

Social Report

Posteitaliane
2009



“MF Innovazione Award 2009”

for “BancoPosta In Proprio” account

“Postal Technology International Award 2009”

“World Finance Global Insurance Award 2009”

presented to Poste Vita

Poste Italiane SpA’s ratings

Moody’s: **Aa2** with a stable outlook

Fitch: **A+** with a stable outlook

S&P: **A/A-1** with a stable outlook



The Social Report gives substance to Poste Italiane's ethical profile. It highlights our relationships with local communities, our efforts to ensure quality of life for the people who work for the Company and to contribute to the Country's development. Poste Italiane is committed to implementing a sustainable development model, able to combine business with ethics and transform profit into value.

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Letter to stakeholders

Once again this year the Social Report aims to provide a simple description of all the various projects and initiatives undertaken by Poste Italiane group, in keeping with our corporate mission and the principle of corporate social responsibility.

The document confirms our commitment to transparent dialogue with our stakeholders: individual members of the public, economic and social interest groups, entities and institutions. Each of them engages with us on a daily basis, and each of them is keen to see us fulfil our corporate mission. This represents an extremely wide audience, if one thinks that every day over a million and a half people enter our 14 thousand Post Offices, we serve 32 million customers and we employ a workforce of 150 thousand.

Social responsibility is thus an essential and “constituent” part of Poste Italiane, a company that has historically enjoyed a close relationship with Italians, focusing on meeting their needs and interests by offering a wide range of products and services. A Group whose identity is based on maintaining a dialogue with the public and a widespread presence throughout the country, vital aspects of an efficient and profitable business, capable of creating economic and social value.

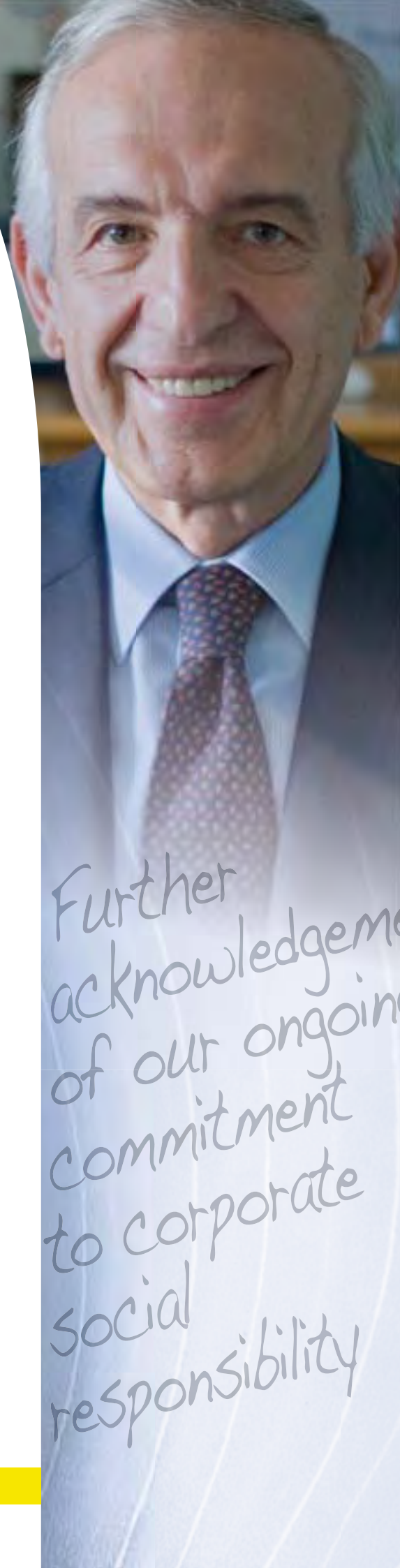
This ability to engage with both the public and the men and women who work for the Group has enabled us to develop various programmes designed to help people balance their working and private lives, support sustainable development projects and to implement public service initiatives in which Poste Italiane acts in partnership with the Public Sector.

Just one example of this is the large-scale plan for distributing the “Carta Acquisti” (the Social Card) to less well-off members of the population and, within the Company, the extension of work-life balance initiatives, such as teleworking.

I am also pleased to see that our commitment to environmental protection has led to increased in-house production of the energy used by Poste Italiane in its operations, thus helping to save energy and reduce greenhouse gas emissions. I would also like to draw your attention to expansion of our fleet of electrical and hybrid vehicles. This has enabled us to improve the quality of life of the people who work for Poste Italiane and members of the public, fully in line with our leadership of the European Green Post project regarding low-impact vehicles.

Finally, before concluding mention should be made of the help provided by Poste Italiane group to the victims of the terrible earthquake that hit the city of L’Aquila and a large part of the Abruzzo region. This involved taking part in the emergency response, so as to rapidly ensure that our network was capable of guaranteeing both services and people’s rights. We also made our logistics infrastructure available to collect donations and aid. Our actions offered concrete proof of Poste Italiane’s commitment to society and of the Group’s indissoluble ties with Italy’s citizens.

Massimo D’Urso

A portrait of Massimo D'Urso, an older man with grey hair, wearing a dark suit, light blue shirt, and patterned tie. He is smiling and looking towards the camera. The background is slightly blurred.

Further
acknowledgement
of our ongoing
commitment
to corporate
social
responsibility

Methodology

As in previous years, the Social Report has been prepared in order to meet the need to keep interested parties informed about the social, environmental and economic importance of Poste Italiane's activities. This form of voluntary reporting supplements the financial report already published by the Group. For this reason, the reporting period and the financial disclosures in this Report are consistent with those in the separate and consolidated financial statements produced by the Parent Company, Poste Italiane SpA.

Where not specifically mentioned, the basis of preparation covers the actions of the Parent Company.

The desire to provide a document structured in such a way as to be readily accessible to external parties has led to the continued use of a reporting format based on the principal sets of nationally and internationally recognised guidelines (the Social Report Study Group or GBS, the Global Reporting Initiative - GRI3 and the GRI's Sector Supplements for Financial Services and Logistics, which we believe to be applicable to Poste Italiane's activities).

This ensures that Poste Italiane's Social Report is comparable over time and in relation to other companies that adopt the above reporting formats.

The attention paid to the reporting process over time has enabled us to achieve a significant degree of compliance with GRI guidelines, which in previous reports was self-assessed. The GRI indicators included in this year's Social Report place the degree of compliance at level B, representing the intermediate GRI application level (out of A, B, C).

We are committed to further extending and adapting the information provided in future editions, whilst at the same time maintaining the basic structure of the document used in previous years.

As usual, in preparing the Social Report we have complied with the social reporting standards laid down in the relevant guidelines. Via the system for gathering information, we have involved all departments within the Company, who have played an active part in the preparation and internal review of the document.

The Social Report is not currently subject to external independent assurance. However, the above-mentioned description of the preparation process is proof of our commitment to reviewing our performance and evaluating potential improvements in accordance with the guidelines referred to.

A company can be trusted
when its decision-making
takes account of
the interests of everyone.

Corporate identity

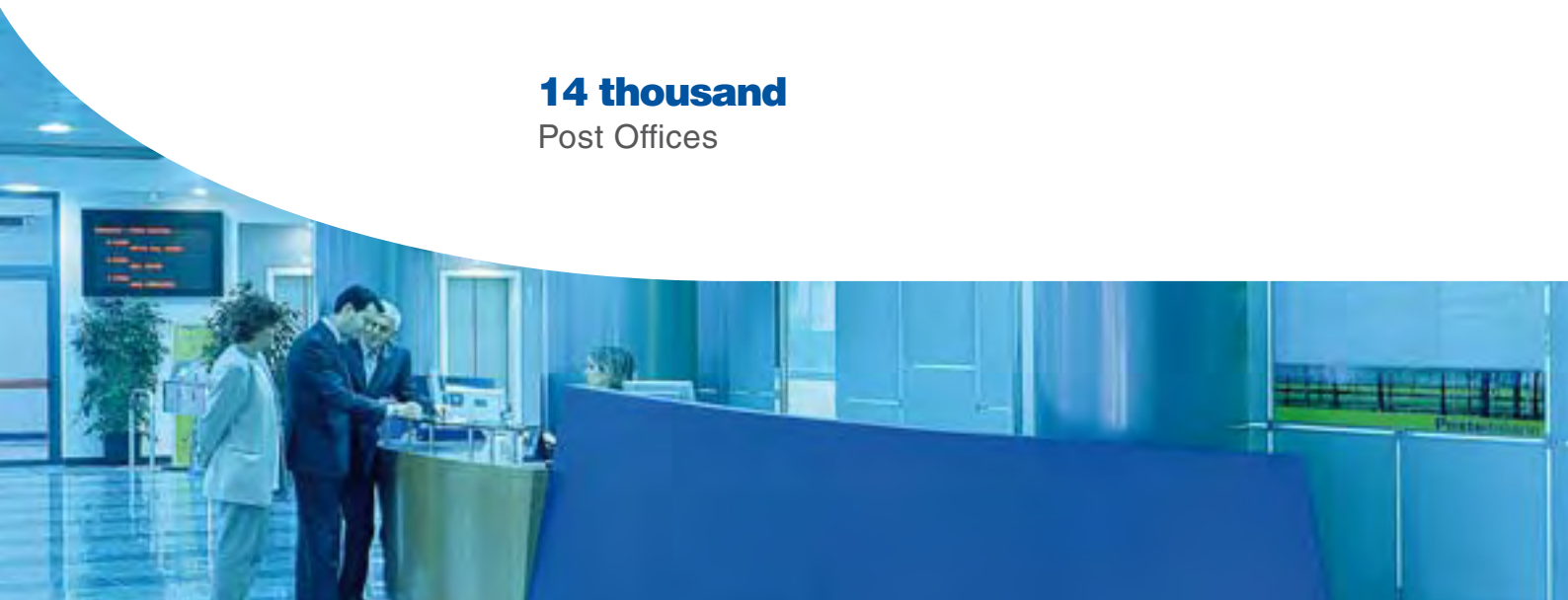


Italy's biggest provider

of services to consumers,
businesses and the Public Sector

14 thousand

Post Offices



Over 40 thousand

postmen and women

5,740 Amico counters

Poste Italiane has risen through the ranks of Fortune's list of the **World's Most Admired Companies:** now number three in Italy

Fitch: **A+ credit rating** with a stable outlook



5,500 ATM's

1,200 Call Centre operators

Our history

In 1862, one year after proclamation of the Kingdom of Italy, the National Postal Law was enacted which, amongst other provisions, decreed that the postal service was to be operated under a state monopoly. The date of Poste Italiane's foundation is symbolic, coinciding as it does with the birth of the country, in which it has established a deeply rooted presence.

The importance of the postal service was immediately recognised by the nascent Kingdom, leading to the creation in 1889 of the Ministry of Post and Telecommunications, alongside the introduction of cash on delivery, letter-cards, postal orders, and express and urgent express mail. Over approximately 150 years in existence, Poste Italiane has continued to serve the Italian public in bad as well as good times. During the Great War the Military Postal Service made it possible for soldiers to communicate with their families and for orders and dispatches to be sent between the various command posts, at times using carrier pigeons. Post Offices also played their part in the modernisation of the country, with postal current accounts being introduced in 1917. The Ministry of Communications was established in 1924, incorporating the Autonomous Post and Telegraph Agency and the entity responsible for State Telephone Services. In the 1970s a new Postal Law was passed, reforming the previous legislation and regulations governing the service. In 1994 modernisation of the Italian postal system began with its breakdown into two separate organisations: the Ministry of Post and Telecommunications, responsible for strategy and control, and the economic public agency, Poste Italiane, which was assigned responsibility for operations.

On 28 February 1998 the economic public agency, Poste Italiane, was converted into a joint-stock company, giving rise to Poste Italiane SpA and marking the start of the Company's restructuring and turnaround. This involved the implementation of over 200 improvement initiatives designed to radically change the way in which Poste Italiane operates: a new organisational structure, new job definitions, new technologies, new products and services, new access and distribution channels. The "Posta Prioritaria" (Priority Mail) service was launched in 1999, offering 24-hour delivery for mail within Italy. The following year saw the introduction of "Conto BancoPosta" (a form of current account) and the development of the Company's financial services got underway. In just a few years, Poste Italiane is now the Italian leader in this market, thanks to its ability to build and retain a large market share by offering products guaranteeing immediate access to funds and managed electronically, thus enabling customers to carry out online transactions with the utmost security.

After fifty years in the red, Poste Italiane reported its first profit in 2002, building on this performance in subsequent years and, in 2006, paying its first ever dividend. The Company today offers a wide range of innovative logistics and financial products and services and, since November 2007, mobile communications. The validity of the Group's strategy, which aims to guarantee ongoing improvements in quality not only in terms of new products and services, but also with regard to financial, social and

environmental reporting, has been recognised with Poste Italiane being awarded the prestigious “Oscar for Corporate Reporting” in 2008 in the “Companies and Large Enterprises” category. This prize, which is awarded by FERPI (the Italian Federation of Public Relations), is given to companies who have distinguished themselves for the quality and transparency of their financial reporting.

During 2009 Poste Italiane was assigned a “Postal Technology International Award” as the best service provider in 2009. This award, promoted by Postal Technology, is given to one of the world’s leading postal services providers in recognition of outstanding process research, development and innovation over the year.

Our ability to offer innovative services was also acknowledged by a panel of top international managers, enabling Poste Italiane to improve its ranking in the list of the World’s Most Admired Companies prepared by the American magazine Fortune, moving up from eighth to fifth place in the global logistics-postal sector.

Poste Italiane in figures

An average workforce of **154 thousand**
43 thousand vehicles **14 thousand**
Post Offices **6.5 million** debit and credit
cards total revenue of **20 billion euros**
10 Italian airports used for air mail **670**
thousand PosteMobile SIM cards sold in 2009
(over 1.2 million in total)

Our Group

Poste Italiane group offers integrated communication, logistics and financial services and products across Italy, through a network of around 14 thousand Post Offices, its website and the contact centre. Poste Italiane SpA, which is Italy's largest service company, also provides the country's Universal Postal Service. The Group offers a growing range of integrated services and innovative solutions to the general public, to businesses and Public Sector entities (central and local government) by taking advantage of its distribution channels, as well as the multiple and complementary capabilities of its organisational structure.

The Group also supplies Public Sector entities with a variety of collection, payment and reporting services, in keeping with the development of e-government processes. Via its Post Office network the Group also provides socially relevant services by enabling access to public services of an administrative and financial nature, such as the "Reti Amiche" project and the "Social Card" initiative.

The business is organised into the three segments described below: Postal Services, Financial Services and Insurance Services:

- **Postal Services**, including Mail, Express Delivery and Parcels, and Philately activities carried out by Poste Italiane SpA and certain subsidiaries (SDA Express Courier SpA, the Postel Group, Poste Italiane Trasporti SpA, Mistral Air Srl, Consorzio Logistica Pacchi ScpA and Italia Logistica Srl);
- **Financial Services**, including the activities of BancoPosta and the subsidiary Poste Tutela SpA;
- **Insurance Services**, including the activities carried out by Poste Vita SpA (whose products are distributed through Post Offices) and its subsidiary Poste Assicura SpA.

Other complementary activities carried out by Poste Italiane SpA, as well as those conducted by certain Group companies (BancoPosta Fondi SpA SGR, EGI SpA, Postecom SpA, PosteShop SpA, Poste Link Scrl, PosteMobile SpA, Poste Energia SpA and Poste Tributi ScpA), are allocated to the Other Services segment.

Thanks to the efforts of everyone at the Company, Poste Italiane is today a leading financial services provider, with 5.5 million current accounts opened and 5.6 million prepaid cards in circulation.

The main factors that have enabled the Group to achieve these results are:

- the decision to create a diversified Group, establishing companies specialising in the provision of particular products or services;
- involvement of the people who work for Poste Italiane;
- the widespread nature of the Post Office network (13,992 at 31 December 2009).

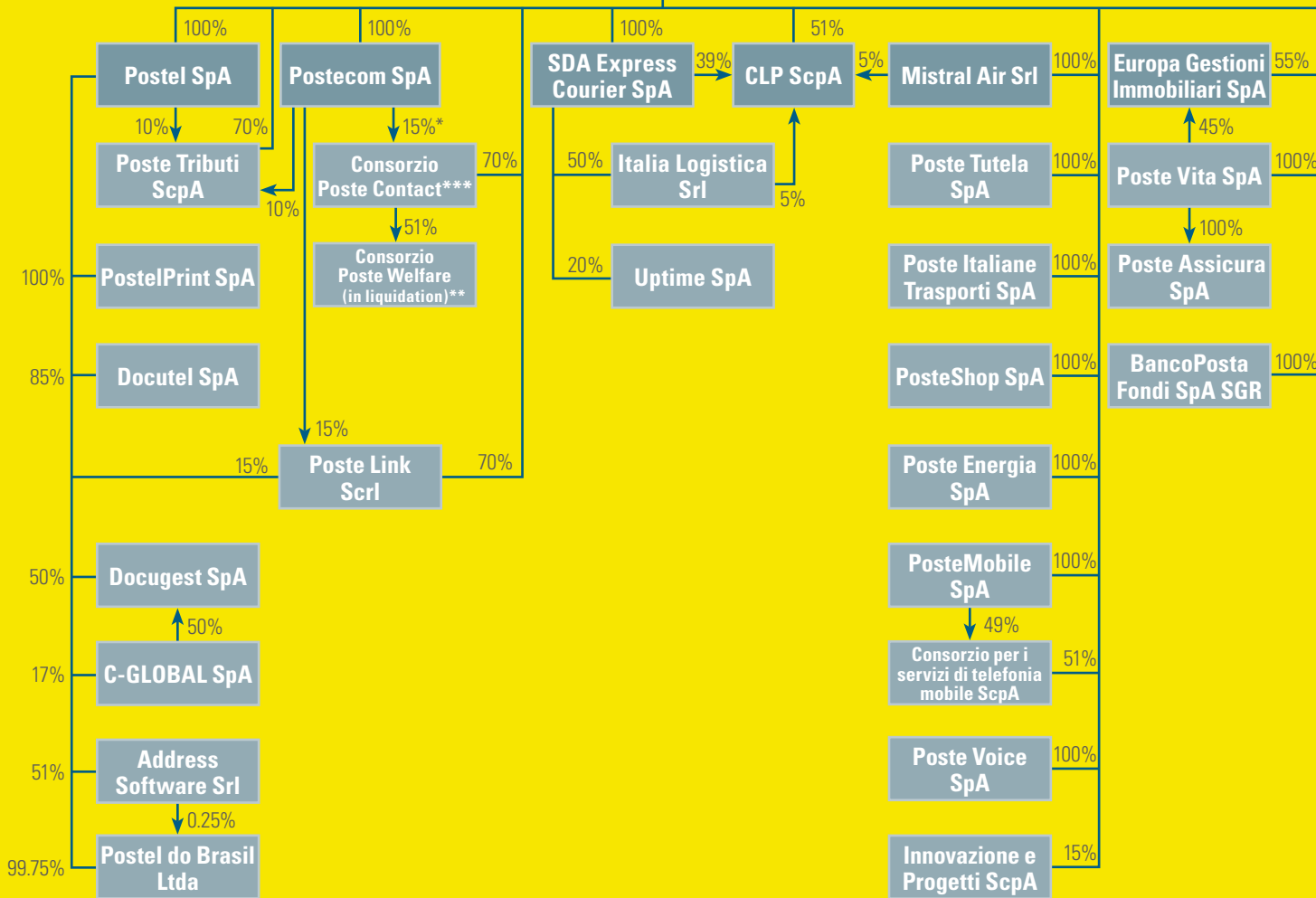
Post Offices



Post Offices
Branches

Structure of the Group

Posteitaliane



* The remaining 15% of the investment is held by Postel SpA.
 ** The consortium was cancelled from Rome Companies' Register on 18 January 2010.
 *** The consortium was merged with and into Poste Link Scrl on 8 March 2010.

Main Poste Italiane group companies

POSTEL GROUP (POSTEL SPA AND POSTELPRINT SPA)

The group provides communications services for businesses and Public Sector entities. In addition to printing and enveloping mail, which traditionally represents the Group's core business, its service offering includes Mass Printing, Direct Mailing, Door-to-Door and Electronic Document Management, by which it offers its customers traditional optical acquisition and storage services, as well as new services such as backup optical filing and electronic billing, and e-procurement. Postel SpA has adopted a Social Responsibility Management System certified to the SA8000 Standard (certification was obtained on 11 September 2008), convinced that its economic and social role and responsibilities extend not just to the financial performance of its products and services, but also to a vision based on ethical principles, which holds the quality of life to be an important corporate objective. Awareness of its social role also derives from the fact that adoption of the Social Responsibility Management System has driven the group to make improvements as a result of the internal audit procedures that tend to be involved and the related assessment processes.

SDA EXPRESS COURIER SPA

As well as being one of the leading operators in the Italian Express Delivery sector, especially regarding distribution of the postal products, domestic and international Paccocelere and Standard and J+3 Parcels, SDA also offers integrated solutions for distribution, logistics and catalogue sales.

POSTE ITALIANE TRASPORTI SPA

The company is a road haulier that operates primarily for the Parent Company and carries postal products over medium to long distances, in addition to providing postal product clearing services at the Bologna and Rome Hubs. Having already embarked on a plan to certify all the various types of operating unit around the country, in 2009 the company took all the necessary steps to maintain its ISO9001 certification for the "transport of goods" and "postal logistics services".

MISTRAL AIR SRL

Mistral Air Srl provides air mail services to Poste Italiane SpA, in addition to air freight and passenger transport services for other customers in order to cover its fixed overheads. In 2009 the new activities defined in the company's development plan were stepped up and the operations of the leading Italian postal air transport carrier within the Parent Company's air network were expanded, with the introduction of new routes during the year (Rome-Brescia round trip, and Cagliari, Bari, Ancona and Pescara to and from the Brescia Hub). In this context the company replaced the BAe146 fleet, previously used on behalf of TNT (whose service contract was terminated in July 2009), with two ATR42 Cargo aircraft, which have joined the Quick Change Boeing B737-300 aircraft used for the Parent Company's postal network night flights. As an airline company, Mistral Air is all too aware of environmental issues and carefully monitors changes in regulations governing air (the containment of carbon emissions) and noise pollution.

CONSORZIO LOGISTICA PACCHI SCPA

The consortium continued to coordinate, supplement and supervise consortium members' operating activities, and to engage in activities relating to the sorting, handling and delivery of Parcels that Poste Italiane SpA, in its role as a Universal Service provider, is required to carry out. The consortium is also responsible for the transport of air mail and newspapers between seven Italian airports provided by the consortium member Mistral Air, and for the integrated logistics and records management services provided by the consortium member Italia Logistica Srl. In order to achieve greater integration of the Group's activities, from 2008 responsibility for Postacelere 1 service contracts was transferred to the consortium from SDA Express Courier.

ITALIA LOGISTICA SRL

This company, which was established on 1 August 2008 following the agreed merger of Omnia Logistica (a Ferrovie dello Stato Group company) and SDA Logistica Srl, is jointly owned by FS Logistica SpA (a Ferrovie dello Stato Group company) and SDA Express Courier SpA, and offers integrated and multimodal logistics services. 2009 saw expansion of traditional businesses, partly due to the lease of three divisions that provide integrated logistics services from Obiettivo Logistica SpA. International industrial transport (by sea and air) was also launched to meet the logistics needs of Fiera Milano SpA. Since its establishment, the company has integrated its business management system with an environmental management system that meets international ISO 14001:2004 standards, in the belief that a strategy that takes account of environmental issues and the health and safety of its employees and the community is key to the company's future growth. This commitment allowed the company to obtain UN EN ISO 14001:2004 certification of its Rome Headquarters and Verona plant from an accredited certification body in 2008. Certification was confirmed in 2009.

POSTE TUTELA SPA

Poste Tutela SpA provides complementary security services, comprising the following: money transfer (transport, security escorts, safe custody, the counting of valuables), fixed and mobile surveillance, and the protection of sensitive information. Since 2006 the company has also provided transport and escort services for "postal valuables" (including Postage and Revenue Stamps, Interest-bearing Postal Certificates and Savings Books, and Valuable Parcels). The company's workforce consists mainly of technical staff, qualified to provide prevention and protection services in the workplace.

BANCOPOSTA FONDI SPA SGR

BancoPosta Fondi SpA SGR is Poste Italiane group's asset management company responsible for the collective management of savings and the management of individual investment portfolios on behalf of professional customers (carried out on behalf of Poste Vita), as well as the marketing of third-party mutual investment funds registered overseas, including customer management and investor relations (marketing service).

EUROPA GESTIONI IMMOBILIARI SPA

The company operates in the real estate sector in order to manage and develop property assets transferred from the Parent Company in 2001. Due to the type of assets owned, the service is mainly provided to large customers, often Public Sector entities. The company bases its decisions on the best marketing strategy to use with reference to market conditions.

POSTECOM SPA

This company provides IT services and solutions for the Group and external customers, with particular regard to Public Sector entities. Over the years, it has played an important role in systems integration, applications outsourcing and information systems, based on its experience in the design, development and management of ICT services combined with advanced IT security solutions.

Its main areas of expertise are certification and security solutions and services, messaging, online payments and collection, data management, web portals, e-government, e-procurement and e-learning.

POSTESHOP SPA

The company markets items related to Poste Italiane SpA's core business (envelopes, letter boxes for houses, bill holders, delivery boxes) and products from external suppliers (including books, music CDs, DVDs and stationery). In addition to Post Offices for direct and catalogue sales, it uses the 214 "Shop in Shop" outlets (shops fitted out in the public area of major Post Offices); 102 franchise retail outlets bearing the Kipoint logo, which operate as service centres for domestic and international express delivery services, packing services, photocopy and fax services, digital printing, mailing and office product and stationery supply services; as well as the internet channel www.posteshop.it, telephone sales and the MondoBancoPosta channel.

POSTE LINK SCRL

The company is a limited liability consortium, which acts on its own behalf and in the interests of consortium partners, providing IT, electronic document management, internet, Contact Centre and direct marketing services. During 2009 Poste Link, as the head of a Temporary Consortium of Companies that manages the INPS/INAIL contract, provided the two institutes with Contact Centre services relating to the "Mettiamoci la faccia" ("Let's give ourselves a face") project, an initiative promoted and coordinated by the Ministry for the Public Administration and Innovation, in collaboration with national entities and local authorities. The aim is to use emoticons to systematically gather the opinions of the public and service users on the services provided by Public Sector entities. The results of the survey, which are described below, show that people give the services a positive rating overall.

POSTE VITA SPA

The company operates in the life assurance sector. It sells its policies through the network of 9 thousand specially enabled Poste Italiane Post Offices, employing 16 thousand agents licensed to distribute insurance policies. From the second half of 2007, the company has been authorised by Isvap to expand its accident and medical insurance business. Poste Assicura SpA, which provides insurance services to Group companies, is a wholly owned subsidiary of the company, which also jointly owns 45% of Europa Gestioni Immobiliari SpA together with the Parent Company.

POSTEMOBILE SPA

Established in March 2007, PosteMobile is an MVNO (Mobile Virtual Network Operator). It operates in the telecommunications sector as a mobile Enhanced Service Provider.

The company continued to grow in 2009, in terms of both customer acquisitions (670 thousand SIM cards were sold, with the number of active SIM cards totalling 1.1 million) and the launch of new value added services, including:

- mobile parking (payment for car parking);
- mobile ticketing (the purchase of tickets for public transport in the municipality of Rome);
- money transfer services, providing access to Moneygram's money transfer service via SIM cards linked to a BancoPosta current account or a Postepay card.

POSTE ENERGIA SPA

The purpose of the company, which was established in September 2007, is to procure energy over the national grid to cover the needs of the Parent Company and its subsidiaries. This role of Group energy wholesaler was strengthened during 2009 with the acquisition of new customers for its electricity supplies, which it now also sells to Postel, SDA Express Courier and Europa Gestioni Immobiliari. During the year the company continued to pursue achievement of its pre-established targets, primarily relating to energy procurement, contract management and the provision of value added energy services.

Mission and values

Poste Italiane's mission is to build a Company that provides efficient high value added services, leveraging its key assets to meet its customers' varied needs and contribute to Italy's development.

The vital tools for achieving these goals include use of the latest technology and the Company's nationwide network, which enable provision of a wide range of integrated services to meet the requirements of different customer segments throughout Italy.

Due to its size and the large number of people it comes into daily contact with (the workforce, customers, suppliers), Poste Italiane plays a leading role in the Italian economy. Therefore, it has defined certain overarching values, and shares a Code of Ethics with

all Group companies. This document contains the principles deemed to be vitally important, and to be upheld whilst carrying out everyday operations.

Transparency and honesty play a key role, as it is via the creation of fair and transparent relations with both our workforce and our customers that the Company will be appreciated as an employer and strengthen its market position.

The principles of loyalty and moral integrity guide the work of all Poste Italiane staff, whose behaviour is also inspired by confidentiality and diligence, especially in terms of respect for external stakeholders. Poste Italiane carries out its everyday duties in a responsible way. This does not merely entail providing responsible products and services, but also means ensuring an agreeable working environment for all members of staff, characterised by impartiality and an approach based on mutual respect. The focus on people is the key element of the Managerial Model, a tool aimed at defining the guiding principles used by the Company's executives, in order to pursue business objectives in compliance with the values set out in the Code of Ethics.

In addition, in 2009 Poste Italiane SpA's Board of Directors approved a "Suppliers and Partners Code of Conduct", with the aim of establishing ethical and social guidelines to be followed by all suppliers. This will become an integral part of all contracts and agreements entered into with Group companies and consortia.

All employees make a daily contribution to value creation, regarding not only the generation of economic wealth but also "intangible" benefits that are vitally important: the development of the Company's workforce and the added value perceived by customers and suppliers. Innovation, speed and a proactive approach are fundamental qualities aimed at in providing appropriate responses to the needs of both the workforce and customers.

VALUES SET OUT IN THE CODE OF ETHICS

- Honesty
- Transparency
- Confidentiality
- Moral integrity
- Impartiality
- Reliability
- Mutual respect
- Responsibility
- Fairness
- Loyalty

THE PRINCIPLES OF THE MANAGERIAL MODEL

- Customer centred
- Value creation
- People development
- Integration and synergy
- Change management

Strategic approach

As the world climbs out of recession, Poste Italiane's strategy for the period 2010-2012 aims to drive revenue growth on the back of highly innovative services, whilst paying ongoing attention to improving efficiency. Pursuit of these objectives will, over the next three years, strengthen Poste Italiane's business, helping to improve the level of stakeholder satisfaction and boost the country's rate of development.

The integrated offering of high value added services, distributed through the extensive Post Office network, and the use of cutting-edge IT and telecommunications technologies represent key strategic factors, confirming Poste Italiane's role as one of the most advanced, complete and far-reaching network systems serving Italy and the community.

The introduction of innovative services, in keeping with changing customer needs, full exploitation of the handheld terminals used by delivery staff, diversification of traditional forms of communication with the introduction of hybrid and electronic forms, and the addition of new means of accessing services are key elements of the strategy aimed at defending the volumes and revenues generated by traditional services, in response to the threat from greater competition and the combined effect of digitalisation and recession.

The process of strengthening the logistics network, the introduction of new process technologies, the computerisation of delivery services and rationalisation of the transport network will continue over the coming years. We will pay particular attention to security and environmental impact, issues that stakeholders are increasingly aware of. In the next few years the Company will continue its commitment to reducing the use of motorcycles in areas with heavy traffic, and to increasing the deployment of low environmental impact vehicles for mail delivery in city centres and in urban areas on islands.

Poste Italiane's social role is also evident in its partnership with the Public Sector. The need to boost efficiency and reduce public spending, and to take extraordinary action to support the economy, make the Company's operating environment all the more challenging, whilst at the same time opening up new opportunities in integrated services and digital communication.

The PosteGov technology platform, developed along multi-channel lines, will offer the Public Sector new means of providing a range of services, creating the potential for applying electronic and hybrid communication and payment systems. These projects will make it easier for people to access public services: it is already possible to make a simple phone call to request the issue of documents, such as birth or marriage certificates, land registry documents and Chamber of Commerce certificates. As part of its efforts to guarantee high levels of service quality and security, Poste Italiane is committed to the development of technologically advanced infrastructure and acts as the "Third-party guarantor" of secure electronic communications and transactions. Within this context, the Company is promoting the creation of a Cyber Security Centre of Excellence to be based in Italy, bringing together the skills, experience and needs of national and international organisations operating in various sectors in order to develop new solutions.

The human resource strategies set out in the Plan for the period 2010-2012 aim to make optimum use of the workforce, whilst at the same time improving staff welfare. This is to be achieved by seeking to maximise the match between skills, individual motivation and the needs of the organisation. To this latter end, actions designed to improve the efficiency of workforce deployment will continue, including a review of the operating models of labour intensive activities, the organisational simplification of head office departments and the creation of shared service units to support the business.

Our focus on both effective and perceived quality and the need to be closer to the market have led us to devolve more responsibility to local managers and to generally streamline decision-making processes.

Following the introduction of the new Professional System and skills-based segmentation of the workforce, we plan to create matching career paths, designed to reward and take advantage of individual expertise, potential and performance. The Professional System adopted is also taken into account in planning for training, leading to the introduction of training programmes that aim to plug any skills gaps. The identification, development and deployment of in-house trainers will enable us to reduce service costs and, at the same time, make the most of our in-house training system.

Our stakeholders

Stakeholder map and relations

The values that govern relations with stakeholders, which are vital in assessing the outcomes of the Company's activities, are expressed in the Code of Ethics. This provides guidelines for relations with the various categories of stakeholders, by taking into account their diverse expectations, weighing them up and integrating them within corporate strategies.

The mapping of stakeholders, and key issues on which Poste Italiane intends to promote their involvement, highlights all the categories of people, authorities and institutions that play an active part in achieving the corporate mission, or who are interested in or influenced by the activities carried out and the results aimed for.

This Social Report includes a description of actions and results regarding information sharing, dialogue and ongoing efforts made during 2009, which are the foundation for continuing the process of improvement and growth that has been in progress for several years.

Stakeholders have been classified within two broad categories: internal and external.

	OUR STAKEHOLDERS	WHO THEY ARE	THEIR EXPECTATIONS AND NEEDS
internal	OUR PEOPLE	Staff and their representatives	Stability Fairness Mutual respect Valuing people Health and safety Equal opportunities Training Work-life balance
	SHAREHOLDERS	Ministry of the Economy and Finance and Cassa Depositi e Prestiti	Transparency Fair business management Remuneration
external	CUSTOMERS	All end users of the Group's services and products (people, companies, the Public Sector, other postal systems)	Fairness Quality Transparency Security Reliability Efficiency Risk management Communication and information Competitiveness Accessibility

external

OUR STAKEHOLDERS	WHO THEY ARE	THEIR EXPECTATIONS AND NEEDS
SUPPLIERS	Companies that supply raw materials, goods and services, at national and international level	Continuity Fairness Qualification Equality
CAPITAL PROVIDERS	Banks and other parties that provide borrowed capital	Transparency Balance sheet strength
SUPERVISORY AND REGULATORY AUTHORITIES	Court of Auditors, Ministry of Communications, Supervisory Authority and other institutional bodies (Bank of Italy, Consob, Isvap, Covip, Data Protection Authority, Antitrust Authority)	Fairness Transparency Promptness Collaboration
REPRESENTATIVE ASSOCIATIONS	Consumers' and savers' associations, labour unions	Security Collaboration
INSTITUTIONAL PARTNERS	Institutions, associations, national and international working groups, including Confindustria, CEEP, PostEurop, Social Dialogue Committee, UPU, IPC	Collaboration Partnership
INFORMATION PROVIDERS	International and local newspapers	Transparency Collaboration
COMMUNITY	All Italian and foreign nationals who may have contacts with Poste Italiane and be influenced by its activities, non-profit organisations (Italian and international) and cultural and philanthropic associations, local communities	Participation Support Collaboration Sharing
THE ENVIRONMENT	External environmental context (ecological and geographical), as well as future generations	Protection Development and innovation Renewable energy sources Caring for the environment Responsibility towards future generations

Stakeholder engagement

Engagement and responsabilisation initiatives regarding social issues in their diverse and nuanced forms (communication, surveys, dialogue and partnership) raise awareness of stakeholders' actual needs and expectations and enable the Company to improve the effectiveness of its activities and their socio-environmental impact.

Whilst specific details of stakeholder engagement actions and their outcomes will be given in subsequent sections, the types of initiative that primarily concerned two of the three categories of the Group's strategic stakeholders during the year are dealt with here: our people and our customers.

Regarding actions aimed at the workforce, 2009 saw continuation of the "cantiereValori" project, which aims to define new Group values and identify associated behaviour via the structured engagement of human resources.

Again with the aim of gauging staff opinion, a survey of the level of satisfaction with the new format and layout of the house organ, "Il Gabbiano", was conducted, whilst preparations were made for a climate assessment that will involve staff during 2010.

As part of the process of devising a responsible management system and with a view to ensuring the transparency and ethical nature of negotiations, the Group has deemed it necessary to adopt a Suppliers and Partners Code of Conduct, which aims to govern relations with our "supplier" stakeholders.

In keeping with previous years, we continued to consult our customers through customer satisfaction surveys, which primarily focused on Contact Centre services and complaints management.

We also proceeded to engage with consumer associations as part of the conciliation procedures for postal and financial services and, in May, signed a memorandum of understanding with the associations covering extension of the conciliation procedure to include Poste Vita's insurance services.

The second edition of the project entitled "Dialogando con i consumatori – Disegniamo il futuro" ("Talking to consumers – Designing the future") was also run, involving the local branches of consumer associations (approximately 320 local representatives) in a series of meetings at national level. The aim is to arrive at a joint assessment of postal services in each area and the related critical issues.

Focus on our institutional partners

Over the year Poste Italiane continued to work with various institutional partners, engaging in new relationships and strengthening existing ones. In terms of participation, we renewed our membership of Confindustria (the main organisation representing Italian manufacturing and services companies) and 104 local industrial associations on 30 July, which include representatives from the Company. This representation facilitates dialogue with local associations and enables us to play a key role in supporting small- and medium-sized enterprises.

We continued to take part in the activities of international bodies, including the Universal Postal Union (UPU), the Association of European public postal operators (PostEurop), the IPC-International Post Corporation (a cooperative association bringing together the world's leading postal services providers), and other institutions operating at European Union level, such as the Social Dialogue Committee (SDC) and the European Centre of Employers and Enterprises providing Public services (CEEP).

Key events in 2009

The European Social Dialogue Committee for the Postal Sector (SDC), set up by the European Commission, is the place where companies and European postal services providers discuss issues regarding social affairs, human resources and industrial relations.

The following working groups have been set up within the scope of the SDC.

The “Training and Skills Development” working group – Poste Italiane coordinated this European Commission funded project designed to implement the Joint Declaration on Training and Skills Development signed in 2006, involving production of a questionnaire and analysis of the impact of the Joint Declaration and identification of key skills in the postal sector. The working group's activities in 2010 will be based on the results of this analysis.

The “Corporate Social Responsibility” working group – As part of this group, Poste Italiane, whose commitment dates back to the Rome conference of 2005, helped to organise a seminar focusing on issues surrounding the management of staff over 50 and young people recently recruited by European postal services providers.

The “Evolution of the European Postal Sector” working group – Involvement continued in this working group, which aims to analyse the impact of deregulation on organisations, social policies and industrial relations in the European postal system. In this regard, in 2009 Poste Italiane took part in the International workshop held in Budapest and the final conference envisaged by the EU project. Thanks to the positive outcome of the initiative, the basis for continuation of the working group's activities in 2010 has been laid.

CEEP - the European Centre of Employers and Enterprises providing Public services

The European Social Dialogue is not only sectoral (the postal SDC) but also inter-sectoral. Consequently, Poste Italiane also belongs to CEEP, the European centre that brings together the most important public service providers. As official social partners of the European Commission, EU organisations are obliged to involve the CEEP in all social and occupational initiatives.

The Company was included in the CEEP delegation that during the year negotiated the framework agreement relating to the labour market participation of disadvantaged groups and, for the second year running, was designated the CEEP representative on the LifeLong Learning Committee and at the Turin Foundation.

UPU (Universal Postal Union)

Based on the activities carried out in 2008, and thanks to the collaboration of Poste Italiane, the UPU has undertaken specific initiatives aimed at measuring greenhouse gas emissions, entering into an agreement with PostEurop related to the sharing of experience and of the methods developed. This will enable production of a Greenhouse Gas (GHG) Reduction Programme for the entire global postal sector. During 2009 a joint technical committee set up by PostEurop/UPU set to work on this project, initiating the measurement of CO₂ emissions throughout the world. The results and greenhouse gas reduction initiatives were presented to the UPU Secretary General, Edouard Dayan, at the World Climate Conference organised by the United Nations in Copenhagen.

PostEurop (the Association of European public postal operators)

Within the scope of the Environment working group, the Company worked on the GHG Reduction Programme, designed to monitor greenhouse gas emissions and achieve a 10% reduction by 2013. 18 member operators and 8 observers are currently taking part in the Programme.

During 2009 the operators participating in the GHG Reduction Programme continued to improve the instruments and methods used in measuring and monitoring their CO₂ emissions, drawing up a GHG Protocol, which sets out shared criteria, parameters and fields of action and provides access to data and results that are comparable among members. A universally recognised Protocol marks the first key step towards implementing an effective emissions policy, and thus identifying the most appropriate measures to be taken to achieve shared emissions reduction targets. Moreover, the Programme also involves the exchange of best practices and the development of other related projects.

IPC - International Post Corporation

The International Post Corporation is a cooperative association specialised in developing projects focusing on the operational and commercial aspects of postal service provision. In recent years, in the wake of trends within the United Nations Organisation and the European Union, the organisation has become interested in environmental sustainability issues, leading it, in 2009, to include them among its strategic priorities. This was done on the initiative of the Board of Directors, of which Poste Italiane's CEO is a member.

Following the debate on sustainable development, in 2009 the IPC launched an Environmental Monitoring and Measurement System (EMMS), with the aim of creating a platform for monitoring and reducing greenhouse gas emissions as part of a growing commitment to corporate responsibility. Starting from the GHG Protocol drawn up by PostEurop, the programme not only involves the measurement of emissions, but also the assignment of qualitative and quantitative scores to each participant, rating their emissions reduction capabilities and efficiency in managing activities designed to contain their environmental impact. Poste Italiane formally signed up to the EMMS programme in 2009 and will begin participating from 2010.

Stakeholder communication

Communication and dialogue, aimed at both people operating within the Group and at the host of external stakeholders potentially interested in issues regarding the reporting and dissemination of information about the Group, are the means by which Poste Italiane aims to implement its stakeholder engagement policies.

Communication with our people

PosteperNoi

A number of communication campaigns were run in 2009, including one regarding safety at work, which has had a significant impact in terms of developing a sense of individual responsibility and, more generally, spreading awareness of safety issues within the Company.

The use of video has continued to enable senior managers to rapidly and periodically send messages to management via the Company's intranet, thereby meeting efficiency targets.

The intranet site, PosteperNoi, also includes an "Equal Opportunities" section, which allows staff to be constantly updated on the current activities of the Equal Opportunities Committee, and includes detailed information on the structure of regional committees, relevant legislation and the Committee's planned activities. It also provides an updated press review of the main articles regarding equal opportunities.

Il Gabbiano

"Il Gabbiano" is a communications channel aimed at all members of staff and also Ipost pensioners. It is distributed in paper format and posted on the Company's website.



Newsletter

The publication of Sorting Centre newsletters continued. Each Sorting Centre has an editorial board responsible for the initiative aimed at fostering involvement and participation in the everyday activities of the operational unit. During 2009, the 17 Sorting Centres involved in 2008 were joined by the Venice Centre and the International Sorting Centre in Milan, bringing the number of Centres involved to 19. A total of around 31 thousand copies were distributed.

Workforce consultation

“cantiereValori” project

The “cantiereValori” project was launched in 2007 in the belief that values must be understood and shared in order to generate behaviours and concrete actions on the part of the people who operate within the Company. Based on 32 workshops, which saw the participation of a large number of staff, and thanks to the work of 15 validation groups, which condensed and standardised the behaviours

proposed by the workshops, a “Values Charter” is to be produced in 2010. This will be distributed to everyone employed by the Group.



cantiereValori
I nostri valori li costruiamo noi.

Communication and consultation with customers, end users and the public

The main communication tools Poste Italiane uses to contact its users, the general public and communities in general, primarily consist of the Group's website and the large number of Contact Centres providing advice and information on the Group initiatives.

Online transactions and communication

The www.poste.it website offers a point of direct contact with customers, enabling visitors to obtain commercial and financial information relating to the Group, receive help to access all the products and services offered, file complaints or make suggestions, and use all the Group's online services.

The site's success (over 4.8 million registered customers at the end of 2009, compared with 3.7 million at the end of 2008) as a point of access for online services is ensured by the integrated and secure electronic payment platform that can be used for the entire range of web-based products and services. Our IT network continues to enable Poste Italiane to provide access to central and local government online services, via provision of integrated value added services (communication services, mail management, e-government services, tax collection) supplied via a dedicated gateway on the internet portal.

Contact Centres

The "Poste Risponde" Contact Centre plays a key role in customer relationship management and in supporting Business functions and Group companies. It enhances and/or is integrated with the Company's other channels in the management of information, promotional and commercial activities, and in the provision of after-sales services.

The channel proposes integrated and innovative solutions to the captive (75%) and external (25%) markets, and manages around 35 million contacts per year.

In addition to customer relationship management regarding financial, postal and internet matters, the main services provided in support of internal Group activities regard: assisting the Post Office network with enquiries regarding regulations and operational support; after-sales services and assistance to Post Offices regarding Poste Vita products; customer care regarding PosteShop products; assistance to the sales network regarding PosteMobile products.

803.160: assistance for members of the public

This service regards all Group products and services and is managed with reference to the "Quality System", which requires analysis of customer satisfaction via ongoing surveys of service quality. It breaks down into two levels: the first level processes high volumes of traffic, providing assistance to external customers (non-specialist information on products and services; the collection, processing and registration of complaints and claims); second levels come into play for specific requests that require a high degree of specialisation in the product or service, and for dealing with claims. The service is available from 8am to 8pm, Monday to Saturday. In 2009 around 6 million contacts were dealt with.

186: telegram service

This service entails dictation of telegrams by phone for delivery worldwide within 24 hours.

This nationwide service is available 24 hours a day, seven days a week until November, and from December every day from 7 am to 11 pm, including national holidays. In 2009 the 186 service dealt with 6.7 million contacts.

800.022.000 - 840.011.000: “All Digital” Contact Centre

As part of the Ministry of Communications’ initiative to provide a state subsidy to purchasers of decoders for receiving digital terrestrial signals, Poste Italiane gives information to customers intending to buy a digital decoder and specialised assistance to decoder retailers. The 800.022.000 phone line provided information on the initiative in general, on how the subsidies are disbursed, on accredited retailers and the location of the relevant outlets, and on coverage of the digital signal and any plans to extend coverage, whilst also providing assistance on how to use the decoder. The 840.011.000 phone line, which is for retailers only, primarily offers information and assistance for retailers on how to take part in the initiative, assistance on how to use the application available, help in checking the documentation relating to the subsidy and assistance regarding issues relating to payment of the subsidies. 750 thousand contacts were dealt with in 2009.

Municipality of Florence Call Centre: 055.055 and 800.055.055

The Municipality of Florence continues to provide the public and businesses with general and specialist information on services via a Contact Centre managed by Poste Italiane. In order to provide a more efficient service, calls are also broken down into two levels (initial reception and detailed response). Around 265 thousand calls were dealt with in 2009.

Ministry of Labour and Welfare Contact Centre: 800.196.196

This specialist Contact Centre is manned by operators with specific legal, psycho-pedagogical and sociological expertise via an inbound and outbound multi-channel system (telephone, fax, email, web). It provides an information and consultation service regarding the Ministry’s social and employment policies relating to voluntary work, the family, immigration, monitoring of working conditions, benefits, employment and pensions. The Contact Centre, which was operational until June, dealt with 20 thousand contacts.

800.666.888: Carta Acquisti (Social Card) Call Centre for the Ministry of the Economy and Finance

This service, which was activated on 1 December 2008, breaks down into two levels: the first reception level is designed to provide general information regarding the requirements and means of accessing the special fund aimed at meeting the food, energy and healthcare needs of the less well-off; the second level gives specialist assistance regarding use of the Card for buying food items and paying utility bills at the State’s expense.

Over 30 million calls were dealt with in 2009, with 3 million transferred to an operator.

081.2444.081: Emergency undersecretary – Clean Campania service

This service, which was operational until July, enabled members of the public to report any piles of rubbish in the area concerned by the emergency. Residents were able to provide information on the exact location and the type of rubbish involved. Information was also given on how residents could take previously sorted rubbish directly to collection centres and the related payment provided. Approximately 3 thousand calls were handled between 1 January and 31 July.

Decisions taken with
competence and integrity
transform the future into
a growth opportunity.

Corporate governance and responsible management

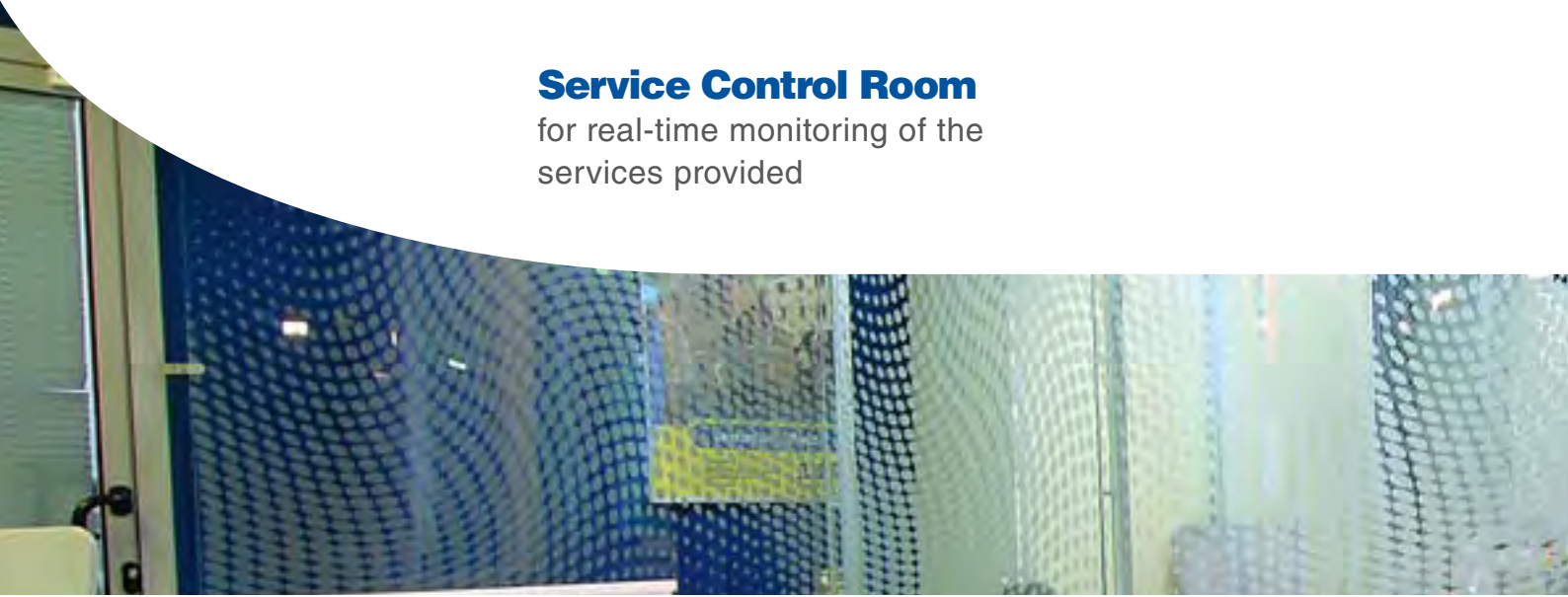


Quality Charter:

more transparency and dialogue between the Company and its customers

Service Control Room

for real-time monitoring of the services provided



Logistics Control Room

monitoring postal processes

Security Control Room

for real-time monitoring of security levels

Partnering the Public Sector in the **development of e-government**

Quality is the value

behind our internal processes
and the services we offer

Customers, suppliers and sub-contractors:

responsibility

in our business relations



The Company is committed to the principles of
fairness, respect and **transparency**

A member of the
Universal Postal Union's
Postal Operations Council

Governance model

Poste Italiane SpA is 65% owned by the Ministry of the Economy and Finance and 35% owned by Cassa Depositi e Prestiti SpA. General Meetings of shareholders are held periodically to vote on matters reserved by law to shareholders.

The governance model adopted by Poste Italiane SpA is based on the traditional separation of the functions of the Board of Directors and those of the Board of Statutory Auditors. Responsibility for accounting controls has been assigned to an auditing firm.

The Group has equipped itself with a system of behavioural and technical rules capable of guaranteeing the standard application of corporate governance regulations. This is ensured via coordination of decision-making processes regarding aspects, issues and activities of strategic interest and/or importance, or whose impact may involve significant financial risks for the Group. The rules are based on the Group's Interrelations Map.

The system for delegating powers entails the assignment of authority to the various departmental heads in relation to the activities carried out. This involves the granting of powers to specific persons.

Governance structure

Chairman	Giovanni Ialongo
Deputy Chairman	Nunzio Guglielmino
Chief Executive Officer and General Manager	Massimo Sarmi
Directors	Roberto Colombo Mauro Michielon

Election

The Board of Directors, which is elected by the General Meeting of shareholders, has a term of office of no more than three years. In accordance with the relevant regulations and the Articles of Association, members of the Board of Directors must meet certain requirements regarding integrity, professionalism and independence, which are held to be necessary if they are to carry out their functions correctly. The current Board was elected on 29 May 2008.

Functions

The Board meets once a month to examine and vote on resolutions regarding the operating performance, the results of operations, proposals relating to the organisational structure and transactions of strategic importance. The Board has established a Remuneration Committee, which is responsible for making proposals to the Board regarding the remuneration of executive directors.

Meetings in 2009

The Board of Directors met 11 times.

Members of the Board of Directors

The Board of Directors consists of 5 members.

Powers reserved to the Board of Directors

- the issue of bonds and the assumption of medium/long-term borrowings of amounts in excess of 25,000,000 euros, unless otherwise indicated in specific resolutions passed by the General Meeting or the Board of Directors itself;
- strategic agreements;
- agreements (with ministries, local authorities, etc.) involving commitments in excess of 50,000,000 euros;
- the incorporation of new companies, and the acquisition and disposal of equity holdings;
- changes to the Company's Organisational Model;
- the purchase, exchange and disposal of properties with a value of more than 5,000,000 euros;
- the approval of regulations governing supplies, tenders, services and sales;
- the appointment and termination of the Manager responsible for financial reporting, as proposed by the CEO and with the prior approval of the Board of Statutory Auditors, including the granting of adequate resources and powers.

The Board of Directors also examines and approves the long-term business plans and annual budgets prepared by the CEO, approving strategic guidelines and directives for Group companies proposed by the CEO. The Board must approve the CEO's proposals regarding the exercise of the Group's vote at the extraordinary general meetings of subsidiaries and other investee companies.

The Chairman

The Chairman exercises the powers assigned by the Articles of Association and those assigned to him by the Board of Directors' meeting of 2 November 2009.

The Deputy Chairman

The Deputy Chairman acts for the Chairman in the event of his temporary absence or impediment.

Chief Executive Officer and General Manager

The Chief Executive Officer and General Manager (the CEO), to whom all key departments report, has full powers for the administration of the Company across the organisational structure, with the exception of powers reserved to the Board of Directors.

Poste Italiane in figures

The Board of Directors has **5 members**

11 Board of Directors' meetings were held in 2009

The Board of Statutory Auditors has **3 standing members**

22 Board of Statutory Auditors' meetings were held in 2009

The organisation

Poste Italiane SpA's organisation breaks down into the following business and staff functions:

BUSINESS FUNCTIONS

- Postal Services
- Express and Parcels
- Philately
- BancoPosta
- Private Customer
- Business Customer

CORPORATE FUNCTIONS

- Purchasing
- Public Affairs
- Legal Affairs
- Corporate Affairs
- Accountancy and Control
- External Relations
- Internal Auditing
- Finance
- Real Estate
- Strategic Planning
- Human Resources and Organisation
- Chief Information Office
- Security & Safety

Postal Services, BancoPosta, Express Delivery and Parcels, and Philately are responsible for developing the related products and services and managing a part of the operations involved in their supply.

Postal Services is also responsible for planning and managing the logistics process, and for the provision of new integrated mail services.

Private Customer and Business Customer (the latter renamed the Large Account and Public Sector function in 2010) are the commercial channels responsible for developing and managing frontline commercial activities for all customer segments. The Private Customer function is also responsible for the activities of the contact centre.

Corporate functions are central departments that manage, control and provide business support services.

The Company's Organisational Model was modified during 2009, with the aim of simplifying the organisational structure, maximising efficiency and making further progress with regard to speeding up processes. This involved laying the foundations for a gradual, marked differentiation of management and strategic control processes (Corporate in the true sense), business processes and support processes (shared services and the competence centre).

With regard to simplification and maximising efficiency, the following developments took place:

- the departments responsible for accountancy and control for the External Relations, Chief Information Office, Internal Auditing, Security & Safety, Real Estate, Philately and Express Delivery and Parcels functions were centralised within Corporate Accountancy and Control;
- the start of a rationalisation process for Corporate functions;
- elimination of the Customer Services and Quality function, with the related activities and staff being transferred to the Private Customer and Strategic Planning functions;
- alterations to the geographical structure of the Private Customer function, introduced partly following the union agreement of 16 July 2009, which led to radical changes in the organisational model in order to boost efficiency and growth.

The process, launched last year, of creating specialist distribution channels, with the aim of achieving a better match between the service offering and the related customer segments, was continued and developed. This involved the following changes to the distribution model:

- the transfer of responsibility for managing the Large Account customer segment from the Private Customer to the Large Account and Public Sector function, and the division of responsibility for local government customers between the two functions based on size and the primary customer needs;
- redesign of the model for managing business customers within the Private Customer function, through a wide-ranging reorganisation of sales and support activities, involving the switch from a “size-based” approach to one based on selective differentiation by economic sector and separate accounts for high spending customers and the local government customers served by this function.

Further initiatives involved:

- the reorganisation of External Relations and Public Affairs, involving the creation of two first-line functions, “Public Affairs” and “External Relations”;
- the establishment, within BancoPosta, of the “Process and Procedure Regulation” function to oversee regulatory compliance and apply the guidelines set out by the industry regulator in relation to the application of operating models specifically applicable to the banking sector. This function has also been given responsibility for managing complaints about financial products and services;
- the establishment, within the department responsible for Safety & Security, of the Security Room with the aim of strengthening the Company’s security system and ensuring appropriate levels of prevention and management of risks, unusual events and emergencies;
- reconfiguration of the Innovation and Project Management Committee, aimed at meeting the need to ensure ongoing coordination and monitoring of innovative and strategic initiatives and projects.

The logistics process for Postal Services

The logistics network is organised on two levels, the first of which deals with coordination and is represented by Area Logistics Offices responsible for one or more regions, whilst the second is operational and includes Sorting Centres (mechanical and manual) and Delivery Offices.

The Area Logistics Offices coordinate and support the smooth running of logistics within their related areas, where sorting centres are located. Moreover, the network of mail sorting centres is a dynamic and evolving structure, in terms of number and geographical distribution, aimed at adapting to customer requirements and thereby guaranteeing improved quality for postal services, as well as the provision of new services.

The Sorting Centres collect, transport and sort bulk, business, priority and registered mail, using highly automated equipment. One of these centres, the International Sorting Centre in Milan, specialises in handling mail from and to overseas.

The current structure of the logistics network revolves around two types of hub: Priority Centres¹ and Delivery Logistics Centres².

These centres mark the next step in the evolution of Operating Postal Centres, which corresponds to the planned rationalisation of the allocation of logistics and operating activities within the areas served by the Sorting Centres, with the transfer of sorting activities from peripheral hubs to the Sorting Centre itself (Area Sorting Centres).

	31 Dec 08		31 Dec 09	
	Number	Workforce	Number	Workforce
Area Logistics Offices*	11	1,695	11	1,686
Sorting Centres	23	11,623	22	11,479
Priority Centres	41	3,347	35	2,943
Delivery Logistics Centres	35	1,426	42	1,611
Delivery Offices**	4,103	50,641	3,870	50,027

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

* At 31 December 2009 the geographical distribution is as follows: Piedmont, Valle d'Aosta and Liguria; Lombardy; Veneto, Trentino Alto Adige and Friuli Venezia Giulia; Emilia Romagna and Marche; Tuscany and Umbria; Lazio, Abruzzo and Molise; Sardinia; Campania; Puglia and Basilicata; Calabria; Sicily.

** Delivery staff include 42,855 letter carriers and letter carrier supervisors (43,654 at 31 December 2008).

1 Logistics hubs acting as collection and transit points for the transport and sorting of mail for next-day delivery (Priority and Raccomandata¹ registered mail) originating out of area (Incoming Mail Centres for out-of-area post) and for delivery in the area of responsibility (the city and province in which the Priority Centre is located).

2 Logistics hubs that act solely as collection and transit points for transport.

Responsible management

Our commitment to issues relating to sustainability has seen the Company take steps to gradually consolidate the various initiatives undertaken so far and to support stakeholder relations.

In line with the results of the survey carried out in 2008 (the Corporate Responsibility Risk Assessment), based partly on a comparison with the practices adopted by other postal and financial services providers, we have drawn up a number of projects aimed at fostering greater integration between the initiatives implemented.

The survey highlighted the principal ethical, social and environmental risks associated with the Company's operations and management systems, examining issues relating to governance, customers, the workforce, government entities, the environment and safety.

The results, which confirm the responsible approach adopted in all the areas assessed, showed that further integration of the management system is necessary in order to have greater control over the actions taken, fully exploit the potential effect of communication of the results, and maximise the impact of the policies implemented.

In the light of the above, and to continue with the strategy adopted, we have identified the actions we need to take in order to lead to the definition of an integrated sustainability plan, focusing on the requirements of each stakeholder and following on from an overall plan setting out the resulting operating activities. The aim is to achieve a more coordinated, organic and synergic approach to the Company's activities and establish strategic guidelines on which to base a standardised monitoring and reporting system, involving the creation of a balanced scorecard.

With a view to progressive integration, the planning of sustainability initiatives will be supported by the definition of guidelines governing the various business processes, and will shortly be accompanied by a plan to involve and raise the awareness of management in respect of sustainability issues.

We also intend to boost communication initiatives designed to "publicise" the Company's initiatives and highlight the concrete results achieved. In this regard, spreading awareness of the Company's culture and values, via multi-channel communication that facilitates an ongoing dialogue with stakeholders, will provide valid support for our ethically-based approach to doing business.

Our commitment focused on the following areas of intervention in 2009.

Social policies designed to benefit the workforce concentrated on developing initiatives that aim to improve quality of life, via actions aimed at promoting a better work-life balance, and introduce measures that meet the needs of families and, through specific projects, those of particular disadvantaged categories.

Dialogue with the non-profit sector continued and included development of a payroll giving initiative called "An hour is worth a life". This enabled each employee to donate one or more hours of work to one of the humanitarian organisations selected by Poste Italiane.

With regard to environmental sustainability, the Company built on initiatives designed to save energy, reduce CO₂ emissions and manage waste by taking steps to boost the awareness and involvement of the workforce. The separate waste collection project continued and the Company took part in various campaigns, such as Earth Hour.

The subsidiary **Postel**, which from September 2008 adopted a Social Responsibility Management System certified to the SA8000 Standard, is engaged in guaranteeing the continuity and support required to:

- comply and maintain compliance with the requirements established by the Standard;
- comply with all the regulations governing matters covered by the Standard, above all with regard to ILO (International Labour Organisation) documentation;
- ensure the periodic auditing of operations and ongoing improvements in the ethical performance of the Company and its suppliers;
- implement any corrective actions deemed necessary, including changes to policies and procedures.

The Company is also aware that:

- the workforce has a central role to play in a modern, innovative business, making it necessary to safeguard workers' rights in order to develop their full potential;
- suppliers are partners not only in the provision of products and services, but also in developing socially responsible ethical behaviours;
- customers are key to a company's success and their satisfaction has a crucial role to play, also in relation to the principles of Social Responsibility.

The Company's commitments and/or goals in relation to monitoring and improving its Social Responsibility Management System are:

- to ensure understanding and implementation of the Standard's requirements, via appropriate staff information, training and awareness-raising initiatives. To periodically check and monitor the effectiveness of the System through annual reviews and internal audits;
- to improve the working conditions of its employees through organisational requirements, clearly and comprehensibly defining and communicating rules, roles, responsibilities and accountabilities, with a view to optimising the assignment of duties and bringing about a reduction in disciplinary actions;
- to monitor and assess suppliers in relation to SA8000, looking for evidence of compliance and a willingness to adopt the principles set out in the Standard, in such a way that its suppliers play an active role in raising awareness throughout the Company's supply chain;
- to introduce systems for stakeholder communication and dialogue in order to publicise its ethical principles and the commitments assumed and results achieved both inside and outside the Company, thereby ensuring checks on the compliance of the System implemented with the Standard's requirements;
- to create the right conditions for all stakeholders to take part in and contribute to improving the System's "ethical" performance, providing appropriate opportunities for feedback regarding ethical issues and the best possible interpretation and application of the principles set out in the SA8000 Standard.

Code of Ethics

In line with the comprehensive nature and overall validity of the principles contained in the current version of the Code of Ethics, primarily designed to regulate the general behaviour of the Group's employees, in respect of both internal and external relations, the Company has identified a need for specific rules governing relations with suppliers and partners. These have been set out in a separate document, which takes account of the peculiar nature of relations with this category of stakeholder. Poste Italiane has, in fact, always been attentive to the ethical aspects of its various relations with third parties. The first version of the Code of Ethics (issued in 2003) dealt with supplier relations within the context of the ethical principles to be applied in respect of third parties. These principles were then reiterated in the subsequent version of the Code of Ethics issued in 2006, providing a consistent general framework, which is also applicable to prevention of the offences provided for by Legislative Decree 231/01.

Introduction of the "Suppliers and Partners Code of Conduct", which is described in the section on suppliers, aims therefore to provide overall rules governing such relations, based in part on corporate social responsibility principles. This Code is designed to take account of the specific nature of these relations and help to regulate the contractual process, in full accordance with the general principles established in the Code of Ethics.

The "Suppliers and Partners Code of Conduct" and the changes made to the Group's Code of Ethics have been described within the scope of the joint Corporate Social Responsibility watchdog, partly in view of the provisions of the Memorandum of Understanding relating to Corporate Social Responsibility.

Quality policies

The quality system

Poste Italiane ascribes great importance to the quality of its services and customer protection, focusing closely on both the quality provided and customers' perceptions. In this sense, the main initiatives regard:

- the quality of service provided, which must be in line with, if not exceed, the obligations established by the postal and financial services regulators;
- customer satisfaction through actions aimed at improving perceived quality;
- the management of customer-facing business processes.

Our commitment has led us to focus on:

- **regulatory quality** by auditing and certifying the performance of regulated services;
- **perceived quality** through activation of a system designed to assess customer requirements via customer satisfaction surveys, the analysis of complaints, relations with consumer associations and operational feedback;
- the **management of processes** that have a substantial impact on provided and perceived quality via a specific system of quality indicators and action plans that raise quality and customer satisfaction levels based on the findings registered by quality indicator analysis and reporting systems.

2009 saw the Group implement structured initiatives regarding the management of customer care and complaints, quality certification and customer satisfaction surveys. These are dealt with in greater detail below.

The rationale for certification

Poste Italiane launched a plan to certify all types of operating unit throughout Italy some years ago.

The plan provides for the extension of specific policies and guidelines throughout the Company, in order to ensure the adoption of behaviours allowing us to achieve excellence in the management systems used by the various areas of business, in compliance with national and international standards.

The aim of the certification drive is to improve our ability to guide and manage all the activities that influence quality of service, at the same time making our operating, commercial and management processes more transparent and stronger.

Front-end services

During 2009 the extension of quality systems for front-end services primarily regarded customer service areas in Post Offices, home mail delivery and Contact Centre services.

In terms of customer services, 329 Post Offices received certification of compliance with the Quality Management System established according to the ISO 9001 standard and for the “Quality of Customer Service” provided in accordance with specific customer relations standards.

All 12 Contact Centres throughout Italy have had their ISO 9001 certification renewed regarding their capacity to plan, develop and provide CRM (Customer Relationship Management) services.

The quality management system for home mail delivery made significant progress in 2009, with ISO 9001 certification of the 11 Area Logistics Offices, which coordinate delivery operations, thus extending certification to the entire process and throughout the country, rather than to individual operating units. In addition to the 11 Area Logistics Offices, 67 Distribution Centres were also involved in the ISO 9001 certification process over the year.

In addition, the certification body also prepared a governance report assessing the development of the processes that make up the delivery quality management system, based on audits carried out at head office and at Area Logistics Offices. This report, which was drawn up following analysis of the results contained in the audit reports for each Area Logistics Office, aims to assess the strengths and weaknesses of the quality management system in terms of the centralised implementation of standardised procedures and methods.

This approach has driven improvements in service quality via the adoption of a single quality management system, linking core activities with those that support the delivery service.

Back office services for BancoPosta products

ISO 9001 certification of the three areas of application of quality systems to BancoPosta's back-office services for private customers was confirmed in 2009: the BancoPosta account and ancillary services, the payment of bills into postal current accounts and postal cheques. In particular:

- **Conto BancoPosta:** ISO 9001 certification of the 5 Centralised Service Teams responsible for opening and closing BancoPosta accounts and the related services, including mortgages, personal loans and the issue of debit and credit cards;
- **Payment of bills:** ISO 9001 certification of the 4 Unified Service Automation Centres that guarantee the consistent and standardised processing of bills paid into postal current accounts;
- **Postal cheques:** ISO 9001 certification of the 2 Centres in Rome and Milan that handle cheques drawn on Post Office and bank current accounts.

Postal Service operating units

As regards operating units, 6 new Sorting Centres were awarded ISO 9001 certification in 2009, whilst ISO 9001 certification of the Quality Management System at 7 Centres and the International Sorting Centre in Milan was confirmed. For all the Centres certification attests to the compliance of all product lines with the international standard: insured and registered mail, unrecorded mail (bulk, priority and business) and international mail.

Post Office improvement teams

Post Office improvement teams, set up within Area Logistics Offices, are responsible for auditing Post Office management systems and ensuring their alignment with certification requirements. The Organisational Management Systems at 9 sites received ISO 9001 certification in 2009.

Service Centres

In terms of Public Sector services, ISO 9001 certification was extended to all 9 local Integrated Mail Service centres in 2009. Certification covers the following services:

- the Digital Mail Room: the service that collects and handles mail flows and delivers mail to the final customer in electronic format;
- the Integrated Notification Service;
- the Regularisation of Immigrant Workers: the service that manages the processes involved in issuing and renewing work residence permits;
- Unep: the service that provides reports on notices of receipt for legal process.

Environment

ISO 14001 certification of environmental protection and pollution prevention measures at over 300 vehicle depots used in managing the fleet used by the Central 1 Area Logistics Office was confirmed.

Information technology service management

Certification of the Information Security Management System to the ISO 27001:2005 standard was received in March 2009, enabling creation of a method for assessing and managing the security risks to which all Chief Information Office processes and physical locations are exposed.

ISO 9001:2008, ISO 20000-1:2005 and ISO 27001:2005 certification of the integrated Quality, ICT Services and Information Security management system was also confirmed in November.

ISO 9001 certification required process reengineering and the structuring of a system of indicators for monitoring the Management System, with a view to optimising and constantly improving the system, primarily in terms of its ability to focus on customers and their satisfaction.

The range of services covered by ISO 20000-1 certification was further increased with the definition of Service Level Agreements with the Business departments.

Security checks were increased for the purposes of ISO 27001:2005 certification, with a view to boosting their effectiveness. The three certificates issued by the Accredited Certification Body include the central Chief Information Office site, the 10 Technology Centres located around the country and the 6 Data Centres.

The following table provides a breakdown of the departments and staff involved in certification projects:

Department	No. of locations	Standard	No. of people involved
Customer Services	12	ISO 9001 – Organisational Management System	1,600
Chief Information Office	17	ISO 9001 – Quality Management System ISO 27001 – Information Security ISO 20000-1 – ICT Service Quality	1,200
Postal Services – Service Centres	9	ISO 9001 – Organisational Management System	835
Unified Service Automation Centre	4	ISO 9001 – Organisational Management System	1,000
Sorting Centres	14	ISO 9001 – Organisational Management System	6,730
Post Offices	329	ISO 9001 – Organisational Management System Customer Service Quality	11,400
Post Office improvement teams	9	ISO 9001 – Organisational Management System	42
Centralised Service Teams	5	ISO 9001 – Organisational Management System	30
Local Distribution Centres	67		
Area Logistics Offices (for delivery activities)	11	ISO 9001 – Organisational Management System	4,600
Cheques Centres	2	ISO 9001 – Organisational Management System	180
Central 1 Area Logistics Offices – Company vehicle fleet	310	ISO 14001 – Environmental Management System	1,500

Certification of the Internal Control system

The Internal Auditing department obtained quality certification in 2008. In accordance with professional standards and with a view to consolidating the process, in 2009 the department proceeded to extend the continuous improvement process to all auditing activities, with the aim of strengthening the quality and efficiency of the methods used and of the services provided, in terms of both assurance and consultancy.

At central level, process audits with the widest scope were carried out using an integrated methodology, aimed at assessing the design and functionality of the corporate control system, in part with a view to improving the efficiency of staff deployment and involving the audited departments. At local level, on the other hand, a specific training programme was created with the aim of reinforcing employees' skills, by developing their knowledge of project management principles and tools, and implementing a structured process for audit report certification.

In addition, a system has been introduced to monitor the quality of initiatives, partly through the development of a reporting system to measure the effectiveness of teamwork (Team Effectiveness Models) and projects.

Antitrust Authority rulings

In the interests of responsible management and transparency, it is right and proper to report the investigations launched by the Antitrust Authority regarding Poste Italiane SpA, which have been referred to in previous Social Reports.

The Antitrust Authority ruling of 15 October 2009 launched an A/413 procedure in order "to determine whether the Company's actions entailed an abuse of a dominant market position pursuant to art. 82 of the EC Treaty", with specific reference to the Posta Time product and participation in certain tenders. Consequently, the Company sought to demonstrate to the Authority the "rationale" behind its commercial initiatives and, in the belief that such actions fully comply with competition legislation, on 1 March 2010 it nevertheless decided to give certain specific commitments aimed at curbing any anti-competitive behaviour.

The outcome of the subsequent phases of the investigation, which is currently underway, is awaited.

On 28 December 2009 the Antitrust Authority completed an investigation into whether Poste Italiane had abused its dominant market position in the collection and payment services sector, without ruling that an infringement had taken place or imposing any penalty. The Authority accepted and made binding the commitments submitted by the Company regarding the payment of bills, including via alternative channels.

On 8 October 2009 the Antitrust Authority formally launched a PB/455 procedure regarding PosteShop SpA in order to investigate alleged infringements (pursuant to the related "Regulations governing misleading advertising") connected with the advertising material used by PosteShop to promote the activities of the Kipoint franchise retail network. At the end of December 2009, convinced of the lawfulness of its actions, the Company nevertheless submitted a proposal containing commitments aimed at rectifying the alleged abuses.

On 9 March 2010 the Authority notified its refusal to accept the commitments made, except for the "possibility for the Authority to assess the subsequent behaviour of the party, if this constitutes effective and documented cooperation to the benefit of consumers".

Control systems

Internal controls

Poste Italiane SpA's internal control system consists of a systematic body of rules, procedures and organisational structures, which aim to prevent or limit the consequences of unexpected events and enable the Company to achieve its strategic and operating objectives (ensuring effective and efficient operations and safeguarding the Company's assets), comply with the relevant laws and regulations and ensure the fairness and transparency of internal and external reporting.

In this context, the Internal Auditing department assists the organisation in the pursuit of its business and governance goals, supporting executives and management through its independent and objective professional contribution. The department is responsible for monitoring and making improvements to the Company's control and risk management processes and its corporate governance. The Board of Directors' meeting of 27 April 2009 approved an updated role for the Internal Auditing department. The main changes introduced include:

- the classification of the Company's Internal Control system based on three levels of control;
- modification of the Internal Auditing department's mission to take account of both the development of its role and relevant international standards;
- the extension of audit activities to the processes of Group companies;
- the support of BancoPosta's specialist Internal Auditing unit in relation to compliance with the control requirements established by financial sector regulators (the Consob, Bank of Italy and Isvap);
- the redefinition of relations and information flows between the various control functions and audit/supervisory bodies.

As part of the process of progressively strengthening the Company's governance systems, the department continued to provide support in monitoring and assessing the adequacy of the overall internal control system, and in implementing ongoing improvements to the system based on an integrated methodological approach, resulting in important synergies with the mapping of corporate processes by Human Resources and Organisation. The department also contributes to optimising the systematic procedures involved in local audits and compliance, including aspects with relevance for the purposes of Legislative Decree 231/01. The department also supports the compliance-related activities of the Manager responsible for financial reporting appointed in accordance with Law 262/05 (as described in greater detail below) and the Audit Plans drawn up by the Supervisory Board.

Audits were conducted in 2009 with the objective of facilitating the generation of synergies with respect to the approaches of various areas of operation for the adoption of organisational and technological solutions in continual improvement of operating efficiency, and to bolster the system of governance of the Company's and the Group's processes. Annual planning focused on broad-based, organisation-wide processes for the improvement of key business processes with respect to both operations and control. This integrated way of working has made it possible to exploit synergies between the various areas of interest, adopting a joined-up approach to audit activities, in order to minimise the operational impact on departments, and taking advantage of the numerous points of overlap between controls. For example, controls relating to the requirements of Law 262 can also be used for the purposes of Legislative Decree 231, regarding the risk of misleading corporate communication. Similarly, IT controls are important from the point of view of both the operational aspects of processes and the risks relating to Legislative Decree 231, regarding cyber crimes and the illegal use of personal data.

Another of the Internal Auditing department's objectives was the full evaluation of second-level internal controls carried out by both management, as well as specific specialist corporate functions, in order to integrate findings and provide an overall assessment of internal control systems.

Within the Poste Italiane SpA's complex internal audit system, important roles are also played by the following:

- the **Supervisory Board** which, as noted above, consists of three external professionals with proven experience and expertise, backed up by a Technical Secretariat that comprises the heads of the departments involved in implementing the Organisational Model (Human Resources and Organisation, Legal Affairs, Accountancy and Control, Corporate Affairs, Internal Auditing and Security & Safety). The Supervisory Board and the Technical Secretariat meet regularly throughout the year;
- the **Manager responsible for financial reporting**, appointed pursuant to Law 262 of 28 December 2005 (the Savings Law).

Finally, the following functions have responsibility in relation to financial risk management and especially to BancoPosta's activities:

- a **Risk Measurement and Control (Risk Management)** function carried out by appropriate functions established within the Parent Company and the subsidiaries that provide financial and insurance services (BancoPosta Fondi SpA SGR and Poste Vita SpA), and that operates on the basis of the organisational separation of risk assessment from risk management activities. The results of these activities are examined by the relevant advisory committees, which are responsible for carrying out an integrated assessment of the main risk profiles. The outcomes of these assessments are then examined by a Financial Risk Committee set up by the Parent Company;
- an **Internal Review** function responsible for assessing compliance of the internal audit system with the relevant regulatory framework, and for periodically updating the relevant corporate bodies on the outcomes of activities carried out and for coordination with the relevant companies regarding supervisory issues. The function collaborates with the Internal Auditing department in the definition of auditing standards, methods and procedures regarding financial services, as well as the drawing up of an action plan in order to ensure adequate audit coverage for its implementation;
- the **Compliance** function which, within the scope of the relevant regulatory framework, is responsible for effective identification and assessment of the risk of non-compliance. It also ensures the ongoing operational and managerial adequacy of development and financial services processes and procedures in order to guarantee maximum transparency with respect to customers, thereby safeguarding Poste Italiane's overall reputation and also contributing to the creation of value for all stakeholders. Finally, it collaborates with the relevant departments on identifying the related mitigation actions by giving appropriate advice and support to business and operating units, as well as providing periodic updates for senior management.

Manager responsible for financial reporting

Poste Italiane has been classified, pursuant to Legislative Decree 195/2007, as a listed issuer registered in Italy, since 1 January 2008. Consequently, the Company is subject, where applicable, to Legislative Decree 58/1998 (the Consolidated Law on Finance), particularly with respect to articles 154-bis and 154-ter, as amended by the aforementioned Legislative Decree 195/2007, regarding financial reporting. Therefore, the position of Poste Italiane's Manager responsible for financial reporting, introduced in 2007 with an amendment to the Articles of Association reflecting a voluntary decision made by the shareholders, has become a legal obligation. This has entailed the assignment of additional duties and responsibilities, thereby modifying the process of adaptation undertaken by the Company since the Manager's appointment. These modifications were approved by the Board of Directors on the recommendation of the CEO, following mandatory consultation with the Board of Statutory Auditors. The Manager responsible for financial reporting, appointed pursuant to Law 262/05, is responsible for the establishment

of administrative and accounting procedures and, together with the CEO, certifies their effectiveness and functionality, in addition to the accuracy and correctness of the financial reports which he oversees. The position has also been created for those subsidiaries, which contribute a significant share of the Group's consolidated net assets, income and cash flows³.

In order to take account of changes in legislation and the various risks relating to the requirements of Legislative Decree 231/01, the Board of Directors' meeting of 22 February 2010 approved an Organisational Model for Poste Italiane SpA to replace the model previously approved by the Board of Directors on 23 March 2009. The Company also renewed the Supervisory Board set up in response to the legislation, following expiry of the term of office of the previous Supervisory Board. It appointed three members with proven experience who satisfy the requirements for Board Directors in respect of integrity, professionalism and independence. Poste Italiane SpA's direct subsidiaries have also adopted their own organisational models for the purposes of Legislative Decree 231/01, which is monitored by the Supervisory Boards appointed by the subsidiaries.

Bodies responsible for controls

Poste Italiane SpA is also subjected to audits by various bodies, in accordance with its status as a joint stock company and the special nature of its ownership structure and the activities it carries out.

Board of Statutory Auditors

Pursuant to art. 2403 of the Italian Civil Code, the Board of Statutory Auditors verifies compliance with the law, the Articles of Association and with correct corporate governance principles, also verifying the adequacy of the organisational structure and administrative and accounting systems adopted by the Company and their operational effectiveness.

It consists of 3 members, appointed on the basis of the legal requirements regarding integrity, professionalism and independence. In addition to the 3 standing Statutory Auditors, the Board includes 2 alternate Auditors. The Board is appointed by the General Meeting of shareholders for a period of no more than 3 years. The current Board was appointed on 14 May 2007.

The Board met 22 times during 2009.

Court of Auditors

In accordance with Law 259 of 21 March 1958, which requires parliamentary scrutiny of the financial management of agencies to which the State contributes on an ordinary basis, Poste Italiane SpA is subject to controls by the Italian Court of Auditors, which examines its budget and financial management. The controls consist in ascertaining the legitimacy and regularity of management activities, as well as of the operation of internal controls.

Independent Auditors

A registered independent firm of auditors, enrolled on the Register held by the Consob, audits the Company's accounts. The engagement is for a three-year term and the current contract is due to expire on approval of the financial statements for 2009. The accounts of Poste Italiane SpA's larger subsidiaries are also audited by an independent firm of auditors (wherever possible, the same firm as the one used by the Parent Company), whilst audit procedures at smaller subsidiaries are the responsibility of their Boards of Statutory Auditors.

Supervisory and regulatory authorities

Poste Italiane SpA is subject to controls by the institutions responsible for supervising the Group's postal and financial activities, including the Ministry of Communications (which also has policy responsibilities), the Bank of Italy, Isvap, Consob, Covip and the Antitrust Authority.

³ Poste Vita, SDA Express Courier and Postel.

Interest in the local community
and close attention to
economic sustainability
constitute the primary goals of a
socially responsible company.

Economic sustainability



Eighth year in profit:

consolidated profit of 904 million euros,
up 2.4% on 2008

Total revenue:

20 billion euros,
up 12.6% on 2008

World leading issuer

of prepaid cards with Postepay

284 billion euros

in postal savings deposits

Poste Vita achieves
record turnover
in 2009

Postal savings deposits
on the up



950 thousand online banking customers

5.5 million postal current accounts

6.1 million Postamat cards

The Group in figures

Financial highlights (€/million)	POSTE ITALIANE GROUP			POSTE ITALIANE SPA		
	2008	2009	% change	2008	2009	% change
OPERATING RESULTS						
Total revenue	17,853	20,098	12.6	10,021	10,203	1.8
of which:						
Revenues from sales and services and earned premiums	15,907	17,456	9.7	9,826	9,841	0.2
of which from:						
Postal Services	5,483	5,210	(5.0)	4,953	4,709	4.9
Financial Services	4,539	4,796	5.7	4,781	5,039	5.4
Insurance Services	5,535	7,112	28.5	-	-	-
Other Services	350	338	(3.4)	92	93	1.1
Other operating income	158	211	33.5	139	194	39.6
Total operating costs	16,383	18,499	12.9	8,804	8,782	(0.2)
of which:						
Staff costs	6,042	6,222	3.0	5,880	6,052	2.9
Profits for the year	883	904	2.4	721	737	2.2
FINANCIAL POSITION						
Equity	3,422	4,575	33.7	3,089	4,077	32.0
Net debt	(684)	(1,338)	95.6	9	(472)	n.s.
Net invested capital	2,737	3,237	18.3	3,098	3,605	16.4
Investment for the period	712	513	(27.9)	654	471	(28.0)
of which:						
Capital expenditure	712	507	(28.8)	636	454	(28.6)
Financial investments	0.3	6	n.s.	18	17	(5.6)
FINANCIAL RATIOS						
Return on Sales (ROS) ¹	9.2%	9.2%		12.6%	14.2%	
Return on Investment (ROI) ²	1.8%	1.8%		2.4%	2.7%	
Return on Equity (ROE) ³	46.8%	39.8%		42.5%	38.2%	
AVERAGE WORKFORCE⁴	155,732	152,074	(2.3)	152,311	148,550	(2.5)
OPERATIONAL HIGHLIGHTS (Deposits)						
Current accounts (average for the period)	-	-	-	33,723	34,741	3.0
Post Office savings books	-	-	-	81,801	91,120	11.4
Interest-bearing postal certificates	-	-	-	185,543	192,618	3.8
OTHER INDICATORS						
Numbers of Post Offices	-	-	-	13,991	13,992	n.s.
Number of outstanding current accounts (000s)	-	-	-	5,383	5,526	2.7

n.s.: not significant.

1. ROS (Return on Sales) is the ratio of operating profit to revenues from ordinary activities.

2. ROI (Return on Investment) is the ratio of operating profit to average operating assets. Operating assets equal assets less investment property and non-current assets held for sale.

3. ROE (Return on Equity) is the ratio of profit before tax to equity for the two comparative periods.

Certain amounts for 2008 have been reclassified in order to ensure comparability across the two years.

4. The average workforce (shown in full-time equivalent terms) includes the flexible workforce and excludes seconded and suspended staff.

The Group reports an operating profit of 1,599 million euros for 2009 (1,470 million euros in 2008) and profit for the year of 904 million euros (883 million euros in 2008), whilst the Parent Company reports operating profit of 1,399 million euros (1,239 million euros in 2008) and profit of 737 million euros (721 million euros in 2008).

The Group's total revenue, amounting to 20,098 million euros (up 12.6% on 2008) reflects a 5.1% reduction in revenues from Postal Services, offset by growth of 8.0% in Financial Services and a significant increase in earned premiums (up from 5,535 million euros in 2008 to 7,112 million euros in 2009, marking a rise of 28.5%). Revenues from Insurance Services are up 29.0%, rising from 7,268 million euros in 2008 to 9,376 million euros for 2009. This reflects both the significant rise in earned premiums and the contribution of other income from insurance activities, which is up from the 1,732 million euros of 2008 to 2,263 million euros in 2009, marking an increase of 30.7%. This primarily reflects the movements in the fair value of financial instruments and gains recognised by the subsidiary Poste Vita.

These results reflect the Group's ability to respond successfully to the challenges presented by the ongoing economic downturn, which had such a significant impact in 2008 and which in 2009 has continued to weigh heavily on industrial output in general, and on consumer spending and private sector investment.

Operating performance of Poste Italiane group

Revenue by operating segment*

(€/million)	2008	2009	% change
Postal Services	5,506	5,227	(5.1)
Financial Services	4,595	4,964	8.0
Insurance Services	7,268	9,376	29.0
Other Services	484	531	9.7
Total	17,853	20,098	12.6

* After consolidation adjustments and elimination of intercompany transactions.

Operating performance of Poste Italiane SpA

Revenues

(€/million)	2008	2009	% change
Mail and Philately	4,045	3,852	(4.8)
Express Delivery, Logistics and Parcels	202	175	(13.4)
Total market revenues from Postal Services*	4,247	4,027	(5.2)
BancoPosta Services	4,781	5,039	5.4
Other revenues	92	93	1.1
Market revenues	9,120	9,159	0.4
Universal Service Obligation (USO) subsidies*	364	372	2.2
Tariff subsidies	342	310	(9.4)
Total Poste Italiane SpA	9,826	9,841	0.2
* Market revenues from Postal Services	4,247	4,027	
USO	364	372	
Tariff subsidies**	342	310	
Total Postal services	4,953	4,709	(4.9)

** Subsidies for services provided at discounted rates under the relevant legislation.

Poste Italiane SpA's Revenues amount to 9,841 million euros, substantially in line with the previous year (up 0.2% on 2008). Market revenues are up from 9,120 million euros in 2008 to 9,159 million euros in 2009, reflecting the positive contribution from BancoPosta's services (up 258 million euros on 2008). This more than offset the progressive decline in revenues from Postal Services (down 220 million euros on 2008), essentially due to declines in Unrecorded Mail and Business Post (Direct Marketing and Unaddressed Mail), which have suffered the effects of both the recession and the process of postal market deregulation.

BancoPosta reports a highly positive performance for postal savings deposits (a net inflow of 5,537 million euros during the year), reward for the Company's commitment to attracting investment in Interest-bearing Postal Certificates and the net inflow of Savings Book deposits.

Universal Service Obligation (USO) subsidies of 372 million euros are, whilst awaiting renewal of the Contratto di Programma (Planning Agreement) for the three-year period 2009-2011, estimated on the basis of the best available information from previous Contratti di Programma (Planning Agreements) and Interministerial Committee for Economic Planning (CIPE) "Guidelines for Regulation of the Postal Sector"⁴.

The tariff subsidies due to the Company as a result of the legally required application of reduced-rate tariffs to certain sectors (publishing, non-profit organisations, election campaign material) are down from the 342 million euros of 2008 to 310 million euros in 2009. This income includes 243 million euros received from the Information and Publishing department of the Cabinet Office in return for tariff reductions offered to publishers and non-profit organisations, and 67 million euros from the Ministry of the Economy and Finance in the form of subsidies to cover the reductions and preferential tariffs made available to election candidates.

4 It should, moreover, be noted that the government subsidies cover only 50% of the costs incurred by the Company.

Generation and distribution of added value

The following table shows the income statement for the Parent Company and Group, reclassified to include generated and distributed added value broken down into the various categories of stakeholder.

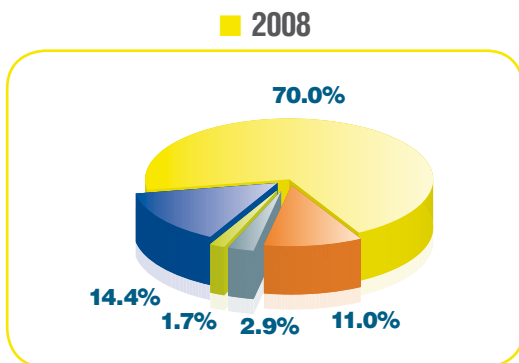
(€/million)	POSTE ITALIANE GROUP			POSTE ITALIANE SPA		
	2008	2009	% change	2008	2009	% change
ADDED VALUE GENERATED						
A - Value of production	18,155	20,276	11.7	10,293	10,353	0.6
B - Intermediate cost of production:	9,293	11,280	21.4	2,058	1,881	(8.6)
- Cost of goods and services	2,273	2,427	6.8	1,845	1,780	(3.5)
- Other operating costs	7,020	8,853	26.1	213	101	(52.6)
Gross Total Added Value	8,862	8,996	1.5	8,235	8,472	2.9
ADDED VALUE DISTRIBUTED						
A - Staff remuneration	6,205	6,345	2.3	5,980	6,194	3.6
Including employees:	6,188	6,338	2.4	5,973	6,194	3.7
a) direct remuneration	4,664	4,745	1.7	4,550	4,627	1.7
b) indirect remuneration	1,524	1,593	4.5	1,423	1,567	10.1
B - Remuneration of the government	975	1,014	4.0	885	952	7.6
Direct taxation	637	686	7.7	556	635	14.2
Indirect taxation	293	286	(2.4)	291	286	(1.7)
Other taxes and duties	46	43	(6.5)	38	31	(18.4)
Grants related to income	-0.914	-0.612	(33.0)	-0.259	0.104	n.s.
C - Remuneration of capital providers	253	189	(25.3)	151	95	37.1
Short-term borrowing costs				72	44	(38.9)
Long-term borrowing costs				79	51	(35.4)
D - Remuneration of shareholders	150	-	n.s.	150	-	n.s.
Dividends	150	-	n.s.	150	-	n.s.
E - Company remuneration	1,279	1,447	13.1	1,069	1,231	15.2
Increases/(Decreases) in reserves	739	892	20.7	571	39	(93.2)
Unappropriated earnings*					698	n.s.
(Amortisation and depreciation)	540	555	2.8	498	494	(0.8)
Gross Total Added Value	8,862	8,995	1.5	8,235	8,472	2.9

n.s.: not significant.

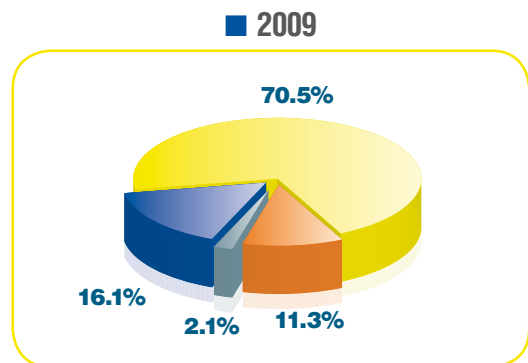
Certain amounts for 2008 have been reclassified in order to ensure comparability across the two years.

* This amount represents the residual portion of earnings (after the appropriation to the legal reserve) to be appropriated according to shareholder resolution to be passed by General Meeting.

Poste Italiane group

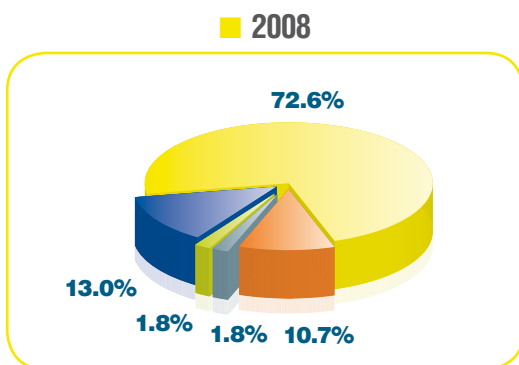


- A - Staff remuneration
- B - Remuneration of the government
- C - Remuneration of capital providers

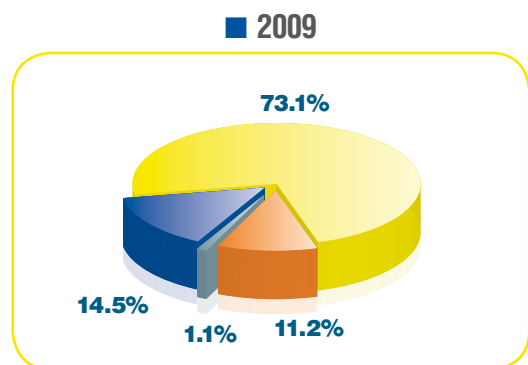


- D - Remuneration of shareholders
- E - Company remuneration

Poste Italiane SpA



- A - Staff remuneration
- B - Remuneration of the government
- C - Remuneration of capital providers



- D - Remuneration of shareholders
- E - Company remuneration

The Added value generated by the Group amounts to 8,996 million euros, up 1.5% on 2008. Added value generated by the Parent Company is also up, rising from the 8,235 million euros of 2008 to 8,472 million euros in 2009 (up 2.9%).

The Value of production amounts to 20,276 million euros and 10,353 million euros for the Group and the Parent Company, respectively, equivalent to growth in absolute terms of 11.7% and 0.6%. The positive performance at Group level was driven by the significant increase in earned premiums recorded by Poste Vita SpA, which more than offset the rise in the intermediate cost of production (up from 9,293 million euros in 2008 to 11,280 million euros in 2009). The increase in costs also reflects the growth of the insurance business and the resulting increase in obligations to policyholders, requiring the Group to make greater technical provisions.

The Parent Company's intermediate cost of production is, in contrast, down 8.6% from 2,058 million euros in 2008 to 1,881 million euros in 2009, highlighting the Company's ability to adequately keep costs under control.

In line with previous years, the Added value generated was primarily distributed to the workforce. In 2009 direct and indirect remuneration of employees at Group level amounted to 6,345 million euros, representing 70.5% of the value produced. Poste Italiane SpA distributed 6,194 million euros to the workforce, representing 73.1% of the value generated by the Parent Company, compared with 72.6% in 2008.

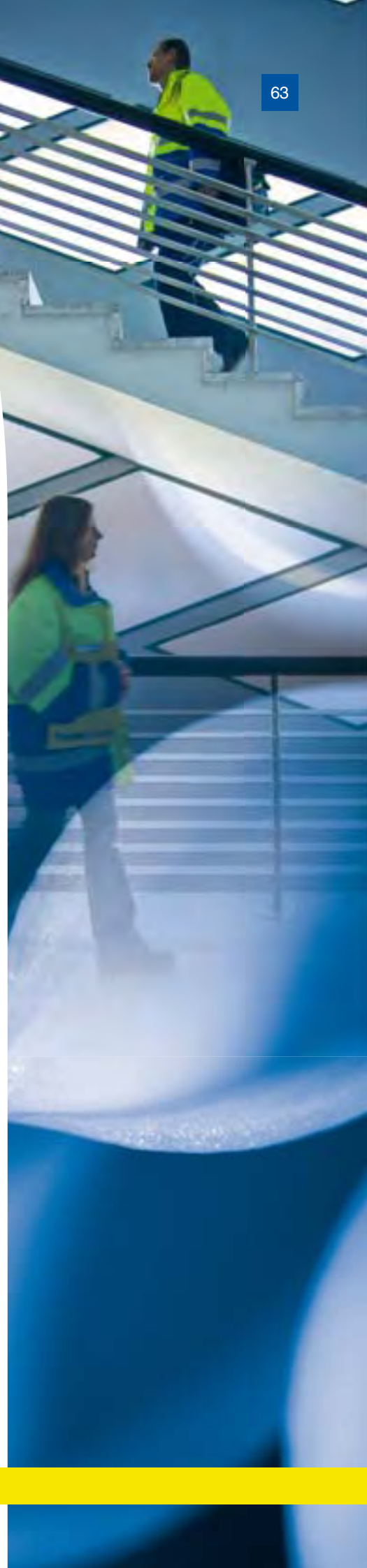
Remuneration of the government includes all the amounts paid in the form of direct and indirect taxation, to which Group companies are obviously liable. This amounts to 1,014 million euros for the Group and 952 million euros for Poste Italiane SpA. The increase is primarily due to direct taxation and is the natural consequence of the improvement in profit for the year recorded by both the Parent Company and the Group.

The Group's finance costs are down from 253 million euros in 2008 to 189 million euros in 2009, whilst those of the Parent Company are down from 151 million euros to 95 million euros, reflecting the extinguishment of certain bank borrowings.

The appropriation of the residual profit for 2009 after the appropriation to reserves (38 million euros) will be approved by the General Meeting of shareholders. The increase in company remuneration (up 15.2%) must be viewed within the context of the payment of dividends for 2008 (paid in 2009) and the shareholders' decision regarding any dividend for 2009.

The ability to convert needs
into real opportunities makes
for a healthy, modern business.

Social sustainability

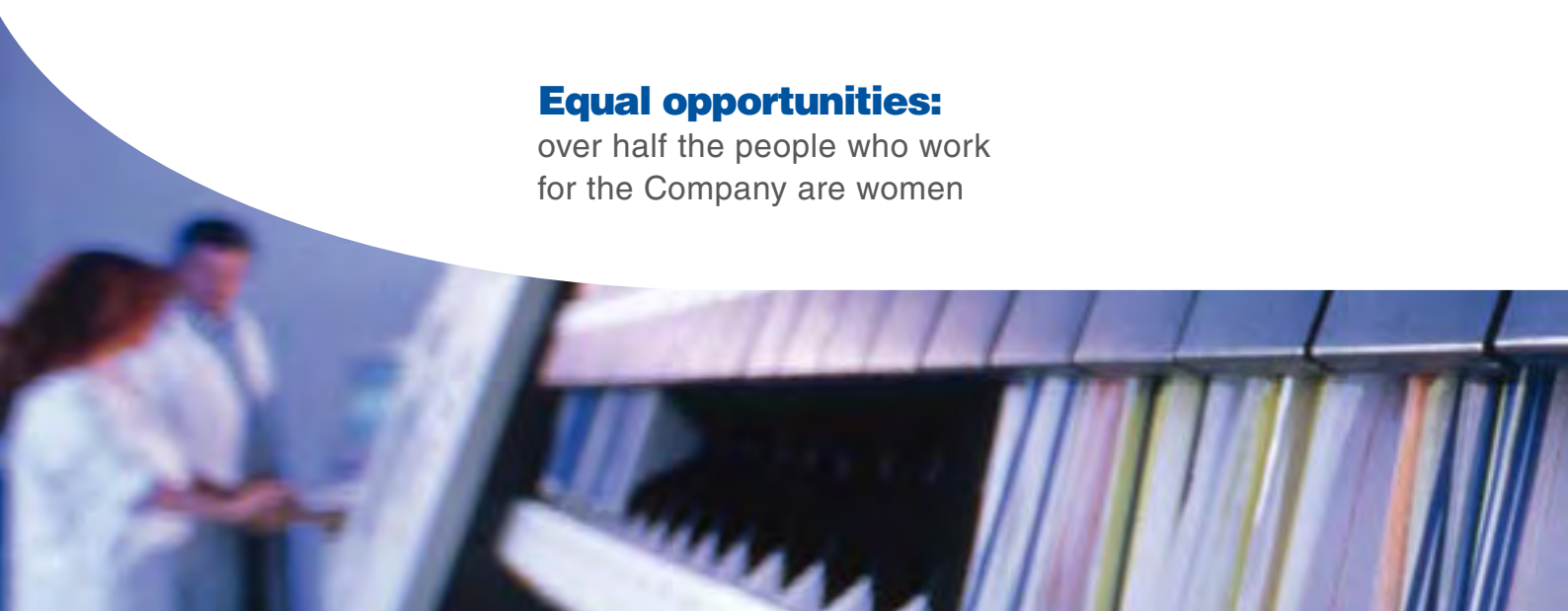


The Reti Amiche project: 5,740 counters

promoting dialogue between the Country's citizens and the Public Sector

Equal opportunities:

over half the people who work for the Company are women



Teleworking

trials continue

Flexible working hours

Training projects designed to identify people's **“professional vocation”**

Historical Archives, a journey through the Company's artistic and documentary heritage

PosteAperte, a day dedicated to the children of people who work for the Company



Helping children with a series of initiatives designed to help in raising funds for Unicef

Support for earthquakes victims in the Abruzzo region

Our people

Poste Italiane SpA offers services to people, companies and the Public Sector, and people are the vital resource for performing this role.

The Company is committed to guaranteeing an agreeable and fair working environment, free of prejudice, in which all members of the workforce enjoy the same improvement and professional development opportunities.

All employees must be familiar with and comply with the Code of Ethics and promote its dissemination as a key tool for governing relations between the Company and its stakeholders.

Poste Italiane's workforce

Distribution of the workforce by type of contract

Poste Italiane group – average figures	Number of employees*	
Permanent workforce	2008	2009
Senior managers	756	741
Middle managers	14,148	14,703
Frontline staff	130,149	129,616
Back-office staff	5,326	6,206
Total workforce on permanent contracts	150,379	151,266
Traineeships	144	139
Apprenticeships	32	36
Total	150,555	151,441
Flexible workforce	2008	2009
Temporary contracts	373	135
Fixed-term contracts	5,539	2,621
Total	5,912	2,756
Total permanent and flexible workforce	156,467	154,197

* Data is expressed in full-time equivalent terms.

Poste Italiane in figures

An average of **154 thousand** people worked for us in 2009 **319 thousand** person days of training were provided (up 23 thousand on 2008) **52%** of staff are women **36 young graduates** have been given the

Distribution of the workforce by type of contract

Poste Italiane SpA – average figures	Number of employees*	
Permanent workforce	2008	2009
Senior managers	643	627
Middle managers - A1	5,674	5,750
Middle managers - A2	7,701	8,119
Grades B, C and D	128,146	127,487
Grades E and F	5,242	6,143
Total workforce on permanent contracts	147,406	148,126
Traineeships	78	98
Apprenticeships	3	-
Total	147,487	148,224
Flexible workforce	2008	2009
Temporary contracts	185	9
Fixed-term contracts	5,477	2,560
Total	5,662	2,569
Total permanent and flexible workforce	153,149	150,793

* Data is expressed in full-time equivalent terms.

Termination of employment contracts

Reason	2008	2009
Redundancy scheme	1,796	4,793
Resignation	415	202
Invalidity	332	315
Dismissal	460	358
Attainment of age limit	106	116
Death	195	201
Other	293	73
Total	3,597	6,058

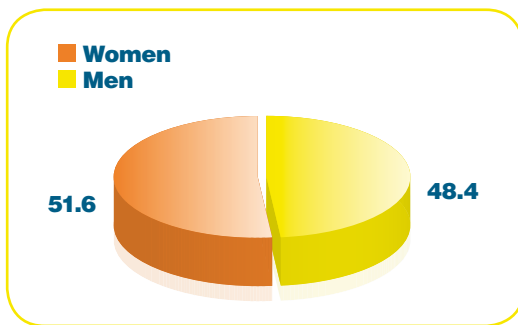
Data is expressed in full-time equivalent terms.

In 2009 the number of people leaving the Group's employ rose by 68% compared with the previous year, primarily connected with redundancy schemes. Indeed, in line with the Group's industrial relations system, the business plan, which is communicated to the labour unions, provides for a redundancy scheme open to all members of the workforce who have been working for the Company since March 1999. The redundancy scheme is aimed at all qualifying staff who have requested early retirement.

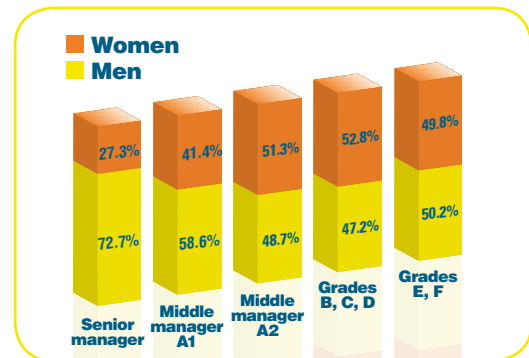
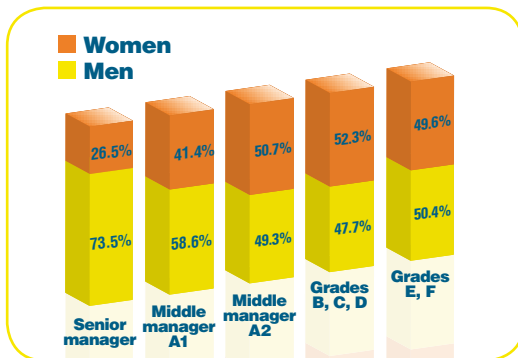
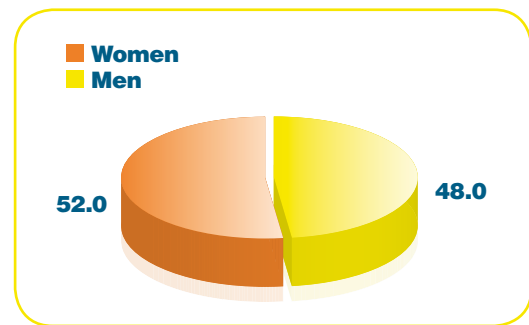
opportunity to work as interns in various professional fields The Company employs **9,186** disabled people of whom **4,528** come within protected categories recruited in compliance with Law 68/99, **4,364 more** than the minimum number prescribed by the legislation The entry salaries of all new recruits are regulated by the National Collective Labour Contract

% distribution of the workforce by gender and grade

2008



2009

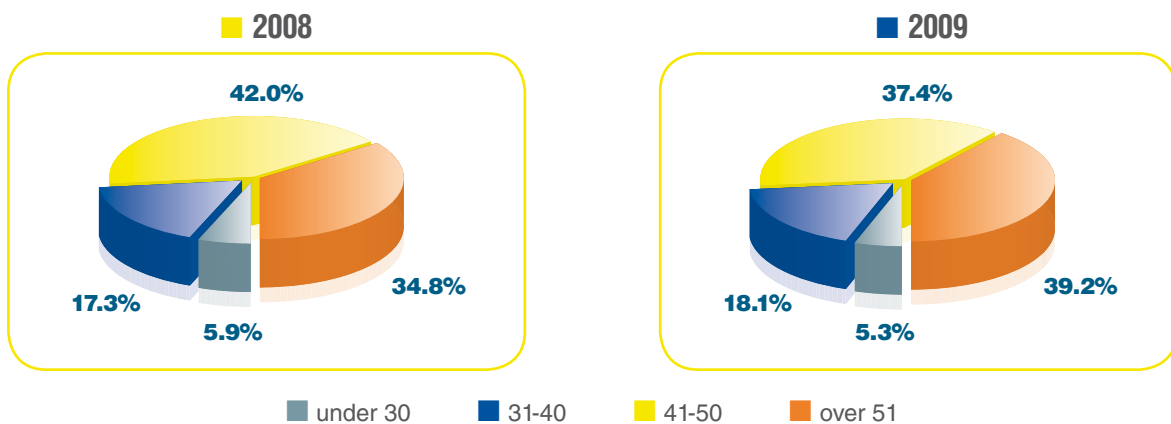


The number of women working at the Company is increasing, to varying degrees, across all contract categories, rising from 51.6% in 2008 to 52% in 2009. Despite a reduction in the gap between the numbers of men and women holding managerial positions, women still fall behind men in terms of the numbers holding senior management positions. Only 27.3% of women hold senior management positions, while 41.1% are grade 1 managers. More women than men are university graduates (4.1% compared with 2.7%), and the same applies for high school graduates (39.7% compared with 28.3%).

% distribution of the workforce by age range*

Age	2008			2009		
	Men	Women	Total	Men	Women	Total
under 30	2.8	3.1	5.9	2.6	2.7	5.3
31-40	6.3	11.0	17.3	6.8	11.3	18.1
41-50	19.1	22.9	42.0	16.3	21.1	37.4
over 51	20.2	14.6	34.8	22.3	16.9	39.2
Total	48.4	51.6	100.0	48.0	52.0	100.0

* Average annual figures – Permanent employees.

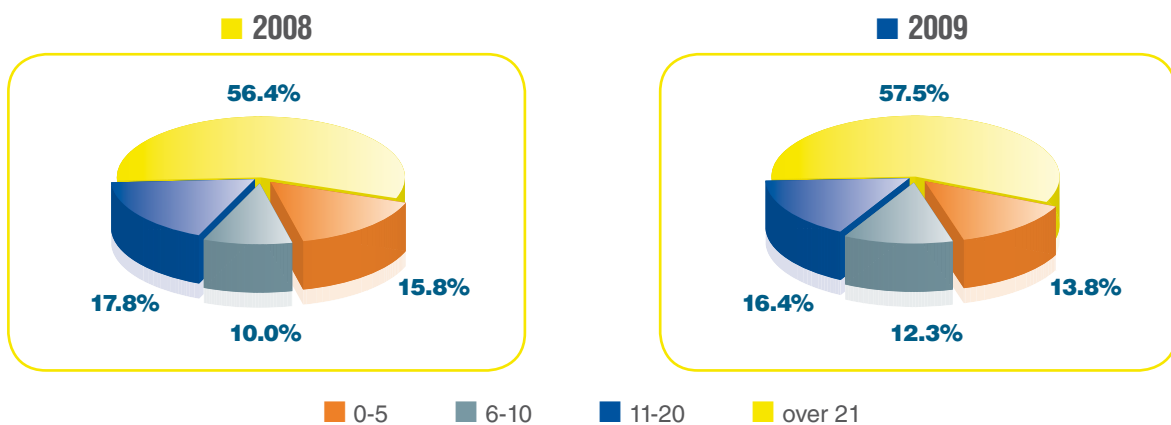


Other indications regarding the evolution of the workforce emerge from distributions by length of service, educational qualification and geographical area.

% distribution of the workforce by length of service*

Length of service	2008			2009		
	Men	Women	Total	Men	Women	Total
0-5	6.4	9.4	15.8	5.8	8.0	13.8
6-10	3.6	6.4	10.0	4.5	7.8	12.3
11-20	8.5	9.3	17.8	7.3	9.1	16.4
over 21	29.9	26.5	56.4	30.4	27.1	57.5
Total	48.4	51.6	100.0	48.0	52.0	100.0

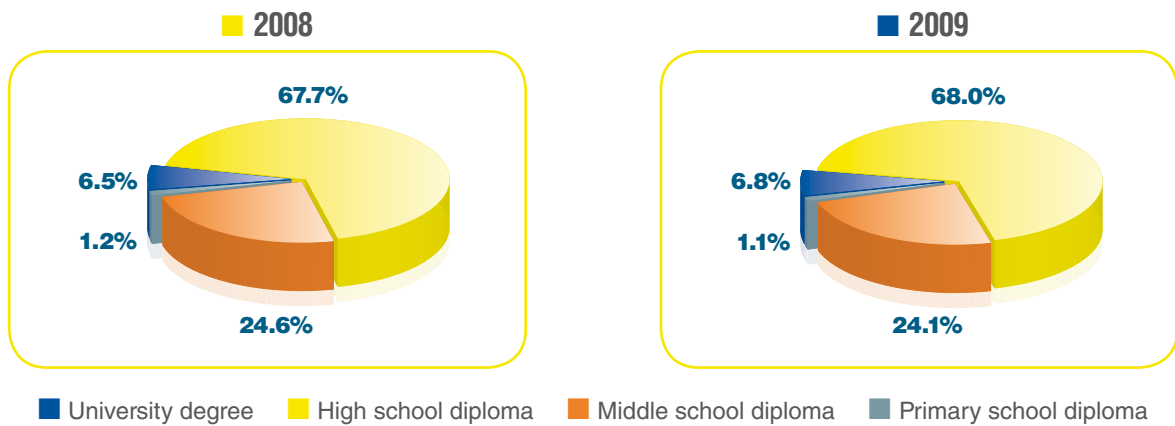
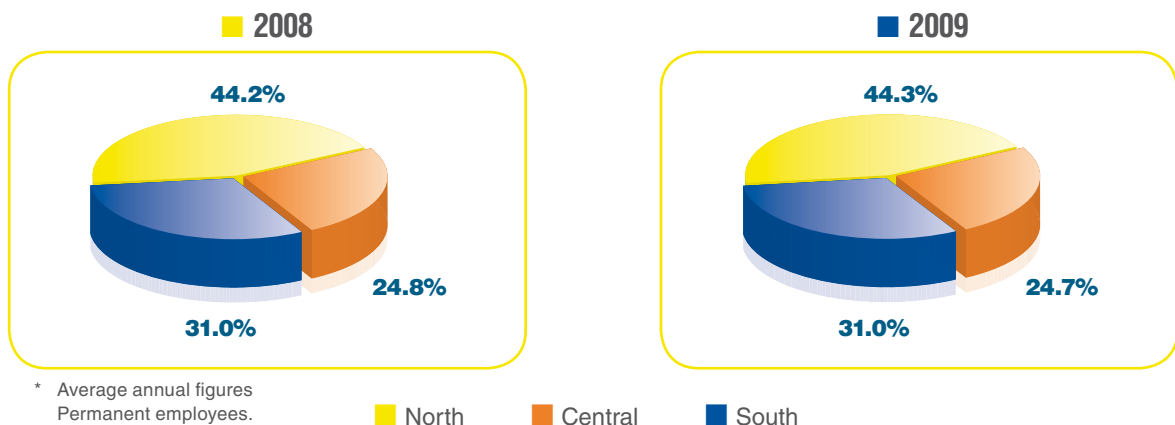
* Average annual figures – Permanent employees.



% distribution of the workforce by educational qualification*

Educational qualification	2008			2009		
	Men	Women	Total	Men	Women	Total
University degree	2.6	3.9	6.5	2.7	4.1	6.8
High school diploma	28.2	39.5	67.7	28.3	39.7	68.0
Middle school diploma	16.6	8.0	24.6	16.1	8.0	24.1
Primary school diploma	1.0	0.2	1.2	0.9	0.2	1.1
Total	48.4	51.6	100.0	48.0	52.0	100.0

* Average annual figures – Permanent employees.

**% distribution of the workforce by geographical area***

* Average annual figures
Permanent employees.

Working hours

Working hours are geared to operating requirements relating to service quality and customer expectations. Under the terms of contracts, the working week adds up to 36 hours, normally sub-divided into 6 or 5 days, depending on technical and operating requirements. Working days are normally Monday to Friday, with 7 hours and 12 minutes per day, including a break ranging from 30 to 60 minutes, or Monday to Saturday, with 6 hours per day.

Moreover, based on operating needs, working hours may be spread over two or more daily shifts, lasting no longer than 8 hours.

Shift system	2008	% of the workforce*	2009	% of the workforce*
Employees on rotating shifts	23,336	15.8	21,506	15.1
Employees not working shifts	124,175	84.2	121,275	84.9
- on 5-day week	18,946	12.8	18,505	13.0
- on 6-day week	105,229	73.3	102,770	72.0

Certain amounts for 2008 have been reclassified in order to ensure comparability across the two periods.

All workforce data is expressed in full-time equivalent terms.

* Data refers to the workforce of Poste Italiane SpA at 31 December (excluding seconded staff, staff suspended without pay and people seconded to Group companies).

Depending on the type of work carried out, and therefore the need to guarantee a degree of flexibility, middle management benefit from a flexible daily working schedule, although still within the normal weekly working hours provided for by the National Collective Labour Contract.

Employees on part-time contracts

Type of contract	2008	% of the workforce*	2009	% of the workforce*
Vertical part-time	4,137	2.8	4,458	3.0
Horizontal part-time	1,881	1.3	1,430	1.0
Mixed part-time	1,429	1.0	1,459	1.0

* Data refers to the average workforce of Poste Italiane SpA (stable net of seconded staff – full-time equivalent).

Hours of overtime per capita*

Grade	2008	2009	% change
B	39.5	31.3	-20.8
C	25.0	21.1	-15.6
D	26.3	20.1	-23.6
E	20.0	16.1	-19.5
F	13.8	8.2	-40.6

* Average figures for the workforce of Poste Italiane SpA.

The use of overtime working has steadily declined, reflecting the Company's efforts to improve the efficiency of the workforce. In 2009 overtime working decreased by 22% compared with the previous year (down 10% in 2008).

Industrial relations

Poste Italiane SpA's industrial relations have always been participatory, which received further confirmation in 2009 with the presence of decentralised bargaining and joint bodies. The positive outcomes of negotiations continue to be the most concrete indicator of the attention given to labour unions, also taking into account the high level of labour union membership amongst the workforce, which stood at 80.6% at the end of 2009 (79% at the end of 2008).

Moreover, the overall reduction in strike action is to be noted, which once again in 2009 primarily regarded overtime working by delivery and counter staff.

Specifically in 2009 the Company and the labour unions dealt with contractual, organisational and social issues in support of the Company's development and innovation phase, in line with the competitiveness requirements deriving from the upcoming deregulation of the postal market.

The main agreements reached in 2009

Private Customer segment agreement

Negotiations were concluded in July regarding reorganisation of the Private Customer segment, with the drawing up of an important agreement entailing radical changes to the Organisational Model. This aims to increase efficiency and development in the sector and enhance personnel, with investment primarily focused on front-end departments in contact with customers. Implementation of the agreement was also consolidated via accords at regional level. Key aspects of the agreement included the geographical reorganisation of branch offices and the restructuring of after-sales and competence centre activities with a view to centralising the related processes.

Postal Services

Regarding the Postal Services segment, preliminary activities were launched to carry out a thorough organisational review, primarily aimed at preparing the sector to deal with the opening up of the market to full competition. To this end a specific Technical Committee was set up, consisting of company and labour union experts, to investigate all aspects of the delivery process and more generally the activities relating to the provision of postal services. The Committee's findings mark the beginning of the final phase of negotiation prior to drawing up an agreement.

Abruzzo agreement

Following the earthquake that hit the Abruzzo region, the Company and the Labour Unions were both keen to assist the affected communities. This resulted in specific agreements providing help for staff working in the areas struck by the disaster (including advance payment of post-employment benefits and, at the request of the related staff, the suspension until 31 December 2009 of the repayment of amounts due under the fixed-term contracts settlement). The two parties also accelerated the process of applying for income support for staff suspended as a result of the earthquake.

In addition to the shared initiatives with the labour unions, which will be described in greater detail below, the Company implemented further actions on behalf of the affected staff, including easy-term loans, free study vacations for their children and counselling centres. On behalf of the wider community, Poste Italiane also offered free PosteMobile calls and the opportunity for customers to donate change from postal transactions carried out at Post Office counters.

Moreover, the Company supported the initiative promoted by Codacons – Comitas regarding the launch of “Okabruzzo.it – the eagle flies to your house”. This website featuring traditional products from L’Aquila was aimed at helping local small business owners and artisans who had to cope with a loss of business in the wake of the earthquake. Poste Italiane SpA provides free delivery for the products on sale.

Performance-related bonus

The process of modernisation undertaken regarding variable salary increase mechanisms and criteria saw conclusion of the negotiations on the performance-related bonus for the three-year period 2008-2010. Payment of the bonus is linked to achievement of quality, profitability and efficiency targets in line with strategic objectives for the related period, and in the context of a closer link between bonuses and actual performance at local level. Absenteeism is strongly penalised, offset by incentives designed to encourage regular work attendance.

Bilateral Agencies and relations with trade associations

The activities of all the Bilateral Agencies were resumed during 2009. In particular, by conducting technical investigations, the Bilateral Agency for Training and Retraining of staff supported the drawing up of several agreements that enabled access to funding provided by both Fondo Impresa (the Enterprise Fund) and the Fondo di Solidarietà (the Solidarity Fund).

With regard to trade associations, on 30 July 2009 the agreement regarding membership of Confindustria (the Confederation of Italian Industry) and 104 local business associations was renewed. New company representatives to deal with the various associations were thus nominated, and efforts were initiated to standardise the activities involved in the Company’s relations with the associations.

Fixed-term contracts

Regarding fixed-term contracts, application of the provisions of agreements regarding stabilisation of the workforce continued. In particular, in July 2009 the agreement of 10 July 2008 was implemented. This will have significant financial implications connected with the re-employment plans signed individually by employees on settlement and the decrease in legal fees, as well as an operational impact, which will specifically encourage development and enhancement of the Company’s workforce.

Litigation

With respect to labour disputes, the number of claims regarding fixed-term contracts (approximately 2,900 new complaints filed compared with around 2,300 in 2008) was similar to the number of claims in other areas (approximately 2,600 including 350 regarding temporary and contract work).

2009 saw a higher number of new actions regarding fixed-term contracts compared with 2008, presumably linked to “expectations” regarding the judgements to be handed down by the Constitutional Court⁵, which has been asked to rule on the legality of art. 1 of Legislative Decree 368/01 (the current source of the regulations governing fixed-term contracts), art. 2, paragraph 1-bis of the Decree (relating exclusively to the postal sector) and art. 4-bis of the above Legislative Decree, introduced by Law 133/2008 (the so-called “summer law”), which only regards judgements on the merits in progress at 22 August 2008.

In any event, whilst the jurisprudence regarding the merits of the case continues to be unfavourable to the Company, the percentage of claims filed in 2008 and ruled on during 2009 stood at 45%, which confirms the reduction with respect to the previous year (50% in 2008).

Finally, the Company was cited during the year in 356 (525 in 2008) disputes relating to “flexible work” (temporary and contract work), with a percentage of cases lost of around 68%.

Equal opportunities

In line with overall Company policy, the National Equal Opportunities Committee has continued to seek out positive actions aimed at achieving parity between men and women and promoting gender equality in the workplace.

With a view to achieving effective organisation and management of activities, the network of joint bodies within the Company was strengthened during 2009, thereby developing synergies with the National Equal Opportunities Committee and giving impetus to specific local projects.

A preliminary trial was also carried out regarding Gender Certification. Conducted by an external body as part of a study funded by the European Union, the initiative regarded a selected geographical and organisational area (the South 1 Area Private Customer unit) and aimed to identify corporate strengths and areas for improvement from a gender perspective.

⁵ The Constitutional Court filed its decision on 14 July 2009. The Court has ruled that articles 1 and 2, paragraph 1-bis of Legislative Decree 368/01 comply with the constitution, whilst the provisions of art. 4 bis of the same Legislative Decree 368/01 do not. The unconstitutionality of this article does not, however, regard the legality of the basis on which the Company adopted fixed-term contracts, but only the resulting sanctions (indemnity in place of payment for damages in addition to re-employment) linked solely to the judgements regarding the nullity of the terms pending at 22 August 2008.

The commitments and/or objectives that **Postel** has undertaken in order to get the most out of its human capital – in the belief that the well-being of employees, their financial and job satisfaction, together with dialogue and collaboration, are the most effective tools for driving growth and development – are as follows:

- not, under any circumstances, to encourage or resort to the use of child labour, and to adopt suitable initiatives to promote the rights of employees who have children;
- not to support or encourage any physical or mental coercion, or any other behaviour that is detrimental to human dignity and privacy;
- to pay utmost attention to occupational health and safety, including prompt compliance with current legal requirements and promotion of timely actions aimed at enhancing staff well-being and reducing the risk of accidents at the workplace;
- to pay close attention to employees' needs and verify their compatibility with corporate objectives. Employees should be granted the right to form and belong to labour unions in accordance with their wishes;
- to guarantee equal opportunities relating to recruitment, career development and remuneration, in accordance with business objectives, by adopting responsible and non-discriminatory practices that also provide access to persons from ethnic minorities or those in situations of difficulty;
- to ensure that relations with employees are characterised by values of civil coexistence and are conducted with respect for the rights and freedom of persons, as well as fundamental principles that endorse social dignity with no discrimination on the grounds of nationality, language, race, sex, religious belief, political or labour union membership, or physical or mental condition;
- to develop a corporate environment free of prejudice and conducive to dialogue, whose reputation facilitates the recruitment of qualified and motivated personnel, in order to lay the foundations for human and professional development and career progress, based on equity, the results achieved and the abilities and skills shown;
- to create the necessary preconditions so that all heads of organisational units exercise the powers connected with their corporate functions in an objective and balanced way, including ensuring the professional development of employees and the improvement of working conditions;
- to guarantee levels of remuneration which – as well as complying with current legislation, including the National Collective Labour Contract and any other supplementary contracts – are commensurate with the quantity and quality of the work carried out and sufficient to provide a proper and decent standard of living;
- to prevent any contractual, social security or insurance irregularity by employing suitably qualified staff with a high degree of awareness of the administrative responsibilities provided for under current legislation.

Training

Training in 2009 followed the course set out in previous years, and was aimed at providing concrete responses to the need to improve management and professional skills.

The use of integrated planning methods (e-learning + classroom sessions) was stepped up during the year, with a view to supporting learning in courses with complex and/or highly innovative content. This entailed stepping up classroom activities compared with the previous year.

A total of 319 thousand person days of training were provided (296 thousand in 2008), of which almost 198 thousand in the classroom (179 thousand in 2008) and more than 121 thousand through e-learning (117 thousand in 2008), broken down among the different departments and categories, as shown in the tables below.

Regarding methodology, coaching, which is based on an individuals' use of their own best aptitudes, continued.

Moreover, the initiative was specifically aimed at optimising the use of available sources of funding, especially the Solidarity Fund for Poste Italiane SpA employees (which supports professional retraining programmes) and the Fondimpresa interprofessional fund. Starting with this initiative, as previously mentioned in the section on the main agreements in 2009, 64 training and refresher course projects, aimed at all company departments and focusing on the objectives of professionalisation and improvement of operating efficiency, were shared with the labour unions.

Classroom courses (person/days)

	31 Dec 2008			31 Dec 2009			Total	
	Grades B-C-D-E-F	Middle managers (A1 and A2)	Senior managers	Grades B-C-D-E-F	Middle managers (A1 and A2)	Senior managers	31 Dec 2008	31 Dec 2009
Postal Services	25,080	6,285	221	29,217	1,709	75	31,586	31,001
Financial Services	847	305	85	193	43	22	1,237	258
Private Customer/ Business Customer	98,952	37,512	197	117,086	43,366	1,452	136,661	161,904
Central functions	5,333	3,849	569	2,059	2,294	152	9,751	4,505
Total	130,212	47,951	1,072	148,555	47,411	1,701	179,235	197,667

E-learning courses (hours)

	31 Dec 2008			31 Dec 2009			Total	
	Grades B-C-D-E-F	Middle managers (A1 and A2)	Senior managers	Grades B-C-D-E-F	Middle managers (A1 and A2)	Senior managers	31 Dec 2008	31 Dec 2009
Postal Services	10,097	1,911	-	35,164	730	10	12,008	35,904
Financial Services	454	150	1	3,152	645	12	605	3,809
Private Customer/ Business Customer	659,842	151,625	76	711,699	118,875	58	811,543	830,632
Central functions	11,643	5,315	60	1,613	1,661	38	17,018	3,312
Total	682,036	159,001	137	751,628	121,911	118	841,174	873,657
Total person days	94,727	22,083	19	104,393	16,932	16	116,830	121,341

The content of the training projects was essentially aimed at:

- improving the effectiveness of marketing actions;
- supporting innovation in operating processes, in terms of effectiveness and quality;
- developing technical skills;
- ensuring regulatory compliance;
- upgrading management skills.

Amongst others, the “All-round Development” project, implemented in the Private Customer function, was designed to support the upgrading and professional development of Post Office staff. The project was carried out via meetings aimed at promoting the sharing of the commercial, operational and legislative know-how and experience that affect the quality of work done in Post Offices, and the quality of service provided to customers. The project is based on the establishment of a professional community of “DUP Trainers”, selected from amongst people who have acquired significant and consolidated experience in the field and have received appropriate training in teaching skills. This initiative is also conducted outside the classroom so that the knowledge acquired by participants may be translated into concrete experience and applied in the context of everyday work.

Development of professional skills

Training courses regarding the **innovation of operating processes** were primarily aimed at logistics, IT and corporate staff. In particular, in addition to the ongoing update of logistics staff skills, regarding new developments in equipment and processes, specialised programmes on monitoring and quality continued. In addition to specialists, training aimed at enhancing the **technical skills** involved ever wider segments of the workforce, as the evolution of business and corporate activities are increasingly connected with the development of IT services and infrastructures.

Contact Centre staff training

Other training courses were aimed at Contact Centre staff. Technical training was given on services and applications used by the Customer Services department, and tutors at local sites also provided support. The staff who carry out these activities are specialised in training needs analysis, content planning and creation and learning provision, where necessary via a dedicated intranet space and the Company's e-learning platform. The training is provided to tutors and Customer Service staff.

Markets in Financial Instruments Directive (MiFID) and customer protection

In order to support correct interpretation of behaviours to be adopted in customer relations, and to prepare the conditions for the planned transition to an advice service, two e-learning training courses were provided on MiFID, including tailor-made content for the specific positions held by the various trainees. These courses come within the scope of initiatives implemented by the Company to guarantee accurate and transparent customer management, in order to increase customer protection right from the current transition phase, which features the so-called “appropriateness” regime.

The two initiatives involved a total of 55 thousand participants, and registered a pass rate of 96.5%.

Social responsibility in training initiatives

Reintegration of employees after a period of leave

The corporate training programme “Reintegration of employees after leave” continued in 2009. Updates on Company events, and accompaniment during the phase of re-introduction to everyday working life after an extended period of absence, roused appreciation and interest from almost all the staff involved. The training course, which is part of the Corporate Social Responsibility programme, saw participation by 223 employees in the 35 virtual classroom sessions held during the year.

Security and robbery prevention

The training programme dedicated to security and robbery prevention, involving more than 38 thousand employees, continued in 2009. The programme aims to train staff who might be involved in a criminal incident in the correct use of anti-robbery devices, including the standards and procedures to follow and how to deal with a robbery and the adoption of behaviour aimed at ensuring the physical safety of both staff and customers.

“Ethics and Enterprise” Award

On the occasion of the third “Ethics and Enterprise” Award, Poste Italiane won an award in the “Training for top professionals” category, with the project “The professional vocation in companies”.

The national competition promoted by associations representing middle management and top professionals belonging to labour unions, as well as the Italian Association of Personnel Directors and Federmanagement, aims to reward the best CSR agreements and practices designed to protect and enhance people.

Development and remuneration systems

The usual appraisal and development activities, applied to middle managers and white-collar staff, involved approximately 75 thousand employees in 2009 (up 13.6% on 2008) and around 5 thousand appraisers.

The appraisal tools used vary in terms of the position held by the person under appraisal. Three types of role are defined: managerial, professional and operational, identified with regard to the differing contributions made to the Company’s performance, and three types of form to assess the specific skills of commercial staff.

Particular attention was paid to improving the quality of manager-subordinate feedback (conducted for almost 90% of employees) via training of managers and process innovations aimed at guaranteeing the actual involvement of the appraised employee in reporting the performance achieved and agreeing on targets for the coming year. This is based on the belief that the manager-subordinate relationship is a vital element in achieving successful teamwork.

In order to identify employees suitable for senior management positions, 8 Assessment Centre sessions were held to assess potential, involving 64 executives. At the same time, 470 staff took part in 75 sessions, aimed at identifying employees to be developed as executives.

Regarding compensation initiatives, 2009 saw the usual application of various incentive schemes⁶ and a merit-based approach linked to performance appraisals. The incentive mechanisms adopted vary according to how they work and their purpose, as well as in terms of whom they target.

These structured incentive schemes are accompanied by a merit-based approach that rewards outstanding performance on a selective basis, taking into account the fairness of internal remuneration and comparable remuneration outside the Company for key managers.

Activities carried out and number of staff

- Staff assessment: around **75 thousand**
- Appraisers: around **5 thousand**
- Assessment of potential using the Assessment Centre method involving:
 - 64 middle managers** in 8 sessions
 - 470 white-collar** staff in 75 sessions

Workforce recruitment

In 2009 the Company deemed it vital to give priority to internal recruitment (paying special attention to graduates in service) as the primary solution for meeting its recruitment needs, whilst at the same time ensuring staff motivation and development by enabling their access to job diversification and development initiatives.

Use of external recruitment was primarily aimed at:

- acquiring specific professionals whose specialised expertise would be difficult to find within the Company;
- the recruitment of talented young people with high levels of education (with technical and business degrees) and development potential via internships lasting an average of 12 months.

Regarding the agreements with the labour unions of 13 January 2006 and 10 July 2008 – related to people hired from the recruitment list of people who had previously worked for the Company on fixed-term contracts – around 1,200 staff were recruited.

This process favoured the transfer of staff from the Postal Services department to Post Office counters, as provided for under the union agreement of 16 July 2009.

The agreement with the Municipality of Rome aimed at allowing disabled youngsters to take part in a training and social integration internship at the Company was renewed.

Regarding inter-regional workforce mobility, 358 transfer requests were granted, whilst intercompany mobility saw the recruitment of 20 staff from Group companies who had requested transfer to Poste Italiane.

⁶ The incentive schemes used include:

- MBO (Management by Objectives) for managers, aimed at translating senior management strategy into specific, clear and measurable business and financial, quality, operational and planning objectives. MBO measures and enhances the contribution of individual managers to overall corporate performance;
- a commercial incentive scheme, aimed at the sales force in order to maximise achievement of commercial budget targets, whilst also taking into account the vital importance of customer satisfaction and loyalty;
- the Target-based Incentive Scheme, an appraisal and compensation mechanism that links payment of a bonus to the performance of key managers with important operating roles.

Workforce engagement

In 2009, in line with previous years, internal communications policies focused on bringing employees and the Company ever closer together, including via various communication channels, such as the Company intranet, *PosteperNoi*, the house organ, *Il Gabbiano*, and the web TV channel, “*PosteperNoi in TV*”.

In particular, in 2009 levels of satisfaction regarding the revamping and new layout of “*Il Gabbiano*” were assessed. In order to assess readers’ satisfaction with the revamped newsletter, a questionnaire for completion was attached to the house organ. The survey, which was conducted in March, found that 72% of the readership of almost 9 thousand deemed the publication to be interesting or very interesting, 73% liked the graphic design and 79% considered the language and editorial style to be clear. Moreover, 51% of readers appreciated the articles regarding current affairs and market analysis, while 73% found the topics connected with Poste Italiane to be particularly interesting, thus confirming the great interest in the Company manifested by both former and current employees.

Another initiative aimed at sounding out the opinions of our employees saw the launch of preliminary activities regarding a new climate assessment survey which, in 2010, will involve the majority of the Company’s workforce. The questionnaire will be administered online and will be conducted via various channels nationwide. The issues dealt with will range from working experiences to organisational operation.

Health and safety

Poste Italiane SpA has adopted all necessary measures to safeguard health and safety in the workplace, including via the support of joint occupational health and safety bodies, at national and regional level, and employees’ safety representatives. The prevention of occupational risks is a core principle that should guide everyone in performing their everyday duties, and represents an opportunity to improve the quality of life at the Company. Therefore, in its contracts, Poste Italiane SpA “gives priority to protecting the health of employees and occupational health and safety within production processes” (art. 49, National Collective Labour Contract 2007-2010) and “undertakes to prevent or eliminate any discriminatory action against employees in terms of their status, dignity and integrity of the person. Special attention is also paid to disagreeable situations arising from the working environment which may be detrimental to the moral character and psychological equilibrium of employees” (art. 53, National Collective Labour Contract 2007-2010).

To this end, in compliance with current legislation regarding provision of suitable working conditions, Group companies are also committed to guaranteeing adequate workplaces in terms of the health and safety of employees via adoption of all the necessary measures (see the Code of Ethics).

Therefore, in 2009 special attention was also devoted to information and training initiatives aimed at emergency management, accident prevention, raising awareness of anti-robbery systems installed in Post Offices and promotion of a security culture, as well as behaviours to be adopted in dealing with crisis situations during and after a robbery.

Occupational health and safety management systems: the BS OHSAS 18001 standard

The prevention of occupational risks and the dissemination of a safety culture are the guiding principles that enable planning and implementation of all actions aimed at guaranteeing the safety of working practices, in the context of an organisational climate that respects the personality and dignity of employees, whilst fostering creativity and learning.

Consequently, in order to ensure effective management of all matters regarding occupational safety, the Security & Safety department implemented a process that led to adoption of occupational safety management systems in accordance with the BS OHSAS 18001 standard (British Standards Occupational Health and Safety Assessment Series) by all Operating Units⁷ (“Employers”), in line with current legislation and in particular with the innovations introduced by Legislative Decree 81/08.

The BS OHSAS 18001 standard defines an occupational health and safety management system as the part of an organisation’s management system that is used to develop and implement occupational health and safety risk management and policies. This system thus comprises an organisational tool that enables a company to take care of employees’ safety in an “organic and systematic way”, integrating safety management systems into a company’s organisational structure and with existing quality and environmental management systems.

The primary objective is ongoing improvement of safety performance via repeated cyclical phases including:

- the “planning” of activities and processes via adoption of safety management policies and the drawing up of programmes and objectives;
- the “implementation” of a training, refresher course and workforce engagement plan and an effective safety communication campaign;
- the monitoring of activities associated with identified hazards, where the implementation of controls is necessary for occupational health and safety risk management;
- the “monitoring and measurement” of performance, to be used as feedback for the assessment of correct implementation of the system;
- “review” by Employers and management aimed at identifying improvement opportunities.

⁷ With a resolution of 2 October 2006 and subsequent internal regulations, the Board of Directors of Poste Italiane SpA organised its occupational safety system into financially, technically and operationally autonomous Operating Units. The 31 Operating Units consist of 9 Private Customer Area Offices, 12 Logistics Area Offices and 11 Central Departments.

Dedicated management systems have been designed and made available to Employers from Logistics Area Offices and Private Customer Area Offices. These systems were devised to meet specific local needs and standardised in accordance with Company policies and activities coordinated at central level. However, Employers from central departments have an occupational safety management system that governs central headquarters processes and workplaces or dependent local units.

The process concluded with implementation of occupational health and safety (OHS) systems, enabling, amongst other things, a systemic approach to monitoring legislative compliance at sites, thereby further raising the awareness and active participation of managers and all parties involved in occupational safety issues.

A specific dedicated area has been created on a Company IT platform, for the filing of all OHS management system documents. In line with the OHSAS 18001 standard, all the related documents are published (for example, guidelines and procedures) to enable consultation by all users with access to the Company's intranet.

Moreover, controlled distribution of documentation to local areas, in accordance with the roles and responsibilities of recipients, has been launched. In particular, the OHS management system manual was sent to Employers at all operating units. This handbook includes a description of the system in terms of fields of application with reference to procedures, instructions, guidelines, policies and annexes. In addition, details are given of the responsibilities and staff allocated to implement and maintain the Company's occupational safety standards and policies.

Moreover, the review of the Postal Services and Private Customer units was completed. This process enabled assessment of the functionality of the management system so that it may continue to be fit for purpose, adequate and effective. Employers were directly involved in the review, which set out a framework for all occupational safety issues, accident analysis, training needs and the directives of external supervisory bodies. Subsequently, local operating unit Employers signed the framework Occupational Safety Policy, which includes details for adoption of the management system model, as well as a commitment to comply with directives and current legislation and strive for ongoing improvement. The occupational safety policy will be sent to all sites so that all members of staff are informed and involved in the process.

Expected objectives include general dissemination of a safety culture via the active involvement of all parties concerned, which will have the dual merit of reducing accidents and making the Company's operating processes more efficient.

Safety training

Safety training was also given special attention in 2009.

To this end, in addition to providing courses to various categories of staff directly affected by risks relating to the work they carry out, diversified training projects were implemented aimed at various persons who, in different capacities, participate in the Company's safety system.

A total of 99,106 employees received training, an increase of around 36.5% on 2008, whilst 21,586 training hours were provided, including 7,400 taught by in-house trainers.

Course	No. of participants 2008	No. of participants 2009	% change
Emergency management	10,870	18,805	73.0
including:			
- Fire fighting	4,807	14,820	n.s.
- First aid	6,063	3,985	(34.3)
Refresher/Specialisation courses	130	92	(29.2)
Manual handling of loads	2,247	1,911	(15.0)
Delivery staff	8,534	13,878	62.6
Postal Service and Private Customer operating unit managers	2,145	1,091	(49.1)
Computer operators	356	896	n.s.
General information	2,795	23,406	n.s.
X-ray machine operators	6	3	(50.0)
Postal Services safety representatives	24	-	n.s.
Robbery risk	45,500	38,238	(16.0)
including:			
- E-learning	40,000	12,322	(69.2)
- Classroom	5,500	25,916	n.s.
Risks relating to mechanised equipment	-	19	n.s.
Trolley and pallet risks	-	147	n.s.
Employee Safety Representatives	-	527	n.s.
OHSAS 18001 - Occupational Health and Safety Management System designers and managers	-	37	n.s.
Course on Consolidated Safety Act (Legislative Decree 81/08)	-	56	n.s.
Total	72,607	99,106	36.5

n.s.: not significant.

Workplace inspections by monitoring bodies

Poste Italiane SpA's more than 18 thousand workplaces (including Post Offices, branches, Sorting Centres, Postal Centres, Delivery Logistics Centres and Delivery Offices) are subject to monitoring by local health authorities.

In 2009 in Italy the overall increase in attention paid to the issue of occupational health and safety continued, partly in the light of the important legislation introduced by the new Consolidated Law on Safety (Legislative Decree 81/2008). In this context, the Company received notifications relating to 415 limitations and orders (402 in 2008) arising from 156 inspections primarily regarding Postal Services facilities (sorting, mail transportation and final delivery to customers) and Private Customer facilities (sales of postal and financial services and products to the public). Of the deficiencies reported, 49% were for organisational and managerial reasons, and 51% for non-compliance with equipment and building regulations.

In this regard, the Company took the necessary steps to manage organised and appropriate action programmes by setting up a database of all the deficiencies across the various regions.

Accidents and illness

The methods used for recording accidents comply with those adopted by EUROSTAT (Statistical Office of the European Union), and enable comparison of data with sector indicators regarding companies with similar working processes to Poste Italiane SpA. In determining the indicators, accidents occurring in transit, namely on the journey from an employee's residence to the workplace or vice versa, and that in any case took place whilst the employee was not in service, given that such accidents are not strictly related to the specific risks entailed by the accident victim's work activities, were dealt with separately. Nevertheless, accidents in transit were monitored, and account for 14% of the total number of accidents.

The number of accidents fell by 1,090 (down 8.7%) in 2009, representing a decrease in terms of frequency (down 6.7%) and days lost due to accidents (down 14.3%), with a consequent reduction in the seriousness index (down 12.6%), given that it compares days lost due to temporary incapacity and the total number of hours worked during the year.

These results have economic implications. In 2009 direct and indirect costs incurred due to accidents decreased by 13.3%.

No. of accidents	2008	2009	% change
Accidents entailing less than 3 days' absence	815	754	(7.5)
Accidents entailing more than 3 days' absence	11,680	10,651	(8.8)
Total no. of accidents	12,495	11,405	(8.7)

Accident costs	2008	2009	% change
Days of absence	411,368	352,598	(14.3)
Direct costs (€m)	20	17	(15.0)
Indirect costs (€m)	100	87	(13.0)

Accident indicators	2008	2009	% change
Frequency*	55.63	51.88	(6.7)
Seriousness**	1.83	1.60	(12.6)
Average duration - days of absence	32.92	30.92	(6.1)
Rate per 100 employees***	7.99	7.42	(7.1)

* The frequency index represents the number of accidents entailing at least one day's absence, excluding accidents in transit, for every million hours worked.

** The seriousness index represents the number of days lost due to temporary incapacity of at least one day for every thousand hours worked.

*** The data refers to the number of accidents per 100 employees.

The data for 2009 reveal that the sector most liable to accidents is delivery, with delivery staff comprising the category most at risk due to the type of activity carried out. Accidents connected with driving Company vehicles (motorcycles and other vehicles) and delivery on foot (attacks by dogs, falls whilst walking, going up and down stairs or closing customers' gates) comprise 70% of the total number of accidents. However, compared with the previous year the number of accidents decreased by almost 900 (down 9.8%).

Cause of accident	2008	2009	'09 vs '08	% of total events 2009
Accident involving Company motorcycle	4,536	3,881	(14.4)	34.0%
Crushing/contusion caused by equipment	1,286	1,088	(15.4)	9.5%
Fall whilst walking	869	1,059	21.9	9.3%
Robbery	661	769	16.3	6.7%
Attack by animal	786	649	(17.4)	5.7%
Crushing/contusion caused by motorcycle	899	686	(23.7)	6.0%
Whilst manually handling a load	599	556	(7.2)	4.9%
Fall whilst going up or down stairs	533	478	(10.3)	4.2%
Accident involving Company motor vehicle	369	341	(7.6)	3.0%
Tripping	417	425	1.9	3.7%
Tripping on equipment	309	302	(2.3)	2.6%
Tripping on part of a solid structure	222	132	(40.5)	1.2%
Clumsy/uncoordinated movement	263	281	6.8	2.5%
Crushing/contusion caused by motor vehicle	330	321	(2.7)	2.8%
Other causes	416	437	5.0	3.8%
Total no. of accidents	12,495	11,405	(8.7)	100%

Regarding absence due to sickness, the positive trend reported last year continued. Working days lost through illness fell by a further 7.3%, bringing the annual average number of days of absence per employee to 11.52 compared with the 12.50 recorded in 2008, a reduction of 7.8%.

Absence due to illness	2008	2009	% change
Days of illness (000s)	1,868	1,732	(7.3)
Days of illness (annual average per capita)	12.50	11.52	(7.8)

Rate of absenteeism for illness	2008	2009
Rate of absenteeism for illness*	4.0%	3.7%

* The percentage is the same as the ratio between the per capita average number of days of illness and the number of available working days in a year (based on a six-day week).

In order to further reduce the number of road accidents, the Company is adopting counter-measures that envisage the use of safer and more reliable vehicles, a training course on safe driving, and a series of activities aimed at curbing accidents. This area also includes the IEE (Intelligent Energy for Europe) project regarding the use of safer delivery vehicles with low environmental impact, to be described in greater detail later, which was extended to many towns and cities nationwide during the year.

The “Safe Driving” project

The “Safe Driving” project, which aimed to provide employees with the necessary skills to carry out their work safely, including the training of 9,000 delivery staff in the three-year period 2007-2009, ended during the year. In 2009, 3,500 delivery staff were trained, involving 9 Logistics Area Offices. After the course, a questionnaire was given to delivery staff to elicit their level of satisfaction regarding the various activities carried out, which produced an overall result of 4.58 on a scale from 1 to 5. 91% of the participants deemed the Safe Driving project useful for their work, while 95% stated that they had received useful answers and advice from the instructors.

The main accident prevention activities in the delivery sector

The great attention that Poste Italiane SpA pays to occupational safety issues – especially accidents – is manifested via a series of actions and initiatives, including:

- information campaigns aimed at raising awareness of safety issues among delivery staff;
- training courses aimed at providing delivery staff with useful skills to deal with unforeseen events that might occur during their work;
- direct involvement with local facilities;
- individual interviews with staff involved in accidents;
- in-depth study of cases of employees involved in at least two accidents;
- collaboration with Inail (National Insurance Institute for Industrial Accidents) to promote common accident prevention strategies;
- memorandum of understanding with the Ministry of Transport aimed at developing training and information projects on road safety and safe driving (via, for example, the use of “driving simulators” to train delivery staff);
- the use of four-wheeled vehicles in delivery areas with fast roads;
- increase areas where deliveries are made on foot;
- multimedia communication systems;
- improvement of the Company’s fleet mix in favour of safer vehicles (for example, the “Free Duck”).

Social initiatives for the workforce

Once again in 2009 the Company offered many initiatives within the scope of the social policies plan, aimed at improving the quality of life of its employees and their families. The efforts that Poste Italiane SpA puts into supporting and implementing these initiatives – an act of responsibility and strategic leverage – also bear witness to the Company's desire to improve motivation and the corporate atmosphere as much as possible, thereby reconciling productivity requirements and employees' needs. The initiatives include focusing attention on employees' children, preventive healthcare and related communication, special offers for certain products and services, and the promotion of important cultural, artistic, sporting and social events.

Telecommuting and social inclusion

With a view to encouraging new work organisation methods that promote a better work-life balance, in 2009 voluntary access to telecommuting was extended to all Company employees, with particular reference to headquarters personnel and in accordance with the organisational suitability of a specific activity for telecommuting. Telecommuting has resulted in productivity improvements compared with "on-site" work, and an improvement in work attendance of around 30%. The advantages of telecommuting for employees include average daily savings of around 8.30 euros, an average reduction in commuting times of around 3 hours and reduced environmental impact due to lower CO₂ emissions deriving from motor vehicle use. The effectiveness of the results achieved, especially the number of applications from employees, the increase in personal motivation and the positive repercussions in terms of productivity have led the Company to study further solutions designed to develop telecommuting. Along these lines, a social inclusion project provides priority access to telecommuting for disabled staff and those with serious personal and family difficulties (mothers returning after maternity leave or those with disabled children, staff returning to work after a lengthy period of illness, an accident, or leave), which roused a great deal of interest among employees, resulting in the submission of more than 200 applications.

PosteBimbi

The PosteBimbi crèche, which was opened in Rome in December 2007, continued to develop new activities for children, including the launch of musical and physical education courses.

The questionnaire given to parents at the end of the school year registered very high levels of satisfaction.

In terms of overall results, parents registered satisfaction as "very good/good" in 84% of the replies, up one percentage point on the previous year's results. Complete satisfaction was expressed regarding relations between the children and the staff of the Company crèche, which is thus appreciated as a great opportunity for personnel.

In May a Baby Farm event was held at the crèche, aimed at putting children in touch with the world of nature and animals. The event was enhanced by the presence of some delightful animals, including: a goose, a ferret, a mouse, a duckling, two hens, 5 rabbits and 2 guinea pigs. The children were able to touch and play with the animals throughout the day.

The Baby Farm brought various kinds of animal into the children's daily lives, which they don't often get the chance to see.

Finally, as part of the wider plan to provide Company crèches, construction of a crèche was begun in Bologna.

PosteAperte

On 21 May the "PosteAperte" event was held for the third time, which was attended by around 1,400 children and 2,000 accompanying adults, involving 33 Poste Italiane premises and 28 towns and cities. Once again this open day gave employees' children between 3 and 12 years of age the opportunity to visit the Company and get an insight into their parents' working lives.

The remote adopting project regarding 20 African children from 3 to 5 years of age from the village of Charawe, in Zanzibar, Tanzania, was renewed. This linked the "PosteAperte" event to a solidarity initiative promoted in collaboration with the non-profit Help the Children Foundation.

At the end of the event the children were given some African fairy tales and, to further strengthen the ties with African children, at all PosteAperte premises an initiative called "Sign the postcard" was launched. In each adopting region, this entailed getting the children who took part in the event to sign a postcard that was then sent to the children in the village of Charawe together with a gift parcel containing clothes, toys, educational items and fairy tale books. Twenty postcards were signed, one for each region, each bearing a photo of one of the twenty African children adopted by Poste Italiane SpA.

Pink parking spaces

In June, as part of social initiatives aimed at promoting a better work-life balance and facilitating parenthood, a project was set up at the Rome EUR headquarters to provide for the temporary allocation of "women-only" parking spaces for pregnant members of staff.

Disability project

Via the disability project the Company wishes to make specific efforts to foster widespread awareness of the problems connected with accessibility via preventive actions, representing a conscious decision to promote the autonomy, inclusion and sustainable development of Poste Italiane SpA's people.

Activities continued during 2009 aimed at identifying a wide range of active policies and concrete measures to encourage the integration, access and enhancement of disabled people in working activities and workplaces. A survey was conducted, which recorded the presence of staff with hearing, sight, motor and cognitive disabilities. Based on analysis carried out, reflection will take place on the key courses of action identified and agreed to, including: training and/or refresher courses aimed at improving professional inclusion; awareness-raising campaigns promoted by distributing support kits to managers regarding key behaviours to be prioritised in order to facilitate workplace access and integration; more flexible working conditions (e.g. telecommuting, especially for staff with motor disability); and staff charitable and voluntary initiatives.

CRALPoste staff association

CRALPoste is an association of Poste Italiane group employees and pensioners, which organises cultural, tourism and sporting activities. CRALPoste is also the largest corporate recreation club in Italy and is present nationwide. It is a member of FITeL (the Italian Federation for Leisure Activities) and of UnionSCIPT (The Union for Sports, Culture and Tourism International in the Postal and Telecommunication Sector).

Poste Italiane makes an active contribution to CRAL activities by taking part in the drawing up of policies and the planning of activities, as well as via provision of funding (3 million euros in 2009).

The main activities of CRALPoste in 2009

Humanitarian and charitable initiatives

Holidays and accommodation for the disabled

This project, which was continued in 2009, is based on a study conducted by the Italian National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA) commissioned by the Ministry of Productive Activities.

Children and their families stayed for two two-week periods (June and September) at the “Villaggio Welcome Riviera d’Abruzzo” in Tortoreto Lido in the province of Teramo, where they were able to enjoy a peaceful holiday in a place that is totally free of architectural barriers.

Free study vacations for the children of colleagues affected by the earthquake in the town of L’Aquila

Seventy-five children, the sons and daughters of employees who underwent the terrible experience of the earthquake in Abruzzo, benefited from study vacations in Italy or overseas completely free of charge.

This was a concrete means of providing support for our colleagues from Abruzzo by enabling their children to get away – albeit for a brief period – from a situation of extreme discomfort and suffering.

Cultural initiatives

Youngsters’ Summer 2009. Study vacations and training courses in Italy and overseas

A growing number of members’ children were able to improve their English by participating in initiatives scheduled during the summer of 2009. Our youngsters were welcomed in Colchester and London in England, Dublin in Ireland, New York, San Diego and Miami in the United States, as well as Malta, in traditional schools and halls of residence surrounded by greenery, in an international atmosphere including youngsters from all over the world and a stimulating environment tailor-made for students.

In Italy, in addition to language courses, students were also able to take part in training courses chosen on the basis of their aptitudes and preferences: creative arts, cartoons, pottery, horse riding, sailing and many others.

Youngsters' Summer 2009. Sustainable and responsible tourism in Namibia

The Youngsters' Summer 2009 initiative was combined with a new opportunity to visit Namibia, where youngsters – as well as having an opportunity to get to know Africa and practise their English on a daily basis with an English-speaking guide and camp assistant – actively participated in a humanitarian project at the Rundu-Kavango Community. This project is aimed at building a multi-purpose village for children, including a dining hall, a classroom for education and playing games, and a basic health centre.

Training course for trainers of people with Down's syndrome

A training course for trainers of people with Down's syndrome was held at the Lucano di Policoro Sailing Club, in the province of Matera.

The course aimed to provide professional skills relating to teaching games, in support of games activities and festivals for children at summer holiday centres and resorts.

11th Social Theatre Festival

The 11th Social Theatre festival ("Proscenio Aggettante") was held in Castrocaro Terme from 19 to 26 September. This theatre festival was organised by FITeL with a view to enhancing the great cultural and artistic contribution made by recreation clubs to the world of work and social activities.

CRALPoste was represented by "PROPoste Teatrali", an amateur dramatics company from the CRAL in Trieste, which staged Neil Simon's play "Barefoot in the Park".

Tourism initiatives

Tourism initiatives were also offered in 2009, which were appreciated by members. In particular, the range of offerings to families and pensioners was extended, and the number of participants rose significantly compared with previous years. The holidays took place in Rhodes (Greece), Djerba (Tunisia) and Varadero (Cuba), as well as a cruise to France, Spain, Tunisia and Malta. Italian destinations included Castellaneta Marina in Puglia and Marinella di Cutro in Calabria

Our customers

Poste Italiane group's products and services vary in terms of the characteristics of customers, who break down into Retail, SME (SOHO – Small Office Home Office and SMB – Small Medium Business), Medium Enterprise, Large Account and Public Sector segments. As well as providing the Universal Postal Service, the Group offers ever-expanding integrated services and innovative solutions ranging through the communications, logistics, financial and insurance sectors.

Customers

Retail, SME and Medium Enterprise

The Retail customer segment includes everyone who uses the services offered by Poste Italiane SpA for personal requirements, and therefore not in connection with their profession.

SME customers include small business owners and professionals (segmented into SOHO – Small Office Home Office, SMB – Small Medium Business and Medium Enterprise). The primary sales channel is the Post Office which, especially in small communities, is also a point of reference for public services. Via its network of Post Offices, the Company also provides a wide range of services to the public on behalf of the public sector, including the issue of passports, regularisation procedures for immigrants and the Social Card.

In order to improve the service provided to customers at larger Post Offices, specific spaces have been set aside to offer the latest in financial products and services, aimed at Retail and SME customers, the “Financial Products” area and “PosteBusiness” network sales outlets. The sales channels for Retail, SMB and Medium Enterprise customers are managed by the Private Customer function.

The model for managing the SME segment is being revisited and all SME and business customers allocated to the Private Customer function have been included in a single customer category, named “Business”⁸. As a result, the current business sales network will gradually be restructured.

Major Customers and the Public Sector

Development of commercial activities for this type of customer is carried out by the “Large Account and Public Sector” department.

Poste Italiane in figures

9 Private Customer Area Offices with 2,851 staff **132 branches** with 4,834 staff
13,992 Post Offices with 58,651 staff **5,470** Post Offices with a “Sportello Amico” counter
6.1 million Postamat Maestro cards **5.6 million** Postepay cards

⁸ The “Business” segment also includes some local government customers.

Accessible Post Offices

The Company's primary objective continues to be accessibility, based on the awareness that this is one of the key factors in providing customers with tools and services that simplify their lives. Being accessible means taking care of the customer spaces, thus enabling everyone to enjoy a comfortable environment in a Post Office, striving to ensure that waiting times for services are reasonable and also providing the option to access the Company's services remotely via the www.poste.it website.

Accessibility and comfort

Activities aimed at optimising the local presence of Post Offices continued, in accordance with Universal Service Obligation and the development of sales potential.

In order to give customers rapid access to services around 850 ATMs were installed, thus making an overall nationwide network of around 5,500 ATMs, almost all of which may be accessed from the street. All the installations are compliant with the accessibility standards for disabled people, including a new keyboard for blind and visually impaired people that complies with accessibility standards, a jack socket to connect earphones to enable disabled people to withdraw cash and pavement level location to facilitate ATM use.

Moreover, in order to improve customer comfort at Post Offices, the queue management system was enhanced, with a total of 2,600 systems up and running at the end of 2009 (2,350 in 2008).

The buildings that house Post Offices were modernised and restructured. Works were carried out at 160 Post Offices, aimed at making them more comfortable for customers and guaranteeing their smooth running and access to infrastructures.

The technological upgrading of Post Offices and administrative offices continued and the computerisation programme for the delivery and logistics departments was activated, including a total of over 94 thousand installations in 2009. Specifically, more than 18 thousand new PCs, 1 thousand laptops, 11 thousand TFT (Thin Film Transistor) monitors, more than 9 thousand counter service printers, more than 9 thousand POS (Points of Sale) and almost 10 thousand franking machines were delivered to Post Offices. Finally, more than 11 thousand computers and related printers were delivered as part of the new Electronic Postman initiative.

Developing new offerings

To ensure effective and efficient service management, the “Minor Service Areas” project was continued, aimed at integrating the functions of Post Offices located in secondary geographical areas by exploiting synergies with neighbouring facilities. The “Minor Service Areas” project continued during the year, aimed at providing optimum management and service for secondary geographical areas. The initiative involves around 3,500 small Post Offices (so-called “satellites”) grouped together in zones around 566 hub Post Offices, which provide specific support to the smaller facilities, as they are equipped to market the entire range of products and, if requested, fulfil the necessary requirements to sell specific products and services. The SprintWeb application, which has been extended to all Post Offices in minor service areas, guarantees a full commercial offering and a high standard of professionalism.

Efforts to develop relations with small and medium enterprises also continued in 2009.

As previously mentioned, the management model for the SME market segment is undergoing revision. Until the previous year, SME customers were handled by the PosteBusiness channel, which, with around 1,150 outlets, including PosteBusiness Offices⁹, Specialist Areas¹⁰ and Specialist Counters¹¹, offered numerous integrated products and services alongside more traditional services. During 2009 the channel was radically restructured, with the aim of increasing the degree of specialisation within the PosteBusiness network. This was done by concentrating all SME customers at around 500 physical locations (including Post Offices and Specialist Areas). At the same time, the initiative will involve the gradual conversion of specialist counters to traditional services.

Moreover, via the subsidiary PosteShop, the Group markets items related to Poste Italiane SpA's core business (envelopes, letter boxes for houses, bill holders, telephone top-ups, delivery boxes) and products from external suppliers (including books, music CDs, DVDs and stationery). In addition to Post Offices for direct and catalogue sales, it uses the 214 “Shop in Shop” outlets (shops fitted out in the public area of major Post Offices); 102 franchise retail outlets bearing the Kipoint logo, which operate as service centres for domestic and international express delivery services, packing services, photocopy and fax services, digital printing, mailing and office product and stationery supply services; as well as the internet channel www.posteshop.it, a telephone channel and the MondoBancoPosta channel.

⁹ Offices exclusively dedicated to customers from this segment, either located within central Post Offices or on a stand-alone basis.

¹⁰ PosteBusiness sales areas and counters located in traditional Post Offices.

¹¹ PosteBusiness counters located in traditional Post Offices.

Financial products

The creation and management of financial products on offer is backed up by operating procedures and practices aimed at ensuring the best possible protection of customers' interests. Specifically, this objective is pursued via a series of preventive measures aimed at:

- creating, on the basis of market projections, products with risk profiles/returns and costs suited to each type of customer;
- selecting high quality issuers and structured product specialists in order to minimise the risk of issuer insolvency and maximise returns for customers. This objective is pursued through rigorous comparative assessment which, in the case of structured product specialists, entails adoption of real competitive bidding mechanisms;
- guaranteeing that products are always highly liquid by listing them on regulated markets.

BancoPosta In Proprio receives the MF Innovation Award 2009

This commitment to offer tailor-made, convenient and transparent solutions, which respond to varied customer needs, enabled the BancoPosta In Proprio account to win first prize at the MF Innovation Award 2009, promoted by Milano Finanza, as best new product in its category.

These monitoring activities are supplemented by subsequent checks on product performance and the main factors that may influence prices, thereby enabling any necessary initiatives designed to protect customers' interests.

In line with the advantages of convenience and accessibility that have always characterised Poste Italiane SpA's range of financial services, special offers continued during 2009 aimed at the elderly, with reduced commission on bills paid over the counter by over-70s, and at BancoPosta account holders, with the launch of the "Più BancoPosta meno spese" promotion that reduces related bank charges throughout 2009 and 2010. In addition, the "Quinto BancoPosta" offering, a salary loan product launched in 2008 for pensioners, people in full-time employment and INPDAP pensioners, was extended during the year to Inps pensioners with a view to facilitating access to credit to pensioners by offering them more favourable and transparent conditions than those generally available on the market.

A project, carried out in collaboration with Cassa Depositi e Prestiti, regarding the Post Office Savings Book Card was also completed. This led to the launch in mid-November of a new electronic card linked to standard Personal Savings Books. The Post Office Savings Book Card, which is issued free of charge, enables withdrawals from all ATMs in the Postamat circuit, as well as payments and withdrawals at Post Offices. For pensioners whose pensions are paid into savings books

and who have applied for and obtained activation of the card, free theft and bag-snatch insurance for pensioners, which postal current account holders are already eligible for, is provided.

In the Electronic Money sector, Postepay Twin, a kit of 2 “twin cards” aimed at immigrant customers, enabling worldwide money transfers without using cash, was put on offer. The offerings aimed at young people and families – the “Schools and Universities Loan” and the “Starting a Family Loan” – were also continued.

Moreover, regarding the earthquake that struck the Abruzzo region, for residents of the affected areas payment of personal loan instalments and of the balances on BancoPosta credit cards was suspended until 31 December 2009, and loan instalments were also suspended for people in areas affected by flooding in Messina.

Finally, special offers continued for BancoPosta account holders who, via the BancoPostaonline service, may make donations to charitable organisations such as Unicef, Telefono Azzurro, Telethon and AIRC, without paying any commission.

Transparency

Regarding the new Bank of Italy supervisory regulations on the transparency of banking and financial transactions and services issued on 29 July 2009, organisational, legislative and procedural actions were launched aimed at implementing the new regulations.

Specifically, all transparency documents were duly updated (factsheets and descriptions of all BancoPosta products and services and documents detailing key customer rights), and technical specifications were provided relating to IT developments regarding personalised document management, and the calculation of the Annual Percentage Rate (APR) for current accounts and loans and the preparation of annual reporting in accordance with the new formulation. Organisational initiatives were also implemented aimed at ensuring that each phase of intermediation is carried out in strict compliance with the transparency regulations.

With a view to guaranteeing sufficiently transparent information on the risks relating to investment transactions, Poste Italiane SpA provides a document entitled “Information about financial products and instruments” during the initial consultation with customers and on signing an investment service contract. In order to raise transparency standards, the content was expanded in 2009 and broken down by type of financial instrument. The revised document will be available to customers in early 2010. For “complex” products, in addition to the basic documentation, the Company provides a “product factsheet” that illustrates the key elements of the investment (duration, returns, costs, risks, comparison with other products, characteristics of the relevant clientele, etc).

Postal products

The Sportello Amico channel

The “Reti Amiche” project promoted by the Ministry for the Public Administration and Innovation, for which Poste Italiane SpA provides logistical and technological support designed to make it easier to access public services and resources, was continued. In 2009 the Sportello Amico-Rilascio Certificati product was developed. This service is provided on behalf of participating municipal authorities who choose Poste Italiane SpA to manage the collection of applications for and the delivery of birth, death and other certificates at Post Offices equipped with a Sportello Amico counter (5,470 throughout Italy). The documents provided by Sportello Amico counters bear a digital stamp guaranteeing their legal validity. During 2009 a service for issuing INPS social security contribution certificates was also launched on an experimental basis in over 1,000 Post Offices equipped with Sportello Amico counters in the Emilia Romagna, Lazio and Calabria regions.

Posta Time

The new value added unrecorded mail product, Posta Time, was launched. Thanks to the innovative use of palmtop computers supplied to delivery staff (as described in detail below), this product enables provision of certified proof of delivery dates and times for mailings to metropolitan areas and provincial capitals.

Posta Check Up@

This Group service regarding delivery of medical reports to patients' homes, via email, or to a general practitioner's surgery, was continued in 2009. Posta Check Up@ is a spin-off of a previous delivery service to hospitals, local health organisations and medical laboratories, which decided to outsource the delivery of medical reports. This solution is advantageous for patients, who do not have to go back a second time to pick up test results, and also for public and private healthcare centres which, as they no longer have to manage report deliveries, can reduce waiting times at counters. In particular, the service enables delivery of reports, in paper or electronic form, to people who chose to receive their medical reports at a specified email address.

Seguimi (Follow me), Aspettami (Wait for me) and Dimmi quando (Tell me when)

The four services from the “Seguimi” range (Seguimi Tutta la Posta, Seguimi solo Posta a Firma, Aspettami and Dimmi quando) continued during the year. These services enable mail reforwarding requests or agreement of a delivery date with the addressee, thereby performing a highly useful social function. For these precise reasons, around 7,500 “Seguimi” services were activated free of charge during 2009 for people affected by the earthquake in Abruzzo, as well as around 350 for victims of flooding in the province of Messina.

Integrated services

Regarding integrated services, in line with the ongoing commitment to create services with high added value, new modular variations of the Integrated Notification Service were launched, including: the new Area Integrated Notification Service for customers requiring notification of legal process sent in original copies and/or signed by hand, with relatively low volumes; and the Notification by Messenger service, which enables delivery of a true copy of an original deed or order to an addressee with legal effect.

Finally, Poste Packaging, a new service aimed at Business customers, was launched. This service enables modular management of the various phases of the delivery of packages weighing up to 5 kg: stock management and micro-logistics, management of payments, reporting and the management of undelivered items. Customers may choose appropriate modules in accordance with their needs.

Service improvements: the Electronic Postman

In 2008 experimentation of the project designed to equip delivery staff with handheld computers connected to a mobile printer was successfully completed. In this way it is possible to record the delivery of an item of mail, memorising the date and time, and thus enabling the automatic tracking of mail and its delivery. The Company has launched a plan to gradually extend the use of handheld computers to delivery staff throughout the country.

Indeed, during 2009 almost 12 thousand delivery staff were computerised, involving a total of 241 Distribution Centres. New services were also developed, such as “Posta Time”, regarding certification of the date, time and place of unrecorded mail, and “Notification Messenger” regarding the delivery and notification of administrative and tax documents.

Use of the handheld computers will enable increasing automation of delivery activities, thus allowing staff to carry out their work more efficiently and effectively.

Service quality and customer satisfaction

The attention the Company pays to achieving ever higher quality standards for the various products and services it offers entails assumption of responsibility towards all its customers. Achievement of these objectives is also pursued via dialogue with consumers and swift and easy settlement of disputes.

The quality of the Universal Postal Service

The Universal Postal Service meets strict quality and efficiency standards, defined in terms of delivery times nationwide, which is annually checked by the Ministry of Economic Development.

The International Post Corporation (IPC) carries out a parallel check on international mail. Both organisations use a company that constantly monitors delivery times by sending “test letters”.

Poste Italiane SpA also carries out an internal check on the quality of service provided, in order to rapidly identify difficult situations and immediately implement the necessary corrective measures. The diagnostic system is managed by an external company with ISO 9001 certification. This enables recording of end-to-end delivery times, and tracking of the test letters through the delivery process, as some of them have been tagged with RFID (Radio Frequency Identifier) devices.

	Delivery within	2008		2009	
		Target	Actual	Target	Actual
Priority Mail*	1 day	89.0%	90.6%	89.0%	90.7%
International Mail**					
inbound	3 days	85.0%	94.6%	85.0%	93.6%
outbound	3 days	85.0%	94.1%	85.0%	93.3%
Registered Mail***	3 days	92.5%	94.4%	92.5%	94.3%
Insured Mail***	3 days	92.5%	98.6%	93.0%	98.1%

* Based on data certified by IZI on behalf of the Ministry of Economic Development.
 ** Based on data certified by IPC – Unipost External Monitoring System (UNEX-Country System).
 *** Monitored by an electronic tracking system.

	Delivery within	2008		2009	
		Target	Actual	Target	Actual
Standard Parcels	5 days	94.0%	95.8%	94.0%	97.4%
Postacelere Express Delivery	1 day	90.0%	94.4%	90.0%	94.3%
Paccocelere	3 days	98.0%	99.1%	98.0%	98.7%

All products are monitored with an electronic tracking system.

The quality of customer contact

Customer Services continues to provide effective access to customers as well as support to Business functions, traditional commercial channels and Group companies in the management of information, promotional and commercial activities, and after-sales services. Indeed, contact with customers is the most important opportunity for dialogue that enables assessment of customer relations performance.

During 2009 approximately 10.3 million contacts were dealt with by the Contact Centre (9.2 million in 2008), of which 42% regarded BancoPosta products, 38% Postal Services and 20% Group company products (especially Postecom, PosteShop, PosteMobile and Poste Vita). The number of customer enquiries regarding financial and mobile telephone services rose compared with the previous year, and Insurance services (Poste Vita) contacts were also managed by the Parent Company in 2009.

Contact data analysis is always conducted via systematic monitoring with the assistance of Customer Relationship Management (CRM) tools, which enable identification of problems and the drawing up of action plans to improve claims reception process and customer assistance services.

Contact Centre customer satisfaction surveys

The monitoring of Contact Centre customer satisfaction conducted by the external company Eurisko continued in 2009. According to the results, 95% of customers expressed overall satisfaction with the service (96% in 2008), while 5% were dissatisfied (4% in 2008). Average overall satisfaction stood at 8.3, substantially in line with the 8.4 of the previous year.

Contact Centre customer satisfaction surveys

Contact Centre customer satisfaction surveys	2008	2009
Very and reasonably satisfied	96% of interviewees	95% of interviewees
Dissatisfied	4% of interviewees	5% of interviewees
Average overall satisfaction	8.4	8.3

In 2009, regarding the Integrated Contact Centre activities managed by the subsidiary Poste Link Scrl, Inps (National Social Insurance Institute) and Inail (National Insurance Institute for Industrial Accidents) took part in the "Mettiamoci la Faccia" ("Let's give ourselves a face") project, a pilot initiative sponsored by the Ministry for the Public Administration and Innovation. In collaboration with national and local authorities, this project aims to systematically record levels of customer and user satisfaction






with public sector services by using emoticons¹². This initiative, which is part of the periodic surveys of Integrated Contact Centre services, aims to:

- enable the general public and users to express their opinion regarding a service in a simple and direct way;
- provide the authorities concerned with constantly updated information on levels of customer satisfaction with the services they provide;
- enable prompt intervention in problem areas highlighted by any negative opinions the general public and users might express.

The initiative effectively brings together the three elements of “service provision”, “service appraisal “ and “service improvement” and creates favourable conditions for correct management of the services provided.

Technically speaking, the experiment, which was launched in March, is set up so that by using three emoticons (positive opinion, satisfactory, negative opinion) customers may express their opinions on the quality of information received when calling the number 803.164, after finishing the conversation with a Contact Centre member of staff.

The key results of the customer satisfaction survey carried out show that the opinions expressed by the majority of customers were positive.

Contact Centre		 mettiamoci la faccia		
Report (cumulative data from 24 March to 31 December 2009)				
Body: INPS - INAIL		Contact Centre		
Total no. of users	7,797,503			
No. of users expressing an opinion	230,462 (2.96%)	Overall opinion		
Level of satisfaction				
No. of opinions expressed	162,573	41,432	26,457	
Score in percentage terms	70.54%	17.98%	11.48%	

Emoticons thus provide an immediate insight into customer satisfaction regarding services. Whilst they provide less detailed information than customer satisfaction surveys (which, as already mentioned, will continue to be conducted), the system does enable real-time recording via analysis conducted on a weekly basis, as well as rapid intervention in the event of negative feedback.

¹² Emoticons are stylised representations of the main facial expressions that correspond to emotions (smiling, pouting, etc.).

Complaints

In its efforts to protect customers, Poste Italiane SpA considers as complaints “notification by customers of failures to meet objective and measurable service expectations, namely the conditions set out in the Service Charter or in relation to specified service standards”.

A customer complaint represents an important opportunity for contact and dialogue, providing an excellent occasion to develop customer relations.

Regarding making a complaint relating to postal services, the Quality Charter, which is available at all Post Offices and on the www.poste.it website, gives a detailed description of the method of submission and the related deadlines, the types of complaint, the method of reply and related deadlines, and the compensation provided.

The quality of complaints management, together with ongoing staff training, enables response times that are in line with the standards of other leading European operators.

For BancoPosta products, the submission and management of complaints is governed by the BancoPosta Complaints Regulations, which are published in the Official Gazette and on the www.poste.it website. Complaints must be submitted in writing (by post or fax) or by email, including via a specific form available at all Post Offices and on the www.poste.it website.

The complaints management process, one of the key customer care processes, is geared towards resolving the reported problem. Moreover, the process is monitored via:

- the drawing up of key indicators on the progress of the complaint submitted (complaints analysis and reporting);
- assessment of the satisfaction of customers regarding management of their complaint (a bi-annual survey);
- development of action plans to improve operating processes and complaints management.

During 2009 customers whose complaint procedures had been completed were interviewed by Contact Centre staff. The levels of satisfaction expressed by the 2,347 customers interviewed are shown in the following table:

Complainant satisfaction	2008	2009
Very and reasonably satisfied	66.30%	67.50%
Dissatisfied	33.70%	32.50%

During the year a new Complaints Management department was set up at BancoPosta, which combines all the previous complaints management units that previously operated in different sectors and were divided up on the basis of responsibility. The establishment of a specific department is aimed at providing customers with swift and exhaustive responses and rapid response times in accordance with legislation, tracking all the key elements of a complaint via a specific database, with a view to identifying and solving problems that might arise during disputes. 7,563 complaints were received during 2009, including 438 regarding investment activities and services and ancillary services (pursuant to art. 1 of the Consolidated Law on Finance) and 7,125 relating to other products.

All complaints entailing a written reply to a customer are entered into a database and classified by product/sub-product. Replies to customers include the settlement of the complaint, the amount paid (in the event of a refund) and any other useful details that might help to satisfy the customer. Each reply letter also indicates the possibility of resorting to the Banking and Financial Arbitration service, the Banking Ombudsman or the BancoPosta Conciliation procedure if satisfaction is not obtained. For complaints regarding cases of phishing – due to the large number received – a new procedure has been established that will guarantee customers a response within 30 days as of January 2010.

In order to direct complaints to the relevant department, a special application is also used if a letter of complaint is received via a contact centre.

In terms of Postal Services, a total of 78,335 domestic complaints were received regarding products supplied within the scope of the Universal Postal Service in 2009.

The main reasons for poor service are those laid down in the Quality Charter:

- late delivery;
- failed delivery;
- damage or tampering.

Regarding complaint management procedures, the average time taken to respond to customers was below the standard of 40 days laid down in the Quality Charter.

Conciliation procedure

The conciliation procedure for the postal service has been in place since 2002, and for the BancoPosta sector since March 2006. The system entails out-of-court settlement of disputes, carried out in collaboration with consumer associations recognised in Italy by the Ministry of Economic Development. The procedure is aimed at reaching an amicable settlement of disputes, with the consequent reduction of litigation and greater satisfaction for customers who complain.

Consumer associations are actively involved in conciliation via participation in periodic roundtables, which aim to draw up amendments to the procedure and related communication initiatives directed at customers.

After deciding, in 2008, to participate in the Banking Ombudsman scheme, an association that provides customers with an alternative instrument to legal procedure for settling banking, financial and corporate disputes, Poste Italiane SpA signed up to the Banking and Financial Arbitration service in 2009.

The Banking and Financial Arbitration service operates a system for the out-of-court settlement of disputes filed under art. 128-bis of the Consolidated Law on Banking and implemented via directives from the Interministerial Committee for Credit and Savings (CICR) and the Bank of Italy.

During the past year the Company focused its efforts on strengthening complaints management processes, and providing information to customers regarding the possibility of resorting to the Banking and Financial Arbitration service if necessary. During 2009, 837 applications were submitted to nine regional conciliation committees (1,420 in 2008), a reduction of 41% compared with 2008. Of these 645 were discussed and a positive agreement between the parties was reached in 97% of cases, with only 19 proceedings ending in failure to reach settlement.

Regarding the BancoPosta Conciliation procedure, a total of 812 applications were submitted, of which 316 were discussed. 59% had a positive outcome for customers, 38% were cancelled following positive resolution of the complaint, and in 3% of cases no agreement was reached.

In May further efforts were made to meet customers' requirements with the launch of the PosteVita Conciliation procedure, including signature of a related agreement by consumer associations. During this preliminary phase, the procedure was restricted to cases regarding index-linked policies relating to the Lehman Brothers default. The consolidation procedure will subsequently be extended to other PosteVita products. As of 31 December 2009, 56 applications for conciliation had been registered, of which 35 have already been discussed with 100% positive outcomes.

Relations with consumer associations

The consumer newsletter, "Focus Consumatori", is published weekly on the Company's intranet. The newsletter provides in-depth coverage of news items published in local and national newspapers, in which the consumer associations analyse issues relating to the Company and the main news events.

Since its first year of publication, "Focus Consumatori" has steadily increased the number of its direct recipients, rising from 200 in 2003 to almost 700 in 2009. Over the last year, 47 issues have been published, including 494 news items directly regarding Poste Italiane SpA. Since 2007, a European News section has been added, which each week investigates a theme of particular interest examined by the European Commission regarding consumption and consumers.

An email address is also provided (consumerismo@posteitaliane.it) for requesting additional information regarding the published news items.

The "Talking to consumers - Let's design the future" initiative

The constant attention paid by the Company to its customers and consumer issues was reflected in 2009 by the second national roadshow, which was first organised in 2008 with the "Building together - Talking to consumers" initiative. The 2009 initiative, "Talking to consumers - Let's design the future", took place in June and July, including 21 meetings organised by Poste Italiane SpA aimed at putting the Company's local offices into direct contact with the approximately 320 local representatives of consumer associations.

The roadshow visited the towns and cities of Naples, Palermo, Reggio Calabria, Termoli, Latina, Cagliari, Pescara, Florence, Bologna, Matera, Ancona, Perugia, Bari, Mestre, Udine, Bolzano, Turin, Genoa, Aosta, Milan and Rome.

All of the meetings were designed to strengthen, or in some cases initiate, direct contact between the Company and consumer associations, in order to carry out a joint analysis of the situation regarding postal services in each region, focusing on any difficulties and points of excellence, and to illustrate the Company's operational side.

Indeed, time was set aside during the meetings to exchange questions and opinions with the consumer associations, who for the first time were able to interact directly with the Company and its representatives, thereby focusing attention on the problems most frequently reported by the public. Following the conclusion of the initiative, a series of specific roundtables were scheduled to investigate the issues raised by the consumer associations during the meetings, and the possibility of jointly conducting consumer information and education campaigns aimed at customers.

Customer security: Anti-phishing initiatives

Within the scope of online fraud, which is constantly evolving in terms of the techniques and tools used, phishing, in its various forms, is one of the most sophisticated criminal techniques, representing an innovative and organised threat to the Company's business and difficult to tackle.

Back in 2005 the Company set up an "Alert Centre", whose tasks include reporting any phishing attacks on customers and immediate implementation of actions to counter the attack and mitigate its impact.

In 2009, the number of phishing attacks recorded and blocked by Poste Italiane SpA's Alert Centre decreased, with a total of 4,227 clone websites compared with the 6,463 registered in 2008. Response performance to combat the attacks was substantially in line with the previous year, with 57% of the clone websites shut down within 12 hours of their detection. These results were achieved thanks to the upgrading and optimisation process launched by the Alert Centre in previous years, which enabled the high number of attacks to be combated via quicker and more effective actions designed to detect and shut down the clone websites. Moreover, the Alert Centre's web intelligence activities enabled detection and blocking of around 2,500 digital identities impaired by viruses, thus preventing their fraudulent use.

In order to step up the anti-fraud campaign, improvement measures were identified, such as the introduction of a strong authentication system, which has entailed the replacement of the existing "static" passwords with "disposable" ones, thereby neutralising the harm deriving from phishing attacks and, consequently, improving the security levels of Poste Italiane SpA's online banking systems.

Use of technology in ensuring security and efficiency

Poste Italiane SpA's plan to acquire real-time control and monitoring infrastructure continued, thus enabling effective oversight of service provision and proactive adaptation to unforeseeable difficult situations in line with models for the "real-time company" and modern concepts of management and complex event processing, which are precisely those connected with the business.

Alongside the Service Control Room created in 2005, the functions of the Security Room, which deals with IT and physical threats to the Company, were upgraded in 2009.

Specifically, the monitoring capacity of the Service Control Room was stepped up via extension of real-time monitoring to 14 new services (the number of services thereby rose from 47 in 2008 to 61 in 2009), and the development of specific simulation and analysis tools for assessing the functionality and degree of integration of monitoring of the new SDP (Service Delivery Platform)

counter system. The SDP project provides for a makeover of the current counter system by building a multi-channel platform to carry all of Poste Italiane SpA's distribution channels. During 2009 the SDP infrastructure was activated at 148 Post Offices. The development of corporate and business applications for the integrated management of customer/product data on behalf of the various businesses was also guaranteed by the ongoing computerisation of Customer Relationship Management (CRM) and the Enterprise Data Warehouse (EDWH). With respect to the CRM project, integrated data management initiatives regarding customers of the Conto BancoPosta In Proprio and BancoPosta Più products were implemented, partly with a view to improving the service provided and cutting the Company's costs. Regarding the EDWH project, work continued on development of the integrated data management system, including providing support in the integration and monitoring of commercial, operating and marketing processes.

Also with regard to applications, extension of the Document Management System continued. Amongst other things, this system provides document management for the automation of the sales and contract processes managed by the CRM system, support services for the project aimed at simplifying the provision of information to Post Office staff, and integration with the new SDP counter platform.

A European task force was also set up to combat cyber crime, called the "Electronic Crime Task Force" (ECTF). Deriving from a Poste Italiane SpA initiative, in agreement with the "United States Secret Service"¹³ and the Ministry of the Interior's Department of Public Security, the task force was established via signature of a letter of intent in Rome on 30 June 2009.

Poste Italiane SpA, which was strongly in favour of creating the ECTF, promoted its establishment and provides infrastructure for the new organisation's operations. The task force is responsible for gathering and disseminating information on new techniques and methods for combating electronic crime, including new phenomena such as digital identity theft, fraud, hacking, cyber attacks and other crimes perpetrated by electronic means.

The ECTF's activities particularly regard analysis and identification of the growing number of criminal acts perpetrated via the internet, which threaten the security of digital services offered to customers and enterprises. Therefore, these activities are aimed at creating new techniques and tools for preventing, recording, countering and investigating these crimes, in Europe and around the world.

¹³ The "United States Secret Service" is a US government agency primarily established to prevent and investigate forgery of the United States currency and financial fraud and theft, as well as to protect the President and Vice-president of the United States and their families.

Our suppliers

The procurement process is set up in such a way as to enable the Company to respond to legal provisions and the complex requirements of the internal audit system, as well as the demands connected with effective corporate risk management.

Contracts are awarded in accordance with the procedures provided for by Legislative Decree 163/2006, the Code regarding public works, service and supply contracts, in compliance with the Internal Regulations. Companies wishing to tender for works, supply and service contracts of any amount, including sub-contracts, should be in a position to satisfy the exclusion criteria for the call for tender. Moreover, companies must comply with formal and basic obligations regarding health and safety at the workplace, and with provisions regarding the employment of disabled people (Law 68 of 12 March 1999).

The tools proposed for supporting this policy and disseminating its guidelines include preparation of Internal Regulations and a Supplier Register.

Moreover, with a view to encouraging standards of ethical conduct to be shared with and disseminated among our suppliers, and consequently building a network of positive long-term relationships with strategic and competitive objectives, in 2009 the Board of Directors of Poste Italiane SpA approved the "Suppliers and Partners Code of Conduct".

Procurement management is based on certain key principles:

- adoption of a single policy for the procurement of goods, works and services, in accordance with the principles of efficiency, effectiveness, thrift and transparency;
- adoption of competitive procurement procedures, market conditions permitting, in line with current regulations;
- adoption of appropriate procedures for selecting potential suppliers in terms of their size, location, structure, technology, productive potential, financial reliability and economic stability;
- taking of due precautions to avoid situations of excessive risk in allocating supplies to individual suppliers;
- adoption by all members of staff involved in procurement procedures of behaviours that comply with Company policies, internal procedural regulations, the 231 Organisational Model, the Code of Ethics, national and international laws and regulations, and especially the principles set out in the "Internal regulations regarding the awarding of works, service and supply contracts".

The Suppliers and Partners Code of Conduct

In the course of defining an increasingly organic and widespread responsible management system within its own organisation, Poste Italiane group believes that commercial relations based on transparency and ethical negotiating principles can help to increase the effectiveness of its business processes and the Group's competitiveness.

From this standpoint, and as a natural spin-off of the Group's Code of Ethics, which sets out the principles and defines the guidelines for the conduct of staff and partners operating on behalf of Group companies in internal and external relations, the need arose to define a **Suppliers and Partners Code of Conduct** aimed at governing relations with these stakeholders.

This decision, which confirms the Group's commitment to an ethical approach to doing business, also aims to encourage the steady spread of ethical principles and corporate social responsibility among parties positioned along the Group's supply chain.

The Code thus sets out the ethical and social guidelines to be followed by all companies participating in calls for tenders and any sub-contractors, including consultants, professionals and external partners, as well as partners of Group companies.

In particular, with a view to adopting impartial conduct centred on transparent assessment of suppliers, the Code will form an integral part of all contracts and agreements entered into with Group companies and consortia.



Supplier Register

The Internal Regulations regarding procedures for awarding works, service and supply contracts require use of the Supplier Register, which was established in 2007. Suppliers are selected in terms of their actual and potential capacities to meet the Company's quality and competitiveness requirements, with a view to raising suppliers' quality standards and speeding up procurement procedures, thus guaranteeing transparency in the marketplace.

The qualification system may be accessed by all businesses that meet the related requirements, without any time limit on the submission of enrolment applications. The system is based on a criterion of incremental coverage of product procurement categories, for which a qualification process for suppliers is applied.

The qualification system is currently aimed at suppliers of the following:

- hardware;
- software;
- IT services;
- training services;
- market research and survey services;
- postal product delivery services and provision of ancillary services;
- delivery, collection and transport of postal items between Poste Italiane facilities, and ancillary services;
- works;
- Contact Centre services;
- air transport services;
- ancillary equipment for postal sorting operations – metal joinery.

The assessment model analyses three main areas: general moral and professional suitability; economic and financial requirements assessed via financial indicators; and technical and organisational requirements predetermined in accordance with minimum technical characteristics to guarantee that services are in line with the required standards.

Currently, on enrolling in the Register, suppliers must agree to a series of commitments and provide information regarding:

- audit and quality plans;
- risk assessment documents connected with service provision.

Three new qualification categories (air transport services, ancillary equipment for postal sorting operations, contact centre services) were introduced in 2009, and the system for services regarding works started operating.

A new Information and Communication Technology (ICT) Register was also launched, which provides for a new, wide-ranging segmentation of activities, including 59 sub-categories and migration of the ICT system to the posteprocurement.it negotiating platform.

The solution identified for the building works, hardware, software and ICT services categories – which is completely electronic and integrated with PosteProcurement, the Company's procurement portal for online calls for tender – provides for outsourcing of the initial processing of Register enrolment applications, with a view to optimising and computerising the entire

contract award process. A similar solution was launched on an experimental basis regarding delivery service categories and services relating to the delivery, collection and transport of postal items.

For the service category connected with works, a vendor rating model has been developed. In addition to scoring aspects of the various phases of the contract award process (participation in the call for tenders, the competitiveness of bids and promptness in meeting the deadline for submitting documents that prove compliance with the general requirements, in the case of a contract award), the model provides a benchmark for assessing performance during the contract execution phase, identifies the entities involved and the control mechanism used in the assessment.

These variables feed into a points system that may influence the frequency with which suppliers are invited to bid for tenders, with preference given to companies that have the best ratings.

After successful conclusion of an experimental phase, the vendor rating system is being extended to take account of other parameters more closely connected with contract performance.

E-sourcing

The provisions of the new contracts code (Legislative Decree 163/2006 and subsequent amendments and additions) have substantially modified the previous legislative framework by unequivocally ratifying the importance of the new e-sourcing tools and giving them a clearer legal identity. These tools offer a viable alternative to traditional forms of negotiation, and may even be preferable for certain procurement categories.

The new e-sourcing tools offer many advantages in terms of process optimisation, organisational savings, increases in the efficiency of negotiations and reduction of supply times. The system is based on internet technologies and is therefore a key tool in making the procurement process quicker and more efficient. In addition, it ensures maximum transparency and enables the tracking of all transactions.

Moreover, development of the PosteProcurement portal enables introduction of new solutions for managing contract award procedures, including the complete dematerialisation of paper documents (sending out contract award notification letters, and the receipt and management of all the necessary documents for execution of a contract).

In 2009 a “dynamic procurement system” was launched for company vehicle rentals, aimed at optimising procurement procedures for highly standardised goods available on the market.

The primary objectives are improvement of the service provided in terms of quality and speed of supply, overall procurement cost savings and the control and transparency of transactions.

This totally electronic solution is incorporated within the www.posteprocurement.it portal, thanks to the creation of a list of operators included in the system. During 2010 this will enable the Company to have preliminary bids and – thanks to the electronic means employed – launch competitive tender procedures designed to improve the bids, thus reducing the time it takes to award contracts and therefore ensuring optimal use of the budget for each procurement.

The use of online tools has also enabled the Parent Company to obtain greater savings on initial bid prices than with a traditional call for tender. However, this does not result in excessively low bids, as suppliers gradually become more familiar with the new methodology. This has resulted in the progressive consolidation of online tender procedures and increasing use of this procurement platform. Use of this system has also resulted in widespread use of digital signatures by suppliers submitting bids. At the same time, the project was extended to other Group companies which, by using the procurement website, are developing their own online procurement methods and solutions.

Our community

The main initiatives carried out fall within the following categories:

- Philately;
- Historical archives;
- Agreements with the Public Sector;
- Charitable initiatives.

Philately

Consolidation and development of the philatelic market continued in 2009 via 295 Philately counters, over 2,000 temporary stands (including 515 free of charge) set up for exhibitions and events during the year, and the “Spazio Filatelia” shops in Rome, Milan, Venice and Naples, with a new shop in Trieste opened during the year.

In addition to the usual annual events, such as World Food Day, Memorial Day and the Police Festival, as well as specific events such as the G8 Summit, the 7th European Parliament, and the centenaries of the Giro d'Italia cycle race and the Marconi Nobel Prize, the International Philately Festival “Italia 2009”, the most important international philatelic event to take place in Italy in the last ten years, was held in Rome in October. The festival was organised by Poste Italiane SpA in collaboration with FSFI (the Federation of Italian Philatelic Societies), AFIP (the Italian Association of Professional Philatelists) and USFI (the Italian Philatelic Press Association), and was attended by around 50 postal services providers and 80 commercial operators from 15 different countries. The philatelic exhibition area was divided into the following competition categories: aerophilately, thematic and traditional philately, maximaphily, the history of postal services and philatelic literature. Of particular interest were 500 collections, some of them on display for the first time, and books from throughout Europe and the Mediterranean basin, as well as from Canada, the United States, Argentina, South Africa and Australia.

The tragedy that struck Abruzzo, especially the town of L'Aquila, which was severely damaged by the earthquake, was also recalled with a postcard and special frank. A letter box found among ruins in the town was also on display, which was subsequently adopted by the Italian Philatelic Press Association as a symbolic reminder of the Abruzzo community.

The range of philatelic products, in addition to the usual issues dedicated to celebratory and commemorative events and thematic series, included special issues for each day of the International Philately Festival: the Italian language, Sport, Collecting, Music and Europe. More generally speaking, the Programme broke down into various thematic series including: “20th-century Italian Masters”, “Christmas scenes”, “Italian artistic and cultural heritage”, “Tourism”, “Motorcycles”, “Made in Italy” and “Institutional bodies”.

Series of stamps commemorating events of particular importance included: the Fifth National Conference on Drug Use; Roma Capitale; the 125th anniversary of the foundation of the jeweller Bulgari; San Daniele ham on the 500th anniversary of the first known documentation for the thematic series “Made in Italy”; the Carabinieri's Cultural Protection Unit for the thematic series “Institutional bodies”; the 13th World Water Sports Championship; the G8 Summit; and the Museum of San Gennaro's Treasure in Naples for the thematic series “Italian artistic and cultural heritage”.

Commemorative series also included stamps marking the two-hundredth anniversary of the birth of Charles Darwin; the fiftieth anniversary of the death of Don Luigi Sturzo and the thirtieth anniversary of the death of Emilio Alessandrini; and the four-hundredth anniversary of the death of San Giovanni Leonardi.

Finally, for the 2008/2009 school year, the School Project continued via specialists who gave philately lessons to 764 primary and middle school classes, involving more than 15 thousand pupils. This initiative entailing deployment of 132 philatelic experts in schools was aimed at popularising philatelic culture and promoting philately as an unusual learning tool to bring youngsters into contact with subjects ranging from the humanities to the sciences.

Historical archives

Comprising photographs and films, documents and books, work tools and furniture, and artistic and architectural exhibits, Poste Italiane SpA's cultural heritage represents a journey through the events of our Company's history from its beginnings at the time of Italian unification to the present day. This heritage will be further enhanced and more widely known during commemorations for the 150th anniversary of Italian unification in 2011, and the 150th anniversary of the Italian Post Office in 2012.

The photographs and the films in particular show how not just Poste Italiane SpA but also Italy have changed over the years: workplaces and tools, roads and vehicles, clothes and glasses frames, ways of life and of working.

In particular, the photographs portraying women's jobs were highlighted in the photo exhibition "Women and Work" (sponsored by the Ministry of Labour and the Equal Opportunities Department of the Cabinet Office) held during the summer cultural festival, "Cortina InConTra". This collection of images begins with a country postwoman at the beginning of the last century and continues with typical snapshots from across the decades up to the present day. This exhibition, which was on show to the public in the Post Office of Cortina from 26 July to 30 August 2009, transferred to the main Post Office in Rome's Piazza San Silvestro in December, to the Teatro Olimpico in Rome from 20 October to 1 November, and then to the offices of the multinational SWISS RE in Zurich and in part to the offices of the Ministry of Employment and Social Policies in Rome.

Images of the Italian Post Office and women were also shown at the photo exhibition, "Short sleeves and young ladies", held in the Mitteleuropa Postal and Telegraphic Museum of Trieste, in collaboration with the Venetian office of historical archives. Images from the Company's historical archives are also displayed at the Italian Emigration Museum, which opened in Rome last year. In particular, in a series of photographs from the 1950s and 1960s and in the museum's catalogue, it is possible to see planes and ships transporting parcels and sacks of mail to the United States and other countries, underlining the important role played by Poste Italiane SpA in ensuring communication.

Moreover, a selection of 10 photographs depicting a century of Italian Post Office history have been gathered together in an album and faithfully reproduced in a geo postal map of Italy dating back to 1843, which is kept in the Postal Museum in Trieste.

In 2009 the test phase was completed for a project aimed at restoring and digitising around forty films which, in narrating certain historical events (the introduction of post codes, the construction of postal sorting centres, philatelic and recreational club events), also say something about Italian society. Together with archive photographs, these films have helped to give historical depth to documentaries on the theme "The Italian Post Office and technology", which have been broadcast on satellite channels. These four documentaries enable viewers to appreciate the important role played by the Company in driving technological innovation in recent years, as well as allowing an insight into certain aspects of the past.

Moreover, for commemorations of the centenary of the Futurist Manifesto during 2009, certain important works from Poste Italiane SpA's artistic and architectural heritage, such as the painting "Train in motion" by Guglielmo Sansoni, which is displayed in the Post Office Building in Gorizia, were featured.

Finally, the redecoration of the Palazzo in La Spezia drew attention to the Futurist mosaics by Fillia and Prampolini located in the tower of the building, including an inauguration that also saw collaboration by the Turin office of the historical archives.

Agreements with Public Sector entities

Carta Acquisti (“Social Card”)

The issue of Social Cards at Post Offices to applicants who satisfy the necessary requirements continued. The card can be used by recipients to pay their food, electricity and gas bills. 320 thousand cards were issued during 2009, bringing the total number of cards distributed to approximately 840 thousand.

Casual employment vouchers

The activities regarding the regulation of casual employment that began during the grape harvest of 2008, in agreement with Inps, continued. These activities entail the purchase by employers of electronic or paper vouchers that contain remuneration for services rendered, as well as Inps and Inail contributions. The vouchers are purchased by employers, who may credit amounts due to casual employees via a magnetic card. These amounts can then be cashed by employees at Post Offices or withdrawn from ATMs. Applications for over two million vouchers to pay for casual labour were received.

The PosteGov project

This project, in line with the “Reti Amiche” initiative, aims to develop the Public Sector’s own services, to be provided via Poste Italiane SpA’s multi-channel capability (for example, Post Offices and the internet).

In this context, Poste Italiane SpA makes available its own physical and technological infrastructure, which is directly linked with the systems of individual public authorities and facilitates dialogue between the various parties concerned. During 2009 the following official documents were issued via Post Offices: birth, death and other certificates (municipalities); social security contribution certificates (Inps); welfare benefit applications (Lazio Region); and land registry certificates (Land Registry Office).

Screening project

This project manages the communication flows involved in organising screening campaigns as part of the prevention programmes implemented by the Ministry of Health. To this end, Poste Italiane SpA supports the Ministry and regional authorities in the start-up phases of prevention campaigns and via activities designed to monitor their effectiveness. The Company’s services provide public authorities with useful information that can be used to make planning more effective and to continuously monitor the outcomes of communications sent during the screening campaigns.

Gas coupon project

This project involves payment, via transfers channelled through all Post Offices, of gas coupons allocated to poor families to offset the cost of gas bills. Moreover, the Company manages all communications with the Electricity and Gas Authority for customers who have applied for the coupon, as well as the communication and information campaign via the 5,740 Post Offices equipped with “Sportello Amico” counters.

Overseas healthcare card and tax code project

This project manages preparatory activities relating to the sending and delivery of healthcare cards and tax codes for Italian citizens resident overseas via Italian embassies and consulates.

Charitable initiatives

Once again in 2009 Poste Italiane SpA supported various social and environmental initiatives.

Initiatives on behalf of Abruzzo

On 6 April 2009 a vast area of Abruzzo, including the town of L'Aquila and 49 municipalities in the surrounding province, as well as in the provinces of Teramo and Pescara, was hit by a major earthquake, resulting in many deaths and injuries, in addition to serious damage to infrastructure in the entire area.

The earthquake had a significant impact on Poste Italiane SpA's staff, buildings and services. A total of around 450 employees live in the affected municipalities, two of whom unfortunately died as a result of the disaster, whilst a total of 97 buildings were damaged.

The Company responded immediately by sending five articulated lorries carrying tents, and by setting up a disaster response team at its headquarters to prepare, in collaboration with the Civil Defence Department and other authorities in the field, all the initiatives necessary to deal with the emergency and restore services to normal. In view of the size of the area affected and the number of buildings damaged, and whilst awaiting the results of the Civil Defence Department's safety assessment, the Company reacted quickly to install temporary facilities and systems designed to replace the damaged Post Offices. 16 mobile Post Offices were sent to L'Aquila and nearby towns, enabling people to carry out the most important transactions (the payment of bills, bank transfers, postal orders). Poste Italiane SpA also installed 10 ATMs in the tent cities in L'Aquila and other affected towns. Two mobile Post Offices were made available to Inps and Inpdap in order to pay pensions, and a Post Office was also planned and set up to serve the various government organisations housed within a compound at the local Finance Police Academy.

A counselling centre was set up for members of staff and their families in order to provide information and support in solving practical and unforeseeable problems. Moreover, Ipost (the Group's social security organisation) allocated grants amounting to five million euros to Group staff and pensioners who suffered material damage from the earthquake.

Group initiatives on behalf of people affected by the earthquake included the opening of a postal current account called "Poste Italiane per l'Abruzzo" to gather donations in support of local residents caught up in the disaster. The Company contributed by waiving its commission on paying-in slips for the account. A charitable number was also activated to allow PosteMobile customers to contribute to rescue efforts by donating 1 euro via an SMS or a top-up via financial services associated with the card (current account or PostePay).

"Donate your change"

The "Donate your change" charitable initiative launched in 2008 continued. Fundraising in 2009 was aimed at rebuilding the Edmondo De Amicis school, an historic building in L'Aquila and a landmark for families living in Abruzzo's provincial capital. "Donate your change" enabled customers to donate the change from any postal or financial transaction carried out at a Post Office, and donate an additional amount up to a maximum of 10 euros.

UNICEF Champions Programme 2008

Poste Italiane SpA and UNICEF have been collaborating for some time on specific corporate social responsibility programmes in support of the fundamental rights and living conditions of children and adolescents (“An orchid for children”, “Donate your change”, “Ethical hour”, etc.). In particular, for more than 30 years the Group has been contributing to UNICEF projects by selling UNICEF greetings cards over its Post Office counters. As part of this collaboration, the “UNICEF Champions” Programme was introduced for staff at all Post Offices involved in the sale of greeting cards for Christmas 2008. The programme aimed to recognise the charitable efforts of staff and their willingness to promote, within their own offices, aid and support programmes to protect the rights and living conditions of children and adolescents in need around the world. Such charitable efforts were rewarded in the Post Offices that achieved the best sales results in December 2008. To this end, UNICEF awarded 500 plaques to the Post Offices that had sold the most cards and 5 individual invitations to attend UNICEF’s Annual Meeting in 2009, chosen from among the Post Offices figuring at the top of the Programme’s list. The plaques were displayed in the Post Offices that achieved the best results, as a testimonial to the fantastic efforts made by all staff members on behalf of UNICEF, as well as to say thank you to the customers who helped in achieving the results. In April 2009 a meeting was held in Geneva at which UNICEF presented its ideas for the coming year’s collection (cards and products) to national committees. On this occasion the participants in the Poste Italiane SpA programme contributed to the sharing of ideas on the card collection that arose during the event, and gave their opinions on the products, especially with regard to their own sector.

“The light of children”: a charity concert at the Vatican

On the occasion of International Children’s Rights Day, the Company helped in organising a concert, “The light of children”, at the Vatican in support of the Bambino Gesù children’s hospital. The event was held in the Vatican’s Paul VI Audience Hall, and was attended by many Italian State dignitaries. The objective was to donate a neuronavigation robot to the children’s hospital for oncological, endoscopic and spinal neurosurgery for children suffering from drug-resistant epilepsy.

“An hour is worth a life”

Poste Italiane SpA promoted a payroll giving initiative amongst its staff called “An hour is worth a life”. This enables staff to deduct an amount from their monthly salary equivalent to one or more hours of work to be donated to a humanitarian organisation. The initiative introduced new methods for fund-raising, which for the first time saw a partnership between the Company, staff and associations aimed at implementing charitable projects, and which also enables staff to deduct/collect the amounts donated. The theme for the ethical hour initiative was the protection of children’s fundamental rights. To this end

the Company opted to support nine organisations that operate in different parts of the world with projects aimed at building schools, setting up hospitals, rehabilitating street children, combating child labour and environmental education. Around 8 thousand employees took part in the initiative, entailing donation of around 25 thousand working hours worth approximately 330 thousand euros, broken down as follows:

Non-profit	Place	Project	Amount (€)
Medici senza Frontiere	Liberia	Management of children's hospital	110,987
Lega del filo d'oro	Italy	Logopaedists for deaf and dumb children	56,424
Amref	Kenya	Shelter for street children	35,864
Action Aid	Malawi	Construction of two schools	33,111
Unicef	Bangladesh	Schools and protection for street children	25,280
Fondazione aiutare i bambini	Zimbabwe	Construction of a primary school	23,041
Terre des hommes	Peru	Combating child labour	21,991
Save the children	Italy	"Civico zero" for overseas children	14,488
WWF	R.D.Congo	Children protecting nature	8,296

“A Decade of Education for Sustainable Development” (DESD) campaign

Once again in 2009 Poste Italiane SpA was a partner of the Unesco Italian National Commission regarding activities relating to the DESD week, which was held from 9 to 15 November. Decade of Education for Sustainable Development 2009 is a global campaign promoted by the UN and coordinated by Unesco aimed at building more equitable and harmonious societies, geared towards manifesting respect for neighbours, the planet and future generations. Beginning in 2005, the DESD will end in 2014. As in previous collaborations, the Company promoted a publication dedicated to the annual theme, which in 2009 was “Cities and citizenship”.

Earth Hour 2009

Poste Italiane SpA took part in this initiative promoted by the WWF throughout the world, by turning off lights in the central buildings in Rome, Mestre, Florence, Milan, Naples, Palermo and Lecce. The campaign was widely publicised by the WWF in the year of climate change, with a view to mobilising companies, institutions and citizens in the fight against climate change.

Postel and Telecom Italia protecting the environment

Since February Postel and Telecom Italia have joined forces to protect the environment. In order to reduce the environmental impact of billing procedures, Telecom has begun printing bills and sending them to customers, via Postel, on ecological paper that has a low environmental impact. This paper is certified by the Forest Stewardship Council (FSC), an international non-governmental organisation which promotes forest and plantation management around the world that safeguards the natural environment, thereby protecting the employment of local populations at the same time.

Rome International Film Festival

The 2009 Rome International Film Festival dedicated its “Eye on the world” section to the global issue of the environment, and especially climate change. As a sponsor, Poste Italiane SpA helped to focus attention on this issue by manifesting its concrete commitment to the environment via presentation of the sustainable mobility project, “Green Post”, and by joining LifeGate’s “Zero Impact” initiative. As part of the event, a stand was set up to present the Free Duck eco-fleet and explanatory leaflets were distributed. Two Free Ducks were also supplied to the organisers to transport equipment, catalogues and brochures within the film festival site.

Letters to Father Christmas

At the end of 2009 the “Letters to Father Christmas” project was implemented for the tenth time. This initiative aims to teach children the value of the written word and of the letter as a cultural tool. As in previous years, all the letters written by children and mailed before the first few days of January 2010 received a reply together with a toy (a book of pre-stamped postcards with pictures of Father Christmas to be coloured). Replying to the letters involved 32 employees spread across all the Area Logistics Offices. Around 110 thousand letters were received, and a reply was sent to the 90 thousand that indicated a return address.

Moreover, to celebrate the initiative’s tenth anniversary, “I believe he exists”, a book containing a collection of the most entertaining and moving letters sent by children to Father Christmas, was published in December 2009. The idea supports the activities of the Associazione Ai.Bi. (Children’s Friends) on behalf of abandoned children, and around 9 thousand copies of the book, which is distributed in Post Offices, have been sold.

“Fill the Cup” social campaign

During the year PosteMobile joined forces with the United Nations' World Food Programme (WFP) via the “Fill the Cup” campaign. In line with Poste Italiane group's ethical and social values, the Company decided to provide specific assistance to disadvantaged children by allocating a portion of the cost price of all SIM cards sold in Post Offices from 16 October to 31 December 2009 to the WFP and the Fill the Cup programme.

The top-ranking UN agency's campaign is aimed at providing school dinners to 66 million children who every day face their lessons without having eaten a meal.

“Verde Sport” events

Once again in 2009 Poste Italiane SpA supported Verde Sport via a full calendar of competitions and summer camps involving various sports. In particular, the Company was the institutional sponsor of the “Join the Game” project, a national 3-a-side basketball competition reserved for card-carrying members of the Italian Basketball Federation in the under-13 and under-14 categories. Around 30 thousand youngsters took part in the championship held at Palaverde in Villorba (Treviso), which involved 104 Italian provinces. The initiatives helped to support a sporting and socio-medical rehabilitation centre that provides a new form of rehabilitation – occupational therapy. This aim is to rehabilitate disabled people and those who have suffered a trauma in order to reintegrate them into society and the world of work. Verde Sport organised events throughout the summer, including a series of events for young children (basketball camp, volleyball camp, dancing lessons, beach volleyball) at the La Ghirada sports centre in Treviso, involving a total of around 20 thousand children and youngsters from 6 to 18 years of age.

Support for these initiatives enabled the involvement of thousands of local children and youngsters who were thus able to share an important growth experience that combines sport and the opportunity to socialise in a safe and healthy environment.

The “Diego Dominguez Rugby Camp” initiative

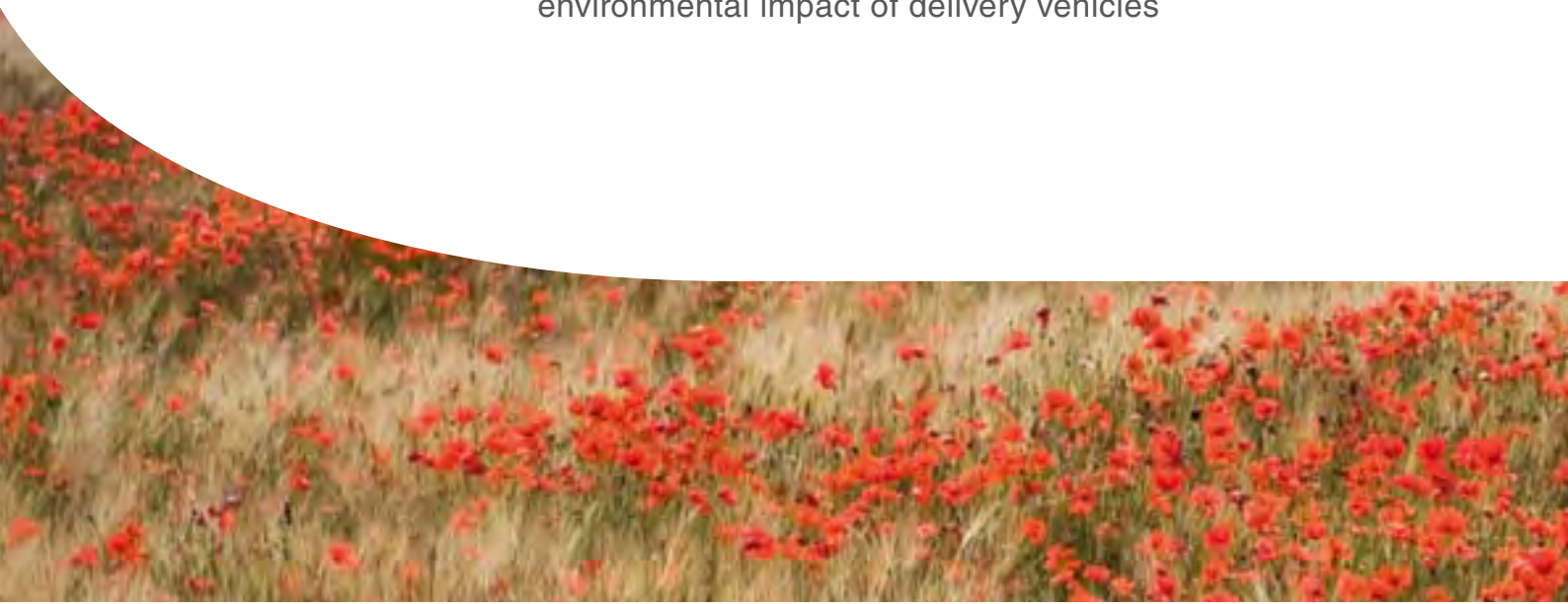
The “Diego Dominguez Rugby Camp” initiative is the brainchild of Diego Dominguez, a former member of the Italian national rugby team. The initiative aims to introduce the game of rugby and its values to youngsters put forward by companies that believe in the human potential of this sport. In 2009 Poste Italiane SpA supported a week-long summer rugby camp for 15 sons of Poste Italiane staff, especially aimed at staff members affected by the earthquake that struck Abruzzo on 6 April. The summer camps took place in Olbia and Siena between July and September 2009. This unique project aims to boost and strengthen the sporting performance of youngsters, and at the same time provides an educational tool that celebrates the educational and social principles behind the game of rugby.

The realisation that
the environment is a resource
to be preserved safeguards
the present for everyone
and protects future generations.

Environmental sustainability



Poste Italiane is leading the EU's
Intelligent Energy for Europe
programme, designed to reduce the
environmental impact of delivery vehicles



Innovative prototypes:
the Company has introduced
alternative fuel vehicles for mail delivery
in Italian cities, focusing above all on
those powered by electricity

Waste categorisation

A project that identifies the best method of recycling



Poste Italiane SpA's approach to environmental sustainability considers the environment to be the ecosystem in which the Company operates and on which it has an impact in carrying out its everyday activities. The Company's size and business volumes require an ongoing daily commitment throughout the country, a commitment that consists in efforts to rationalise energy consumption and protect the environment. The Energy Management function set up by Parent Company and Poste Energia SpA are part of this commitment.

Energy Management and Poste Energia SpA

The Energy Management function, operating in synergy with Poste Energia SpA, oversees the utilisation of energy resources, with a view to curbing consumption and consequently reducing the environmental impact in terms of the amount of greenhouses gases produced.

In particular, Poste Energia, in addition to managing the supply of some Group companies with substantial amounts of electricity, has consolidated supplies and diversified the means of acquiring electricity, thereby obtaining significantly lower prices. Moreover, the attention paid to environmental policies has spurred the Company to give priority to electricity generated from renewable sources certified by RECS (Renewable Energy Certificate System). The amount of electricity used in 2009 was up 1.2% on 2008, with a significant increase in the use of RECS certified energy, up from 70 GWh in 2008 to 256 GWh in 2009, and reaching 48.9% of the total energy utilised (13.5% in 2008). In terms of other energy sources, whilst diesel consumption was up 0.8%, the quantity of natural gas used fell by 10.2%.

Energy consumption – Property assets

Source	Consumption 2008	TOE*	Consumption 2009	TOE*	Δ Consumption
Diesel (000s litres)	5,446	4,852	5,492	4,893	0.8%
Electricity (GWh)	447	107,280	267	64,036	1.2%
RECS certified energy (GWh)	70	350	256	1,284	
Natural gas (kN/m ³)	25.5	20,910	22.9	18,860	-10.2%

* Tonnes of Oil Equivalent.

In calculating the amount of CO₂ produced, from 2009 Poste Italiane has adopted the conversion factors used for international greenhouse gas reduction programmes in which the IPC Environmental Measurement and Monitoring System (EMMS) and Posteurop (Greenhouse Gas Reduction Programme) participate. This reveals a reduction in CO₂ emissions of over 79 thousand tonnes compared with the previous year, above all thanks to increased use of RECS certified energy.

CO₂ emissions (tonnes) – Property assets*

Source	Consumption 2008	CO ₂ emissions 2008	Consumption 2009	CO ₂ emissions 2009	Δ CO ₂ emissions
Diesel (000s litres)	5,446	14,486	5,492	14,610	124
Electricity (GWh)	447	181,035	267	108,060	-72,975
RECS certified energy (GWh)	70	0	256	0	0
Natural gas (kN/m ³)	25.5	65,917	22.9	59,424	-6,493
Total CO₂ emissions		261,438		182,094	-30.3%

Certain amounts for 2008 have been reclassified in order to ensure comparability across the two years.

* CO₂ emissions conversion factor: 1 kWh = 0.405 kg CO₂ - 1 kWh RECS = 0 kg CO₂.

To achieve these levels of reduction in CO₂ production the Company needs to take action regarding both procurement and, above all, the systematic, ongoing reduction in energy use.

To this end, from the final quarter of 2009, the Company launched an awareness campaign aimed at local offices, who have been asked to identify all the initiatives that can be immediately implemented in order to reach the targets set. In addition, preparations are underway for the remote monitoring of premises around the country to avoid equipment being left on when not necessary. This will boost efficiency in terms of both consumption and the overall life of the equipment involved.

Poste Italiane's fleet

The types of vehicle used by Poste Italiane SpA break down as follows:

- motorcycles and other vehicles used for delivery, representing around 88% of the fleet;
- vans and lightweight trucks, including all vehicles weighing less than 6,000 kilograms;
- the heavy truck category, including vehicles weighing more than 6,000 kilograms;
- saloon cars for service use by Company employees;
- electric delivery vehicles.

Vehicles in service	2008	% of total vehicles	2009	% of total vehicles	% change
Motorcycles	27,064	62.5%	26,672	61.6%	-1.4
Delivery vehicles	10,975	25.3%	11,334	26.2%	3.3
Vans and lightweight trucks	3,574	8.2%	3,529	8.1%	-1.3
Heavy trucks and other Company-owned vehicles	170	0.4%	145	0.3%	-14.7
Saloon cars	1,510	3.5%	1,510	3.5%	n.s.
Electric vehicles	30	0.1%	138	0.3%	n.s.
Total	43,323	100%	43,328	100%	n.s.

n.s.: not significant.

In terms of fleet composition, 2009 saw an ongoing reduction in the use of motorcycles, which are being replaced by other motor vehicles and electric forms of transport for delivery. Whilst the number of motorcycles fell by 392, the number of other motor vehicles in the fleet rose by 359 and the number of electric vehicles by 108. In addition to providing improved safety for delivery staff, this policy also meets the needs arising from changes in the delivery service, including, amongst other things, the expansion of areas with longer delivery rounds or particular geographical characteristics.

Consumption and emissions*	2008	2009	% change
Litres of diesel (000s)	20,465	20,424	(0.2)
Litres of petrol (000s)	9,717	9,497	(2.3)
Kilograms of methane (000s)	1,997	2,289	14.6
Tons of CO ₂ emitted	83,456	83,622	0.2

* Total emissions exclusively refers to use of the vehicle fleet.

Emission factor (gCO ₂ /kg):	Diesel	3,140	Density	0.85 kg/l
	Petrol	3,080	Density	0.78 kg/l
	Methane	2,750		

In 2009 CO₂ emissions resulting from use of the fleet operated directly by Poste Italiane were substantially in line with the previous year (up 0.2%), with emissions produced by the consumption of diesel and petrol, which registered reductions of 0.2% and 2.3%, respectively, compared with 2008 and of methane gas (up 14.6%).

The organisation of transport networks is subdivided into National Networks (which connect the postal network centres), and Area Networks (which serve transport needs within the relevant areas served by each network centre).

In 2009 the fleet used to meet transport needs covered approximately 82 million km, marking a reduction of 5.9% in the number of kilometres covered by road transport serving the national networks and an increase of 0.2% in the distances covered for the area networks. A portion of these networks is outsourced to specialist external suppliers, who covered a total of 45 million km. A total of approximately 128 million km was covered in 2009, marking a reduction of almost 2% with respect to 2008.

In terms of air transport, flights were operated connecting 10 national airports with the Brescia Montichiari and Rome Fiumicino hubs.

The network is set up to provide basic operations five days a week, with the addition of some reduced networks at weekends. This transport system entailed approximately 8,848 flight hours, making a total of 3.79 million km travelled. Against this backdrop, the Group's airline, **Mistral Air Srl**, covered 1.75 million km (equal to 46% of the total), consuming 7.93 million kg of fuel and emitting around 25 thousand tonnes of CO₂.

Kilometres travelled (000s)	2008	2009	% change
Distance travelled by Poste Italiane SpA's fleet			
On area networks	79,762	79,923	0.2
On national road networks	2,473	2,326	(5.9)
Distance travelled by external suppliers			
On area networks	26,160	26,260	0.4
On national road networks	21,543	19,132	(11.2)
Total	129,938	127,641	(1.8)
Air transport			
No. of Italian airports involved	13	10	
No. of flight hours	9,728	8,848	

The “Green Post” project

Green Post: the postman becomes ecological!

For postal services providers, mail delivery is one of the activities that has the most impact in terms of both the environment and occupational safety. All European operators are committed to helping to improve the quality of life, adopting a socially responsible approach.

The use of vehicles powered by hybrid or alternative fuels is a key part of Poste Italiane’s commitment.

This has resulted in the Company’s participation in the “Green Post” project, where it acts as the coordinator of a task force that includes its European partners and whose role is to test electric-powered and hybrid vehicles for use in letter mail delivery in town centres in four EU countries.

Test sites



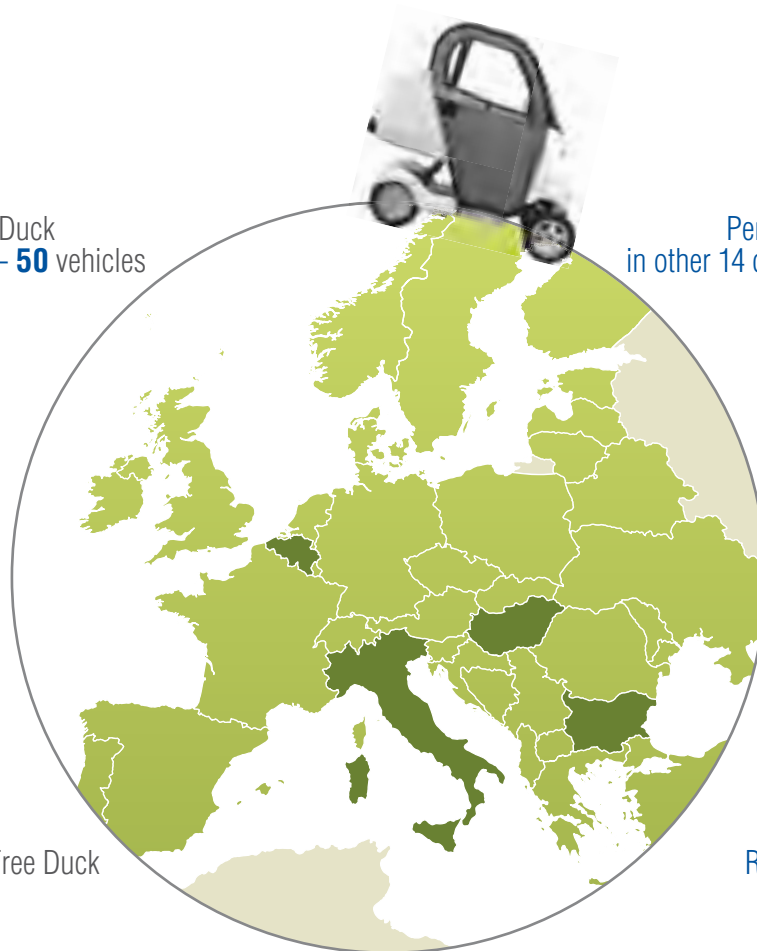
Belgium

Bruges - **3** Free Duck
in other regions - **50** vehicles



Italy

Perugia - **57** Free Duck
in other 14 cities - **81** Free Duck



Hungary

Szentendre - **6** Free Duck



Bulgaria

Rousse - **1** Free Duck



Electric-powered and hybrid vehicles – The Free Duck

Motorcycles are replaced by safe and silent quadricycles, authorised to carry two people (178 centimetres long by 96 centimetres wide), which can move easily, partly thanks to the 50-kilometre and 300-kilometre ranges of electric-powered and hybrid vehicles, respectively.

The “Free Duck” is a lightweight quadricycle, designed by Ducati Energia, in compliance with EU directives on energy cost reductions. Two types are available: one with hybrid drive (petrol/electric), and the other completely electric. The vehicle is equipped with high-tech safety, speed control and braking (disc brake) systems. Practical and easy to handle, the vehicle has a steel chassis and the bodywork is made of anti-shock ABS material. The hybrid engine is a 100 cc 4-stroke. The petrol-driven version has a battery recharging function.

Partnerships and leadership of the initiative

The project involves the postal operators from Belgium and Hungary, PostEurop, the Municipality of Perugia, Legambiente, Ducati Energia and the Universities of Perugia and Rousse (Bulgaria). The Belgian and Hungarian postal operators are carrying out tests similar to those being run in Italy in the cities of Bruges (Belgium) and Szentendre (Hungary).

PostEurop is the Association of European public postal operators and is responsible for circulating the results of the project and promoting the replication of best practices in other EC countries.

The Municipality of Perugia is helping to spread awareness of and promote the project in the municipality, whilst Legambiente is responsible for communication at national level and manages the website, www.greenpostproject.eu, created with the aim of promoting the project throughout Europe and coordinating partners' activities via the exchange of information and monitoring the state of progress.

Ducati Energia is the technical partner and has developed the quadricycle used in the tests.

The Universities of Perugia and Rousse (Bulgaria) are in charge of monitoring the environmental and energy performance and the development of models for forecasting the resulting reductions in noise and air pollution and the related energy savings, including with reference to other urban areas.

As previously mentioned, the Company coordinates the project in close collaboration with its 8 partners (PostEurop, De Post / La Poste, Magyar Posta, the University of Rousse, CIRIAF, Ducati Energia, Legambiente, and the Municipality of Perugia) and other backers.

The Municipality of Perugia has twinned the Italian town with the city of Brasov (Romania), Bratislava (Slovakia), Potsdam and Tübingen (Germany) and Aix-en-Provence (France), paving the way for inter-European cooperation.

Poste Italiane is the principal interface with the project consortium and the European Community, and is responsible for reporting on the state of progress.

The initiative is divided into various Work Packages (WPs), each of which is led by a member of the consortium, thereby ensuring the active participation of all the partners. The leader of each WP is responsible for coordinating, planning, monitoring and reporting on the activities carried out by the various partners.

Further controls are the responsibility of the Technical Coordination Unit (TCU), made up of representatives of the various partners in the project. Its role is to monitor the scientific and technical progress made and compliance with EU requirements.

Finally, the Company also coordinates communication between the partners to ensure effective control over the project's technical, financial and operational aspects.

Policies, strategies and processes

An attentive and responsible approach to the environment and stakeholders plays a key role in developing the strategic guidelines for an integrated management system, capable of taking advantage of the centrality of the social dimension, respect for the environment and shared behaviours able to create value and drive wide scale development. This is the area in which the Company intends to invest.

This has led us to implement sustainable mobility projects and adopt appropriate investment strategies, with the primary aim of achieving increasing reductions in the environmental impact of the Company's fleet.

More specifically, the Green Post project is based on objectives, strategies and actions designed to promote reductions in the use of petrol, whilst also obtaining economic benefits, to minimise the environmental impact of the fleet used for mail delivery and to improve the working conditions of our employees.

The process used for effectively managing the activities planned is the responsibility of Poste Italiane, whilst the operating process used in testing the low environmental impact vehicles is the responsibility of the Belgian, Hungarian and Italian postal operators.

Dialogue between the partners in the project and with stakeholders takes place via seminars, conferences and workshops held throughout the life of the project.

Involvement of the workforce and the staff employed

This project also helps to spread a culture based on a sustainable approach to mail delivery staff. In this sense, training courses have been designed and run with the aim of promoting safe and energy efficient driving practices. These courses have involved approximately 300 delivery staff.

The same people take an active part in re-designing the new process for delivering mail, including via questionnaires to assess the vehicle's performance and development of the vehicle itself, suggesting technical and ergonomic changes and improvements.

The project also includes:

- the community, via the organisation of travelling roadshows;
- students, via presentations of the project in elementary and middle schools;
- the scientific community, with the organisation of university seminars.

The project envisages a total commitment of 17 thousand person hours, allocated among the consortium partners' administrative staff and middle and senior management.

The project is scheduled to last 30 months, with a completion date of June 2010. The total cost of the planned activities is 1.5 million euros, with 50% co-financed by the European Community.

At European level, communication with the backers is the responsibility of Poste Italiane as the project coordinator.

At national, regional or local level, each partner is responsible for communication with the project's stakeholders and, at periodic meetings of the TCU, all the partners in the project have the chance to share the different experiences gained in their particular geographical area, and eventually re-schedule their planned activities.

Key performance indicators

The replacement of traditional petrol-driven vehicles with electric-powered and hybrid vehicles for mail delivery has helped to achieve a net reduction in fuel consumption and CO₂ emissions in the cities involved in the project.

Above all, the use of electric-powered vehicles has resulted in a 100% reduction in CO₂ emissions, as they are recharged with “green” RECS certified electricity, whilst hybrid vehicles have contributed a reduction in CO₂ emissions of around 70%. The results also include the fact that the new vehicles provide greater safety for workers and that they reduce vehicles operating costs.

The main results of the Perugia tests are:

- 54 thousand km covered by the fleet until July 2009;
- 7,400 kWh consumed until July 2009, compared with 3,181 litres of petrol needed to cover the same ground using motorcycles;
- a saving of 70% in petrol consumption (calculated on the basis of a petrol price of 1.25 euros a litre and a cost of electricity equal to 0.16 euros per kWh);
- lower CO₂ emissions, which are down 7.7 tonnes;
- no injuries to staff driving the Free Duck;
- positive feedback from delivery staff.

Number of “Free Duck” vehicles used

The results achieved have led the Company to use a total of 138 vehicles throughout the country, distributed as follows:

Distribution of vehicles in Italy

Turin	5
Novara	1
Milan	18
Verona	1
Bolzano	1
Padua	1
Treviso	1
Udine	1
Genoa	2
Bologna	15
Florence	2
Perugia	57
Rome	23
Sorrento	1
Capri	2
Lipari	2
Taormina	1
Siracusa	4



Highlights in 2009

The first of a series of scientific seminars was held in Perugia in April. The event was aimed at students and experts in the energy saving and sustainable mobility fields. The event was organised by CIRIAF (the Interuniversity Centre for Research into Pollution caused by Physical Agents), one of the project's partners.

In May the Free Duck was present at the second edition of MoThecEco, the leading sustainable mobility fair held at the Palazzo dei Congressi in Rome. Members of the public and people who work in the field were able to test drive the vehicles on show.

Poste Italiane's new generation, energy saving vehicles were also used to take people around the G8 summit venue in L'Aquila (8-10 July 2009). The Company made fifty Free Ducks available to the Civil Protection department for transport within the Tax Police barracks at Coppito, where the summit was held. This initiative confirmed Poste Italiane's vision of a socially responsible company, aware of the global commitment to protecting the environment and progressively reducing CO₂ emissions.

The official presentation for the event took place at Poste Italiane's Rome headquarters on 7 July, in the presence of the Chairman and Chief Executive Officer, who showed the Minister for Economic Development around Poste Italiane's Technology Centre and demonstrated the innovative quadricycle.

In October the Free Duck was on display at Ecomondo 2009, one of the most important international trade fairs focusing on material and energy recovery and sustainable development. During the workshop "Moving around the city: operational perspectives and models of alternative transport", the Green Post project was presented as a new efficient and sustainable way of delivering mail.

“Waste” project

In 2006 a standardised waste categorisation programme was launched, including awareness-raising and training initiatives. A monitoring programme was also conducted.

The analysis carried out enabled categorisation of various types of waste: batteries, films, old equipment, containers and packaging, fixative solutions, photographic films, development solutions, washing solutions, used toner cartridges, ink and ribbon cartridges for printers, bulky items, rags, expanded polystyrene, electric and electronic components. Together with these, waste for recycling was also identified, including: plastic containers, paper and cardboard, plastic and wood, pallets. The recyclable waste category also includes mail to be shredded and newsprint to be pulped immediately (no more than one week after collection) once the paper has been separated from other materials.

A separate waste collection programme has been implemented at the Company's headquarters in Rome's Eur district. This includes waste from the Company canteen, and household waste such as paper and plastic, as well as packaging, metallic waste, toners, wood, electrical items, etc. The plan involves the introduction of separate waste collection centres, where the Company's waste is separated before being sent to the refuse dump. Containers have been placed in each area and on each floor of the Rome EUR premises, as well as in the main common areas.

The results of the separate recycling initiative in 2009 break down as follows on an average monthly basis:

- 10,600 kg of paper and cardboard;
- 1,700 kg of plastic;
- 2,200 kg of metallic materials;
- 7,600 kg of wood.

Finally, from 2010 the waste bin under every desk in every office at the Company's headquarters will only be used to collect waste paper. A second bin will be used for the collection of other types of waste not covered by the categories included in the separate collection programme (for example, biro pens, plastic cups, CDs, etc.).

Payslips go on line

Again as part of efforts to save energy and resources and to computerise processes, the Company began delivering employees' payslips in electronic form during 2009, using a personal secure email account accessible from the www.poste.it site. The account includes a folder named “Company communications”, to which a message is sent each month with the payslip attached in pdf format. The initiative was launched in November for staff at headquarters and in Lombardy, Campania and Calabria. In December it was rolled out for staff in Veneto, Trentino, Friuli, Tuscany, Umbria and Sicily. From January 2010 the service will be extended to all the remaining regions.



Improvement goals

Poste Italiane group's importance and its intrinsic social dimension call for an ongoing commitment to developing social responsibility policies to be implemented via the definition of new goals. These goals, on the one hand, enable us to achieve a balance between our ethical values and the profit motive and, on the other, form a point of reference on which to base management objectives and assess the effectiveness of initiatives.

The goals matter both in terms of the reporting methodology used and from an operational and management viewpoint.

This means that 2010 will again see Poste Italiane committed to renewed efforts designed to achieve ongoing improvements in methodology, fully exploiting the role played by the GRI indicators in assessing the validity and effectiveness of the actions taken.

We have made the following commitments for 2010 with regards to operational and management aspects:

- to continue the process of building on the Group's sustainability initiatives, with a view to fully implementing the Strategic Plan;
- to boost staff awareness of and involvement in environmental sustainability initiatives by devising and circulating an Environmental Charter and running communication campaigns focusing on issues relating to environmental protection;
- to draw up guidelines that will systematise the corporate processes involved in managing relations with the non-profit sector;
- to identify measures aimed at orientating the support the Group provides to employees with serious personal and/or family difficulties;
- to launch a funded training system designed to take advantage of the various forms of financing for such initiatives, partly with a view to extending the range of training courses available in order to support progressive skills development and refreshment and within the context of a growing focus on cost containment;
- to experiment with training and communication projects by using mobile learning (mLearning) methods and systems, sending text messages to the palmtops issued to delivery staff;
- to implement projects designed to reduce the environmental impact of the Company's activities, with particular attention to the issues of energy saving and reducing the consumption of paper and materials, via the use of information technology to simplify internal procedures and carry out staff information and awareness campaigns.

Indicators



INGORGO



AVVIAMENTO

Key*:



Information included/Indicator satisfied



Indicator partially satisfied/Information incomplete



Indicator not satisfied/Information missing



Indicator not applicable

* The symbols merely indicate inclusion of the information in the document and not the Company's compliance with any specific requirement.

Section of SR	Indicator	GRI3	GBS	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2008	Poste Italiane SR 2009	
Letter to stakeholders	1.1 Letter from the CEO focusing on organisation's strategies for contributing to sustainable development	x						
	1.2 Description of key risks and opportunities	x						
	2.10 Recognition and awards received during reporting period	x						
Methodology	SR objectives		x					
	3.1 Reporting period covered by SR	x						
	3.2 Date of publication of latest SR	x						
	3.3 Reporting period (annual, bi-annual, etc.)	x						
	Explanation of standards followed in preparing SR		x					
	3.5 Process for establishing content of report (decision to use GRI model)	x						
	3.9 Description of techniques used in preparing report (techniques applied in using indicators and methods for evaluating data included)	x						
	3.6 Scope of the report (indicating the report's specific limits)	x						
	3.7 Explanation of any specific limitations in terms of goals or the scope of the report	x						
	3.10 Explanation of any changes made to information included in previous reports (restatements) and reason for these changes (e.g. mergers, etc.)	x						
	3.11 Significant changes in scope or measurement criteria used in report, with regard to those used for the last reporting period	x						
	3.13 Current policies and practices relating to assurance of the report. Explanation of the aims and basis of each external assurance where this is not explained in the assurance report. Explanation of any links between the organisation and the assurer	x	x					
	Our history	Group's history		x				

Section of SR	Indicator	GRI3	GBS	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2008	Poste Italiane SR 2009
Our Group	2.1 Name of organisation	x	x				
	2.8 Size of organisation	x					
	2.4 Location of organisation's headquarters	x					
	2.2 Main products and/or services	x	x				
	2.7 Nature of markets served	x					
	2.3 Organisation's operating structure, including description of main divisions, operating companies, and any affiliates and joint ventures	x					
	3.8 Information on joint ventures, subsidiaries, facilities being leased, outsourcing, and any entities that may significantly influence the ability to make comparisons between periods or organisations	x					
	2.5 Number of countries in which organisation operates, names of countries where most operations are carried out or that are particularly important with regard to sustainability issues discussed in report	x					
	2.9 Significant changes in size, structure, or ownership since last reporting period, including: - location or changes in business such as the opening, closing or expansion of facilities; - changes in shareholder structure and other transactions contributing to, maintaining or modifying share capital	x					
Mission and values	4.8 Declaration of mission and values, description of Code of Ethics and relevant principles for maximising social, economic and environmental performance	x	x				
Strategic approach	Explanation of strategy pursued by company	x	x				
	Short-term goals and policies for reaching goals		x				
Our stakeholders	4.14 List of stakeholders: main characteristics of each and description of relationship with company	x	x				
	4.15 Principles followed for identifying and selecting main stakeholders	x					

Section of SR	Indicator	GRI3	GBS	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2008	Poste Italiane SR 2009
Our stakeholders	4.16 Approach to stakeholder engagement	x				😊	😊
	4.13 Participation in industrial or business associations	x				😊	😊
	4.12 Commitment to external initiatives - External codes of conduct regarding environmental, economic and social performance, indicators or other initiatives that organisation supports or applies	x				😊	😊
	CSR6 Stakeholder dialogue			x		😊	😊
	Investor relations - Communication and reporting activities		x			😊	😊
	4.17 Key issues and critical points revealed through stakeholder engagement	x	x			😞	😞
	Information received through stakeholder engagement and created ad hoc for inclusion in SR		x			😊	😞
Governance model	4.1 Organisation's governance structure	x				😊	😊
	2.6 Shareholder structure, legal form	x				😊	😊
	Number of shareholders by type of share		x			🕐	🕐
	Segmentation of shareholders by category		x			🕐	🕐
	Type of ownership					😊	😊
	4.11 Approach used for risk management during phases involved in operational planning or development and introduction of new products	x				😊	😊
Governance structure	4.2 Indication of whether or not the chairman of organisation is also an executive	x				😊	😊
	4.3 Indication of number of independent or non-executive directors	x				😊	😊
	4.7 Processes in use for determining expertise needed for board members to be able to guide the organisation's strategic planning	x				😊	😊
	4.4 Methods available for shareholders or employees to provide recommendations or proposals for the board of directors	x				🕐	🕐
	4.9 Procedures used by senior management in controlling methods used in recording and managing organisation's economic, environmental and social performance, including significant risks or opportunities and compliance with international standards, codes of conduct, and declared principles	x				😊	😊

Section of SR	Indicator	GRI3	GBS	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2008	Poste Italiane SR 2009
Governance structure	4.10 Processes in use for evaluating board members based on achievement of social, environmental and economic performance	x					
The organisation	Organisational structure and key persons responsible for controls						
Responsible management	SO1 Type, purpose, and effectiveness of current programmes and procedures for handling the impact of operations on the community	x					
	CSR1 – CSR policy			x			
	CSR2 – Organisation of CSR			x			
	Quality systems		x				
	SO7 Legal actions for anti-competitive, antitrust or monopoly behaviours and results	x					
	SO8 Monetary value of resulting fines and total number of fines for failure to comply with laws or regulations	x					
Control systems	4.6 Processes designed to avoid conflicts of interest	x					
	SO2 Percentage and total number of business units analysed for risks related to corruption	x					
	SO4 Actions taken in response to incidents of corruption	x					
The Group in figures	Operating segments						
	EC1 Economic value generated and distributed (income, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments)	x	x		x		
Generation and distribution of added value	SOC2 Economic value added		x	x			
	Algebraic equivalence and balancing with general accounts for the year		x				
	EC2 Financial implications and other risks/opportunities linked to climate change	x					
	EC4 Significant financing received from government entities, financial assistance/tax breaks	x	x				

Section of SR	Indicator	GRI3	GBS	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2008	Poste Italiane SR 2009
Generation and distribution of added value	EC8 Development and impact of investments in infrastructure or services provided mainly for public use, through commercial commitments, donation of products or services, non-profit activities	x					
	EC9 Analysis and description of main indirect economic effects considering external impact generated	x					
	Relations with government and local authorities		x				
	Relations with banks		x				
	Relations with capital providers		x				
	Total amount of taxes paid by Country		x				
Our people	LA1 Total workforce by employment type, employment contract, and region	x	x		x		
	LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	x					
	LA14 Ratio of basic salary of men to women by employee category	x					
	Workforce by category		x				
	Workforce by age group		x				
	Workforce by length of service		x				
	Workforce by employment type		x				
	Workforce by educational qualification		x				
	EC7 Recruitment procedures	x					
	Turnover		x				
	LA2 Total number and rate of employee turnover by age group, gender, and region	x					
Employment policies		x					
Industrial relations	Industrial relations		x				
	LA4 Percentage of employees represented by independent organisations or covered by collective bargaining agreements	x					
	Work organisation policies		x				

Section of SR	Indicator	GRI3	GBS	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2008	Poste Italiane SR 2009
Industrial relations	LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective bargaining agreements	x					
	HR5 Instances of violation of right of association and collective bargaining rights	x					
	Strike action		x				
	Disputes and litigation						
Equal opportunities	HR4 Incidents of discrimination	x			x		
Training	LA10 Average hours of training per year per employee by employee category	x					
	LA11 Programme for skills management and lifelong learning	x	x				
	Training projects	x					
	SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures	x					
Development and remuneration systems	Career paths						
	LA12 Percentage of employees receiving regular performance and career development reviews	x	x				
	LA3 Benefits provided to full-time employees (compensation and incentive systems)	x					
	4.5 Link between executives' compensation and organisation's financial and other performance	x					
Stakeholder communication and workforce engagement	Internal customer satisfaction surveys						
Health and safety	LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	x					
	LA6 Formal health and safety committees that help monitor and advise on occupational health and safety programmes	x					
	LA9 Health and safety topics covered in formal agreements with trade unions	x					
	Specific projects and actions resulting from analysis of incidents/accidents		x				

Section of SR	Indicator	GRI3	GBS	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2008	Poste Italiane SR 2009
CRAL Poste staff association	Services/benefits for staff		x				
Our customers	Characteristics and analysis of customers and markets served		x				
	Customer segmentation		x				
	PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	x					
	PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	x					
	PR6 Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	x					
	PR7 Total number of incidents of non-compliance with regulations and voluntary codes	x					
	PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	x					
Our suppliers	EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	x	x				
	Communication and information		x				
	Contract conditions		x				
Our community	Culture		x				
	Sport		x				
	Research and innovation		x				
	Education and training		x				
	Corporate giving (involvement in social campaigns)		x				
	Direct contributions to different areas of involvement (voluntary initiatives, crèches, etc.)		x				
Energy Management and Poste Energia SpA	Environmental strategy and relations with community		x				
	EN26 Initiatives designed to reduce environmental impact of products/services and results of actions taken	x					

Section of SR	Indicator	GRI3	GBS	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2008	Poste Italiane SR 2009
Energy Management and Poste Energia SpA	EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	x					
	EN27 Percentage of products sold and their packaging materials that are reclaimed by category	x					
	EN1 Materials used by weight or volume	x					
	EN2 Percentage of materials used that are recycled input materials	x			x		
	EN3 Direct energy consumption by primary energy source	x					
	EN4 Indirect energy consumption by primary energy source	x					
	EN5 Energy saved due to conservation and efficiency improvements	x					
	EN6 Initiatives to provide energy-efficient or renewable energy based products and services	x			x		
	EN7 Initiatives to reduce indirect energy consumption and reductions achieved	x					
	EN8 Total water withdrawal by source	x					
	EN23 Total number and volume of significant spills	x	x		x		
	EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas	x					
	EN12 Description of impacts of activities on protected areas	x					
	EN16 Total direct and indirect greenhouse gas emissions by weight	x					
	EN17 Other relevant indirect greenhouse gas emissions by weight	x					
	EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	x					
	EN19 Emissions of ozone-depleting substances by weight	x					
	EN20 NO, SO, and other significant air emissions by type and weight	x					
	EN22 Total weight of waste by type and disposal method	x	x				

Section of SR	Indicator	GRI3	GBS	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2008	Poste Italiane SR 2009
Poste Italiane's fleet	EN29 Environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	x	x				
	EN30 Total environmental protection expenditures and investments by type	x			x		
	LT3 Environmental impact management policies and programmes, including sustainable transport initiatives, changes in means of transport and in planning/mapping of routes by road				x		
	LT2 Composition of fleet				x		
	LT4 Renewable energy initiatives to increase energy efficiency (within fleet)				x		
	LT6 Policies and programmes implemented to manage impact of traffic congestion (e.g. promoting off-peak distribution, new modes of inner city transport, percentage of delivery by alternative means of transport)				x		
	EN13 Habitats protected or restored	x					
Improvement goals	Plans for future Social Reports						
Indicators	3.12 Table identifying location of the Standard Disclosures in the report	x					
	3.4 Contact point for questions regarding the report or its contents	x					

Glossary



Added value

The wealth generated by a group or company during a specific accounting period through its ordinary activities. Information relating to the calculation and distribution of added value provides a natural link between the Social Report and the separate and consolidated financial statements.

Area Logistics Offices

These offices coordinate and support the correct functioning of logistics processes at local level, covering both traditional and automated sorting centres.

Area network

A network of transport services carried out within the districts covered by Area Logistics Offices and connecting processing centres for incoming/outgoing mail (sorting centres/provincial centres and other centres) with primary and secondary distribution centres so that products can be sent to delivery centres and collection take place. In some regions of the country, these networks also directly carry out collections from Post Offices and the emptying of mailboxes.

CEEP (the European Centre of Employers and Enterprises providing Public services)

The CEEP is a social partner of the European Commission and has the role of representing the interests of public service providers before the Commission, with regard to social and employment policies, as well as training and industrial relations.

Coaching

A training method that aims to develop the potential of trainees. Unlike traditional training methods, coaching does not try to teach skills or impart information, but offers tools enabling each individual to find the resources within themselves to implement precise, targeted action plans.

Contact Centre

A contact centre is a more structured and advanced type of call centre capable of managing not only telephone calls, but also other forms of contact channel: internet, fax, email.

CSR (Corporate Social Responsibility)

CSR is the acronym for Corporate Social Responsibility, i.e., the set of rules that guide the actions of a company or other entity in carrying out its business in accordance with the interests of its internal and external stakeholders.

Direct Marketing

Interactive marketing system, which uses one or more advertising media to generate a measurable response or a transaction in any part of the distribution system.

Distribution Centres

Physical sites serving their local area, carrying out the basic delivery service, internal handling, support services for the transport network, other external activities not directly linked to distribution and, on occasion, other high-value-added services.

E-government

The computerisation of Public Sector processes, enabling documents to be processed and managed in digital format, by using information and communication technologies to optimise the work of public bodies, and offering customers (the general public and companies) faster services, as well as new services via, for example, the websites of the Government agencies concerned.

E-procurement

The management, distribution and supply of stationery, IT products, printed matter and forms.

Full Time Equivalent

Full Time Equivalent (FTE) is a frequently used term for uniformly measuring the number of employees of a company. An FTE is a person who works 8 hours a day. Employees who work part-time are also accounted for according to this criterion. For example, a person on a 6-hour a day contract is a 0.75 FTE (6/8 hours).

Hub

A type of junction around which any type of network is created (computer, satellite, telephone, transport, internet, marketing), which combines, multiplies and channels access to the network.

Mass Printing

The range of services involved in the outsourced management of large quantities of mail.

Phishing

An attempt to criminally and fraudulently acquire sensitive information by masquerading as a trustworthy entity in an electronic communication.

PostEurop

The Association of European public postal operators (PostEurop) was founded in 1993 by 48 public postal operators, with the aim of improving the quality of European postal operations and services and fostering greater cooperation between member States.

RFID

RFID is the acronym for Radio Frequency IDentification technology for automatically identifying objects, animals, or people. The system is based on the remote reading of information contained in a tag or in an RFID microchip through the use of special readers.

SA8000

SA stands for Social Accountability and refers to a global standard of accreditation devised by CEPAA (the Council of Economic Priorities Accreditation Agency), with the aim of certifying a number of aspects relating to a company's corporate social responsibility, including: respect for human rights, respect for workers' rights, protection against child labour and safeguards relating to health and safety at the workplace.

This global standard thus aims to improve working conditions around the world and, above all, provide an auditable certification standard for certification bodies.

Small Medium Business (SMB)

This customer segment includes small and medium enterprises that, in the course of business, regularly use postal and financial services.

Social Dialogue Committee

The Social Dialogue Committee is a European Commission body set up to bring European employers and trade unions together to discuss issues of common interest. Its general purpose is to facilitate such discussion to promote high-quality industrial relations in Europe.

SOHO (Small Office/Home Office)

This customer segment includes professional people who, in the course of business, regularly use postal and financial services.

Stakeholder

A company's stakeholders are all the people who – more or less consciously – are influenced by its actions or influence the company and contribute to determining its growth, actions, and results. The company ascertains the expectations and needs of each stakeholder category (shareholders, employees, customers, public and private institutions, regulators, communities, the environment, future generations, etc.) in order to satisfy them, while continuing to effectively and efficiently pursue its business purpose.

Stakeholder engagement

Different kinds of activity (regarding information, consultation, dialogue, partnership) that a company carries out with respect to its stakeholders and that reflect the different degrees of involvement in the company's decisions and management that the company itself wants and makes possible.

The Institute of Social and ethical accountability (ISea) has created a process standard known as Accountability 1000 (aa 1000, www.accountability21.net/aa1000/default.asp), whose structure and division into phases is intended to improve the performance of companies through quality social accounting, auditing and reporting. This model aims at a gradual improvement over time and presupposes different and increasing levels of integration in the involvement of stakeholders.

Strong authentication

Authentication with two elements, or authentication with several elements, is a system based on the joint use of two methods of individual authentication.

Temporary services

These services are provided by Post Offices on a temporary basis for conferences, congresses, rallies, trade fairs, exhibitions, celebrations of historical events, stamp exhibitions, and sporting and other events of public interest that may raise Poste Italiane SpA's visibility. Operations available at these temporary facilities include mail collection, the collection and formation of ordinary and special despatches, and the sale of postage and revenue stamps and philately products.

Unified Service Automation Centres

Centres where the bills paid at Post Offices are collected and processed.

UPU (Universal Postal Union)

Established in 1874, the Union's headquarters are in Bern. With its 190 members, the Universal Postal Union is the most important world body for cooperation among postal services providers and contributes to the development of a universal network of up-to-date products and services. The UPU regulates and harmonises international mail exchanges and fosters their development by focusing attention on improvements to customer service quality.

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Corporate information

Share capital: 1,306,110,000 euros

Rome Companies Register no. 584565/1996

Business Registration Number REA 842633

Tax Code 97103880585

VAT Number 01114601006

Posteitaliane