Mobility Management); 160-161 (8.1.3 Sustainable Logistics); 166-168 (8.2 National and international initiatives for reducing climate changing emissions); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		

GRI Standard	Number and description of the indicator	Paragraph/Page	Notes/omissions
<b>GRI 305: Emissions</b>	305-1 Direct GHG emissions (Scope 1)	171 (8.4 Performance Indicators KPI – GRI Standards)	
	305-2 Indirect GHG emissions (Scope 2)	171 (8.4 Performance Indicators KPI – GRI Standards)	
	305-3 Other indirect GHG emissions (Scope 3)	171 (8.4 Performance Indicators KPI – GRI Standards)	
<b>Effluents and waste</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 169 (8.3 Responsible waste management); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 306: Effluents and wastes</b>	306-2 Waste produced by type and disposal method	174 (8.4 Performance Indicators KPI – GRI Standards)	
<b>Assessment of the environmental aspects amongst suppliers</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 88-89 (5.2.2 Selection according to social and environmental criteria); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 308: Assessment of the environmental aspects amongst suppliers</b>	308-1 Percentage of new suppliers controlled using environmental criteria.	88 (5.2.2 Selection according to social and environmental criteria)	Information not available. The current reporting system did not allow reporting on the percentage of new suppliers controlled using environmental criteria. We expect to report this information in the next cycles of disclosure.

GRI Standard	Number and description of the indicator	Paragraph/Page	Notes/omissions
<b>GRI 400: SOCIAL PERFORMANCE INDICATORS</b>			
<b>Industrial relations</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 116-120 (6.7 Industrial relations); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 402: Industrial relations</b>	402-1 Minimum notice period for operating changes	118 (6.7.1.1 Other agreements with Trade Union Organisations)	
<b>Health and safety</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 113-115 (6.6 The commitment to the health and safety of personnel); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 403: Health and Safety</b>	403-2 Injury rates at work, illness, days of work lost, absenteeism and total number of deaths	122-123 (6.8 Performance Indicators KPI – GRI Standards)	Information not available. The current reporting system did not allow reporting on the rate of absenteeism and disclosure on contractors. We expect to report this information in the next cycles of disclosure.
	403-3 Employees exposed to high frequency or high risk of illness connected with their activities	115 (6.6.2 Safety in figures)	Information not available for the Group. The current reporting system only allowed reporting with reference to the Parent Company. We expect to report this information in the next cycles of disclosure.

GRI Standard	Number and description of the indicator	Paragraph/Page	Notes/omissions
<b>Training and Education</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 98-104 (6.3 Growing professionally in Poste); 105-107 (6.4 Poste Italiane's Corporate University); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 404: Training</b>	404-1 Average annual training hours per employee	123 (6.8 Performance Indicators KPI – GRI Standards)	Information not available. The current reporting system did not permit disclosure on division by gender. We expect to report this information in the next cycles of disclosure.
	404-3 Percentage of employees who receive regular performance and career development assessments	124 (6.8 Performance Indicators KPI – GRI Standards)	
<b>Diversity and equal opportunities</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane) 28-29 (2.1.1 Criteria of appointment and composition of corporate bodies); 107-110 (6.5 Diversity that creates value); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 405: Diversity and equal opportunities</b>	405-1 Diversity in the composition of governance bodies of the organisation and division of employees by category	41 (2.4 Performance Indicators KPI – GRI Standards) 95-96 (6.1 Group employees)	
<b>Social assessment of suppliers</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 88-89 (5.2.2 Selection according to social and environmental criteria); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 414: Assessment of the social aspects amongst suppliers</b>	414-1 Percentage of new suppliers controlled using social criteria	89 (5.2.2 Selection according to social and environmental criteria)	Information not available. The current reporting system did not allow reporting on new suppliers assessed according to social criteria. We expect to report this information in the next cycles of disclosure.

GRI Standard	Number and description of the indicator	Paragraph/Page	Notes/omissions
<b>Customer privacy</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 66-75 (4.4 Cyber Security) 75 (4.5 Creation of the Privacy function); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
<b>GRI 418: Privacy of customers</b>	418-1 Number of complaints documented in respect of the violation of customer privacy and loss of consumer data	76 (4.6 Performance Indicators KPI – GRI Standards)	
<b>Local community</b>			
<b>GRI 103: General disclosure on management approach</b>	103-1 Explanation of the material nature of the topic and its scope	45-46 (3.1 The material aspects of Poste Italiane); 127-130 (7.1 Social-economic inclusion); 176-177 (Methodological note – Report Boundary)	
	103-2 Organisation management method and its components		
	103-3 Assessment of the operating mode		
	FS14 Initiatives to improve access to financial services for disadvantaged persons	150 (7.7 Performance Indicators KPI – GRI Standards)	

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## **Poste Italiane SpA**

Registered office: Viale Europa, 190 - Rome  
Fully paid-up share capital: €1,306,110,000.00

Tax Code and Rome Companies' Register no. 97103880585/1996  
Business Registration Number in Rome: REA 842633  
VAT no. 01114601006

### **Edited by**

Corporate Affairs

**Communication**

Poste Italiane SpA

**May 2018**

This document is available for inspection on the Company's website at  
[www.posteitaliane.it](http://www.posteitaliane.it)

### **Graphic design**

**IBG WAVE**

### **Layout and printed by**



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economic and social defined by the Forest Stewardship Council®



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