



Posteitaliane

CISCO NETWORKERS INNOVATION AWARD 2007

In 2007 the Poste Italiane Group solidified its leadership in the areas of technology and infrastructure by obtaining this award for the category of Best Corporate IP Network of the Year.



FRIEND OF THE FAMILY AWARD

Created by the President of the Council's office, the award encourages people to disseminate and value positive action regarding policies that support workers and their families in daily life. In 2007, Poste Italiane was given special mention for the initiatives it took in the area of social matters.

"BOLLINO ROSA" (certification for companies supporting equal opportunities for women)

Poste Italiane was accepted as a participant in the project

"Bollino Rosa S.O.N.O – Same Opportunities, New Opportunities" promoted by the Ministry of Labour and Social Security, which aims at better understanding the issue of different pay scales and also valuing the presence of women in the workplace. It goes on to develop a system of awards for companies that put the most effort into promoting equal opportunities.

BEST MORTGAGE AWARD

The BancoPosta Mutuo proved to be the best flat rate mortgage on the Italian market in 2007.

This was declared by the Italian Financial Observatory, which has been monitoring online electronic banking services since 2001.

SODALITAS SOCIAL AWARD

With regard to the Social Award instituted by the Sodalitas Foundation, in promoting the social culture of businesses, Poste Italiane was placed among the first five companies in the category of social responsibility programmes meant to optimise corporate resources within the company.

MILANO FINANZA INSURANCE ELITE AWARD 2007

Under the direction of CEO Maria Bianca Farina, Poste Vita was granted the MF award for product innovation in the Insurance Elite category. This combination award is given to the best Italian manager, based on his/her credibility and reputation, and the company considered to have the best strategies. Poste Vita also received the product innovation award for "Postapersona Infortuni" (accident insurance) for the second year in a row.

GEI AWARD

Massimo Sarmi, CEO of Poste Italiane, was awarded the GEI Award in New York. It was given out by the Gruppo Esponenti Italiani (Italian executives group), a non-profit association in New York formed by representatives from major Italian

The GEI Award was assigned to skill in transforming Poste Italiane into a of Italy, and helping develop international United States, with significant positive



companies and institutes located in the US. Massimo Sarmi, for "his extraordinary leading infrastructure for the modernisation economic relations between Italy and the effects on Italy's image abroad".



The Social Report certifies Poste Italiane's ethical profile. It allows the company to highlight its relationship with the community, attention to the quality of life of the people who work there, and its role in developing the country. Poste Italiane is committed to pursuing a model of sustainable development that is able to combine business with ethics and transform profit into value. One example of this is the company's involvement in the World Economic Forum (WEF), which welcomes the participation of numerous international businesses in the sectors of transport and logistics, with the goal of defining common guidelines for everyone and exchanging experiences of social responsibility.





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Letter to the Stakeholders

MASSIMO SARMI
CEO and General Manager
of Poste Italiane SpA

A large service provider like Poste Italiane, which has the most extensive, high-coverage network in the country (both physically and technologically speaking), is an important point of reference for citizens, businesses, and entities of public administration, in terms of both public use and social matters. For this reason, its each and every action has significant economic, social, and environmental impact over the medium to long term. In this Social Report, we would like to provide our internal stakeholders – over 150,000 people who work within the group – and external stakeholders, with a description of the actions taken and results achieved, with regard to the community, environment, and institutions. We consider this to be an essential tool, providing evidence of the strong commitment held by a company that is made by the people, and that works for the people. This report opens with a description of the corporate identity, or rather, our numbers and national/international

results; it then goes on to speak about the governance and system for responsible management. The results that we consider to be most significant for 2007 include our participation in the Corporate Citizenship Initiative for the World Economic Forum (WEF), which brought Poste Italiane side by side with the world's leading transport and logistics companies. The goal here was to define common priorities and exchange experiences of social responsibility within the community of businesses in this sector. Our economic sustainability highlighted significant results, both in terms of total revenues and net profit – figures that are all the more significant when considered in terms of the overall picture – paying attention to the community, taking responsibility, and protecting the environment. In fact, for the Poste Italiane Group, a business's "social sustainability" also means social support, solidarity, equality, and justice. These principles are at the root of our mission,

but also of all our specific plans and projects, both within and outside of the company. In 2007, the number of women working at Poste Italiane was equal to the number of men, and women are covering many managerial positions. We also launched wide-scale projects promoting the spread of corporate values and ensuring the managerial development of personnel. However, our efforts have also taken different directions, concentrating on improving relations with the immigrant population in Italy, and especially, promoting the technological development of Italy's entire system. The new work contracts and protocol on Corporate Social Responsibility (CSR) signed with trade unions are meant to encourage flexibility, an appreciation for people, and the creation of value. The first significant, concrete steps in this direction include: opening the first day care for company employees with young children, and the initial experimentation with

Telelavoro – which focuses on both technological innovation and meeting our people's needs. Finally, environmental sustainability, which everyone sees as an important goal, is actually much more than an item on the agenda for us, as demonstrated by the following: our offices powered by renewable energy sources, our biofuel fleet – the largest in Europe –, waste separation programme, experimentation with hybrid vehicles, and, above all, the Green Post Project led by Poste Italiane and involving an international consortium for the creation of hybrid and electric-drive four-wheel vehicles as an alternative to the motorcycles traditionally used for delivering mail. These are all important results; however, just as every other year has shown, they are only starting points and steps towards bigger achievements. In fact, we plan on reaching new levels of success in each of these areas, maintaining close contact and direct involvement with everyone.

Massimo Lurini

Note on methodology

Through the Social Report we strive to illustrate the guidelines concerning the creation of sustainable value, the goals pursued, and results achieved.

The 2007 report shows the outcome of thorough, heavily-supported progress within the company, focusing on Corporate Social Responsibility. This not only led to the identification of ways to improve the actions already undertaken, but even more so, helped to better integrate the traditional corporate business goals with goals regarding social and environmental sustainability.

As in last year's report, the contents gathered herein are meant to meet various needs in the way of information. This is done by referring to the principles and contents of social reporting indicated by the most recent guidelines concerning the drafting of reports on sustainability, recognised internationally (2006 report as a model for the Global Reporting Initiative – GRI3) and nationally (particularly the model proposed by the Social Report Study Group, and the social statement model compiled by the Ministry of Welfare).

In some sections, we considered it opportune to follow the instructions proposed by the GRI3 model, with some indications contained in the area supplements published by the Global Reporting Initiative and deemed applicable to the activity carried out by Poste Italiane. A great deal of time is spent on the supplements for the financial and logistic areas, and the company intends to dedicate even more attention to the latter supplement in future editions of the Social Report, especially in relation to the Corporate Citizenship Initiative principles for the Logistic & Transportation Industry (L&TCCI), followed since 2006.

The structure of this document has remained essentially the same and, as required by the GRI model, it is meant to encourage an assessment of activities and their economic, social, and environmental impact, also proposing a subsection for stakeholders, in order to give the reader the clearest and most concise information possible.

The reporting period and financial figures correspond to those of the Financial Statements released by the parent company, Poste Italiane SpA, as well as the group's consolidated Financial Statements; therefore, the social and environmental reporting may be taken as a natural complement to the income statement and financial reports. Where not specifically indicated otherwise, the scope of the reporting regards the actions taken by the parent company, which, at the end of 2007, accounted for about 68.7% of the group's assets. The structure of this Social Report respects the principles which, according to the reference model, must be applied to social reporting.

The main objective pursued in the drafting of this document is the principle of transparency, which is not only one of the fundamental rules in drawing up reporting documents, but also a value that the company strives for in all areas of activity. The Social Report gathers the information considered to be most significant and necessary in informing the stakeholders of managerial policies, actions taken, and results achieved, in a clear and objective way.

With specific reference to the information contained herein, the document is comparable to that of last year, however with more in-depth contents. This result was made possible through an even more structured process of gathering information needed for the Social Report. Through the timely distribution of relevant reporting tools within the company (letters of presentation, questionnaires, indicator tables), all departments interested in the process were able to actively participate, not only by providing the necessary qualitative and quantitative information, but also by ensuring that the intermediate steps of assessment were performed even more quickly than in past years. In this way it was possible to refine and elaborate on the information gathered, and also make it available to stakeholders in a more timely fashion. This year's Social Report was also enriched by the results from activities of stakeholder engagement carried out over the year, in line with plans for responsibility, and promptly reported in the document.

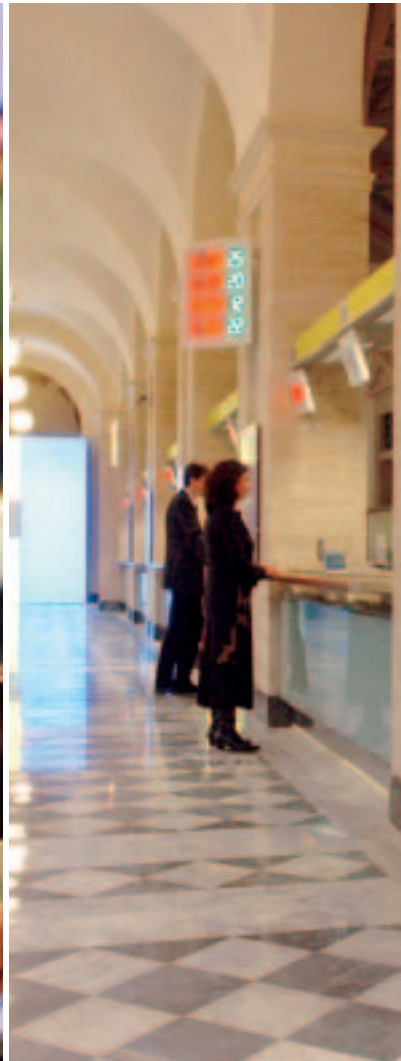
The progress shown thus far allows the company to take an important step, not only in terms of its methodology, but also adding to the self-declaration of compliance, with the document now at the second level of accreditation stipulated by the GRI. In fact, based on the self-assessment in the chart defined by the GRI, which has three application levels (A, B, C) expressing the level of compliance with the GRI3 model of social reporting, in 2007, the company reached the second of the three levels of compliance. The section containing the indicator table at the end of this report shows the methodology and accreditation process to be followed in order to comply with the different levels in the GRI. Furthermore, the indicators provided by Poste Italiane for 2007 prove to correspond to level B.

Currently, the document is not subject to assessment by an external certification board, although the description up to this point makes it clear how much attention is given to the process of continuous evaluations on the actions taken and opportunities for improvement, completed with the methodological support of the models indicated.

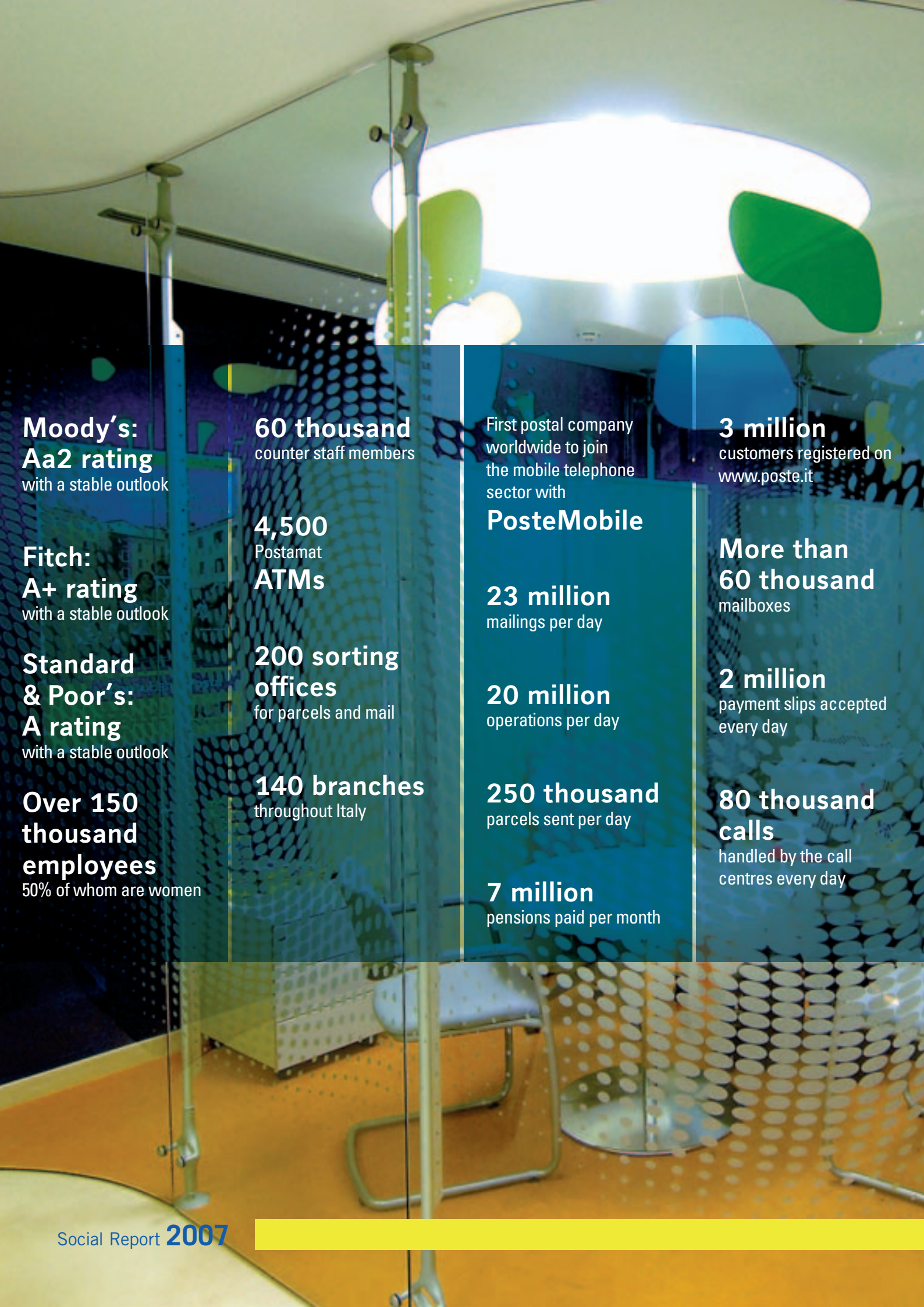




Corporate identity



Because responsibility
must always be given a name.



Moody's:
Aa2 rating
with a stable outlook

Fitch:
A+ rating
with a stable outlook

**Standard
& Poor's:**
A rating
with a stable outlook

**Over 150
thousand
employees**
50% of whom are women

60 thousand
counter staff members

4,500
Postamat
ATMs

**200 sorting
offices**
for parcels and mail

140 branches
throughout Italy

First postal company
worldwide to join
the mobile telephone
sector with

PosteMobile

23 million
mailings per day

20 million
operations per day

250 thousand
parcels sent per day

7 million
pensions paid per month

3 million
customers registered on
www.poste.it

**More than
60 thousand**
mailboxes

2 million
payment slips accepted
every day

**80 thousand
calls**
handled by the call
centres every day



This company is constantly evolving, making every effort to increase quality and add more variety to the products and services offered. As a leading group, it has expanded upon its original mission, breaking into the sectors of finance and insurance, logistics, IT, and, most recently, mobile telephone services. It is an internationally recognised corporate model, based on its ability to diversify business and maintain a strong presence in the country and a tight bond with the Italian people.

Corporate identity

Our history

In 1862, one year after the proclamation of the Kingdom of Italy, the National Postal Law was enacted, providing for, among other things, the government's monopoly over the postal service. This is the traditional date of establishment for Poste Italiane, an entity that came about with the birth of the country and has always been deeply rooted in it.

The importance of a postal service was immediately recognised by the early Kingdom of Italy; and in fact, in 1889, the Ministry of Postal and Telegraph Services was established and people were given the possibility to make certain transactions such as C.O.D. payments, lettercards, money orders, and priority and urgent delivery mail.



Over about 150 years of history, Poste Italiane offices grew closer to the Italian people in times of difficulty and times of prosperity. During World War I, it was the Military Postal Service to ensure communication between soldiers and their families, as well as forward orders and dispatches among the various bodies of command, even using the help of carrier pigeons. Post offices developed along with the modernisation of the country, introducing the service of postal bank accounts in 1917. In 1924, the government created the Ministry of Communications, which included the Autonomous Company of Postal and Telegraph Services and the State Company for Telephone Services. During the '70s, the code of Postal Law was passed, restructuring the regulations and provisions of law in a consolidated text.

In 1994, a project was undertaken in order to update the Italian postal system, regrouping departments into two separate organisations: the Ministry of Postal Services and Telecommunications, which covered duties of policy and supervision, and the public agency Poste Italiane, which handled operations. On 28 February 1998, this public agency became a public limited company, Poste Italiane SpA, and actions were taken to put the finances in order and revive the company. Over 200 projects were tackled in order to improve the entire system of Poste Italiane, including: a new system of organisation, new expertise, updated technology, new products and services, new channels of access and distribution, etc.

In June 1999, the Posta Prioritaria (priority mail) service was introduced, allowing one-day delivery of mail throughout Italy. One year later, the company introduced the BancoPosta bank account and began to develop financial services – an area in which Poste Italiane soon became the leader in Italy, thanks to its ability to identify and earn the loyalty of a large slice of the market, offering products that ensure immediate access to funds and are managed through electronic processes, thus allowing customers to complete transactions online with the guarantee of maximum security.

In 2002, after 50 years of accounts in the red, Poste Italiane earned its first positive result and continued this pattern over subsequent years, so that, in 2006, the company was able to issue its first dividend to stockholders. Today Poste Italiane has a strong presence in the market with a wide array of products and innovative logistic and financial services, including mobile telephone services since November 2007.

Poste Italiane's numbers

156 thousand
people working with us,
on average

44 thousand
vehicles

14 thousand
post offices

6.2 million
Postamat cards

45 thousand
postmen/women

17 billion
euros
in total revenues

17
daily
air connections

1.4 thousand
call centre
operators

Our group

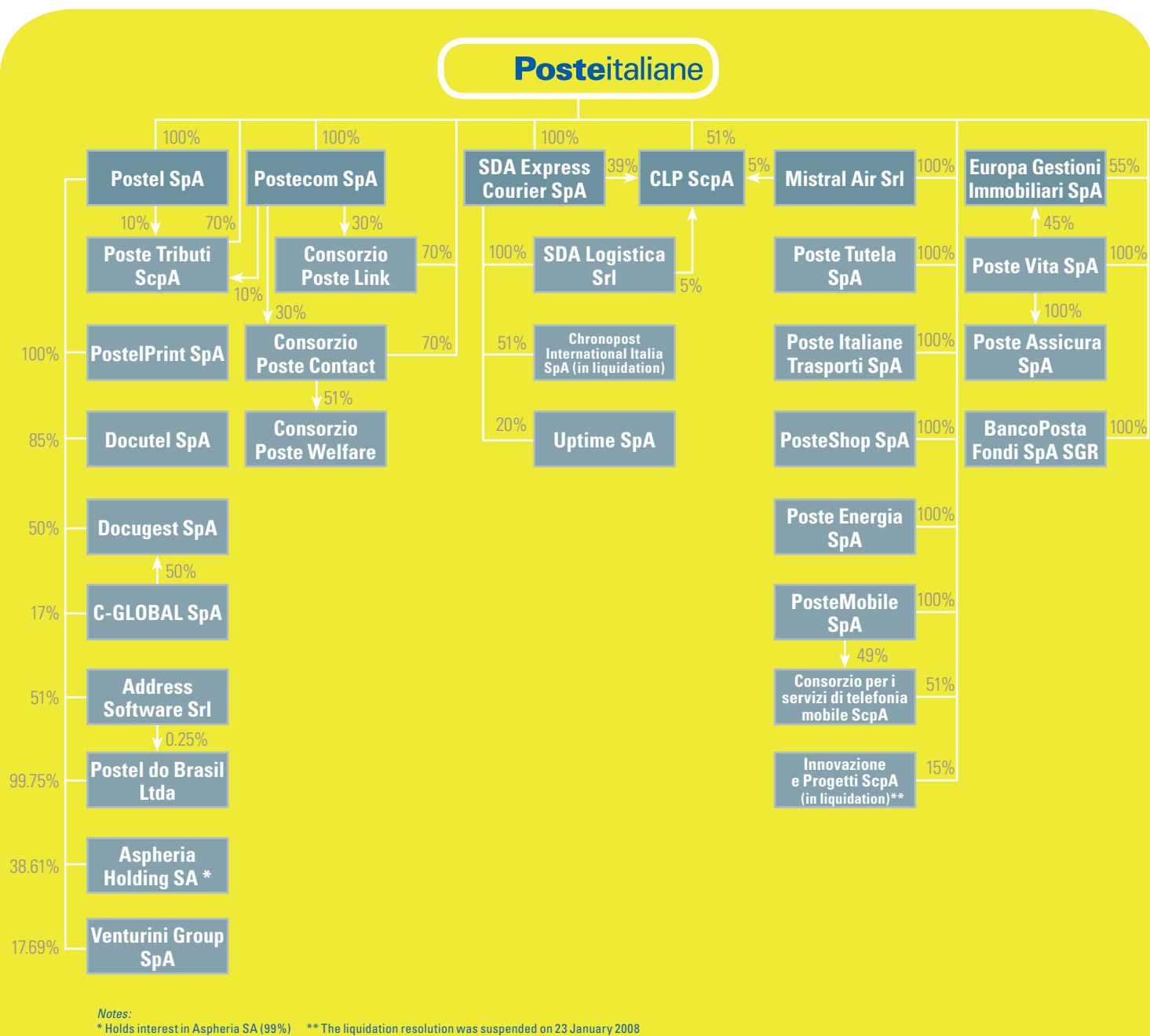
The Poste Italiane Group has always operated in the sector of services for the people. In recent years, Poste Italiane has undertaken a complex process of redevelopment aimed at improving the quality of its services and expanding its product offer. Today its logistical and technological network is the most extensive and has the highest coverage system in the country. Along with traditional services of mail correspondence, it also offers integrated products relating to communication, finances, and mobile telephone services to citizens, businesses, and public administration offices throughout Italy. With 14,000 post offices located throughout the country and a team of over 150,000 staff members, Poste Italiane is forever committed to innovation, as demonstrated by its successful case history, partnerships, and international awards. Most importantly, the Poste Italiane Group is aware that it has a leading role in Italy's process of economic and social development. Among other businesses, the following all belong to the Poste Italiane Group: SDA (express courier), Postel (mass postal services), Poste Vita (life and accident insurance policies), Postecom (development and management of Internet services), BancoPosta Fondi SGR (mutual investment funds), Mistral Air (air transport), PosteShop (sale of retail and shipping products at post offices), PosteMobile (mobile telephone service), and Poste Tributi (local tax services).

Post Offices



"1.5 million customers every day"

Structure of the Poste Italiane Group



Main companies in the Poste Italiane Group

POSTEL SPA

This company carries out services of printing and packaging mail correspondence, which traditionally make up the company core business: mass printing, direct marketing, door-to-door, and e-procurement services. Over the course of the fiscal year, after a restructuring of group companies, all of the production activities previously carried out at PostelPrint for the external market were transferred to Postel, and all of the assets used by Postel in services rendered for the parent company were allocated to PostelPrint.

SDA EXPRESS COURIER SPA

Partner of Poste Italiane in the express courier, logistics, and parcel business segment. Services offered by SDA Express Courier include the distribution of express courier products provided by Poste Italiane for retail and SOHO customers and by SDA for business customers, as well as the distribution of ordinary parcels subject to the obligation of universal service.

POSTE ITALIANE TRASPORTI SPA

This company operates in the sector of postal product ground transport and manages the exchange of its products at the hubs in Bologna and Rome. In 2007, the company expanded its offer of domestic transport services to outside customers, receiving appreciation for the quality of services provided and fair rates.

MISTRAL AIR SRL

Mistral Air Srl performs air-mail transport services for Poste Italiane and also transports goods via air for other clients, utilising planes owned by other companies. Over the course of the fiscal year, Mistral Air finalised leasing contracts to operate three "737 Quick Change" planes, which are known for their operational flexibility. Poste Italiane uses them for the postal network at night and for SDA to carry out activities of charter cargo and passenger transport during daytime hours.

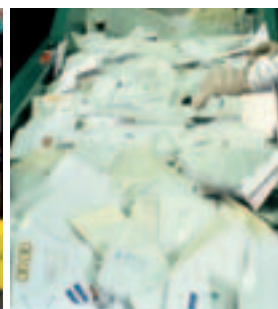
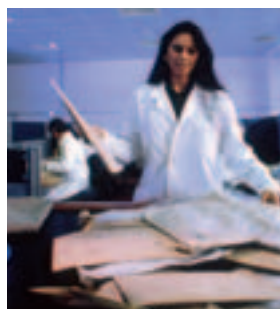
CONSORZIO LOGISTICA PACCHI SCPA

This consortium ensures the coordination and supervision of operations carried out by its member companies, which handle the key activities of sorting, tracking, and delivery for the parcel shipping service that Poste Italiane, as a universal service provider, is required to perform. The consortium also handles mail and newspaper air-transport services at seven national airports, operated by the group member Mistral Air, in addition to handling the "Paccocelere Maxi" express courier services relating to archiving, stocking, and integrated logistics.

POSTE TUTELA SPA

Poste Tutela SpA primarily operates in the private security market, particularly in the segment regarding various services in the movement of cash and securities (transport, escort, safe custody, quantification), static and mobile surveillance, security, and the protection of sensitive information.

Since 2006, the company has also managed transport and escort services for "postal valuables" (postal cash, debit and credit cards, savings bonds and certificates, savings books, etc.).



BANCOPOSTA FONDI SPA SGR

BancoPosta Fondi SpA SGR is the investment management company of Poste Italiane Group, seeing to the overall management of savings, and handling individual investment portfolios for third parties through authorised post offices.

EUROPA GESTIONI IMMOBILIARI SPA

This company operates in the real estate sector, managing and optimising the real estate assets acquired by the parent company in 2001; it deals mainly with large clients, such as entities of public administration.

POSTECOM SPA

Postecom SpA is the company that plans, develops, and manages Internet, Intranet, and digital certification services. Opened in 1999, for the purpose of meeting the group's IT requirements, this company completes projects and renders services for all users in the IT market – from private businesses to independent professionals, from offices of public administration to individual citizens.

POSTESHOP SPA

This company markets goods supporting the core business of Poste Italiane (mail boxes for private homes, post office form holders, envelopes, shipping boxes), as well as products from outside suppliers (including books, CDs and DVDs, paper products, etc.) utilising different sales locations marked with the PosteShop or KiPoint logos, and franchise shops that offer express courier services for documents, communication services (direct marketing, broadband Internet navigation, sending/receiving faxes), and the sale of office supplies.

POSTE VITA SPA

This company operates in the life insurance sector, through participating post offices in the Poste Italiane network which issue insurance policies. The company holds 100% interest in Poste Assicura SpA, which offers insurance services for companies belonging to the group.

Over the course of FY 2007, Poste Vita was authorised by the Isvap to expand its activities to include accident and illness insurance (I and II Ministerial lines on indemnity). The company went on to adapt its organisational structure in order to comply with Isvap Regulation 5/2006, effective since 2007, which introduced high quantitative/qualitative standards with regard to representatives selling insurance products.

POSTEMOBILE SPA

Opened in March 2007, this company operates in the telecommunications sector. PosteMobile uses the network infrastructure of another long-standing operator and offers innovative services that integrate mobile phone functions with payment transactions.

It was launched in November and after just a few months PosteMobile was able to offer Italy a range of unique telecommunications services, in addition to traditional mobile phone functions. In fact, users are able to transfer money to their prepaid Postepay cards and check their balance and recent transactions for both Postepay and BancoPosta accounts.

POSTE ENERGIA SPA

Opened in September 2007, this company's corporate purpose is to supply electrical energy to the nation-wide electric system in order to cover the power needs of the Poste Italiane Group. From its establishment to the end of FY 2007, the company launched activities aimed at obtaining power, managing related contracts, and rendering related services for added value.



Mission and values

Poste Italiane's mission is to build a company that is an efficient service provider with a high level of added value, which, optimising its fundamental assets, is able to meet the various needs of its clientele and contribute to the country's development. Some essential tools in reaching these goals include the use of advanced technology and an extensive network system, making it possible to offer a wide range of integrated services fit to meet the needs of different segments of clientele throughout the country.

Due to its size and the impressive number of people with whom it has contact every day (employees, customers, suppliers), Poste Italiane plays a leading role in the country's economy. For this reason, it has defined certain values of a general nature and, along with all the companies belonging to the group, follows the Code of Ethics, a document containing the principles considered to be of fundamental importance and to be upheld when carrying out daily operations.

The values cited in the Code of Ethics are honesty, transparency, privacy, moral integrity, fairness, reliability, mutual respect, responsibility, professionalism, and loyalty.

Transparency and honesty take on a primary role in that through the creation of solid, honest relations with both staff members and customers, the company can be appreciated as a quality employer and, at the same time, reinforce its market position. The principles of loyalty and moral integrity help guide Poste Italiane employees in their everyday work, striving to value privacy and diligence through their behaviour, especially with regard to external stakeholders. Poste Italiane performs its daily operations with responsibility – this does not simply translate into providing products and services in a responsible way, but also guaranteeing every employee a pleasant workplace, characterised by fair treatment and mutual respect. Focusing on people is the cardinal element of the Managerial Model, a tool meant to define the principles that should guide those who lead the company.

Every employee contributes to creating value on a daily basis. This does not only refer to generating economic wealth, but also more "intangible" forms of value, which are absolutely essential: the professional development of company employees and the added value perceived by clients and suppliers. Innovation, speed, and a pro-active approach are the fundamental qualities the company aims for in responding appropriately to the needs of both its employees and customers.

The Managerial Model defines the behavioural principles that the executives at Poste Italiane must strive for in their daily work, in order to pursue the business goals and respect the values outlined in the Code of Ethics. The main principles of the Managerial Model are: focusing on the customer, creating value, valuing people, integration and synergy, and taking advantage of change.

Strategic approach

The strategies outlined in the Business Plan can be traced back to product innovation and the integration of services, optimising technology and multi-channel business, and the focus on people.

Through its extensive physical network, increasing investment in technological infrastructure, and the combination of many channels, both traditional and innovative, Poste Italiane is able to support its business needs and cover the role of strategic partner for public administration entities, particularly at a local level.

New projects providing guarantees for customers and improving the company's effectiveness will be launched in the traditional business segments, and also look ahead to the future, with increasing competitiveness. In fact, the process of reaching a completely free postal market will increase competition due to the entry of new operators joining in the traditional business. The evolution of the market scenario, however, will provide an opportunity for growth; this advantage is also based on the process of industrial and cultural renewal begun in past years, making it possible to enter new markets and offer increasingly innovative products. The challenge of a free market must be accompanied by a plan for investments in infrastructure and personnel training, in addition to strategies focusing on research in the areas of reinforcing product quality levels and revenues from traditional postal services, in addition to developing innovative integrated services targeting specific categories of clientele.

Innovation in technology and products/services also continues to have a central role in corporate development; with regard to this, the company intends to implement additional services to work with the Servizio Integrato Notifiche (integrated service for sending out public administration notices and managing related paperwork), hybrid and digital electronic communication services, and services connected to the use of the payment platform, along with the aforementioned e-commerce services.

In 2007, an important step was taken in this direction, thanks to the approval of a protocol agreement signed with the Ministry of Public Administration under which Poste Italiane assumes the role of "facilitator of relations and communication processes between public administration entities and citizens" and also partner in the development of e-government services.

The Strategic Plan also intends to make the tracing of processes more direct and efficient, increasing the mechanisation, reorganisation, and reclassification of services, thus resulting in better control over operations, and allowing the company to offer higher quality service.

Poste Italiane's strategic approach



PRODUCT INNOVATION AND INTEGRATION OF SERVICES

- ▀ Increase in quality and accessibility of products and services offered
- ▀ New business areas, including telephone sector, which can provide customers with high added value services
- ▀ Reorganisation of processes aimed at making services more effective and of better quality
- ▀ Reinforced partnership with entities of public administration



OPTIMISING TECHNOLOGY AND MULTI-CHANNEL BUSINESS

- ▶ Promoting the use of technology to facilitate access and communications through the implementation of simple and efficient channels
- ▶ Promoting use of www.poste.it to access services more easily through the development of specific channels
- ▶ Guarantee security of data processed

FOCUS ON PEOPLE

- ▶ Valuing people in accordance with goals and ethical model of the company, keeping in mind the evolution of business and organisation of the market
- ▶ Supporting continuous development of skills and motivation of employees
- ▶ Favouring development of managerial culture more focused on valuing people and improving the corporate atmosphere

Our Stakeholders

MAP AND RELATIONS

The effort put into relations with the stakeholders is constantly increasing. The values expressed in the Code of Ethics provide guidelines for relations with the different categories of stakeholders, always taking into consideration the needs and varying expectations of each group.

Poste Italiane sees its stakeholders as categories of people, entities, or institutions that actively participate in accomplishing the company's mission or that are interested in or influenced by the activities carried out and results achieved. The stakeholders are divided into two major categories: internal and external.

The company continues to reflect on stakeholders' expectations, in order to verify the appropriateness and consistency of actions taken. In fact, stakeholder engagement activities allow the company to identify, measure, and monitor both the stakeholders' expectations, and the effectiveness of the actions taken by the company in order to meet those needs.

The outcome of this interaction, as described in the Social Report, is therefore an important stimulus for the company and contributes greatly to the constant process of improvement and growth that Poste Italiane pursues in order to adequately respond to the stakeholders' demands.

	OUR STAKEHOLDERS	WHO THEY ARE	EXPECTATIONS AND NEEDS
internal	Our people	Employees and their representatives	Stability Professionalism Mutual respect Valuing people Health and security Equal opportunities Training Balance between work and family
	Shareholders	Ministry of the Treasury and Cassa Depositi e Prestiti	Transparency Proper management of business Compensation
external	Clients	All end users of the group's products and services (people, businesses, offices of public administration, other postal systems)	Professionalism Quality Transparency Security Reliability Efficiency Risk management Communication and information Competitiveness Accessibility

	OUR STAKEHOLDERS	WHO THEY ARE	EXPECTATIONS AND NEEDS
external	Suppliers	Businesses that supply raw materials, goods, and services, domestically and internationally	Consistency Professionalism Qualifications Fairness
	Lenders	Banks and other entities that provide borrowed capital	Transparency Stability of assets
	Regulatory and Supervisory Authorities	Court of Auditors, Ministry of Communications, Supervisory authority and other institutional bodies (Banca d'Italia, Consob, Isvap, Covip, Privacy Authority, Antitrust Authority)	Professionalism Transparency Promptness Cooperation
	Representative Associations	Consumer and investor associations, trade union organisations	Security Cooperation
	Institutional Partners	Institutions, Associations, National and International Work Groups (Confindustria, CEEP, PostEurop, SDC, UPU, IPC, European Alliance, Sodalitas)	Cooperation Partnership
	Information Providers	International and local newspapers/periodicals	Transparency Cooperation
	Community	All Italian and foreign citizens that have contact with Poste Italiane and can be influenced by its activities; non-profit organisations (national and international); cultural or philanthropic organisations, local community	Participation Support Cooperation Exchange
	Environment	External environmental context (ecological and geographic), future generations	Respect Development and innovation Renewable energy Attention to the environment Responsibility towards future generations



STAKEHOLDER ENGAGEMENT PROJECTS

Stakeholder engagement activities, entailing various levels of involvement (communication, listening, dialogue, and partnership), allow the company to be made aware of the actual needs and expectations of the stakeholders and to heighten the effectiveness of corporate projects, as well as their social and environmental impact.

In 2007, the process of engaging stakeholders was more thorough and meaningful than it had been in past years. This increase in effort also shows the company's response to specific requests received through the process, by the different categories of stakeholders involved last year.

During the year, stakeholder engagement projects focused mainly on two categories of strategic players for the group, or rather, the employees and clientele.

Given that the details of these projects and their outcomes will be examined in subsequent chapters dedicated specifically to the stakeholders, this section is limited to highlighting the type of projects that the company was able to develop over the course of the year.

In addition to repeating the "corporate atmosphere analysis", which served to assess work conditions, various other initiatives were taken with regard to the employees.

Among these, one of the most significant was without a doubt "cantiereValori", which was activated in order to get employees to express their opinions on the values declared by the company, and at the same time, to get them involved in a structured way, encouraging them to apply and communicate these values.

Another important interactive event in this area was the consultation with trade union organisations, made possible through the distribution of a questionnaire evaluating the Social Report. The detailed feedback provided interesting and useful information that would then contribute to the future improvement of this report. Furthermore, in order to examine some of the elements contained in the questionnaire, a series of meetings with trade unions were held in 2007; these meetings will continue to take place so that this year's Social Report can be reviewed by the trade unions, and the company can continue its process of methodological exchange focusing on this social responsibility tool.

Projects involving the clientele, on the other hand, essentially entail the continuation and updating of the customer satisfaction analysis already begun and reported in past years, led primarily by the contact centres, but also involving other opportunities to listen to customers.

In addition, the consumer associations have created discussion tables for the study and preliminary evaluation of products offered by Poste Italiane, and also to encourage dialogue on the topic of social reporting, for a larger-scale process of continuous exchange, which the company has guaranteed to this strategic category for some time now.

The results of the questionnaire evaluating the 2006 Social Report, distributed and collected over the course of 2007, established a basis for the workshop held on 17 March 2008. This event included the participation of all major consumer associations in Italy and allowed the company to gather suggestions on refining the information provided in the Social Report. These initial suggestions will be elaborated on and added to in subsequent meetings to be held after this document is released.

FOCUS ON POSTE ITALIANE'S INSTITUTIONAL PARTNERS

Poste Italiane continues to collaborate with different institutional partners, creating new relationships and strengthening those that it already had. With regard to the expectations outlined in the 2005 Association Agreement with Confindustria, plans for the gradual integration of the company into the Confindustria System proceeded and are scheduled to conclude in 2008. In January 2007, the company joined thirty more Italian associations, adding to the many already listed in 2006.

Participating in the Confindustria System provides an opportunity for expansion and development, not only for the company, but also for citizens and businesses, in addition to facilitating the following:

- development of a network of relationships, work agreements, and cooperation both locally and nationally;
- opening a new post office at Confindustria headquarters in Rome;
- creation of commercial partnerships between Poste Italiane and Confindustria and between Poste and other companies belonging to the Confindustria System (i.e. opening bank accounts and life insurance policies, integrated logistics and international/domestic express courier services, direct marketing and Postatarget agreements, etc.).

There will also be more opportunities for dialogue with different institutional organisations in the postal field, particularly the SDC, CEEP, Universal Postal Union, and PostEurop. Over the course of 2007, the company was able to strengthen the range of SDC activities through the development of a specific project.

The following is a detailed list of the main activities in 2007.

2007 Activities

SDC

EUROPEAN SOCIAL DIALOGUE COMMITTEE (SDC) FOR THE POSTAL SECTOR

The SDC, established within the European Commission, provides an opportunity for exchange and discussion on important topics impacting European companies and trade unions in the sector of postal services.

In 2007, the following work groups were active in the SDC:

“Training” Work Group - Poste Italiane directed the assignments for this group, having the main goal of implementing the Joint Declaration on Training and the development of expertise in the field of postal services; this document was signed in June 2006, through a community project approved by the European Commission.

“CSR” Work Group - Postal operators represent an increasingly large business category, and therefore, the theme of social responsibility is a particularly significant element for consideration. The goals of this work group included: sharing best practises in social responsibility and organising the second CSR Day, scheduled for April 2008.

“Evolution of the Postal Market” Work Group - Poste Italiane actively participated in activities that led to the Joint Declaration on the Evolution of the European Postal Market, signed on 22 June 2007. This document originated at the seminar held in Brussels in April 2007, where European companies and trade unions in the postal sector discussed the topics of free market, training, employability, and universal service. They also created a work group in which Poste Italiane takes part.

“Prevention and Accidents” Work Group - The theme of workers’ safety is central to the SDC’s activity. In 2007, Poste Italiane completed the questionnaire put out by this work group, giving feedback on the workshop held in Budapest in 2006.

CEEP

CEEP - EUROPEAN CENTRE OF ENTERPRISES WITH PUBLIC PARTICIPATION AND OF ENTERPRISES OF GENERAL ECONOMIC INTEREST

In 2007, in celebration of the Year of Equal Opportunities, the CEEP organised a seminar in Lisbon called “Equally Diverse”. During the event different projects and ideas were welcomed for best practice in the area of equal opportunities. Poste Italiane shared its own experience regarding the balance between work and family life, which has always been a focal point for the company.

STAKEHOLDER COMMUNICATION TOOLS

One of the ways in which the company intends to solidify stakeholder engagement policies is by activating intense and fruitful activities of communication and listening, involving both those who work within the group, as well as the many external stakeholders who may be interested in the group's reporting and distribution of information.



POSTEPERNOI

Development proceeds for the Intranet portal "PosteperNoi."

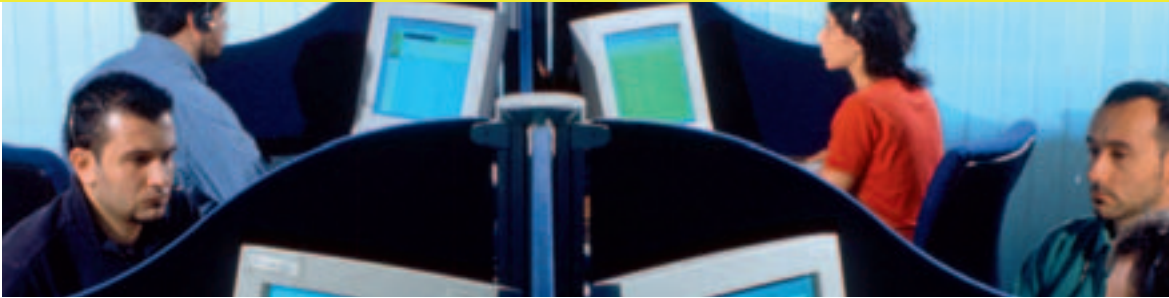
By expanding the portal's user options and opening it to group companies, the group pursues the goal of providing all workers with information and services that were previously available only to people at the parent company. In developing the group portal, accessibility is the first step in an ambitious project for 2008, which includes plans for a complete integration, making PosteperNoi the only point of access to information, documents, and applications for all people at group companies.

Furthermore, the group launched the first in a series of online awareness campaigns focusing on the use of PosteperNoi's transversal services. Using specific tools, this programme explains how and why to use the services available on the portal. The portal has supported numerous practical activities including the "Values Project," the release of the new Collective Bargaining Agreement on Labour, and the opening of the first day care in the workplace, along with all the social news, events, and campaigns that the group has sponsored.

IL GABBIANO

"Il Gabbiano" (The Seagull) is the communications medium targeting all employees and Ipost retirees. It is distributed in paper form and also posted on the company web portal. In 2007, a new section was introduced to the corporate magazine, dedicated to examining topics of particular significance. The first few specials focused on mail correspondence and mobile telephone services, two of the group's major business areas – the former being more traditional and the latter of recent addition this year. The specials in "Il Gabbiano" are packed with information, interesting tidbits, and interviews, in hopes of spreading knowledge and sharing or comparing different opinions on central issues for the company and those who work there. Accompanying this initiative, there is an opportunity for feedback, offering readers to respond with their own ideas, make suggestions, and open discussions on the topics at hand. Reader involvement was the main goal of another project used to rate the contents and layout of the magazine based on how interesting, useful, and effective people found it to be. Along with the results of a focus group made up of a sampling of people representing the corporate population working in post offices and mail sorting and delivery centres, these responses offer elements essential to completing the process of improving the magazine and its language, content, and layout.

"cantiereValori": over 6,000



NEWSLETTERS

As an additional tool for communication within the group, newsletters are distributed encouraging the exchange of opinions on topics of common professional interest.

The bi-monthly newsletter gets postal mechanisation centres (PMCs) involved in discussion among central and local facilities. In 2007, the 17 publishing offices located in 17 PMCs put out 30 newsletters in 3 editions, for a total of 25,500 copies.

In order to increase participation from everyone in gathering appropriate content, the May-June 2007 issue included a survey card inserted in approximately 12,000 newsletter copies.

The few questions listed on this pre-stamped, pre-addressed survey card were directed at all people working in the centres and potential readers of the PMC newsletter. A survey within the company was also performed in order to gauge how interesting and useful the contents are, as well as to gather readers' judgements and potential suggestions for improvement. This information is needed not only to tailor or put together interesting articles that PMC workers can use in their professional life, but also to measure the ratio of production efforts versus the newsletter's perceived and/or declared level of usefulness.

Opportunities to listen to employees

"CANTIERE VALORI" PROJECT

With the claim "we build our own values", the communication campaign "cantiereValori" (work site of values) was launched, developing a project for the publication of the "charter of values" for group personnel, based on dialogue and active participation from the people who make a daily commitment to working within the company. In 2007, the project was based on employees and company departments' voluntary participation, and involved over 5,000 people in discussion groups, with the specific goal of assessing and updating the system of values and defining related behaviours. Taking this approach, it becomes possible to have people working within the company share and understand these values and define concrete actions and behaviours.

MEETING: GROWING TOGETHER WITHIN THE COMPANY

On 13 February 2007, an extremely interesting meeting was held.

The CEO, Massimo Sarmi, spoke to 134 recent graduates hired by the group, explaining the company's goals, the importance of teamwork, and the specific skills practiced by each of the corporate departments.

The purpose of the meeting was to familiarise these young people with the market, customers' demands, and elements of competition, and even more importantly, to highlight the importance of professional development, in terms of valuing people and the company, and to stress that this attitude is the result of a process marked by dialogue and exchange.



cantiereValori
I nostri valori li costruiamo noi.

co-workers sharing corporate values

COMMUNICATION TOOLS IN RELATIONS WITH CLIENTELE, USERS, AND CITIZENS

With regard to the communication tools used in relations with the clientele, some prove to be quite useful in gathering information directed towards users, citizens, and the community in general. Poste Italiane primarily uses the group website and different contact centres as specific outlets for spreading information on group activities and listening to people.

Operating online: safe and easy

The website www.poste.it is becoming an increasingly popular way to access the company, with over 2.8 million registered users (2.1 million at the end of 2006), 641,000 consumer clients using internet banking for BancoPosta accounts (534,000 at the end of 2006), and about 130,000 business users. The online bill payment options are of particular interest, with 1.8 million bills paid over the website during 2007 by the consumer clientele (1.5 million in 2006).

Significant results were also reached for the other transactions available online last year, including 923,000 online bank transfers (680,000 in 2006) and 3.3 million deposits for mobile phone accounts (2.3 million in 2006).

The new design of www.poste.it in 2007 made it even more modern, accessible, and user-friendly, and therefore, better able to meet users' needs. Data gathered by Nielsen/NetRatings and CommStrategy over the course of the year revealed just how useful the website was: BancoPosta On Line is the leading Italian web option dedicated to financial services, taking first place in the sector, both in terms of the number of visitors and single transactions made by users via Internet, with 2 million different visitors for the category of "Online Finance"; there were also 3.2 million different visitors at www.poste.it, making it leader in the category of "Government & Non-Profit" for the month of December. With www.poste.it it is possible to have 24-hour access to all the "postal" services as well: online registered mail, priority mail, telegrams, Certitel Catasto (cadastral transactions), and Carte Valori On Line. The "Payment" options, for paying bills from your bank account through delegated third parties, proved to be a success for national, and especially local, public administration entities as well, taking advantage of agreements with large public organisations such as Inps (Social Security), the Agenzia del Territorio (government agency handling real estate, cadastres, etc.), and others.

Contact Centres

The contact centres are also very important points of access and communication concerning Poste Italiane products and services, providing information for citizens and public administration entities alike. The following is a list of Poste Italiane's main contact centres.

803.160: citizen assistance service

This is the multi-channel customer care centre regarding all products and services offered.

The first phase of service handles less complex matters, while the specialised areas in the second phase handle more detailed requests. In 2007, 6 million contacts were addressed.

186: telegram service

Through this service users are able to dictate telegrams over the phone, which will then be delivered in about 24 hours anywhere in the world. This service is active 24 hours a day, every day, throughout Italy. In 2007, 186 received 8.4 million contacts and sent 10.1 million telegrams.

In 2007, Poste Italiane was given the official number of 186 by the communications department of the Antitrust Authority; given the importance of having immediate access to the service, the company was allowed to maintain this special three-digit number. Also considering the frequent use of this service by Italian citizens, in July the Antitrust Authority granted Poste Italiane permanent use of this number.



THE NEW WWW.POSTE.IT

- ▶ easier system of navigation, based on users' service needs
- ▶ 4,000 pages of information
- ▶ approx. 1,000 pages containing instructions on how to use services.

840.000.160: “Vola con Internet” (Fly with Internet)

In cooperation with the DIT (Department for Innovation and Technology), Poste Italiane has been managing the project “Fly with Internet” for some time now. This project provided young people celebrating their 16th anniversary in 2005 and 2006 with a letter informing them of the possibility to purchase a personal computer, taking advantage of a grant from the government.

This service entailed the management of this contact centre, in addition to plans for the sending of letters and telegrams.

Young people wishing to participate may call 840.000.160 for information on the project and participating vendors, or to notify the centre that they did not receive a letter or PIN to bring to the vendor. In 2007, the contact centre took 27,000 calls.

800.011.000: Contact Centre – Digital Terrestrial

The project promoted by the Ministry of Communications is still in course, issuing a government grant of 70 euros for those who purchase a decoder for digital terrestrial reception.

Poste Italiane designed an offer for integrated services to go along with the Ministry of Communications’ project, providing information for customers interested in purchasing digital decoders and special assistance for vendors in selling them. In 2007, 55,000 calls were taken.

ChiamaRoma 060606

Poste Italiane opened, and has been managing since 2002, the Integrated Contact Centre for the City of Rome, a unique example of complex services meant to meet the needs (also social and environmental needs) of people in Rome.

It is possible to request information on all services provided by the City of Rome. It is active 365 days a year, 24 hours a day, guaranteeing assistance in six different languages (English, French, German, Spanish, Arabic, and Chinese) and providing two-phase service: the first phase is for less complex matters, and the second is more detailed. In 2007, 3.2 million contacts were made.

Common Line Call Centres 055.055 and 800.055.055

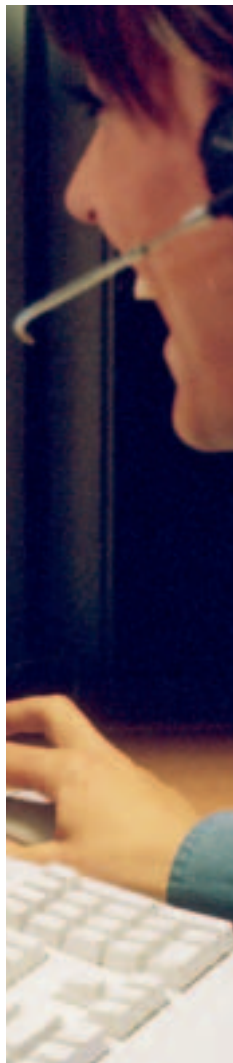
The City of Florence also gives its citizens general and detailed information on available services, through a contact centre managed by Poste Italiane. To handle requests efficiently, calls are managed through a two-phase process here as well (the first for greeting and general information and the second for more specific matters). In 2007, 170,000 calls were taken.

Ministry of Welfare Contact Centre 800.196.196

This service entails a specialised contact centre managed by operators with specific expertise in the fields of law, psychology, education, and sociology. It is a multi-channel inbound/outbound system (telephone, fax, e-mail, Internet) and offers services of information and response on the Ministry of Welfare’s social and labour policies, such as: volunteering, family, immigration, workers’ rights, social protection, employment, social security. In 2007, the service took on an important role in providing information of the new policy for severance pay negotiations. There were 60,000 calls received in 2007 for the contact centre service and 130,000 for the information campaign on the severance pay policy.

Phase 2 – Eli 2 Contact Centre

Considered to be an important contact and source of information for users, this service also proved to be of much assistance to foreigners. Because of its importance for foreign citizens, the service is especially sensitive to complaints made about the system, which are welcomed and resolved one by one. There were 93,361 calls taken in 2007, with an average duration of 3 minutes and 50 seconds. Of these, over 85% were handled by the contact centre, while the rest involved requests for various information.





Corporate Governance and Responsible Management System



Because value cannot be defined
based on performance alone.



Ethics and integrity

in governance decisions

Financial accountability:

optimising value for stockholders

Quality translated into value:

motivation for internal activities and services offered

Clients, suppliers and sub-suppliers:

responsibility in business relations

Support:

solidarity projects

CSR:

implementing body of coordination for social and environmental activities

Code of Ethics:

the company is founded on principles of professionalism, respect, and transparency

Marketplace on CSR:

Poste Italiane is one of eight companies representing Italy in the European Marketplace on CSR



Poste Italiane strives to combine its own development in increasingly competitive markets with a rationale based on sustaining economic, social and environmental growth. This commitment can be seen in the company's strategy, continuous organisational efforts, optimising of responsible management policies, and focus on people. Aside from constantly referring to the Code of Ethics, in 2007, the company has also developed new projects and actions that continue to strengthen the focus on responsible management.

Governance model

The Ministry of the Economy and Finance (MEF) owns a 65% interest in Poste Italiane SpA, while the remaining 35% is held by Cassa Depositi e Prestiti SpA (CDP). Shareholders' Meetings are held regularly to resolve upon matters reserved for them by law.

The governance model adopted by Poste Italiane can be defined as "traditional", with the classic division of powers between the Board of Directors and the Board of Auditors; the activity of reviewing the accounts is entrusted to an external auditing firm.

The group is endowed with a system of technical and behavioural rules aimed at ensuring consistent corporate government through the coordination and management of decision-making phases relating to concepts, issues, and activities that are of strategic importance and/or interest, or that may present consequences strong enough to constitute significant financial risk for the group. These corporate regulations follow the Map of Group Relations approved by Poste Italiane's Board of Directors on 19 January 2004, and updated on 26 March 2007. Final decisions were also made in the process of reorganising the system of delegating powers within the company.

The current system provides for the attribution of powers to departmental managers, based on their duties, by granting ad personam powers of attorney.

Through resolution made by the Board of Directors on 17 December 2007, the Organisational Model was reviewed and updated in compliance with Legislative Decree 231/01. The new version was presented after a complete revision of the contents, combining the general and special sections in a consolidated text.

This revision and updating was necessary due to the new types of "suspected offence" introduced by legislation concerning corporate administrative responsibility, in conjunction with the company's constant process of conforming to the stipulations of the decree. One extremely important activity for the Poste Italiane Group is risk management (regarding processes and operations), not only for the purpose of fulfilling obligations imposed by relevant authorities, but also in order to ensure stable conditions and advantages for company stakeholders. In order to comply with the most recent governance models, the MEF established, with notice on 22 November 2006, that its non-listed subsidiaries introduced the position of "manager in charge of drafting corporate accounts" pursuant to Law 262 of 28 December 2005 (Legge sul Risparmio or Savings Law). By resolution of 14 May 2007, the extraordinary Shareholders' Meeting amended the Corporate By-laws accordingly. On 24 September 2007 the Board of Directors of Poste Italiane appointed said manager. He/she will fulfil the proper administrative and accounting procedures in order to draft the Financial Statements and consolidated Financial Statements of the company. Moreover, through a special report on the Financial Statements and consolidated Financial Statements, said manager, along with the CEO, is in charge of certifying that they are suitable and that the procedures were actually applied, that they tally with account entries and ledgers, and that they provide a true and accurate representation of the company's and group's balance sheet, income statement, and financial position.



Poste Italiane's numbers

65%
Interest
held
by the MEF

35%
Interest held
by Cassa Depositi
e Prestiti SpA

11
Meetings of the
Board of Directors
in 2007

19
Meetings of the
Board of Statutory
Auditors in 2007

Governance structure

BOARD OF DIRECTORS

Appointment

The Board of Directors is appointed through a Shareholders' Meeting, for a period not exceeding three fiscal years. In accordance with corporate regulations and company by-laws, members of the Board of Directors are selected based on qualities such as respectability, professionalism, and independence, which are all considered necessary to the proper execution of their duties. The current Board of Directors was appointed on 25 May 2005.

Duties

The Board of Directors meets on a monthly basis to review issues and make resolutions on management performance, results achieved, proposals concerning the organisational structure, and operations of strategic importance. Within the Board of Directors, the Compensation Committee handles matters of payment for the directors with powers of attorney, making proposals to the board itself.

Meetings in 2007

The Board of Directors convened 11 times during the fiscal year.

Members of the Board of Directors

The board is currently made up of 11 members.

Powers vested in the Board of Directors

Issuing bonds and negotiating medium- to long-term mortgages and loans for over € 25,000,000, unless otherwise specified in resolutions made by the Shareholders' Meeting or Board of Directors itself; strategic agreements; agreements (with government ministries, local entities, etc.) that result in commitments of more than € 50,000,000; incorporation of new companies, acquisition or disposal of equity interests in companies; changing the company's basic organisational structure; purchasing, exchanging, and selling real estate assets of over € 5,000,000; approving regulations concerning supplies, contracts, services, and sales.

Moreover, the Board of Directors assesses and approves the multi-year plan and annual budget presented to the CEO, approves strategic moves and directives proposed by the CEO for group companies, makes resolutions concerning proposals made by the CEO concerning the subsidiaries and affiliates' right to vote at Shareholders' Meetings.

CHAIRMAN: VITTORIO MINCATO

The Chairman's powers are those entrusted to him by the Corporate By-laws and through the meeting of the Board of Directors on 30 May 2005.

DEPUTY CHAIRMAN: NUNZIO GUGLIELMINO

The Deputy Chairman, who was assigned specific duties (anti-laundering, EU litigation) at the aforementioned meeting on 30 May 2005, shall stand in for the chairman in the event of his temporary absence or inability to serve.

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER: MASSIMO SARMI

The CEO and General Manager is vested with all powers of managing the company and developing corporate structure, save any powers that the Board of Directors has reserved for itself.

Our organisation

Poste Italiane SpA is broken down into the following business and corporate departments:

CORPORATE DEPARTMENTS

- ▶ Accounting & Control
- ▶ Chief Information Office
- ▶ Communication and Public Affairs
- ▶ Corporate Affairs
- ▶ Finance
- ▶ Human Resources and Organization
- ▶ Internal Auditing
- ▶ Legal Affairs
- ▶ Purchasing
- ▶ Real Estate
- ▶ Security & Safety
- ▶ Strategic Planning

BUSINESS DEPARTMENTS

- ▶ Mail Business Unit
- ▶ BancoPosta Business Unit
- ▶ Express and Parcels Business Unit
- ▶ Philately Business Unit
- ▶ Chief Network and Sales Office
- ▶ Chief Operating Office

The four Business Units (Mail, BancoPosta, Express and Parcels, and Philately) are responsible for the development of high-quality products and services and the management of operations connected thereto.

The Chief Network and Sales Office is the business department responsible for the development and management of front-end business for all categories of clientele and the main access channels for products/services offered; it is made up of the network of post offices and contact centres.

The Chief Operating Office is the department in charge of planning and managing the logistical process, as well as rendering innovative and integrated mail services.

The corporate departments are central bodies of direction and control responsible for rendering services to support business processes. Over the course of 2007, the BancoPosta business unit's organisational body was restructured in order to ensure maximum development and strengthening of the group's presence in the financial services market and the categories of clientele with higher added value, in addition to giving the business unit a complete system of internal controls, in accordance with the Supervisory Authority. For this reason, the following actions were taken:

- ▶ implementation of Internal Auditing department and the tasks of compliance and risk management were given to this business unit;
- ▶ redefinition of marketing activities, in order to provide stronger motivation in the process of innovating products/services, with specific focus on online services.



Responsible management system

Poste Italiane strives to combine its own development in increasingly competitive markets with a rationale based on sustaining economic, social and environmental growth. This commitment can be seen in the company's strategy, continuous organisational efforts, optimising of responsible management policies, and focus on people.

Aside from constantly referring to the Code of Ethics, in 2007, the company also developed new projects and actions that continue to strengthen the focus on responsible management. In 2006, the Corporate Social Responsibility Project identified and improved upon the many activities carried out by the company in keeping with the principles of responsible management. The project allowed for the recognition and analysis of CSR activities carried out in 2006; however, it also elaborated on the operational protocol in different areas of social-environmental responsibility. In order to ensure the continuation of this activity, in 2007, a specific CSR department was established and assigned the duty of coordinating inter-departmental contributions from facilities officially recognised for their participation in social and environmental projects.

More specifically, with regard to employees, the CSR Protocol was developed over the year and signed by trade unions. This protocol is meant to reinforce and continue the process already begun, of defining and sharing tools and actions used specifically for personal wellbeing and valuing people, as well as improving the corporate setting. This can be done through the coordination of activities typically targeting human resources, as well as through the creation of specific projects that combine the development of social policies with the process of supporting opinions expressed by the community. With regard to the community, the company adopted the "Guidelines on Social Marketing Projects" as a tool preparing it for the design and management of social marketing projects, which constitute one of the ways through which businesses can display their efforts in social sustainability. This specific organisational decision, which goes hand in hand with the drafting of the Social Report, emphasises the commitment of the top management to define a structured system and promote responsible management for the group.

THE CODE OF ETHICS

The Code of Ethics is comprised of guidelines that clarify the ethical and moral principles driving the company – honesty, professionalism, transparency, privacy, fairness, diligence, loyalty, and mutual respect – providing a clear and detailed breakdown of the corporate values. More specifically, it indicates the principles of behaviour to be followed by workers, directors and all those who operate on a daily basis, whether temporarily or permanently, on behalf of group companies, in the management of internal and external relations for the company.

The Code of Ethics is a concrete and important reminder of the company's attention to ethical principles and awareness of social responsibility with regard to Italy's organisation system. This is determined by the fact that the group's main asset is its personnel – people who are committed to providing citizens with high-quality service. Aside from an assessment performed by Internal Auditing, which checks for compliance with the principles in the Code of Ethics, in 2007, the company also implemented a course on behavioural principles and rules contained in the code and the Organisational Model. About 29,000 employees participated in the course and it is scheduled to continue through 2008/2009 to be offered to all members of personnel.

In addition, as mentioned above, the project "cantiereValori" running from 2007 to 2008 has taken on the goal of assessing and possibly modifying Poste Italiane's value system; this project entails human resources demonstrating these values while carrying out daily operations.

Among the companies representing Italy in the European Marketplace on CSR

Poste Italiane is one of eight companies to participate in the European Marketplace on CSR, an event promoted by CSR Europe, held in November 2007. When CSR Europe (which currently unites over 65 international companies, 4 of which are Italian, and 23 partner organisations of the member countries) first began developing this event, Italy seemed less than enthused to welcome the subject. Now our country is competing with France and Germany's results, thanks to the spread of projects and interest gathered from other institutions. An increase has also been shown in Italian companies participating in the Sodalitas Social Award, a national award for responsible businesses, as well as the number of humanitarian campaigns advertised.

CSR
EUROPE

PARTICIPATION IN THE CORPORATE CITIZENSHIP INITIATIVE

Following the proposed strategy of social responsibility, at the beginning of 2007, the company officially decided to uphold the principles of Corporate Social Responsibility defined in the Corporate Citizenship Initiative for the Logistic & Transportation Industry (L&TCCI), a project in which it has participated since 2004. The Corporate Citizenship Initiative proposes the goal of defining common priorities and sharing practices of social responsibility with companies in the sector of transport and logistics. Several large groups are already taking part (including DPWN, TPG, Stena AB, Exel Logistics PLC, UPS, Ferrovie dello Stato SpA), and Poste Italiane has deemed it opportune to join in and support the development of the principles encouraged by this organisation at an international level. The L&TCCI has created a list of principles inspired by ethical standards to be observed in both the operational process and pursuit of business goals:

- ▶ professionalism and integrity in business management
- ▶ responsibility in creating value for shareholders
- ▶ transparency in providing information to stakeholders
- ▶ creation of safe and comfortable work conditions for all employees
- ▶ respect for human rights
- ▶ providing information to the financial community in a timely fashion
- ▶ responsibility in the management of relations with clients and suppliers
- ▶ commitment to researching logistical solutions that respect the environment.

QUALITY POLICIES

The quality system

Proceeding with the development of quality policies in 2007, various certifications were obtained for the different operational units throughout the country:

- ▶ 4 Postal Mechanisation Centres (PMC)
- ▶ 5 unified centres of service automation for operations concerning bills
- ▶ 54 delivery distribution centres
- ▶ 205 strategic post offices (PO)
- ▶ Cheque Centre in Rome.

The certifications obtained last year were specifically for services of certified electronic mail, IT service management, and customer service quality in the 180 strategic post offices. Other processes of certification concerned important transversal processes, or rather, the contact centres, systems of management and quality in the security of information for development processes, and operations at some of the Chief Information Office locations. Finally, the company obtained ISO 14001 certification for Systems of Environmental Management at 310 locations handling operations for the company's fleet. Overall, about 16,000 people from the Poste Italian Group were involved in the projects of quality certification over the course of 2007.



Technology: a certified value

Processes for assessing quality also involve the Chief Information Office, which is committed to obtaining certifications of quality and service, in accordance with the ISO 9001 and 20000 international standards. For this purpose, processes and procedures were restructured, creating a solid foundation for the CIO's Integrated Management System, in line with the requirements stipulated by some of the regulations mentioned above. The Integrated Management System has allowed the company to implement and strengthen the new organisational model, encouraging interaction among internal departments and the consolidation of end-to-end processes, in order to improve the management of ICT services in terms of effectiveness and efficiency. In December 2007, the international ISO 9001 and ISO 20000 certifications were obtained.

ENTITY INVOLVED	NO. OF LOCATIONS	RELEVANT STANDARDS	PEOPLE INVOLVED
TLA Centre - Company Fleet	310	ISO 14001	1500
Business Mail Customer Support and Delivery	2	ISO 9001	110
Centre for Distribution and Delivery	54	ISO 9001	2650
Chief Information Office	16	ISO 9001 ISO/IEC 27000 and 20000	850
Postal Mechanisation Centre (PMC)	4	ISO 9001	1300
Contact Centre	12	ISO 9001	1600
Unified Centres of Service Automation	5	ISO 9001	1000
Human Resources and Organization	Headquarters	ISO 9001	80
Poste Tributi	1	ISO 9001	30
Safety & Security	2	ISO 9001	120
Post Offices	205	ISO 9001	6800

CERTIFICATION OF INTERNAL AUDITING DEPARTMENT

Quality, as a motivational value, is also applied to the procedures of internal auditing at the company. For this department, reference can be made to the establishment of the Quality Committee, a body that has been operating for just over a year within the department of Internal Auditing; its goal is to obtain quality certification from an authorised external board.

Over the course of the year, the company also began and completed a project regarding the Internal Quality Review of Internal Audit processes, which aimed at obtaining quality certification from an authorised external board, in line with standard professional requirements established by the Institute of Internal Auditors (IIA). The operational phases of external validation came to an end in December 2007, while the actual certificate is scheduled to be issued at the beginning of 2008, after the final presentation of the project's results to the top management.



“the value of quality also provides
inspiration for internal auditing procedures”

MEASURES TAKEN BY THE ANTITRUST AUTHORITY

Keeping in mind the concept of responsible and transparent management, at this time we feel obliged to communicate the outcome of the inspections carried out on Poste Italiane by the Antitrust Authority, to which we had already referred in past Social Reports.

In 2005, the Antitrust Authority passed two related decisions to open investigations and verify whether or not the actions of Poste Italiane SpA and Postel SpA could suggest evidence of “abusing a position of authority” in the application of franking rates for hybrid electronic mail, or any “abusive strategies” aimed at hindering the development of a competitive system among printing and packaging service providers. On 29 March 2007, the Antitrust Authority declared Poste Italiane’s demonstration of authority in Resolution 15310 of 29 March 2006, through which it charged the company with a fine of € 1.6 million for abusing its dominant position in the market of hybrid electronic mail. However, with communication on 3 April 2007, the Antitrust Authority declared “at present there appears to be no infraction of laws verified for the regulation of competition as established by the aforementioned provision”.

Furthermore, it should be mentioned that after a resolution made on 3 August 2007, the Antitrust Authority began an inspection meant to reveal any potential abuse of authority by Poste Italiane in the markets of free services or services about to become free. The company actions to be examined concerned the types of contracts for relations with former providers. With communication on 26 October 2007 and subsequent implementation on 15 November 2007 regarding these proceedings, the company presented the Antitrust Authority with a series of contractual commitments involving delivery companies, pursuant to art. 14-ter of Law 287/90. In a meeting on 27 February 2008, the Antitrust Authority decided to approve the contracts presented by Poste Italiane, rendering them binding and deeming them sufficient proof to annul the anti-competition complaints made at the beginning of the investigation. The owners of the delivery companies’ ability to maintain productive capabilities, as a result of these contracts, in addition to the memorandum of 11 December 2007, may make it possible for current and future competitors to implement conditions of actual competition in offering postal services, once the postal markets are completely liberalised.

Reference to the Code of Ethics

“The responsibility for ensuring the proper functioning of the internal audit system applies to all recipients of the Code of Ethics, in the various departments and positions covered. Every employee shall promptly inform his/her superior of any potential situation that could interfere with the proper management of operations and activities”.

Auditing systems

INTERNAL AUDIT

Poste Italiane’s internal audit system is made up of a set of rules, procedures, and organisational structures meant to prevent or limit the consequences of unexpected results and allow the company to reach its strategic and operational goals (i.e. levels of effectiveness and efficiency in activities and safeguarding company assets), in compliance with applicable laws and regulations and with professional, transparent internal communication. The system’s vast structure covers the entire company and involves a number of subjects who are assigned specific roles and responsibilities. In this way, the Internal Auditing department assists the organisation in pursuing its business and managerial goals, supporting the company’s top management and different levels of coordination and fulfilling their respective duties in the Internal Audit system and risk management. This allows them to encourage the constant improvement of corporate governance mechanisms, risk management processes, and general control over the company.

Within the complex system of Poste Italiane’s internal auditing, the following roles also assume far-reaching responsibility:

- ▶ the supervisory body pursuant to Legislative Decree 231/01 (the organisation model was reviewed and updated through resolution of the Board of Directors on 17 December 2007);
- ▶ the position of executive in charge of drafting corporate accounts pursuant to Law 262 of 28 December 2005 (Legge sul Risparmio or Savings Law).



AUDIT BODIES

Poste Italiane is also subject to review by other bodies, in accordance with the type of corporation and the details of its ownership structure and activities carried out.

Board of Statutory Auditors

Pursuant to article 2403 of the Italian Civil Code, the Board of Statutory Auditors shall verify compliance with the law and by-laws, observance of the principles of proper administration, and, in particular, the adequacy of the organisational, administrative, and accounting systems adopted by the company and the solid functioning of said systems. The board is composed of 3 members, selected based on the required qualities of respectability, professionalism, and independence, as stipulated by law. In addition to the 3 statutory members, there are 2 alternate auditors. Members of the board are appointed through a Shareholders' Meeting, for a period not exceeding 3 fiscal years. The auditors currently in office were appointed on 14 May 2007. The board convened 19 times during the fiscal year.

Court of Auditors

The management of Financial Statements and company assets is subject to external review by the Court of Auditors, based on Law 259 of 21 March 1958. The financial administration of entities to which the national government makes ordinary contributions is subject to examination by Parliament. This review is meant to verify the legitimacy and legality of administration, as well as the proper functioning of Internal Audit.

Auditing Firm

The duty of reviewing accounts is entrusted to an external auditing firm listed on the official register of auditors. Assignments are valid for three fiscal years, and the current contract covers the period of 2007/2009. Poste Italiane has instructed the larger group companies to entrust the duty of reviewing accounts to an external auditing firm (if possible, the same firm as the parent company); smaller companies are to leave this activity to the Board of Auditors.

Supervisory Bodies

Poste Italiane is subject to the supervision of the institutional bodies in charge of auditing the postal and financial activities performed by the group, including the Ministry of Communications (also in charge of policy), the Banca d'Italia, Isvap, Consob, Covip, and the Antitrust Authority.



Economic sustainability



Because the market is not a virtual system, but rather,
an immense network of people.



5.2 million

BancoPosta
current account
customers

3.5 million

Postepay
prepaid cards

€ 260 billion

in post office
savings

€ 33.5 billion

in savings
and deposits
from Poste Vita

**25 million
transactions**

performed online
per year
via BancoPosta online
and BancoPostaImpresa
online

Consolidated
net profit at € 844 million

+ 25%
(676 million in 2006)

Consolidated
operating result
at € 1.8 billion:

+ 19%

Profitability:

15.5%,
the highest
among European
postal operators



In 2007, the Poste Italiane Group recorded total revenues of € 17.2 billion and a net profit of € 844 million, up 25% compared to 2006. Proper management is the primary goal of a socially responsible company, even more so when the business it carries out is of interest to the general public. The entire community utilises Poste Italiane's products and services, making it an extensive network for communication and exchange. The results reflect the company's commitment to constantly expand the range of products and services offered and to meet the needs of customers.

The Group in numbers

	Main Figures (€/million)	POSTE ITALIANE GROUP			POSTE ITALIANE SPA		
		2006	2007	% change	2006	2007	% change
Income statement figures	Total revenues of which:	17,056	17,182	0.7	9,634	9,951	3.3
	(Ordinary) revenues and income of which:	15,932	15,821	-0.7	9,503	9,809	3.2
	Postal services	5,339	5,537	3.7	4,849	5,019	3.5
	Financial services	4,383	4,500	2.7	4,594	4,709	2.5
	Insurance services	5,994	5,541	-7.5	-	-	-
	Other services	217	242	11.8	60	81	36.5
	Other revenues and income	1,123	1,361	21.2	131	142	8.1
	Total Cost of production of which:	14,140	14,412	1.9	7,423	7,780	4.8
	Personnel cost	5,505	5,864	6.5	5,369	5,715	6.4
	Net result for the year	676	844	24.9	483	704	45.7
Balance sheet and financial figures	Net equity	2,498	3,073	23	2,471	2,910	17.8
	Net financial position	673	261	-61.2	1,205	876	-27.3
	Net invested capital	3,171	3,334	5.1	3,677	3,786	3
	Investments for the period of which:	556	611	9.9	675	567	-16
	Tangible and intangible fixed assets	556	608	9.4	518	549	6
	Financial fixed assets	-	3	n.s.	157	18	-88.5
	Operating index						
	Return on Sales (ROS)	9.3%	11.2%		12.6%	16.1%	
	Average number of employees*	154,528	155,736		151,470	152,474	
	Operating data (cash in €/million)						
	Current accounts (average for the financial year/period)	-	-	-	35,663	36,157	1.4
	Postal savings books	-	-	-	70,583	76,287	8.1
	Interest-bearing postal bonds	-	-	-	176,162	184,136	4.5
	Other figures						
	Number of Post Offices	-	-	-	13,893	13,944	0.4
	Number of outstanding current accounts (in thousands)	-	-	-	4,880	5,230	7.2

n.s.: not significant

* Average number of employees (full time equivalent) includes personnel with temporary and procurement contracts and excludes seconded and suspended personnel.



In 2007, the group recorded an operating result of € 1,771 million (+19.2% compared to 2006) and a net profit for the year of € 844 million (+25% compared to 2006). The parent company recorded an operating result of € 1,583 million (+33% compared to 2006) with profits for € 704 million (+46% compared to 2006).

The group's net revenues increased by 0.7% compared to 2006 and equalled € 17,182 million (€ 17,056 million in 2006) due to an increase in ordinary revenues and income (+ € 341 million from 2006) and in other revenues and income (+238 million). Moreover, the insurance sector registered a decreased number of insurance premiums, totalling € 452 million; however, figures were consistent with national market trends. These results confirm the high performance levels achieved by the sectors of financial services, whose contribution is still remarkable, and postal services, despite the fact that the compensation for universal service continues to be less than the charges sustained by the company (translating to approximately 70% of the total charges).

The results also reflect efforts made to strengthen and optimise cooperation among the various business areas, aiming for continuous expansion in product/service options, valuing company personnel, and increasing attention to customers' needs.

RANKED IN FORTUNE ALONG WITH LEADING POSTAL OPERATORS

Poste Italiane joins the rankings in Fortune Magazine, entering as one of the "World's Most Admired Companies". The group took tenth place in the ranking of the world's top companies in the category of postal services. Poste Italiane is one of seven companies to represent Italy in the rankings, and is also the most significant among the companies of new entry in the delivery sector.



Poste Italiane Group

Total revenues: contributions from various business areas

(€/million)	2006	2007	'07 over '06
Postal services	5,351	5,553	3.8%
Financial services	4,383	4,500	2.7%
Insurance services	6,976	6,750	-3.2%
Other services	346	379	9.8%
Total	17,056	17,182	0.7%

Poste Italiane SpA

Revenues from the market

(€/million)	2006	2007	'07 over '06
Mail correspondence and Electronic communications	3,768	3,960	5.1%
Express services, Logistics, and Packages	248	217	-12.4%
Philately	130	166	27.8%
BancoPosta services	4,594	4,709	2.5%
Other revenues	60	81	36.5%
Total*	8,799	9,134	3.8%

* Revenues from the market do not include changes in rates for the publishing sector or compensation for Universal Service (OSU), totalling € 675 million (€ 703 million in 2006).

As a result of the positive performance of the postal services, contributing to 59% of the increase in revenues, as well as the constant expansion of BancoPosta activities, the 3.8% increase in the parent company's revenues from the market translates to an additional 35% to the overall growth for the fiscal year. Consolidated revenues displayed a more modest increase of 0.7%, considering the 3.2% decrease in revenues from insurance services, due to the negative trends in the insurance market, particularly with regard to life insurance. In fact, the 7.5% decrease in premiums collected was largely compensated for by the 23% increase in other revenues and income, which reflects the positive outcome of investments relating to the management of insurance services. In comparison to the end of FY 2006, based on the choices made in investments and divestments, the group's capital assets went up about € 16 million overall. A large part of the investments concerned the purchase of new real estate, systems, and machinery, totalling € 419 million, made mostly by the parent company for projects in reorganising the delivery sector (restructuring PMCs, purchasing equipment for operations at new delivery centres), and in reorganising, updating, and re-qualifying post offices owned by the company, through projects of redesigning or improving the facilities with new technology. Additional investments were made by the parent company both for new programmes with specific goals as well as the development of accounting systems and technological infrastructure to better support added value services, particularly in regard to the new platform launched in the area of PosteCommerce.



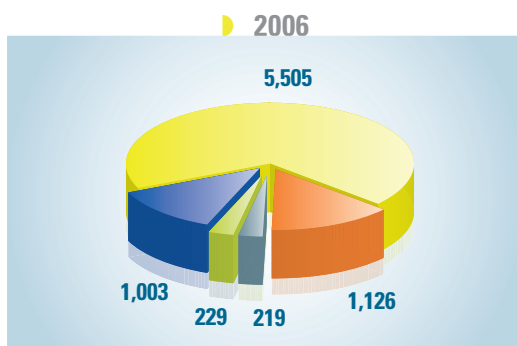
“€ 3.3 billion invested in BancoPosta SGR funds”

Generated and distributed added value

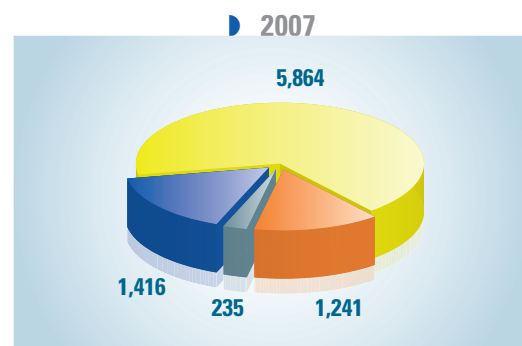
The reclassification of different items on the Income Statement led to the determination of added value and its distribution among the various categories of stakeholders.

(€/million)	POSTE ITALIANE GROUP			POSTE ITALIANE SPA		
	2006	2007	% change	2006	2007	% change
GENERATED ADDED VALUE						
A - Value of production	17,256	17,421	1	9,827	10,192	3.7
B - Interim cost of production	9,174	8,666	-5.5	2,317	1,915	-17.3
Gross Overall Added Value	8,082	8,755	8.3	7,510	8,277	10.2
DISTRIBUTED ADDED VALUE						
A - Remuneration of personnel	5,505	5,864	6.5	5,368	5,713	6.4
of which employees:	5,467	5,852	7.1	5,338	5,712	7
a) direct remuneration	4,252	4,581	7.7	4,154	4,476	7.7
b) indirect remuneration	1,215	1,271	4.6	1,184	1,236	4.4
B - Remuneration of public administration entities	1,126	1,241	10.2	1,008	1,188	17.9
Direct taxes	799	934	16.9	691	884	27.9
Indirect taxes	289	277	-4	287	275	-4.1
Other taxes	38	31	-20	30	29	-3.4
Operating subsidies	-0.215	-0.873	306	-0.103	-0.038	-62.8
C - Remuneration of borrowed capital	219	235	7.2	138	145	5.1
Charges for short-term capitals				43	60	40.6
Charges for long-term capitals				95	85	-10.9
D - Remuneration of venture capital	229			229		
Dividends	229			229		
E - Remuneration of company	1,003	749	-25.3	767	1,231	60.5
+/- change in reserves	437	176	-59.7	254	37	85.4
Remaining profit to be allocated*					667	
(Amortization and depreciation)	566	573	1.2	513	527	2.7
Gross Overall Added Value	8,082	8,755	8.3	7,510	8,277	10.2

* This amount is the remaining profit (excluding the legal reserve), the allocation of which will be resolved upon at a specific Shareholders' Meeting.



- A - Remuneration of personnel
- B - Remuneration of public administration entities
- C - Remuneration of borrowed capital



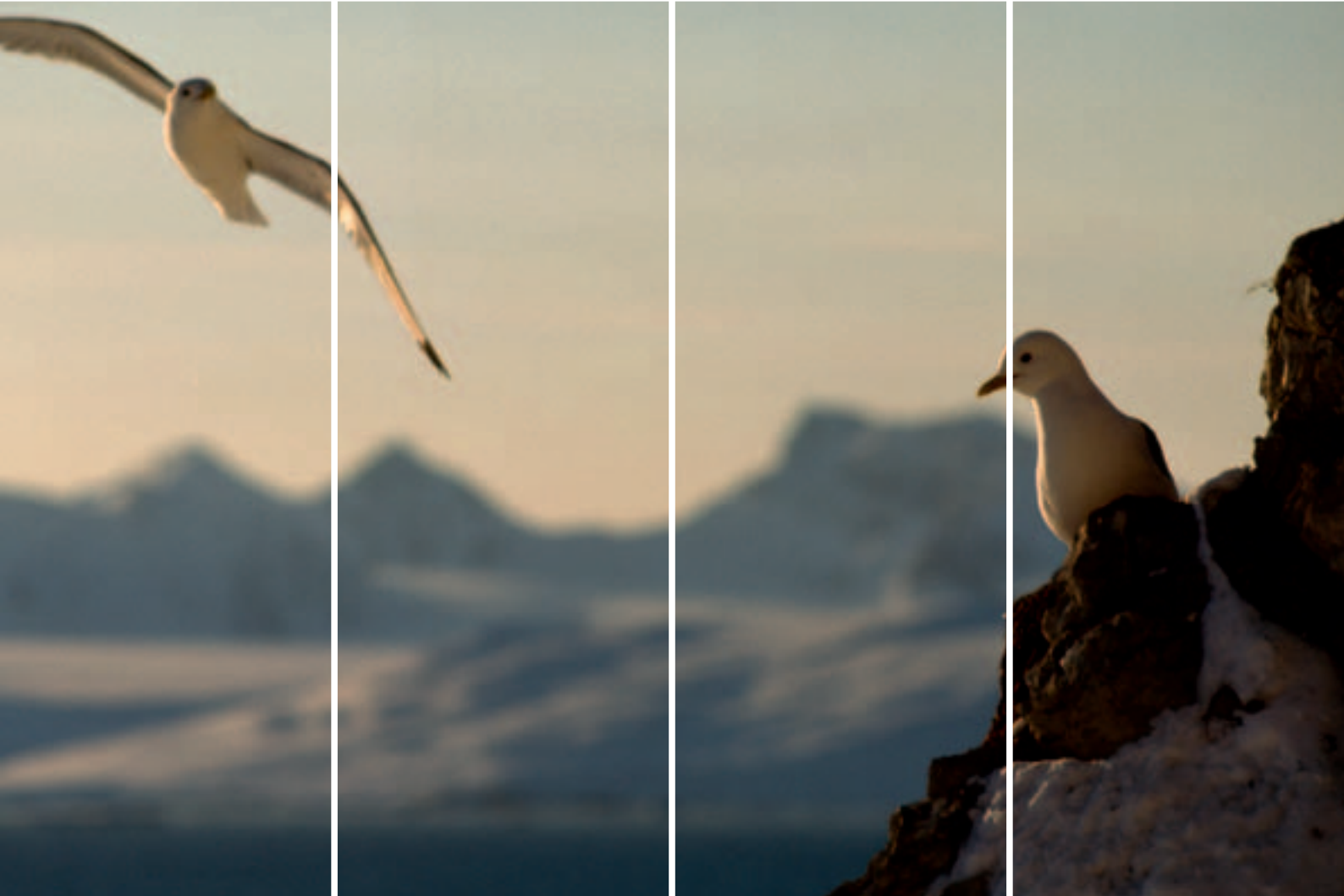
- D - Remuneration of venture capital
- E - Remuneration of company

The added value generated by the group increased by about 8%, reaching € 8,755 million in 2007. The increase in added value for the parent company is even more significant, going from € 7.510 million to € 8.277 million (+10% over the previous year). The first recipients of added value are the members of the personnel; in fact, 67% of the profit made by the group (€ 5,864 million) and 69% of that made by Poste Italiane SpA (€ 5.713 million) goes to the direct and indirect remuneration of employees. The remuneration for entities of public administration includes all of the amounts paid in direct and indirect taxes, which the group companies are obviously required to pay. The increase recorded for 2007 is mainly related to the direct taxes and shows the natural consequence of a better result for the fiscal year, for both the parent company and at a consolidated level. There were also more financial charges sustained: € 235 million for the group (€ 145 million of which pertaining to the parent company), € 219 million in 2006 (€ 138 million of which related to Poste Italiane SpA). The remuneration for venture capital in 2006 shows a total of € 229 million in profits distributed to shareholders. The distribution of the FY 2007 profits remaining after the reserve was set aside for legal purposes (€ 37 million) will be approved at a Shareholders' Meeting and, therefore, most of the remuneration for the company (+60.5%) must be evaluated based on the dividends distributed in 2007, resulting from the profit in 2006, and the potential decision of shareholders on the distribution of the 2007 profit.

“The product portfolio increased by 52% in 5 years”



Social sustainability



Because the economy does not have just one persona,
but rather, represents all people.



**Over
260,000**
days of training
per person

**“Corporate
atmosphere
analysis”**
measuring
the level
of work satisfaction

**Multi-lingual
personnel**
at post offices
to improve relations
with foreign clientele

Participation
in the workshop for
**equal career
opportunities**

**New work
contracts,**
a set of modern
and efficient rules

**Opening
of PosteBimbi,**
the first day-care
centre in the workplace
for Poste Italiane
employees with children

**Historical
archives,**
placing value
on the artistic and
documentary heritage
of the company

PosteAperite,
day dedicated
to the children
of company employees



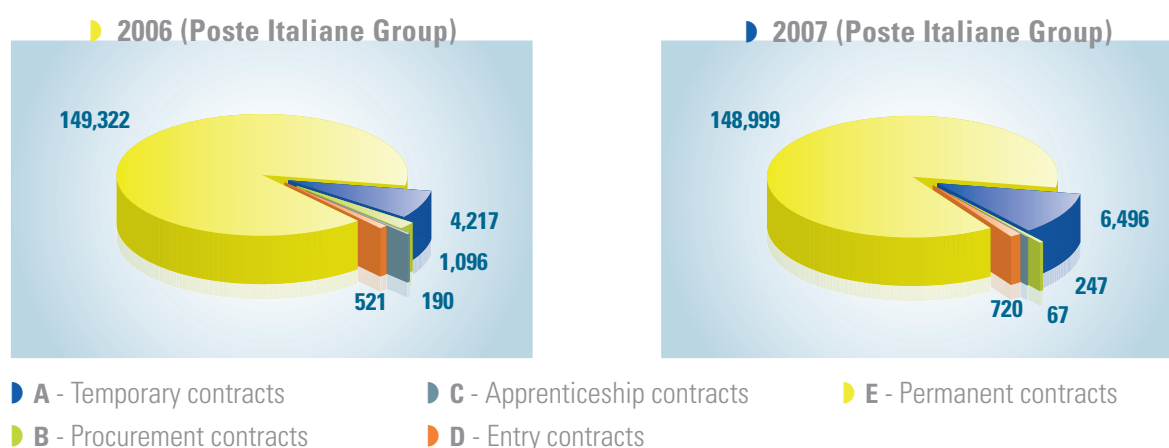
Poste Italiane's activities are inspired by the ideals of solidarity, equality, social justice, participation, and accountability. Every decision made is based on the best interest of the people working at the company, customers, and the community in general – the employees, because Poste Italiane is the largest company in the country; the customers, because over a million and a half people visit our post offices every day; and the community, because every choice made by Poste Italiane inevitably impacts Italy's entire system.

Social sustainability

Our people

Poste Italiane offers services to private citizens, businesses, and entities of public administration; our people are the fundamental resource in carrying out this function.

The company's efforts aim to ensure a pleasant and fair work environment, free of all prejudices, where all people are respected and all employees are guaranteed the same opportunities for professional growth. Every worker is expected to be familiar with the Code of Ethics and to follow it and spread it as an essential tool for guiding relations between the company and its stakeholders.



POSTE ITALIANE'S EMPLOYEES

Breakdown of personnel based on type of contract

POSTE ITALIANE GROUP - AVERAGE VALUES	NUMBER OF EMPLOYEES*	
PERMANENT STAFF	2006	2007
Managers	712	726
Middle management	13,636	13,672
Operational areas	132,808	131,930
Basic areas	2,166	2,669
Total permanent contracts	149,322	148,999
Entry contracts	521	720
Apprenticeship contracts	190	67
TOTAL	150,033	149,786
VARIABLE STAFF	2006	2007
Procurement/project contracts	1,096	247
Temporary contracts	4,217	6,496
TOTAL	5,313	6,743

* Figures expressed in full-time equivalent.

Poste Italiane's numbers

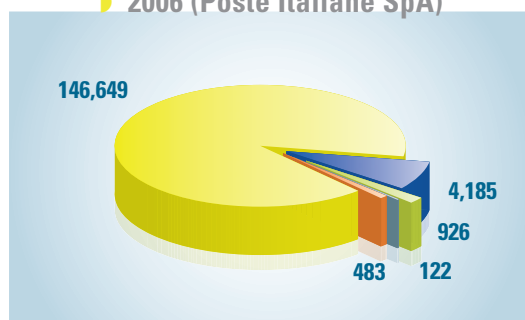
134

Recent graduates given the opportunity to work through internships in various professional areas.

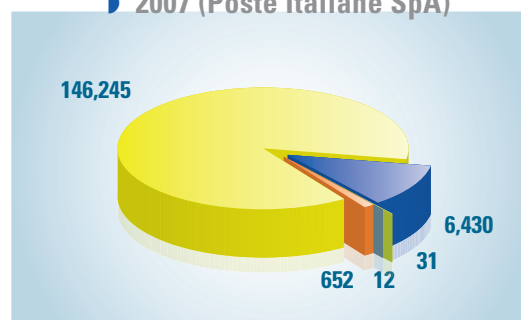
9,899

Disabled employees working in the company, and 4,918 people who belong to protected entry categories, in compliance with Law 482 of 1968, registering 1,881 more than the legal minimum.

2006 (Poste Italiane SpA)



2007 (Poste Italiane SpA)



■ A - Temporary contracts

■ C - Apprenticeship contracts

■ E - Permanent contracts

■ B - Procurement contracts

■ D - Entry contracts

POSTE ITALIANE SPA - AVERAGE VALUES

NUMBER OF EMPLOYEES*

PERMANENT STAFF

	2006	2007
Managers	627	633
Middle management - A1	5,082	5,204
Middle management - A2	7,897	7,753
B, C, D levels	131,017	130,094
E, F levels	2,026	2,560

Total permanent contracts

146,649 **146,245**

Entry contracts

483 652

Apprenticeship contracts

122 12

TOTAL

147,254 **146,908**

VARIABLE STAFF

	2006	2007
Procurement/project contracts	926	31
Temporary contracts	4,185	6,430

TOTAL

5,111 **6,461**

* Figures expressed in full-time equivalent.

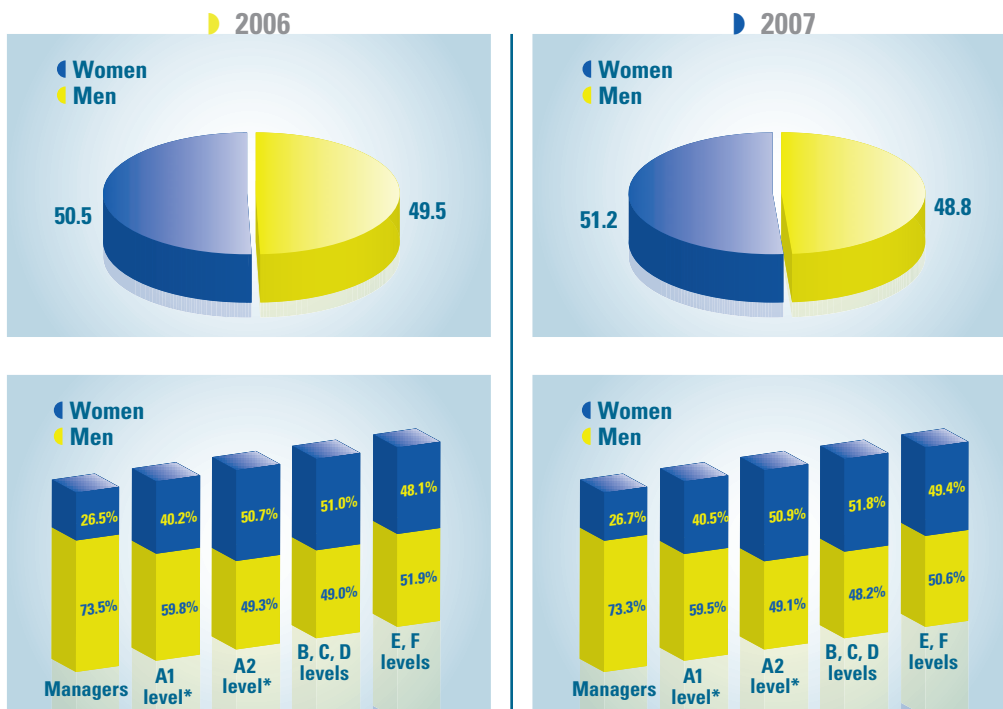
The number of work relations terminated has increased in relation to people's access to extraordinary benefits from the Solidarity Fund. This fund provides support in terms of income, employment, retraining, and professional updating for approximately 2,000 people who voluntarily decided to terminate their work contracts before the scheduled date for standard retirement benefits. This tool, resulting from an agreement signed at the Ministry of Labour and Social Security on 23 February 2007, allows workers with seniority to have early access to retirement benefits, by issuing, for one year, extraordinary cheques equalling the expected pension amount including both the increase in contributory seniority needed for pension entitlement, as well as an extra months' pay.

Termination of work relations

Reason	2006	2007
Incentives for early retirement	4,914	3,841
Resignation	404	390
Disability	332	360
Dismissal	380	381
Age-related limitations	157	106
Death	194	175
Solidarity fund	-	1,992
Other	8	36
Total	6,389	7,282

Figures expressed in full time equivalent.

Breakdown of personnel based on gender and qualifications



* Middle management



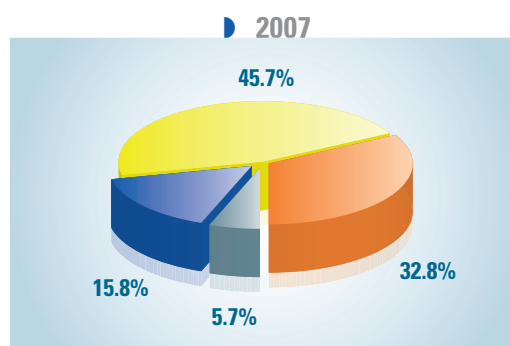
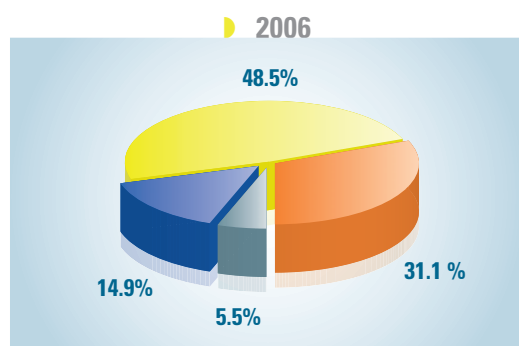
The personnel has an equal distribution of men and women.

The number of women in the company is increasing at different rates for all categories of work contracts. There is still a gap between the number of men and women holding executive positions; however, the other categories show equality in the roles covered.

In 2007, 21.5% of all employees were under 40 years of age (20.4% in 2006), thus demonstrating the pattern of a younger corporate population.

Breakdown of personnel based on age

Age	2006			2007		
	% Men	% Women	% Total	% Men	% Women	% Total
up to 30	2.4	3.1	5.5	2.6	3.1	5.7
31-40	5.5	9.4	14.9	5.7	10.1	15.8
41-50	23.5	25.0	48.5	21.5	24.2	45.7
over 51	18.1	13.0	31.1	19.0	13.8	32.8
Total	49.5	50.5	100.0	48.8	51.2	100.0

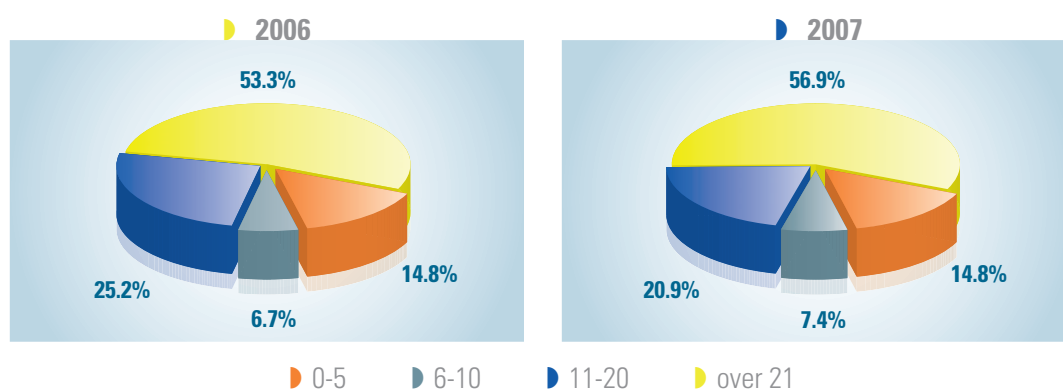


■ up to 30
 ■ 31-40
 ■ 41-50
 ■ over 51

Other patterns in the evolution of the personnel are revealed in the breakdown based on seniority, level of education, and geographic area.

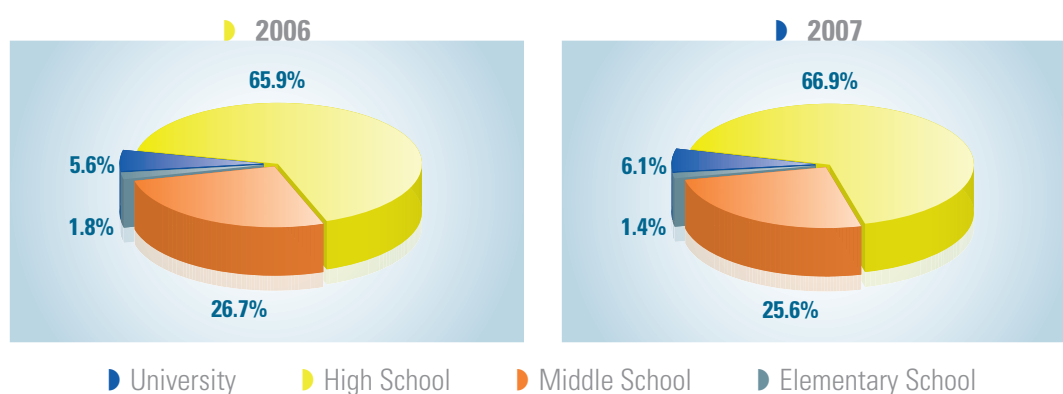
Breakdown of personnel based on seniority

Years of service	2006			2007		
	% Men	% Women	% Total	% Men	% Women	% Total
0-5	5.9	8.9	14.8	5.8	9.0	14.8
6-10	2.4	4.3	6.7	2.7	4.8	7.4
11-20	12.3	12.9	25.2	10.2	10.7	20.9
over 21	28.9	24.4	53.3	30.0	26.9	56.9
Total	49.5	50.5	100.0	48.8	51.2	100.0

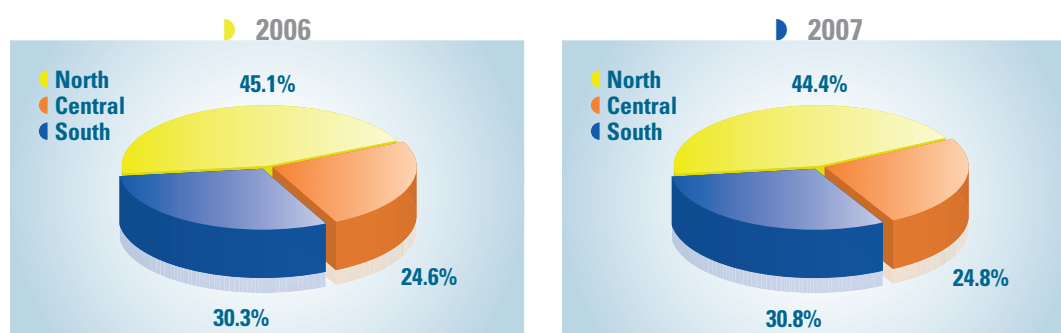


Breakdown of personnel based on level of education

Degree	2006			2007		
	% Men	% Women	% Total	% Men	% Women	% Total
University	2.3	3.3	5.6	2.5	3.6	6.1
High School	27.5	38.4	65.9	27.8	39.2	66.9
Middle School	18.2	8.5	26.7	17.3	8.2	25.6
Elementary School	1.5	0.3	1.8	1.2	0.2	1.4
Total	49.5	50.5	100.0	48.8	51.2	100.0



Breakdown of personnel based on geographic area



WORKING HOURS

The distribution of work hours is heavily dependent on the company's production needs, in relation to the level of service and customers' expectations. Contractually speaking, the number of hours worked per week is 36, generally over 5 or 6 days, depending on technical/production needs.

Hours are generally distributed over a working week of Monday to Friday, with a daily total of 7 hours and 12 minutes, or from Monday to Saturday with a daily total of 6 hours, including a break of 30 to 60 minutes.

The management of working hours may be flexible, allowing for schedule adjustments such as:

- ▶ **staggered hours**, making it possible for the employee to start or finish work up to two hours earlier or later, thus modifying the normal work day;
- ▶ **split hours**, making it possible for the employee to work a 5-day week, with two segments per day, generally of no less than two hours, and a break of at least one hour and no more than two.

Furthermore, based on the company's production needs, hours may be distributed over two or more daily shifts lasting no more than 8 hours.

Breakdown of hours	2006	% Employees	2007	% Employees
Employees with varying shifts	22,989	15.84	23,182	16.17
Employees with fixed hours	122,159	84.16	120,137	83.83
- 5-day work week	19,938	13.73	19,339	13.50
- 6-day work week	102,221	70.43	100,798	70.33

Figures refer to the make up of Poste Italiane SpA personnel as of 31 December (excluding seconded, suspended, or unpaid staff members and those transferred to group companies). Figures expressed in full time equivalent.



Depending on the type of work carried out and the necessity to guarantee a certain degree of flexibility, the middle managers may benefit from a flexible schedule of daily hours, within the normal range of weekly hours stipulated by the collective bargaining agreement (CCNL).

The need to find a balance between work requirements and personal or family-related needs contributes to the constant addition of more flexible contracts. Even in 2007, one can see a slight increase in the number of part-time workers who request a mixed schedule. The details of work contracts are established on a case-by-case basis and demonstrate the benefits of finding a compromise to meet the needs of both the worker and the company.

Personnel with reduced hours

Type of contract	2006	% Employees*	2007	% Employees*
Vertical part-time	4,497	3.0	4,457	3.0
Horizontal part-time	1,670	1.1	1,554	1.0
Mixed part-time	1,239	0.8	1,475	1.0

* Figures refer to the average number of Poste Italiane SpA employees (stable net of seconded staff – number of FTE individuals).

Overtime hours*

Level	2006	2007	% Change
B	42.5	40.7	-4.1
C	25.1	25.3	0.8
D	30.4	29.7	-2.5
E	27.0	25.3	-6.2
F	18.4	16.8	-8.5

* Average value referring to Poste Italiane SpA employees.

The company's need for overtime work decreased by about 4% on average. This reflects the efforts made to stabilise and improve the efficiency of staff organisation.

MAIN FINANCIAL NEWS

Estimates show an overall average raise of € 160, to be achieved through the use of various forms of leverage, from raises in the contractual minimums to corporate supplemental pension. The following changes are also planned:

- ▶ modification of Minimi Tabellari (minimum compensation amounts), with average increase of around € 100, spread out over three instalments between July 2007 and January 2009;
- ▶ one average payment of € 240 to cover contractual vacation period;
- ▶ reassessment of financial conditions for level "B" and review of the yearly duty allowance for executives, making a difference between staff and production;
- ▶ extension of dining hall pass to all company employees starting 1 September 2008 (average monthly value of approximately € 40).

The contract also provides for an increase in the company's contribution to FondoPoste (from 1% to 1.5%) starting 1 January 2009, as well as a 9% increase over previous travel allowances.

INDUSTRIAL RELATIONS

Over the course of 2007, the company and trade union associations were committed to defining important contractual, organisational, and social issues relating to the delicate phase of modernisation and development of the company.

The system of industrial relations has always shown strong participation, and this was confirmed in 2007 by the further reinforcement of the role of decentralised bargaining and the activity of joint committees. The positive outcome of negotiations continues to be the most concrete indicator of the attention given to trade unions, especially considering the high percentage of employees belonging to unions (79% as of December 2007).

Poste Italiane was among the most successful companies in applying the provisions of Legislative Decree 25/2007, accepting the community law makers' desire to draft a specific framework on providing information and consultation for workers.

In light of these legal developments in the labour market, the regulatory documents in use were then revised based on the new elements received in the updated collective bargaining agreement stipulated on 11 July 2007. Corporate regulations mainly concerned the guidelines of contractual elements most frequently followed, in addition to issues regarding the management of work relations that were subject to major legal changes (including establishment of work contracts, hours, disabled workers' rights, and managing time off).

Moreover, as further proof of the effective system of business relations, we must also highlight the limited instances of workers' strikes overall; in 2007 these mainly concerned overtime and extended work hours in the sectors of delivery and counter services.

The renewal of the CCNL (collective bargaining agreement)

On 11 July 2007, the new "national collective agreement on labour" for non-executive personnel was signed. It will be in force for the period of 2007/2010, with the expiration date of 31 December 2009.

It is a responsible and innovative agreement which takes into account the market liberalisation timeline and the company's need to prepare itself, before said expiration, establishing new contract regulations that are suited to the contract standards for this sector in general.

Before the discussion phase, a series of preliminary activities were carried out in order to support the management of contractual activities. An interdepartmental work group was formed with the duties of assessing the needs to amend/revise the CCNL and formulating related proposals based on an analysis of the legislative, economic, and contractual context of reference.

The phase of implementing the new agreement required the creation of an intense plan aimed at communicating the new guidelines and values for contracts. The plan involved central and local facilities, with around 1,000 managers. The meetings provided an important opportunity for integration and encouraged debate and constructive communication among central and local facilities.

MAIN LEGISLATIVE NEWS

The contract stipulated the introduction of new contractual regulations and the updating of those already present in accordance with relevant legislature.

More specifically, it has provided for the following:

- ▶ introduction of professional apprenticeship to obtain a diploma or university degree, or for post-graduate courses, entry work contracts, and temporary procurement contracts;
- ▶ revision of temporary, part-time, and distance-working contracts;
- ▶ introduction of detailed guidelines for multi-period schedule of working hours in order to respond to peaks in work.

Finally, related laws have provided for an increased focus on rights regarding education, disability, maternity, and paternity.

Corporate Social Responsibility Protocol

The CSR Protocol established by trade union organisations on 31 July 2007 is the successful result of what was defined as a “responsible agreement,” in that it proposes the reinforcement and continuation of the process of identifying and spreading tools and actions that help value people, personal wellbeing, and the constant improvement of the corporate setting.

This protocol also has the goal of exploring and experimenting with innovative solutions to the arising demands of flexibility and safety posed by the company today, and particularly by the younger generations.

It is divided into sections on the following topics:

- ▶ informing employees and getting them involved
- ▶ values and behavioural principles
- ▶ personal wellbeing and work conditions
- ▶ employment, policies for younger generations and social security policies.

Each of these sections includes tools for the exchange and communication of social responsibility practises, as well as ideas on taking positive action.

The Joint Observatory on CSR, established on 8 November 2007, volunteered to take on the role of “facilitator of negotiations” by holding relevant parties accountable in regards to themes that have significant social impact. In fact, this is the site of study and discussion on issues and opinions – of both national and international importance – and on the best practises adopted by other companies in the area of Corporate Social Responsibility.



PROTOCOL TOPICS

- ▶ Informing employees and getting them involved: valuing the importance of social and professional relationships that develop within the company, also for the purpose of encouraging people to participate in making decisions that affect corporate life, and helping them to understand their individual roles.
- ▶ Values and behavioural principles: promoting a corporate culture based on a shared system of values and behaviours that reflect ethical principles, in order to strengthen people's sense of belonging.
- ▶ Personal wellbeing and work conditions: promoting human resources management policies aimed at increasing employees' wellbeing by encouraging personal and professional growth and improving the work environment and organisational system.
- ▶ Employment, policies for younger generations and social security policies: increasing the company and employees' ability to adapt, through “flexicurity”, and creating a common system of risk management regarding employment structures and market demands.

Main agreements made in 2007

Mail delivery

In accordance with the agreement made on 15 September 2006, regarding the new organisational model for mail delivery, several in-depth analysis and monitoring sessions were held with national trade unions. In addition, regional-delivery joint observatories were established at the local level in order to follow the progress of individual centres for distribution. More specifically, after the initial phase of activation was completed, the parties involved signed an agreement dated 10 May 2007, through which it was possible to make some changes in the project, based on the studies performed, thus making it more effective during the phase of application.

In signing the minutes from the meeting on 20 December 2007, the parties also identified additional subjects to be analysed in more detail. They agreed upon a very significant, but challenging plan of action which would allow them to decide on projects to tackle for short-term changes and improvements, as well as plans for reorganisation and development to take place over the medium term. Based on these clarifications, with the agreements of 25 January and 6 February 2008, some important amendments in the organisational elements of the project were agreed upon, due to the evaluation results.

Furthermore, the company and trade unions agreed on the replacement, for experimental purposes, of the "Dedicated Delivery" and "Special Delivery" sections, and the creation of a consolidated section, "Breakdown of the Market." In conjunction with this project, the information contained in street map system was to be updated, thus guaranteeing that work orders would be uniformed rapidly and, therefore, bring proportional results in production.

Post Offices – Minor Service Zones

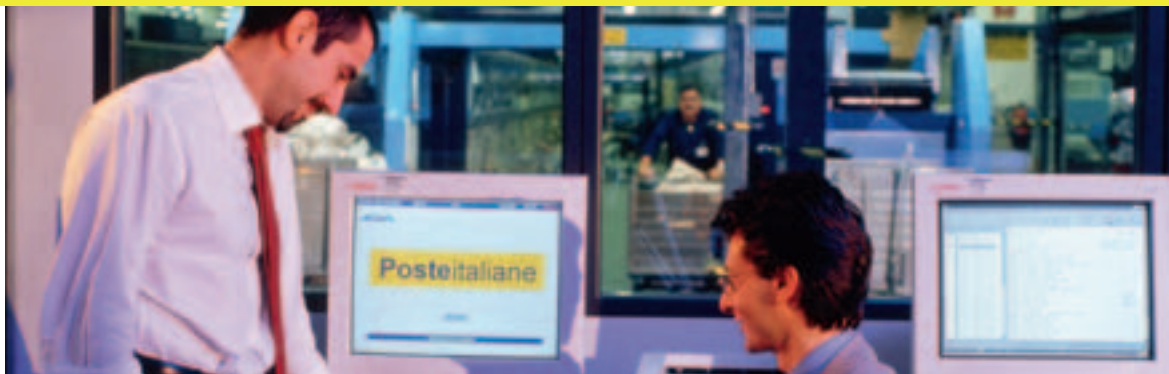
With the agreement made on 14 May 2007, the parties decided to expand the organisational model "Minor Service Zones", which was first experimented with in the areas of Northwest Country, Central 1, and South 1. The updated model would be extended, creating 557 zones throughout the entire country.

The new organisational model forms groups of post offices within the geographic areas that correspond with this category in terms of business, operations, and logistics. This allows the company to manage duties typically performed by post offices through a new team-oriented system, thus improving organisation and increasing business potential in selected zones with a higher number of individually-operated post offices. On 25 July, after specific evaluation meetings held at the regional level, the company approved the implementation of the New Organisational Model in service zones (which then totalled 566) starting on 1 October 2007. In the first few months of 2008, a meeting would be held to monitor and assess the New Organisational Model.

Reclassification of Post Offices

Discussions concerning the reclassification of post offices proceeded, as stipulated by the agreements made on 15 September and 15 November 2006. The parties redefined the parameters to be used for this purpose, taking into account the expansion of business and development of company organisation. The date fixed for the new model to go into effect was 1 January 2007. The parties also established that the individual post offices were to be reclassified annually based on the methods contained in the new model.





Post Office Personnel

As stipulated in the agreement of 15 September 2006, the parties began in-depth studies and analysis on the topic of post office personnel, with regard to the assignments of the specific technical commission established at the central level.

The commission's assignments were developed according to a detailed work plan, which referred to the specific areas for study in the post office environment. More specifically, it illustrated the main technological projects affecting the organisation of post offices (automation, service delivery platform), such as the PROFIT project, which affects the restructuring of processes through the use of technological leverage. A careful benchmark analysis was carried out with major European postal operators and credit institutions operating in the Italian market.

The process of learning more about these subjects is still underway and will go on to study technical profiles for selecting personnel at post offices.

Performance Bonus

In order to comply with the International Accounting Standards (IAS/IFRS) adopted in 2005, with regard to drafting Financial Statements, on 17 April 2007, the company and trade unions signed a specific agreement for 2007, redefining the MOL indicators and per capita income, for the purpose of determining the performance bonus.

For the regional share, the standards for identifying the indicators related to paying said bonus were defined at the local level.

With the renewal of the CCNL, which changed the name of "Productivity Bonus" to "Performance Bonus", the parties were able to further emphasise the correlation between the payment of bonuses and an increase in productivity, quality, and profitability, as well as positive results linked to the company's financial performance.

Agreement on the multi-lingual project

Italy's growing population of immigrant workers coming from European countries as well as the rest of the world calls for greater attention to the needs of this new category of clientele. In order to offer accurate information and adapt products and services to foreign customers' needs, an experimental project was launched through which multi-lingual employees were hired at certain post offices.

On 17 December 2007, an agreement was signed with trade union organisations providing for the gradual addition of about 500 employees selected for this project over the period of 2008/2009. These individuals are to be hired with procurement contracts initially (art. 28 CCNL), and then after passing a thorough evaluation, they will be given an official work contract (art. 29 CCNL). During the first half of 2008, the parties would meet to perform an in-depth assessment of the progress made.

Tachograph Agreement

As stipulated by community regulations, Poste Italiane had to meet all requirements on the use of tachographs in company vehicles with an official weight exceeding 3.5 tons, by December 2007. On 19 November 2007, the agreement was signed in compliance with art. 4 of the Workers' By-laws, by the production units that make use of these vehicles.

The tachograph is a road-safety instrument installed in all vehicles over a certain weight, which records the lengths of time for which the vehicle is moving or stationary. These times must fall within the standards established by community provisions and are meant to ensure safety on the roads.

Distance-working Project

In order to introduce new models for organising work relations, which make it possible to reach a compromise between the company's service needs and the worker's personal needs, on 4 October 2007, a trade union agreement was signed, implementing Poste Italiane's first project experimenting with distance working.

This project started at the contact centre locations in Rome and Naples and currently involves 10 people who operate from home. At the end of the experimental phase, a thorough evaluation of the progress will be carried out, for the purpose of extending this option to other locations. The company is also evaluating the possibility of using distance workers in other organisational departments where operations could be performed using this method.

Litigation

With regard to litigation, disputes relating to temporary work contracts recorded a downward pattern (approximately 2,700 in 2007 as compared to approximately 6,300 in 2006), although this category continues to present the highest percentage of work-related lawsuits. This decrease is mainly due to agreement of 13 January 2006, which provided for the possibility to confirm work relations with those who were working at the company when the agreement was signed, through a favourable court order not yet sentenced.

According to the outcome of this litigation at first instance, the company was unsuccessful in about 67% of the lawsuits, due to the unfavourable position of relevant caselaw, which was based upon rather strict interpretive standards and which did not yet seem to reflect any significant, favourable extensions legitimating certain relevant aspects. Moreover, 2007 showed an increase in the average amount paid out to employees in cases not won by the company, as well as negative results in subsequent instances of the proceedings.

The geographic areas most heavily involved include Lazio (also given the fact that the legal offices of the company's legal representative are located here), Campania, Apulia, and Lombardy. The most frequent causes for appeals are "exceptional demands concerning restructuring or reorganisation within the company" and "the need to provide service when employees are on holiday time", and finally – especially as far as Lombardy is concerned – reasons relating to "substitution", as regulated by Legislative Decree 368/2001.

With regard to litigation originating from the division of employment levels defined in the aforementioned CCNL of 11 July 2003, the issue may be considered limited, given that the prevalent cause for dispute was found among some categories of level "D" employees requesting to be classified as level "C". With 407 appeals filed over the year, there were 151 rulings favourable to the company in 72% of the cases.

EQUAL OPPORTUNITIES

Over half of Poste Italiane's personnel is made up of women.

Valuing diversity and promoting equal job and career opportunities are among the key principles contained in the Code of Ethics. These principles also reflect the provisions of the CCNL concerning workers' rights and dignity, access to training, valuing human resources, and contributing to their personal/professional development.

Participation in the workshop on equal career opportunities

Along with 6 other large companies, Poste Italiane participated in the Workshop on Equal Career Opportunities promoted by Sodalitas in 2007. The main purpose was to share successful career paths, creating a toolkit of experiences and results to be used as a common reference in the world of entrepreneurship. The workshop fits into the greater context of the European Alliance for Sustainable and Competitive Business launched by the European Commission in March of 2006 (by European Commissioners Gunther Verheugen and Vladimir Spidla). The toolkit developed was presented at a conference held in Assolombarda in 3 December 2007, with the Minister of Equal Opportunities in attendance. The project has continued into 2008, with the goal of sharing this toolkit with the professional networks of human resource directors and CSR managers, in addition to updating the contents, allowing for new ideas to be spread throughout Europe through the network of CSR Europe.

The company strives to offer a wide array of contract solutions (e.g. flexible hours, individual timetables, part-time work for those who request it, and distance working), as well as social policies favouring the balance between employees' work and personal commitments (e.g. company day care facilities). In accordance with the company's general position, the National Committee for Equal Opportunities continued the process of adopting positive actions to ensure equality between men and women and the promotion of comparable treatment in the workplace.

The seminar "Equally Diverse", organised in Lisbon by the CEEP, welcomed numerous participants including members of the Committee for Equal Opportunities and allowed the company to obtain valuable information on equality-related topics discussed in Europe's social context. These discussions prove to be useful in deciding whether or not the ideas could be applied within Poste Italiane.

Awareness campaigns concerning the development of female leadership and promoting gender equality were also carried out, thanks to specific projects supporting these efforts.

Training processes for women

As one of the many programmes ensuring quality work conditions, the CSR Protocol includes the development of training projects and active work policies optimising women's expertise in terms of professional leadership. This is a factor in their professional development and career advancement in levels, roles, and positions of increasing responsibility. Poste Italiane wanted to take concrete action through these programmes and act in accordance with the provisions of 30 May 2007 passed by the Ministry of Labour's National Committee for Equality and Equal Opportunities in the Workplace, with regard

to the project "Development with values: an evaluation of expanding potential and responsibility," dedicated to selection, orientation, and training of company employees with elevated potential. More specifically, the company plans to carry out specialised training processes for women, in order to develop their managerial skills and motivation to cover these positions. This is a joint project with the trade unions, with which the company signed a specific agreement.



Bollino Rosa

(certification for companies supporting equal opportunities for women)

Poste Italiane is one of the 36 companies that was accepted to participate in the project "Bollino Rosa S.O.N.O – Same Opportunities New Opportunities" promoted by the Ministry of Labour and Social Security. The project aims at better understanding the issue of different pay scales, which often prove to penalise female employees in large segments of the labour market. It also values the presence of women in the workplace, going on to develop a system of awards for companies that put the most effort into promoting equal opportunities. The quality trademark of "Bollino Rosa S.O.N.O" is a voluntary certification that the company can obtain by showing that it has adopted good practises in terms of corporate strategies and policies that place importance on women's capabilities.

TRAINING

Aware of the fact that spreading the corporate culture helps support the company in achieving its business goals, the company focused on the strategic role of training and optimising the employment of human resources and their expertise, thus promoting personal and professional growth.

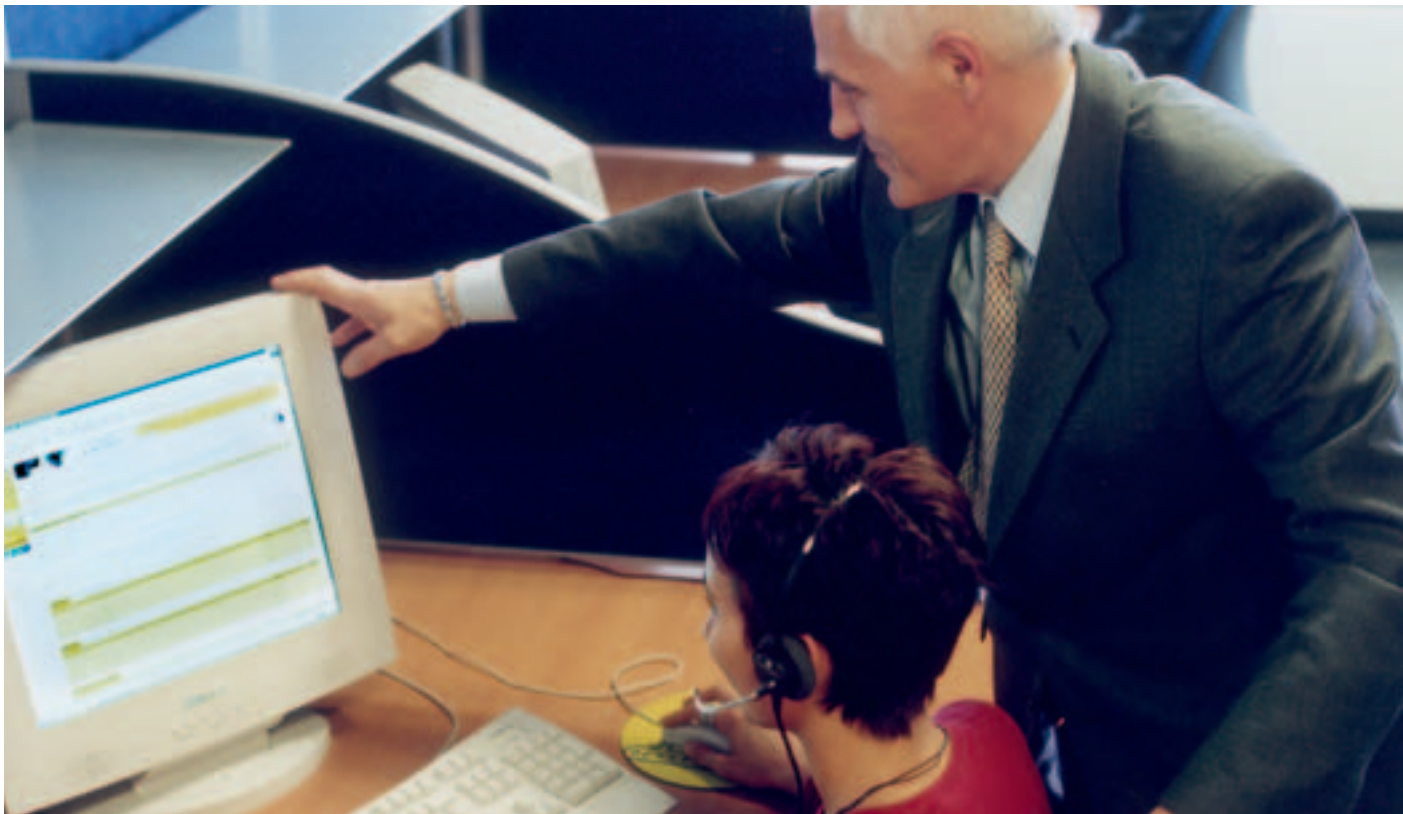
At the same time, the Bilateral Committee for Professional Training and Re-qualification continued its work in hopes of planning training programmes to meet the development needs of professionals operating within the company.

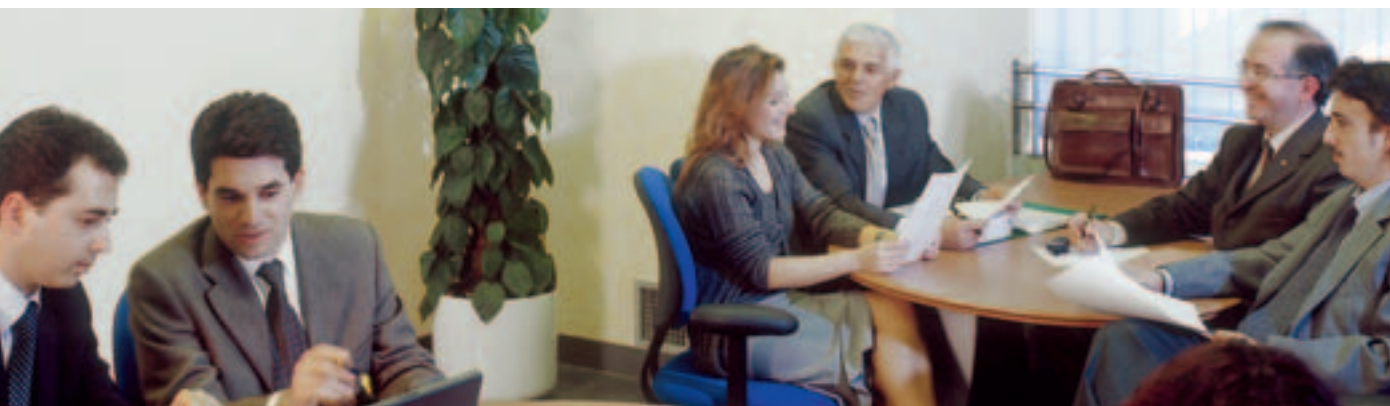
These activities include both classroom training and remote training made possible through the use of e-learning tools. The training projects focused on two main objectives: supporting business and developing professional capabilities.

In terms of supporting business, the company completed specific projects targeting people working in the areas of retail and business, and at the contact centres, in hopes of spreading and strengthening a common marketing culture.

In terms of developing professional capabilities, the company mainly concentrated on activities meant to support innovation in operational processes, technological know-how, and organisational actions. The new training programmes have encouraged the continuity between training and work, using methods such as action learning, which allows people to test themselves in the field, studying and learning from practical experience and coaching. In this way, it is possible to guide the processes of organisational and cultural change, and support the managers' individual development.

E-learning is used more and more every year. These courses, offered mainly to employees working at the counters, focus not only on the new products/services and updated regulations, but also on insurance products, in compliance with Isvap regulations (60-hour course provided for over 13,000 operators). Furthermore, distance training programmes have made it possible to support the launch of the new mobile telephone services for front-end business in post offices.





As previously mentioned, in order to ensure that the Code of Ethics becomes increasingly shared and applied at work, in 2007 the company implemented a course on the values and rules of behaviour contained in both the Code of Ethics and the Organisational Model. The course initially involved 29,000 people and is being extended to the rest of the personnel over 2008/2009. Over the course of 2007, the company counted 262,587 training days, 167,746 of which required employees' physical presence, and 94,481 of which were done through e-learning; the training was divided among the different organisational areas and various levels of employment.

Classroom projects (days/person)

Title	Postal Business Units		BancoPosta Business Units		Chief Network and Sales Office		Central Departments		Total	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Executives	83	371	85	153	94	729	662	1,309	924	2,562
Middle management (A1 and A2)	1,649	2,658	618	327	11,514	43,238	6,857	6,481	20,638	52,704
B-C-D-E-F levels	9,999	14,400	530	625	35,268	90,740	5,164	6,715	50,961	112,480
Total days/person	11,731	17,429	1,233	1,105	46,876	134,707	12,683	14,505	72,523	167,746

E-learning projects (hours)

Title	Postal Business Units		BancoPosta Business Units		Chief Network and Sales Office		Central Departments		Total	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Executives	32	5	-	6	30	-	-	19	62	30
Middle management (A1 e A2)	1,018	4,360	28	614	62,791	151,059	936	9,449	64,773	165,482
B-C-D-E-F levels	4,804	11,355	100	1,894	263,716	492,438	1,332	11,653	269,952	517,340
Total hours	5,854	15,720	128	2,514	326,537	643,497	2,268	21,121	334,787	682,852
Total days/person	813	2,183	18	349	45,352	89,375	315	2,933	46,498	94,841

The cost sustained for training services from external suppliers was € 9.6 million. A large part of that was allocated to training projects targeting base workers and employees (approximately € 7.3 million), and about € 1.3 million was used for projects offered to executive personnel.

Development of professional capabilities

Training programmes focused primarily on:

- ▶ developing the managerial skills of managers in Local Logistics and their direct colleagues, through the programme MMTD (Managerial Methods for Team Direction);
- ▶ managerial development for Delivery managers, divided into the categories of recognising their role, managing people, operational tools for management, activities and studies on cost and quality drivers, etc.

Training project

Operators involved

New model for counter relations	650
Training for new counter operators	1,765
Skills to help you find a place in the company	150

Supporting business

The programme “New model for counter relations” was experimented with in 55 post offices. This was meant to provide tellers with skills and tools that allow for better customer relations.

In 2008, after being perfected, the programme will be offered to 3,000 tellers.

Technical and customer relations training is also being continued for workers specialising in the “Financial Products” and “Financing” areas. Their work proves to be increasingly varied due to the constant expansion of financial products and services. More specifically, a basic programme will be offered to new employees in these departments, and other projects will focus on developing skills for senior employees.

Even those people training the specialists in various departments are able to participate in a technical improvement course; 150 professionals were involved in the project “Skills to help you find a place in the company”.

Other training programmes are being offered to operators at the contact centres.

WORK RELATIONS PROJECT

This is a major investment in the training area. It involves over 300 people including professionals and human resource specialists who speak about all of the processes involved in work relations, based on the role covered and activities performed. The project focused on the company’s set of regulations and all relevant laws. It was carried out in two phases: phase 1 involved 120 people from central and local facilities, and phase 2 involved 220 people in a “domino” format, or rather, a network of internal trainers who were previously prepared through a special programme.

The extensiveness and depth of this training project and the topics handled required detailed planning and careful organisation of the contents of each section and a timeline for completing the project. The goal was to reinforce technical knowledge and communication and to generate more motivation in management and problem solving.

Cooperating with others, spreading information, communicating, and moving forward together through a process based on people’s willingness to have positive exchange – these are the main points of strength in looking ahead to the future with more foresight and responsibility.



Social responsibility in training projects

Reintegrating employees after a period of leave

The company has continued with its training project for counter operators who come back to work after a long period of leave. In 2007, 89 employees were involved in the project. The main goal of the course was to provide support for people coming back after a long time away, by bringing them up-to-date on the changes that took place within the company, and also by looking for the best solutions in finding a balance between the worker's new personal schedule and work commitments.

Cultural Mediators

This project was created in recognition of Italy's demographic evolution and focuses on the different ethnicities living together. It provides a training programme for counter operators and business specialists working at the post offices, in order to provide them with more appropriate tools for relations with all customers.

In 2007, a special market survey was performed in order to understand the characteristics and needs of immigrants living in Italy. The company reflected on and shared the results of this study, so that it would be able to offer products dedicated specifically to this target group.



SODALITAS SOCIAL AWARD 2007

The Sodalitas Social Award, given out for the fifth time in 2007, was promoted for the purpose of increasing people's attention to Corporate Social Responsibility.

There were 225 selected companies participating in 2007, with 271 projects, or rather 28% more than those of the previous year. Poste Italiane was among the top five businesses chosen for the award category of social responsibility programmes geared at valuing people, presenting a set of training projects designed and completed in partnership with the trade union organisations. This was part of a process of expanding involvement and participation, activated by the trade unions, on social responsibility policies. Companies earn recognition in this category for planning and completing long-term policies that attract, motivate, and develop their "human capital", considering their employees to be a key factor in gaining competitive advantage.

SYSTEMS OF PROFESSIONAL DEVELOPMENT AND COMPENSATION

The usual activities of evaluation and development used for middle managers and employees, involved about 60,000 people in 2007 (6% more than in 2006) and 4,000 evaluators. The tools for evaluation used vary based on the role covered by the subject being assessed. There are three types of roles – managerial, professional, and operational – which correspond to the different levels of contribution to corporate performance.

About 55,000 people (92% of those evaluated, as compares to 87% in the previous year) received feedback during a meeting with their respective manager. Discussion between the manager and individual employees is considered to be an essential element for successful teamwork.

Activity	People involved
Internal project for evaluation and development:	
▶ employees involved	60,000
▶ employees who received feedback	55,000
System of incentives in MBO (Management By Objectives)	980
System of sales incentives	59,000
System of goal-oriented incentives	170

For the purpose of identifying human resources suited to covering complex managerial roles, 14 sessions were held by the Managerial Assessment Centre, to evaluate the potential of the 112 employees involved. At the same time, the Orientation Assessment Centre was used to identify which employees to start on development processes for middle management roles, evaluating about 700 people in 121 sessions.

The “Talent Project” was also among actions supporting the process of professional development. This project involved 579 people (440 of which participated in 2007 alone) who were assessed for middle management positions.

With regard to the systems of incentives and merit-based policy, 2007 reports communicated the results of goals defined in 2006 through different systems of incentives. Moreover, the company finalised its goals for 2007, the results of which will be revealed in 2008. There are many different mechanisms for offering incentives adopted according to the department and duties, and based on the targets to which they refer.

Incentives for Management by Objectives (MBO) is the tool used to measure and optimise the results achieved by managers. It is through this system that the top management makes its strategic decisions and translates them into various operational goals such as: “financial” goals (according to which the management’s positive performance is measured in terms of containing costs, maximising revenues, and optimising the operating margin), “quality” goals (aimed at determining the service quality level and relative customer satisfaction), “managerial” goals (set in order to measure the degree to which the company optimises personnel management and improves the corporate setting), and “project” goals (relating to strategic planning activities that involve many different corporate departments and have direct impact on the business results). In 2007, about 980 people were involved and were given the opportunity to earn increased bonuses.

OPEN SOURCE PROJECT

The Open Source Project, in experimental stages since 2004, concluded in February 2007. In terms of the company’s identity and economic results, the strategic importance of retail clientele led the company to continue this rating of the front-end personnel’s skills, comparing them to the expected level of service, and then promoting all actions needed to further improve their capabilities.

Over the course of the project, about 1,500 post offices were involved and about 20,000 people were evaluated based on their expertise. Each person actively participated in the process of assessing their skill level, through a system of self-evaluation.

During this phase of the project, feedback meetings between employees and their superiors once again played an important role. This allowed them to discuss strong points and areas for potential improvement, and to sign joint plans of action containing essential steps in the employee’s professional development.

The assessment of skill level allowed for a timely and up-to-date revelation of the training needs of participating employees.

Sales incentives constitute the company's main tool targeting the sales network; in 2007 over 59,000 people were involved. This system ensures that the company is able to adhere to the sales budget or even record better results, focusing the sales activities on customer loyalty and developing the client portfolio assigned.

In support of the team spirit that Poste Italiane spreads among its employees, the systems of sales incentives provide not only for individual goals (e.g. client portfolios), but also for team goals (such as revenues for their post office, geographic area, or business department).



In 2007, the functional mechanisms of sales incentives were simplified, in hopes of making them more effective and improving communication with the increasingly diverse group of people involved. Continually refining the system has allowed the company to reduce the time in which it obtains results, thus meeting the need for prompt action in distributing the bonuses earned.

The system of goal-oriented incentives is reserved for professionals with particularly significant positions or specialisations, or rather managerial roles recognised for their direct effect on operations. For this reason the system includes goals that are closer to the individual's direct sphere of action and also takes organisational behaviours into account, unlike the MBO.

In 2007, this system targeted about 170 people covering crucial professional roles, with specific specialisations, or managerial roles with a direct effect on operations.

As usual, the guidelines for the 2007 Merit-based Policy for both executives, middle managers and employees were based upon the principle of choosing measures to best optimise performance levels.

Recruitment

Recruitment and selection activities made it possible to build up human resources within the company and contribute to the technological development, in addition to creating new services and optimising organisational processes. At the same time, these activities help support a balanced quality remix.

Subsequent to the agreement made with trade union organisations on 13 January 2006 (to solidify permanent work contracts for employees who had a temporary contract in the past and then chose not to take legal action in its regard) the company began a process of interviewing and hiring people listed in the previously established ranking of candidates (valid until 30 June 2009). Nearly 8,000 people were called and about 1,250 were hired with permanent contracts.

The recruitment and selection processes continued based on the Organisational Model provided by Legislative Decree 231/01 and the company developed a computerised system for selection (e-recruitment); this allows for interested candidates to contact Poste Italiane quickly and easily through the company website and for the company to make the selection process more efficient in terms of time, cost, and the management of curriculum vitae.

MEETING WITH HUMAN RESOURCES

Paying attention to the development of corporate culture and creating conditions that encourage participation, motivation, and an organised setting are necessary in order to achieve company goals. This is the mission of internal communication activities, which are constantly taking initiatives in bridging the gap between the company and the people.

Consistent with previous years, 2007 was marked by the cooperative use of different lines of communication: the PosteperNoi web portal, "Il Gabbiano", events and meetings for discussion, bulletins, specialised publications, etc. The choice of language, transparency, and usefulness of the contents to be transmitted to different target groups are the elements that guided every action of internal communications.

Feedback from these target groups on the different media/products, and therefore, assessments on the effectiveness of the work done provided guidance for future actions and contents, and at the same time, generated the involvement and active participation of a considerable percentage of employees.

Corporate atmosphere analysis 2007

"Here we make the time" is the name of the communication campaign that accompanied the 2006/2007 "corporate atmosphere analysis". The campaign was launched in order to raise curiosity and interest in listening tools, inviting people to participate and not stand by and watch, to respond with a sense of responsibility.

The clear, transparent forms of communication, initially with all employees and later with the sample group selected to represent the company population, undoubtedly affected the level of participation; it nearly doubled that of the previous study. There were 17,314 people involved and 6,651 who actively participated.

The value of this listening project goes way beyond the general outcome. In fact, for the first time, the company set up discussion sessions with people outside of the company in order to brainstorm ideas on improving the ability to get people involved, knowing that the level of energy expressed by people has a strong effect on economic results. The results obtained show an increase in employees' satisfaction, as compared to three years prior, in addition to highlighting three other areas for potential improvement. Thanks to the information gathered, the company was able to define a highly-detailed plan of action.

Another valuable element was being able to connect this study to the system of MBO incentives. In the 2006 MBO, some managers were assigned the goal of improving the corporate setting in terms of the boss-employee relationship. Finally, the company defined a plan of action for every critical area. Through the identification of concrete tasks, these plans are meant to increase managers' individual accountability for the "proper management" of employees, and to bring the level of personal engagement up to a level that is comparable with other national and international companies.

The plan of action and study results for each organisational area were communicated to all central and local management teams.

THE 2006 SOCIAL REPORT AS SEEN BY TRADE UNIONS

Efforts made in the area of Corporate Social Responsibility include the willingness to create an increasingly vast and structured system for listening to the requests expressed by different stakeholder groups, especially with regard to employee involvement and representation.

For this purpose, the trade union evaluations on the Social Report were gathered once again in 2006, through an ad hoc questionnaire meant to verify the outcome of engagement in the previous year, among other things.

The results of the questionnaire confirmed a general appreciation for the quality of reporting, but also the need to provide more in-depth information on accidents in the workplace and the work environment, in addition to increasing stakeholders' involvement even more. The suggestions made by trade union organisations were considered in the drafting of the 2007 Social Report, which ideally presents the aforementioned topics in more detail.

HEALTH AND SAFETY

The profound commitment to respecting people provides a further guarantee of health and safety, one of the company's most delicate areas of action.

The National Joint Committee for health and safety in the workplace dedicated itself once again in 2007 to the development and diffusion of tools designed to improve work conditions.

Given that 2007 was named "Safety Year", the company completed activities included in the SIC 2007 project, relating to the implementation of Safety Management Systems and an internal assessment campaign to identify existing problems and provide possible solutions.

Special attention was given to training and information, in hopes of promoting the idea of safety, accident prevention, and familiarity with the anti-crime systems being installed at various post offices, in addition to the behavioural models to be adopted in managing emergency situations during and after a robbery. As announced last year, the company began the process of defining systems to guarantee safety in the workplace. In fact, in 2007, 12 systems for managing health and safety in the workplace were implemented, in accordance with the international regulations of OHSAS (Occupational Health and Safety Assessment Series) 18001/1999, in 12 different operational departments. More specifically, the company is in the process of developing local management systems for the following facilities:

PMC BRESCIA	UDR* FLORENCE	PO* GENOA 1
PMC PADOVA	UDR TURIN	PO PALERMO AUSONIA
PMC BARI	UDR BOLOGNA	PO CAGLIARI 10
PMC CAGLIARI	UDR CASERTA	CPO* TRIESTE

* UDR – delivery office * CPO – provincial centre * PO – post office

The company also saw to the monitoring and assessment of these systems over the course of the year, performing around 50 evaluations. Based on the results gathered, the implementation of "Systems for managing safety in the workplace" in accordance with OHSAS 18001 regulations was extended to all production units (32 in all, 11 of which are TLAs and 9 Country), with regard to the updated organisational model pursuant to Legislative Decree 231/2001.

The need to integrate the management of production processes in guaranteeing safety has allowed the company to identify 32 employers. A new system of powers was created, through which the company can define the responsibilities, in terms of safety in the workplace, of executives in charge, in relation to the duties and specific responsibilities outlined in the company's current organisational model. The new organisational model's strong points in the way of safety in the workplace are undoubtedly the response to risks present in the production units, and the increased level of accountability at local facilities.

Risk of robbery

In 2007, the company created a specific model for evaluating the risk of robbery at post offices. It takes into consideration the many factors contributing to the probability of this occurrence, as well as the potential damage to people (employees and customers). There are many variables to be considered, including the post office's location, type of construction (i.e. layout, bulletproof barriers, etc.), anti-crime measures taken, the frequency and seriousness of robberies already carried out or attempted, the information and training of personnel, etc. The various factors examined make it possible to calculate a risk index, based on which specific actions are taken to protect the workers.

WODSE

The company has also provided for the installation of the innovative software, WODSE - Workers Of Display Screen Equipment, for counter operators. It keeps track of the time spent working on the computer.

Using the WODSE verification system is the subject of a specific agreement with trade unions. The software was installed on a sampling of computers used by relevant employees, and proved to be successful in providing key information that could be used in evaluating the risks connected to using the computer and developing any necessary preventative measures.

Hybrid and Electric Four-wheel Vehicles

With the intention of reducing potential accidents or injuries involving workers, the company began experimenting with a light-weight four-wheel vehicle, which ensures optimal performance in terms of environmental sustainability, but even more importantly, has undeniable advantages in terms of the safety of mailmen/women.

In fact, although this vehicle is about the same size as the traditional company motorcycles, it offers a protective shell that can shield the driver from unpleasant weather conditions, as well as guarantee more protection in the event of an accident. Furthermore, it does not require any advanced driving abilities, the driver does not need to wear a helmet, as with the motorcycles, and it is better suited to the employees' differing physical statures.

Training and Safety

As previously mentioned, in 2007 the company paid specific attention to the topic of safety training. More specifically, various training programmes were offered to employees with different roles, who were involved in different areas of the corporate safety system; in all, 43,603 workers were trained. The 32 employers identified through the new system of powers, along with 216 executives in charge participated in specific training programmes.

SAFE DRIVING FOR MAIL CARRIERS

Motor Vehicle Driving Safety is a project scheduled to extend to 10,000 mail carriers over the period of 2007/2009. It consists of one day of practical training and theory dedicated to safe driving techniques, helping employees handle the unexpected with proper behaviours, limit damage, and come away safely from emergency situations. The Motor Vehicle Driving Safety course started in February 2007; 94 training days were held, involving 3,384 mailmen/women.

Course	No. people trained
Handling emergencies	350
Workers in protection and prevention services (as per Legislative Decree 195/2003)	185
ISO 9001 quality management system	90
OHSAS 18001 system for managing safety in the workplace	70
Manual transport of heavy items	6,280
Mailmen/women	7,200
Authorised post offices	1,230
Workers using computer terminal	4,000
General information	22,000
Workers with quota-based operations	11
Workers using x-ray machinery	750
Regulation 626 of the Chief Operating Office and Chief Network and Sales Office	644
Workers using motorised bicycles	500

On-site evaluations by boards of inspection

As with all work locations, Poste Italiane is subject to inspections by local boards of health.

The outcome of inspections carried out was positive; in fact, the number of violations reported decreased by 20% in comparison to 2006. In each of the areas where the company failed to meet regulations, prompt action was taken to resolve the issue. With regard to logistics and delivery, the supervisory bodies functioning as institutional authorities (i.e. local health care authorities, Labour Inspectorate) issued 19 reports and 44 regulations, 9 of which concerned sorting centres (PMCs/provincial centres) and 35 of which referred to delivery centres.

In order to fulfil requirements and increase the level of health and safety in the workplace, the company not only followed through with ordinary commitments in the relative departments, but also referred to a specific budget aiming at projects of an organisational nature, and bringing facilities, production means, and equipment up to date in all of the locations. This project was meant to provide support for areas needing immediate intervention, in addition to implementing the activities indicated in the improvement plan (as per art. 4 of Legislative Decree 626/94).

In conjunction with all of the actions ensuring healthy and safe work conditions, the company also began a procedure to guarantee employers the necessary spending power for all interventions, even in cases of extraordinary circumstances or emergency.

Accidents and Illness

In consideration of the information provided by Inail, the company's system for reporting accidents was changed from that used in past years. In calculating these figures, there is a distinction made for accidents that occurred en route, or rather, during the employee's commute from home to work and vice versa, and nonetheless, while the worker was off duty. The reasoning for this is that such accidents are not directly related to any specific risk in work activities carried out by the individual in question.

This change also corresponds to the methods used by EUROSTAT in calculating and reporting accidents on the job, and makes it possible to obtain data that can be compared with indices for this sector, with regard to other companies with operations similar to those of Poste Italiane.

In terms of frequency, the 2007 data recorded a slight drop of 1.43%. The decreased number of days missed due to an accident is quite evident, on the other hand, resulting in an improved severity index (which expresses the percentage of days missed due to temporary inability to work compared to the total hours worked throughout the year).

These positive results lead to a positive financial contribution; in 2007 the amount needed to cover accidents dropped € 10.6 million.

Accident-related index	2006	2007	Δ%
Frequency	55.34	54.55	-1.43%
Severity	1.93	1.62	-16.19%
Average duration	34.92	29.69	-14.97%
Number per 100 employees	7.82	7.73	-1.09%

Costs for accidents	2006	2007	Δ%
Days absent	420,450	359,033	-14.61%
Direct costs	€ 17 mln	€ 15 mln	-10.62%
Indirect costs	€ 85 mln	€ 76 mln	-10.62%

Figures show a slight increase in the total number of accidents, especially in minor accidents leading to brief absences from work. Moreover, the number of fatal accidents went up, for a total of 7 (as compared to 3 deaths in 2006). Road accidents prove to be the most frequent type. The number of accidents caused by machinery dropped considerably, while an increase was reported for the number of employees who were mugged.

Number of accidents	2006	2007	Δ%
Accident causing absence of up to 3 days	662	724	9.37%
Accident causing absence of more than 3 days	11,375	11,367	-0.07%
Total accidents	12,037	12,091	0.45%

Reason for accident	2006	2007	Reason for accident total for 2007
Accident with company motorcycles/scooters	4,148	4,135	34.20%
Crushing/injury caused by equipment	2,061	1,428	11.81%
Falling while walking	1,320	770	6.37%
Muggings	673	750	6.20%
Attacks by animals	589	731	6.05%
Crushing/injury caused by vehicle	332	709	5.86%
Injury from lifting/moving heavy items	349	642	5.31%
Falling while walking up/down stairs	566	541	4.47%
Accident with company car	371	433	3.58%
Tripping	144	375	3.10%
Tripping over equipment	319	357	2.95%
Tripping over structural element	131	321	2.65%
Clumsy/uncoordinated movement	56	252	2.08%
Crushing/injury caused by motor vehicle	265	240	1.98%
Other	713	407	3.37%
Total accidents	12,037	12,091	100.00%

With regard to absences due to illness, the positive trend already recorded last year held steady. The number of work days missed decreased another 6.5%, bringing the yearly average per employee down from 14.75 days missed in 2006 to 13.79 in 2007.

Absences due to illness	2006	2007
Sick days	2,197,803	2,054,731
Sick days (yearly average per person)	14.75	13.79
Rate of absence due to illness	4.7%	4.4%



SOCIAL PROGRAMMES FOR EMPLOYEES

Several programmes were developed in 2007 in the area of social policies to improve the quality of life of employees and their families. Supporting actions that are in favour of the people is both a responsibility for Poste Italiane as well as an element of strategic leverage. This commitment undoubtedly shows the company's desire to continue responsible policies and is also an effective tool for promoting the improvement of the corporate climate and motivation, thus finding a balance between production requirements and workers' needs. Pro-worker actions range from health-related communication and prevention campaigns to discounts on BancoPosta products/services, from programmes dedicated to employees' children to the promotion of special cultural, artistic, athletic, or social events.

PosteBimbi

PosteBimbi is Poste Italiane's first in-company day care; it was opened in Rome in 2007.

The facility provides care for 45 children from 3 months to 3 years of age. At present, there are 36 children of employees and 9 children accepted from lists formed by the City of Rome.

The building, which covers a surface area of about 445 sq. metres, was designed following logical, modern construction criteria, which also allowed for the implementation of guided pathways and maps for visually impaired people as well as the removal of architectural obstacles.

Meals are prepared on location every day, utilising ingredients that have passed inspection. The service is managed by a company qualified in the education of young children, which was selected through a specific selection process.

The day care's curriculum is based on a specific "Educational Programme" which includes different activities depending on the age of the child.

PosteAperte

The PosteAperte event was organised once again in 2007, for the purpose of continuing the projects designed to strengthen the company's relationship with individual employees, in terms of their private or family life.

This event included a day dedicated to employees' children ranging from 3-12 years of age. They were able to tour the company and see what their parents do in a typical day's work. The company had gadgets made and prepared interviews and guided tours. The number of locations involved has grown: 36 local areas and 28 cities, with 1,342 people expected to participate and a recorded attendance of 1,047.

The event was connected to an action of solidarity; in fact, in cooperation with the non-profit Help the Children Foundation, the company participated in a distance adoption programme, providing support for 20 children between 3 and 5 years of age, who live in the village of Charawe, on the island of Zanzibar. The fundamental goal of this programme is to guarantee young children the right to receive education and adequate care even before they reach school age. Thanks to this solidarity, several classrooms and play areas were outfitted in Charawe. In addition, the 20 children adopted were educated by sufficiently trained teachers, received scholastic material and toys, and were guaranteed at least one complete meal per day.

Campaign for flu prevention and control

Once again in 2007, Poste Italiane took part in the campaign for flu prevention and control promoted by the Ministry of Health. This programme aims at protecting the health of each individual employee and, at the same time, encourages an effective form of overall prevention.

In fact, the programme was able to increase the number of employees participating in the campaign for the flu shot, especially those who provide services in direct contact with the public (tellers and delivery people).

Breast cancer prevention

Poste Italiane participated as a sponsor in the marathon "Race for the cure", organised by the non-profit Komen Association - Italy in the cities of Rome, Bari, and Bologna. Taking advantage of people's participation in this event, 200 female employees at Poste Italiane, between the ages of 40 and 50, were given a free mammogram performed by the trained staff of doctors and paramedics at Komen Italy. An informational meeting was also held to educate people on prevention, an essential factor in women's possibility to be cured of this illness, which is still a main cause for death among women.

Special PosteMobile Offer

The establishment of the PosteMobile company and Poste Italiane's entry into the telecommunications sector as a mobile phone service provider constitute a strategic move for the group. Supporting the launch of PosteMobile through a specific communication campaign within the company, directed at all group employees, provided an important opportunity to get people involved. It familiarised employees with the company's process of developing innovative services, and also communicated the terms and conditions of special offers reserved for employees. In fact, employees were offered this new service with extremely advantageous conditions.

"2007 FRIEND OF THE FAMILY AWARD"

The "2007 Friend of the Family Award," created by the Department for Family Policy of the Presidency of the Council of Ministers, encourages people to spread and value positive action regarding policies that support workers and their families in daily life. In 2007, Poste Italiane was given special mention for the initiatives it took in the area of social matters, from the in-company day care programmes to distance working opportunities, from encouraging part-time work to retraining employees after long periods of absence.

This award fits in with the company's framework of social policies, in that it favours maximum visibility and brings the company closer to its people, and more generally speaking, closer to the development of Italy as a country.



CRALPOSTE

CRALPoste is an association of Poste Italiane employees and retirees, committed to the organisation of cultural, tourism, and sports-related activities. Poste Italiane actively contributes to CRAL's projects, by participating in the selection and planning of activities, as well as by providing financial assistance (€ 4.5 million in 2007).



CRALPOSTE'S MAIN ACTIVITIES IN 2007

Humanitarian efforts and solidarity

Project: "Hearing impaired Children in Kigali, Rwanda"

CRALPoste supported the project introduced by the Congregation of Salesian Sisters of the Sacred Heart, which was committed to providing medical treatment and rehabilitation for children with hearing disabilities, ensuring the educational support for 140 hearing-impaired children at the "Filippo Smaldone" Salesian Institute in Kigali, Rwanda.

Training Course for People with Down's Syndrome

The second training course was offered for people with Down's Syndrome to acquire skills in entertainment. The project was organised in cooperation with "Circolo Velico Lucano di Policoro" in Basilicata.

Holiday and accommodations for people with special needs (Tortoreto Lido, Teramo)

This project in accessible tourism is meant to allow people with special needs to enjoy a vacation free of obstacles and difficulties. Thanks to this programme, 50 young people with special needs – all children of employees or retirees – were chaperoned by guides from the C.A.B.A. Association (committee for breaking down architectural barriers), who provided care and entertainment for them during the two-week vacation at the Welcome Riviera d'Abruzzo Resort, in Tortoreto Lido.

Cultural projects

Educational Trips

Company partners' interest in this programme was confirmed again in 2007. Locations and activities were proposed, or in some cases re-proposed, based on the positive reactions solicited over past years. In the already established programmes in England, Ireland, and the US, 300 young people were given lessons by native English speaking teachers and enjoyed a full schedule of new trips, recreational activities, and sports.

In Italy, 200 young people took specific courses in foreign languages and activities such as theatre, entertainment, creative arts, ceramics, and above all, sports. CRALPoste covered part of the cost for these trips, with a 40% contribution per person for trips abroad and 30% for those in Italy.

National Poetry Contest

Started in 2006, the National Poetry Contest (reserved for group employees and/or retirees, and their children) concluded with the distribution of awards to the winners in different categories. The 60 winning poems that were awarded were compiled in a publication distributed to all of the local councils.

National Sport Projects

First National Cross-country and Mountain Bike Championship (San Martino al Cimino, Viterbo)

A brand new event on the CRALPoste programme – 19 regional teams participated in the national championship (after regional selections), for a total of about 300 people in attendance between athletes and their supporters.

National Sailing Meeting with FITEI (Policoro, Matera)

Seven crews took part in this event, the first of its kind organised by FITEI (Italian federation for free time activities). CRALPoste was strongly represented by two teams made up of sailor-members ranked in the top positions at the first Sailing Championship held in Arbatax, Sardinia, in 2006.

International Projects

European Chess Championship (Porto, Portugal)

This championship was organised by the Portuguese postal system, under the guide of Union Scept, and saw the participation of 12 European representatives. Poste Italiane competitors were chosen at the Italian Championship held in Spoleto in 2005.

Tourism Projects

Tour Activities

Members were presented with tour packages and offers at very appealing prices. They were also able to take advantage of contributions made, for a 23% discount in Italy and 15% for destinations abroad. CRALPoste's commitment to this project was significant, considering the contributions to employees and, in particular, the 50% coverage of costs for trips taken by people with special needs.



Our customers

Poste Italiane's selection of products and services becomes more varied every year. This is the result of the company's desire to provide adequate options to meet the customers' needs. Poste Italiane has traditionally concentrated on guaranteeing Universal Postal Service; however, the group has now been successfully operating for several years in the sectors of logistics and finance, offering integrated services through a distribution network present throughout the country.

The products and services offered are adapted based on the needs of the clientele, which is divided into the categories of Retail, SOHO, Business, and Public Administration.

Customers

RETAIL AND SOHO

Retail customers are all those who make use of Poste Italiane's services for personal needs, and therefore, not in relation to their work.

SOHO customers include small-medium business owners and small office or home office professionals (divided into those two categories). The main channel for sales is the post office, which is also a point of reference for the general public, especially in local settings. Through the network of post offices, it is, in fact, possible to access services that the company carries out for the entities of public administration, for example, the issue of passports and documentation for helping immigrants obtain legal status.

In order to improve customers' access to services, there are specific rooms inside the post offices dedicated to "Financial Products" and "Financing", in addition to special areas for the more advanced financial products/services developed for retail and SOHO customers, not to mention the sales locations for the PosteBusiness network.

BUSINESS AND PUBLIC ADMINISTRATION

This segment includes entities of public administration (central and local) and businesses – the latter being divided into the categories of top account, large account, or medium enterprise, depending on the size and services used. Business customers are managed through the direct sales network, which operates centrally for top clients and central entities of public administration, and locally through the nine Commercial Business Areas represented by Country Managers, for the other categories of clientele.

Poste Italiane's numbers

9

Country Managers
with 3,210 employees

140

Branches with
4,979 employees

13,944

Post offices with
57,009 employees

5,700

Post offices with a specific
"Sportello Amico" counter

5.9 million

Postamat
Mastercard cards

AN ACCESSIBLE POSTAL SERVICE

Being responsible means offering your clientele the tools and services needed to simplify people's lives; this is why the company's main goal is accessibility.

Being accessible means taking care of the areas used by customers, ensuring that everyone will see the post office as a comfortable environment, making a commitment to giving people the option (or for some, providing the necessity) of using the company's services from any location, through the website www.poste.it.

ACCESSIBILITY AND RECEPTION

Striving for accessibility: this is the goal that guides the continuous efforts to improve the company's access channels.

In 2007, the company pursued its plans to computerise operations at post offices. Approximately 300 ATMs were installed over the year (complying with accessibility standards for disabled customers), thus bringing the complete network up to about 4,400 ATMs throughout the country. Furthermore, in order to improve customer reception at the post offices, the company continued to implement the system for managing wait times, with 300 additional systems installed, bringing the total up from the nearly 2,000 installed as of 2006.

A system of video communication was also activated in 288 post offices. This entails the installation of a plasma monitor on which customers can view video clips for their entertainment or communicating information, along with commercials advertising company products.

The "Financial Kiosks" were also developed in order to reduce wait times. These are self-service counters that allow customers to pay bills using their Postamat, Postepay, or ATM cards. In 2007, 200 kiosks were installed.

Projects in surveillance and reconstruction were carried out for several real estate properties housing post offices:

- 170 projects completed in 2007 in order to update facilities, through the installation of new layouts, removal of architectural obstacles, and installation of tactile maps and pathways for the seeing impaired;
- in order to protect customers and workers, a surveillance system was installed; with the cooperation of post office directors, this system monitors all information relating to potential problems in security. The system provides checklists which outline possible situations that could present breaches in security with regard to the regulations; in this way it clarifies the proper steps to be taken at participating facilities;
- through the project "Igiene Net", the company intends to inspect the level of cleanliness at post offices. Cleaning services are generally provided by external businesses, therefore, post office employees were asked to evaluate the environment in which they serve customers on a daily basis, and make suggestions on potential improvements, thus helping provide customers with the best possible settings in which to receive assistance.

In 2007, the company supplied 20,000 new PCs (1,500 of which were laptops), 9,000 new monitors, 6,000 printers, 2,850 barcode readers, 1,000 scales for weighing packages, and 500 franking systems. In addition, broadband was extended to 3,000 more post offices (11,000 locations equipped with DSL connection by the end of the year). The 3,000 minor locations, in areas only covered by ISDN, were given higher-speed access, resulting in better customer service offered and increased savings (of about 30%) in power used.

"SPORTELLO AMICO" NETWORK

Receiving customers means satisfying the various needs of people who come to the post office. The growing presence of foreign citizens over the last few years has led to new demands with regard to communication and products/services offered. To communicate effectively with this new target group, Poste Italiane introduced the specialised "Sportello Amico" (friendly counter), which is present in about 5,700 post offices. The company also selected 836 locations to concentrate on the needs of foreign customers, where they can receive consultation in purchasing the financial and postal products best suited to their needs. The "Sportello Amico" network proved its functionality last year, when the company collected all of the immigrants' applications for work permits and passport requests. The goal is to permanently dedicate this network to services of public administration.

DEVELOPING OUR OFFER

Growth means expanding the range of products/services offered and the ways in which they are advertised.

To ensure efficient and effective management, the company developed the aforementioned "Minor Service Areas" project, in hopes of integrating the operations of post offices located in secondary geographic areas and encouraging synergy among rural facilities.

Efforts are being continued in building relationships with small- and medium-sized businesses through the PosteBusiness and PosteShop networks.

Business customers' appreciation for Poste Italiane's mission and products is demonstrated by the numbers: at the end of 2007, there were over 800,000 customers and around 510,000 PTBusiness Card holders (as compared to the 310,000 as of 31 December 2006). Poste Italiane offers professionals and small business owners a specific network made up of 1,091 sales locations including: 117 PTBusiness offices, fully equipped post offices next to main offices; 287 PTBusiness areas, or reserved areas within post offices; and 687 PTBusiness counters, specific counters located within the regular post offices. The company's commitment to meeting business customers' needs inspired an assessment of the points of access dedicated to this category.

Significant expansion was also made in the PosteShop network, which operates at 223 sales locations with a "shop-in-shop" layout. All of the other post offices that do not have the shop-in-shop or self-service setup are nonetheless able to sell basic products such as: PosteShop catalogue items, editorial products upon order (books, CDs, DVDs, VHS movies), paper and packing products, international calling cards, Poste merchandise, Unicef greeting cards, etc.

Poste Italiane's numbers

5.2 million
current accounts

Volume of mail correspondence:
6,562
million items processed

619 million
bills paid

Financial Products

The company's desire to be socially responsible, in connection with the unique economic situation that the country is experiencing, led to the formulation of a special offer in 2007, which provides a decrease in spreads on mortgages covering 80% of the real estate property. Mutuo BancoPosta is the main financial tool offered and, in 2007, it became possible for users to finance 100% of the property being purchased. Its appealing features earned this tool the "best mortgage award" for 2007 issued by the Financial Observatory. According to the Financial Observatory, an institute which has been monitoring all e-banking services since 2001, Mutuo BancoPosta proved to be the best fixed-rate mortgage on the Italian market for the 2006/2007 period.

The MiFID legislation was also introduced in 2007, in order to increase protection of investors and create a more integrated, effective, and competitive market in the European Union. The main points of this legislation require companies to meet more requirements in terms of informing customers and upholding the principles of transparency, in addition to redefining the concept of "finishing the job" in order to guarantee more favourable conditions for customers.

These requirements caused major changes in operations throughout the entire sales network, especially in the area of proposing financial products and investments.

War on Cash: zero cash competition

"Using liquid currency for transactions brings enormous management costs, which inevitably weigh on consumers and the economy in general. Encouraging the use of alternative payment methods, as Poste Italiane has been doing for seven years now, with our constant focus on innovative payment tools, means acting in a socially responsible manner and in the best interest of our customers, who are then able to benefit from more efficient and advantageous services". This statement made by Massimo Sarmi explains the company's participation in the War on Cash, aimed at spreading the use of electronic payment, which provides more security for users and cuts back on the cost of managing cash transactions.

The main news in 2007 regarding investment products was the introduction of the "Alternative Energy Obligation", the first "eco-obligation" proposed in Italy. This single product combines respect for the environment with the advantage of higher earning potential for investors, all in one product. The underlying basis for this product is the Global Biofuel Index, an index made up of 10 futures on the 10 raw materials used for the production of ethanol and biodiesel, or rather, the main products used as alternatives to fuel deriving from petrol. Even the customers showed great interest in this initiative, with 19,584 signatures.

The public showed its appreciation for "Postaprevidenza Valore", a product introduced in 2005 to meet the need for supplemental social security; it is available in all the Financial Products areas.

In 2007, the company expanded its selection of insurance policies with new "Postapersona Salute" and "Postapersona Infortuni" plans, in response to people's growing need for protection and health care. The benefits of these products are widely recognised at the national level, even earning a significant award – "Postapersona Infortuni" won the title of "Most Innovative Policy of the Year – Milano Finanza Innovation Award 2007", an award given out for the fourth time.

POSTE ITALIANE AT THE WORLD SAVINGS DAY

The World Savings Day, held for the 82nd time, was celebrated on 31 October in Rome, with the special attendance of the President of the Republic, Giorgio Napolitano. The event was organised, as always, by ACRI (association of Italian savings banks and other financial institutions), and was dedicated to "New Horizons" for safeguarding investments. World Savings Day was first celebrated in 1924, in conjunction with the first World Savings Conference in Milan; since then, it is observed every year with the participation of authorities in the worlds of politics, economics, and finance. For the occasion of World Savings Day 2007, Poste Italiane launched a new product: postal savings books. Since 1 November, the issue of savings books increased to 2.00% (+0.40%), and there was also an increase (from 2.25% to 2.65%) in the issue of savings products targeting young people, with interest rates selected especially for minors.

"Fight against cash transactions, in order to unite Italy with other EU countries in spreading the use of electronic payment tools"

INDIVIDUAL PENSION PLAN: THE DESTINATION OF SEVERANCE PAY

"Posteprevidenza Valore", the pension plan that Poste Italiane has been providing for years, is one of the integrated pension plans to which employees at various companies can choose to allocate their total accumulated severance pay, based on the new legislation on severance pay in force since 2007.

In order to facilitate the process of depositing the funds to be voluntarily allocated to this pension plan, Poste Italiane implemented a special system, accessible at www.poste.it, which provides employers access to a safe and easy deposit procedure.



PosteMobile

The PosteMobile service originated from the company's increasingly frequent use of technology and communication as elements of strategic leverage. Poste Italiane is the first postal group in the world to enter the market of telephone services as a Mobile Virtual Network Operator (MVNO). Due to this important step, the company is able to offer integrated communications, logistics, and financial products and services. It required a great deal of effort, both in terms of designing the service, and advertising it through the sales network. Poste Italiane customers can easily access a series of services through their mobile phones, including: adding funds to their prepaid Postepay card, using the phone number associated with the account; adding money to their phones, transferring the amount from their Postepay card; checking the balance and recent transactions on their BancoPosta or Postepay accounts, etc. Starting in early 2008, there will also be other services available, such as: bill payment, sending telegrams, making bank transfers, and adding money to the PosteMobile phone from the customer's BancoPosta account.

Postal Products

Raccomandata1

In 2007, the company introduced Raccomandata1 (registered mail), a product that offers the guarantee of safe mailing that can be tracked and that is quick and cost efficient.

Aside from simplifying the forms needed for this type of mailing, Raccomandata1 includes the service of agreeing on a second delivery time with the recipient, within 3 days of the first attempt.

In addition to the "Dovequando" service, Raccomandata1 provides for new product integration that also allows the sender to verify that the item was delivered, through notification via e-mail, SMS, or postcard (sent through the same rapid service as registered mail).

Seguimi

The "Seguimi" (follow me) service was also improved through the new computer system, which allows requests to be taken directly at the post office, and the employee to view the information needed to complete the operation directly over the computer. "Seguimi" is an extremely valuable service for citizens because it allows those who move, whether for short periods of time or indefinitely, to redirect their mail to the new address. Realising how important it is to be able to receive the daily correspondence arriving by mail pushed Poste Italiane to invest in improving this service.

"At the service of public



Set Delivery Times

The Laurentino Distribution Centre in Rome did some experimentation with set delivery times, introducing a second delivery attempt for registered and insured mail. The service allows the recipient to agree upon a day and time for a second delivery in the event that the first attempt was not successful.

Posta Check Up@

In 2007, the experimental phase of the Posta Check Up@ service came to an end, and would proceed on to an extension throughout the country starting in 2008. This service is the result of a direct agreement with local health care institutes, and thanks to their extensive logistics infrastructure and presence throughout the country, Poste Italiane is now able to deliver medical supplies directly to the patient's home.

Home Delivery of Prescription Medicine

In 2007, the company also finished testing its Home Delivery of Prescription Medicine service, which is also the fruit of an agreement with local health care institutes. Poste Italiane makes its network available for the delivery of prescription medicine to homes of people in need of this service.

Direct Mailing

Considering mail correspondence to be the most transparent and least invasive way to receive information, Poste Italiane offers the Direct Mailing service to companies, and even small businesses. It requires a relatively low minimum mailing volume, so that all entrepreneurs can have the possibility to take advantage of this option.

administration offices to help develop Italy as a whole”



SERVICE QUALITY AND CUSTOMER SATISFACTION

Sharing common standards of quality with the clientele, and defining simple and effective means of contact translates into taking responsibility. For this reason, in 2004, Poste Italiane promoted the Charter of Quality, published thanks to the valuable cooperation of consumer associations.

Sharing goals and quality performance levels within the company is also essential. Therefore, aside from performing the necessary evaluation of quality standards offered in postal services, the company also makes frequent use of listening and discussion tools, with regard to quality: the primary example of this is "Quality Day".

2007 QUALITY DAY: COMPETING WITH QUALITY

On 28 February 2007, the COO Quality Day was held, in recognition of the quality work done by Poste Italiane's Chief Operating Office. The event provided an opportunity for discussion, even with specialists from other corporate facilities, on the quality standards demanded by today's national and international markets, in addition to the goals already achieved and those to be achieved, in looking ahead to the new scenario that will take form after the market is liberalised. Aside from sharing the impressive results achieved by all 11 Territorial Logistic Areas (TLAs) in 2006, which was not anything to be taken for granted, considering the significant reorganisation of the system in the delivery sector, further recognition was also given to the local areas that reached the best performance levels with regard to the different products.

- ▶ 1st place Priority Mail: Northwest TLA
- ▶ 1st place Registered Mail: Northeast TLA
- ▶ 1st place Insured Mail: Sardinia TLA
- ▶ 1st place Inbound International Mail: Northwest TLA
- ▶ 1st place Outbound International Mail: Central TLA
- ▶ 1st place Unep Project: South 2 TLA
- ▶ Delivery award: Northwest TLA
- ▶ Best Reception award in 2006: Roserio PMC in Milan
- ▶ Best Complex PMC award in 2006: Reiss Romoli PMC in Turin
- ▶ Best Minor PMC award: Verona PMC
- ▶ Special award for High Performance Levels in 2006: CSI at the Borromeo PMC in Milan
- ▶ Quality Cup trophy for best TLA in 2006: Northwest TLA

The Quality of Universal Postal Service

The Universal Postal Service upholds rigid standards of quality and efficiency, defined in terms of delivery times throughout the country, which are verified annually by the Ministry of Communications.

The International Post Corporation (IPC) carries out an assessment on international correspondence, parallel to that of the Ministry. Both entities use the services of companies that constantly monitor delivery times by sending test letters. Even Poste Italiane performs an internal verification on the quality of service provided; in this way, the company can quickly identify critical situations and take the necessary actions to correct them without delay. An external company with ISO 9001 certification is entrusted with managing the diagnostic system established. This system makes it possible to record end-to-end delivery times (from initial mailing to successful delivery) and to track the course of test letters along the processing route, after having installed radio frequency identification devices (RFID) in some of the letters.

During the last few weeks of the year, several problems in mail delivery arose, particularly in certain areas of the country (Piedmont and Lombardy); however solutions were found by January 2008 and this led to the definition of specific protocol with the trade unions, as described in the previous sections.

	Delivery in	2006		2007	
		Target	Result	Target	Result
Posta Prioritaria* (priority mail)	1 day	88.0%	88.1%	88.5%	88.6%
Posta Internazionale** (international mail)					
Incoming	3 days	85.0%	91.3%	85.0%	93.1%
Outgoing	3 days	85.0%	92.0%	85.0%	92.4%
Posta Raccomandata*** (registered mail)	3 days	92.5%	92.9%	92.5%	93.8%
Posta Assicurata*** (insured mail)	3 days	92.5%	98.8%	92.5%	98.6%

* Figures based on data certified by IZI under the direction of the Ministry of Communications. The figures for FY 2007 are based on data collected in November, including precision standards. The service levels collected in December are currently being processed.

** Figures based on data certified by IPC – Unipost External Monitoring System (UNEX).

*** Monitored through electronic tracking system.

	Delivery in	2006		2007	
		Target	Result	Target	Result
Pacco Ordinario (regular parcel)	5 days	93.0%	96.1%	93.5%	96.1%
Corriere Espresso Postacelere (Postacelere express courier)	1 day	90.0%	96.1%	90.0%	96.1%
Paccocelere	3 days	98.0%	99.1%	98.0%	99.3%

All products are monitored through the electronic tracking system.



ANALYSIS OF CUSTOMER SATISFACTION WITH REGARD TO POSTAL PRODUCTS

In 2007, the company once again used external services to perform an analysis on customer satisfaction with regard to Postatarget. The goal was to measure the level of satisfaction on different aspects of the product and to better understand customers' expectations in order to identify the strengths and weaknesses. The customer satisfaction index, which sums up the general level of satisfaction expressed by people interviewed on the Postatarget product, was recorded at 32% (as compared to 34% in 2006). Given the importance of the tool, the company has extended these analyses on individual products. In 2007, a survey was planned for registered mail and insured mail. The company established goals and methods for this study to be conducted in 2008.

IMPROVING SERVICE: COMPUTER EQUIPMENT FOR MAIL CARRIERS

The project "Computer Equipment for Mail Carriers" plays a part in the reorganisation of the delivery sector, as one of the major assets in improving the efficiency and quality of service offered. This project involves the supply of technological equipment (handheld computers and portable printers) for mailmen/women, in order to support the changes made in current services and the offer of new products. The experimental phase was a success and involved 130 mail carriers in certain areas of Rome. They were equipped with this new technology, which proved to be of valuable support in their operations, and not at all a "hindrance". Poste Italiane intends to expand the project gradually. Using these computers makes it possible to automate operations for mailmen/women, allowing them to carry out their work more efficiently and effectively. For example, the employee can exchange information in real time, improving delivery service, especially for registered mail, insured mail, and court papers. In fact, as things stand, information on whether a delivery is successful or not is recorded manually in Poste Italiane's databases. This means that the company has to wait until the mail carrier returns from his/her route before the information can be entered. However, from now on, this operation can be done immediately through the use of the handheld computers, and likewise, the customer can receive information on the spot. Furthermore, if the mailman/woman finds that the recipient is not home at the first delivery attempt, he or she can print a notice (yellow slip) using the new equipment, rather than writing everything by hand. Aside from making communication with the customer more clear, this new policy would allow the company to manage the archiving of items at post offices, thus cutting down on the time necessary to locate them when customers come to pick them up.

"PickUp Light" was also assessed by in-company services in order to verify the target clientele's actual level of interest in this new service. About 38% of those interviewed showed interest in the new offer; however, it should also be mentioned that the number of people the company was able to make contact with in this particular survey was rather limited.

SURVEY ON POSTAL PRODUCTS

Customers satisfied with mail products	87% of the people interviewed
Awareness of competitors	90% of the people interviewed
Use of competitors	69% of the people interviewed

Another in-company analysis was carried out on the customer categories of retail, SOHO, and non-profit organisations, with regard to basic mail products and the awareness of competitors. The goal was to evaluate any changes in the level of satisfaction and the competitive pressure of rival companies. The results summarised in the related chart show general satisfaction with basic services offered, despite the fact that customers consistently use the services provided by other companies as well. With regard to publishing companies, there have been some improvements. More specifically, over the course of 2007, different initiatives were taken to improve the quality of services offered. As a result, a thorough study was performed through the use of questionnaires soliciting customer's opinions. Special attention was paid to the target group of small-medium publishing companies through Poste Italiane's participation in major expositions for this sector, such as the Turin Book Fair and "Più libri più liberi" (more books, more freedom) in Rome.

QUALITY OF CONTACT WITH CUSTOMER

Customer contact is the company's most important opportunity for dialogue and evaluating its ability to develop a relationship with the client. There were over 7.8 million contacts handled by the Contact Centre in 2007, 35% of which were for BancoPosta products and 65% for postal services.

These contacts are carefully observed using the assistance of CRM instruments that have been further developed and extended throughout the company. This makes it possible to improve the services offered in relation to any problems detected and to ensure that response times are in line with the standards of major European companies and, in any case, shorter than the ones provided for in the Quality Charter for Postal Products.

Moreover, in 2007, the entire Contact Centre was involved in disseminating a culture of quality that is shared and does not consider quality to be exclusively connected with certification, but as a corporate style based on satisfying customers.

As a guarantee of a quality service, the Contact Centre obtained a renewal of the ISO 9001 in 2007: Vision 2000 certification, issued by the TUV certification organisation in 2002 for all 12 service locations of Poste Italiane's Contact Centre.

Customer Satisfaction Surveys for the Contact Centre

In order to ensure the quality and efficiency of its services and to satisfy the expectations of its customers, Poste Italiane has set up different monitoring systems:

- ▶ Customer Satisfaction Surveys;
- ▶ Analyses of the Contact Centre's reports on service;
- ▶ First and second phase internal audits.

INTERNATIONAL EFFORTS IN CUSTOMER SATISFACTION: UPU AND CEN

Over the course of 2007, Poste Italiane's customer satisfaction and quality analysis departments once again cooperated with international entities handling issues connected to past and present activities carried out by the company. As a member of the Liability Group, active within the Universal Postal Union (UPU), Poste Italiane took part in activities aimed at the formulation and assessment of proposals meant to optimise the international regulation of claims and the liability of postal operators in cases of potential disservice. In Spring 2007, the Postal Operations Council gathered suggestions from the group, approving some of the changes made to the procedures being used, in order to improve customer relations. Out of the new introductions, one in particular stands out. It was developed and supported by Poste Italiane and provides a precise definition of the processing times for claims, as well as other beneficial clarifications. The company continued with the project promoted by Working Group 1 (WG1) of Technical Commission (TC) 331 on postal services within the European Committee for Standardisation (CEN) for the publication of new standards regarding claims to replace the previous ones (14012). The document, to which Poste Italiane actively contributed in drafting, goes beyond a simple logic of measuring data and actually establishes indicators of common, basic principles in a more "customer-oriented" context. After being presented at the 23rd plenary session of WG1 held in Warsaw, the document is in the process of being approved and the final set of standards is expected to be released soon.

Surveys on customers' satisfaction with Contact Centres

Level of satisfaction	2006	2007
Very satisfied	50% of the people interviewed	54% of the people interviewed
Rather satisfied	46% of the people interviewed	44% of the people interviewed
Not satisfied	4% of the people interviewed	2% of the people interviewed

An outside company, Eurisko, continued to perform studies on customers' satisfaction with the Contact Centre. According to the 2007 results, customer satisfaction is on the rise: 98% of customers expressed their overall satisfaction with services, as compared to the 96% in 2006. Improvement was also shown for the average opinion of overall satisfaction, which was recorded at 8.8, in comparison to 8.4 the year before.

CLAIMS

The company demonstrates its focus on this topic by continuing the Claim Management project, which was already implemented during the previous year. It aims at improving customer relations and analysing the motive behind claims, thus making it possible to optimise production processes once the potential causes for disservice have been eliminated. In 2006, Claim Management had already seen to the classification of 49 causes for claims, which resulted in the revelation of about 130 areas of faulty service. This then led to the observation of 53 Key Performance Indicators.

In conjunction with this process of managing claims, the 2007 project also included two surveys directed at customers filing claims in order to measure their level of satisfaction with the way in which the process was handled.

Conciliation

The conciliation procedure has been in force since 2002 for postal services and since March 2006 for the BancoPosta division.

It provides a system for settling disputes out of court that was established in cooperation with the consumer associations recognised in Italy by the Ministry of Economic Development. The objective of the procedure is the friendly settlement of disputes with the company, resulting in a decrease in legal litigation and the subsequent retention of loyal customers.

Consumer associations are actively involved in conciliation through periodic discussions aimed at the development of changes in the procedure and communication initiatives addressed to customers.

Since the postal conciliation procedure was introduced, about 2,700 cases have been discussed. In 2007 alone, 1,691 cases were presented to the ten regional conciliation commissions (42% more than in 2006). Of these, 993 were discussed and 97% of the time, a positive agreement between the parties was reached.

Both customers and consumer associations showed particular appreciation for the extension of the conciliation procedure to include BancoPosta services. In fact, Poste Italiane was the first financial service provider in Italy to activate an informal settlement procedure for disputes.

Since the introduction of the BancoPosta conciliation procedure, a total of 397 cases have been presented; of these, 128 have been accepted and about 70 have already been settled.

The effectiveness of the conciliation procedure is monitored through specific performance indicators that measure the length of time it takes to settle cases and the final outcome of discussions.

TO FIND OUT MORE ABOUT CONCILIATION

All information regarding the conciliation procedure can be accessed through the Contact Centre PosteRisponde (803.160) and at www.poste.it, where it is also possible to download the necessary forms.

Over the course of 2007, the company developed a special section on the website called "Poste e Consumatori" (Poste and consumers), which can be accessed from the "About Us" page. It provides detailed information on the corporate mission with regard to consumerism and also describes all of the projects completed over the years in cooperation with consumer associations.

Website users can also find free download links for the terms and conditions of the postal and BancoPosta conciliation procedures, the Quality Charter for postal products, and the Consumers' Code, in addition to more specific links for related sites.

POSTE ITALIANE AND CONSUMER ASSOCIATIONS

Placing attention on consumer needs is the basis for the weekly newsletter “Focus Consumatori” (focus on consumers) in circulation at Poste Italiane. The newsletter provides in-depth information on the news items published in local and national papers, and allows consumer associations to study themes relating to the company and major current events. Since its first year of publication, “Focus Consumatori” has constantly increased the number of direct recipients, going from 200 in 2003 to nearly 600 in 2007. In 2006, 46 issues were published, for a total of 296 articles, 106 of which concerned Poste Italiane directly. In 2007, a section on news from Europe was added, providing a detailed discussion each week, on an interesting topic regarding consumerism or consumers that is examined by the European Commission. “Focus Consumatori” is posted on the company Intranet under the section of “Poste per i consumatori” in order to make it accessible to all employees. There is also an e-mail address (consumerismo@posteitaliane.it) which can be contacted by those wishing to receive more information on the news published.

The advantageous relations between Poste Italiane and consumer associations have led to partnerships in various projects including:

- **Dialoguing with Consumers**, introduced in 2007 in cooperation with consumer associations, in order to elaborate on the main topics concerning company products and services. Through the creation of work-table discussions in each of the three business areas (postal, financial, and mobile telecommunication services) held on a quarterly basis, the company intends to establish direct dialogue between the associations and the managers of Poste Italiane, thus enabling the recognition of critical issues signalled by customers and optimising the services rendered through helpful suggestions for improvement;
- continuation in 2007 of sponsorship for the level-II master’s course **“Globalizzazione dei Mercati e Tutela dei Consumatori”** (market globalisation and consumer protection) at the Economics Department of the University of Rome (Roma Tre);
- continued participation in the **“Progetto Integrato di Tutela (PIT Servizi)”** carried out in cooperation with the Cittadinanzattiva Association for monitoring reports/claims regarding the company’s products and services.

The performance indicators for partnership projects are also based on the number of positive articles published by the national and local press regarding the various initiatives carried out, as well as the results of interviews of the national representatives from consumer associations.

In order to gather observations and suggestions concerning the drafting of the Social Report, the company sent out questionnaires to consult with consumer associations. The overall opinion on the feedback gathered was rather positive. The associations suggested reinforcing company activities in the area of social efforts and support for university programmes. The topic of environmental sustainability was also quite popular, particularly in reference to the projects on waste separation at post offices. With regard to suggestions for improvement, all of the associations proposed that they be more directly involved in the preliminary stages of developing this report, stressing the importance of orienting the company more towards its external stakeholders, and thus contributing added value to the activity of social reporting.

“Partnership with consumer associations”

SECURITY FOR OUR CUSTOMERS: ANTI-PHISHING MEASURES

“Phishing” is a sophisticated form of innovative and highly illegal technology, which presents a complex problem for business to tackle in order to protect their activities.

The phenomenon appeared for the first time in 2005 with massive e-mail spamming.

Poste Italiane immediately reacted by implementing a series of counter measures to prevent, manage, and repress the phenomenon. Specifically, the company instituted an Anti-phishing Alarm Centre in charge of the prompt detection and analysis of attacks directed at the BancoPosta online service, cloned websites, and any other servers and instruments connected with the attack. The centre also sees to pinpointing actions to block and demolish the Internet domains used by the phishers to carry out their attempts at fraud. In order to deal with this threat, Poste Italiane launched an intense awareness campaign targeting all customers, in addition to making constant investments in developing the most adequate measures of IT control.



Technology at the service of security and efficiency: Poste Italiane's projects

Disaster Recovery and ICT Security

The company continues to improve its disaster recovery system, taking necessary security measures to ensure the operating continuity of BancoPosta systems in the event of serious technological malfunction or disastrous events (physical or computer attacks, dissemination of malicious codes, intrusions, natural or accidental disasters). This service, which is essential for operations involving financial products, complies with the Banca d'Italia's instructions regarding disaster recovery systems.

The system is also expanding its research on appropriate technological solutions to guarantee the stability, privacy, and availability of the group's ICT resources should any external "attacks" take place.

Project: Postamat Mastercard and Degree of Security

Poste Italiane wanted to expand upon its security criteria for credit card payment systems, and therefore adopted the European standards established by the SEPA (Single Euro Payment Area), which was already being used by major banking institutions in Europe. This project allows for the issue and management of Postamat Mastercards with EMV (Europay, Mastercard, Visa) chips and following the CAP (Chip Authentication Program).

Project: Remote Surveillance

This project involved the introduction of a system for handling remote surveillance activities, which make it possible to identify atypical situations at central and local facilities, along with "violations" in rules or regulations, and to lead the organisation of on-site surveillance activities.

Through this system the company intends to increase its level of control over BancoPosta financial processes, monitoring the areas with elevated risk by constantly analysing data coming from the various subsystems.

Project: "Document Management System" (D.M.S.)

As a source of general support for operations and business, the Document Management System aims at implementing a new framework for handling the documents in the area of enterprise. It is able to provide effective, electronic support for documenting needs, thus making it possible to avoid wasting unnecessary time and paper. In 2007, the project was started within the CIO, and later extended to some of the central departments such as Human Resources and Internal Communications. The documenting needs for each area of the network are currently being planned out so that the project can be extended as efficiently as possible.



Our suppliers

The purchasing process is set up in such a way that the company is able to respond to both legal provisions and the internal auditing system's complex requirements, along with those concerning proper risk management for the company. The management of purchases is based on the following fundamental principles:

- ▶ adopting a common policy for the purchase of goods, labour, and services, in keeping with the values of efficiency, utility, cost-effectiveness, and transparency;
- ▶ adopting purchasing procedures that fit in with the competition, when there are certain market assumptions, and that fully comply with current legislation;
- ▶ adopting opportune procedures for selecting potential suppliers, based on size, location, structure, technology, production potential, and financial stability and reliability;
- ▶ adopting opportune protection measures by avoiding excessive risk in assigning supply duties to single suppliers;
- ▶ ensuring the employees involved in purchasing procedures respect these principles and behave in accordance with company policies, rules concerning procedures, the 231 Organisation Model, the Code of Ethics, and, above all, the principles outlined in the "company regulations on selecting work contracts, services, and suppliers" approved by the Board of Directors of Poste Italiane, at the meeting held on 26 March 2007.

Contracts are entrusted to other parties based on the procedures provided for in Legislative Decree 163/2006 (code on public contracts regarding work assignments, services, and supplies), in compliance with company regulations. Enterprises intending to participate in procedures of establishing work contracts, services, or supply orders of any monetary amount, even those concerning subcontracting, shall not demonstrate any of the causes for exclusion from calls for tenders, must fulfil all relevant and formal obligations regarding health and safety in the workplace, and must act in compliance with laws concerning the employment of disabled people (Law 68 of 12 March 1999).

Respecting legislation is essential for contracts to be finalised. In 2007, new laws were gradually introduced regarding mandatory contributions to public entities ("DURC" consolidated document on mandatory contributions – Ministerial Decree 24 October 2007) and the evaluation of risks and obligations concerning safety ("DUVRI" consolidated document on work-related risks and interferences – Law 123 of 3 August 2007).





REGISTER OF SUPPLIERS

Company regulations for procedures in selecting work contracts, services and supplies provide Poste Italiane with the opportunity to choose suppliers from those listed on the official register, in addition to defining the procedures for entrusting them with work assignments, services, or supply orders, for the categories in which this system of qualification is applicable.

Poste Italiane has created its own register of suppliers so that it can have access to a number of reliable partners, selected based on their ability (actual and potential) to satisfy the company's requirements in terms of quality and competition. The work performed by suppliers and their commitment to upholding certain levels of quality allows Poste Italiane to contribute to raising the quality standards, with regard to suppliers, and speeding up purchasing processes while still guaranteeing transparency for the market.

In order to ensure the highest possible degree of quality for products and services rendered, the company utilises an evaluation model that takes three main areas into consideration: general moral requirements and professional ability; financial requirements, based on data taken from the businesses' financial statements and compared to average indices for the sector; and technical/organisational requirements established according to the basic technical elements needed in order to guarantee performance that is up to par with necessary standards.

The qualification system is available to all businesses having the requirements needed for participation. In 2007, the company held a number of selections for new suppliers, mainly in the sectors of IT and logistics.

The qualification system is currently being developed even more. In fact, the company is considering the possibility of carrying out supplier evaluations, adding an assessment of their social and environmental policies and a careful analysis of the quality performance levels maintained.

E-SOURCING

Over the last few years, the use of the automated channel for purchasing procedures has increased dramatically in both everyday individual purchases as well as corporate supply programmes.

The use of online calls for tenders became more popular over the course of 2007, especially for categories with precise or complicated technical specifications and in markets with a medium to high level of competition. In addition, the application of this method for selecting suppliers was experimented with and reinforced for the area of bidding on work contracts.

After the experimental phase came to an end, the experience gained in online calls for tenders demonstrated noteworthy advantages in terms of optimising processes, simplifying organisation, increasing the efficiency of negotiations, and speeding up supply times.

Given the positive outcome and favourable legal provisions concerning calls for tenders managed entirely through automated systems in 2008, the company plans to continue organising calls for tenders open to the public and widely spread via automated tools, expanding upon the use of everything from digital signatures to negotiation platforms. With the implementation of regulations on the code for public contracts regarding labour, services, or supplies (Legislative Decree 163/06 as amended), this process will gain even more momentum over the course of 2008.

Our community

Poste Italiane pursues activities that support research and conservation regarding the cultural and artistic heritage of our country and, more generally speaking, projects in the area of solidarity. Many of these are conceived at a central level, especially thanks to the Philately Division and Historical Archives; however, many are also activated through the efforts of our numerous post offices, which are increasingly aware of the social role they play, within the respective communities they serve. These countless projects can be divided into the following categories:

- ▶ Small Municipalities
- ▶ Philately
- ▶ Historical Archives
- ▶ Agreements with entities of public administration
- ▶ Solidarity projects
 - ▶ Youth
 - ▶ Solidarity
 - ▶ Arts and Culture



POSTE ITALIANE AND SMALL MUNICIPALITIES

For some time now, Poste Italiane has continued the “Small Municipality Business” Project. This entails agreements made with towns having a population of up to 8,000 people, with which Poste Italiane carries out different services that are of use to the town, such as medication supply services, a counter dedicated to the municipality, communication and information for citizens, and in particular, services in sending municipal mailings and purchasing institutional locations.

Projects relating to small municipalities also involve the definition of plans meant to guarantee the proper functioning of post offices located in rural areas, which inevitably have limited volumes of business. In 2007, an agreement was signed with the Region of Piedmont, ensuring the successful functioning of 79 post offices located in very small towns.

PHILATELY: A LOYAL COMPANION IN NATIONAL LIFE

The 294 Philately counters located in 294 different post offices provide further evidence of the significance of the philatelic offer in developing and reinforcing the philatelic market. The stores dedicated to this area of business, in Milan, Rome, and Venice, are covering an increasingly important role. In 2007, the company started working on a new store in Naples, which is scheduled to open in 2008.

Several important stamps were also issued in 2007, including those dedicated to the FIAT 500 and Lamborghini Miura, as excellent examples of products made in Italy; various stamps were also issued in memory of celebrated Italian figures such as Arturo Toscanini, Giuseppe Garibaldi, Altiero Spinelli, Jacopo Barozzi, and Antonio Canova.

Fundraising activities for cancer research have been continued through the sale of stamps supporting the “Congresso internazionale di Medicina del Lavoro” (international conference on labour medicine), with a charitable surcharge going towards the fight against breast cancer, a project promoted in 2006 and still active in 2008.

Other important stamps issued through the 2007 Philately Programme include those dedicated to the centenary of the first “Children’s House” opened by Maria Montessori; the European Year of Equal Opportunities for All, the capital city of Rome, the 50th anniversary of the Festival of Two Worlds, and to Italy’s election as a temporary member of the UN Security Council.

Recurring themes included the Schools and Universities series, Regions of Italy, Italian Sports, and Tourism.

In order to meet the expectations of collectors, three booklets were released, two of which had two stamps, dedicated to the 50th anniversary of the signing of the Treaties of Rome and the 100th anniversary of the Scouts for the “Europe” series; the third sheet had three stamps, commemorating Beniamino Gigli, Maria Callas, and Amedeo Nazzari.

Over the course of 2007, the company offered 390 temporary services, with a special cancellation free of charge, dedicated to participation in important events including World Food Day, Women’s Day, the Race for the Cure, the European Year of Equal Opportunities, Memorial Day, the 100th anniversary of the first Montessori Children’s House, and the 100th anniversary of the Scouts.

HISTORICAL ARCHIVES

In 2007, Poste Italiane’s historical archives undertook the task of optimising the historical, artistic, and documentary heritage of the company, which had been recognised during the years prior, and is now in the process of being catalogued, restored, and computerised. Projects in optimising this process have been directed at both the company itself, as well as outside groups, with the goal of familiarising people with the wealth of interesting historical assets that Poste Italiane has built up over the years, thanks to its active participation in national life.

One of the more significant actions taken was the posting of articles and pictures on the Company’s Intranet, showing the architectural and artistic heritage of Poste Italiane. These include, for example, some of the works planned by famous figures belonging to the rationalist school of thought, during the period between the two world wars; they also include valuable works of art. Furthermore, “Il Gabbiano” published some articles dedicated to the company’s history and the assets conserved in its archives. The column “The Way We Were” was also created, allowing readers to contribute to the recompilation of Poste Italiane’s historical tradition, providing helpful information on the subject or date of photos in the archives and sending images of history. Historical pictures from the life of Poste Italiane were printed and used to decorate the offices at the headquarters in Rome, in addition to a free calendar given to Poste Italiane managers.

With regard to projects targeting the general public, the publication of the volume of photographs, “The Tradition of Postal Calendars”, was particularly significant. It features calendars made by mail carriers, from 1865 to just before WW II. Some of the objects housed in the historical archives include items from the military post offices, which are conserved in Turin and Venice locations, and used for museum exhibits, such as the one at the Museo Civico in Iseo.

In Venice, the historical archives used one of these carefully restored replica offices for an exposition at the historical location in “Fontego de’ Tedeschi”. During this event, the importance of the military postal service was illustrated, while a film including footage compiled from various war documentaries provided a visual backdrop for this historical reconstruction. In cooperation with Postel, a postcard featuring the military post office, complete with philatelic cancellation, was designed for this occasion. Another military post office in Verona is currently being restored.

Pictures from the historical archives were also displayed at events organised by external entities in cooperation with Poste Italiane. Such was the case for the 100th anniversary of Confindustria in Bergamo, as well as the “Cortina Incontra” cultural exchange, where a photo exhibit was set up, featuring the post offices opened by the Minister of Postal Services in 1956, for the Winter Olympics in Cortina.

Poste Italiane also continued to collaborate with researchers, under the direction of the company historian, Valerio Castronovo, in order to compile a new volume for the series “Postal Service in Italy”, which concerns the period from recovery after WW II, to the economic boom.



Documents, books, and photos showing the history of Poste Italiane, as well as film footage and work equipment used are all available to both central and local company facilities. Documents and photos from the archives provide valid informational support for restoration projects involving old post offices or works of art housed at company locations, as was seen with the postal buildings in Pistoia, and Rome-Nomentano, and the restoration of the Severini mosaic at the postal building in Alessandria.



AGREEMENTS WITH ENTITIES OF PUBLIC ADMINISTRATION

Poste Italiane's history and size give it a leading role in developing Italy's overall system. In this context, the company actively cooperates with entities of public administration, coming up with solutions to give citizens better access to public services.

In February of 2007, an agreement was signed in Naples with the Ministry for Reform and Innovation in Public Administration; this programme was meant to foster a closer relationship between citizens and central and local offices of public administration.

The agreement provides for the creation of new automated products including: electronic ID cards, the digital post mark, and increasingly extensive access to certified e-mail.

Thanks to the company's vast network throughout the country and technological know-how, the ministry considered Poste Italiane to be the best strategic partner for improving lines of communication with citizens, as well as contributing to the dissemination of a culture of innovation in our country.

Cooperating with entities of public administration for our citizens

Mailing Inail medical certificates

In September, an agreement was signed with Inail and trade unions of general practitioners, regulating the institutional doctors' mailing of medical certificates for sick leave. Two methods of communication were stipulated, one online through the institutional website, and the other via Posta Prioritaria (priority) mail.

Online payment of Inps/Inail taxes for domestic workers

It is now possible to pay taxes for domestic workers without having to go to the post office. Citizens who make quarterly payments for social security and insurance taxes on their domestic workers (about 500,000 people) can now pay these bills directly over the Internet, on the Inps website, using the Poste Italiane payment area.

Crediting pension funds to the Inpscard

After some testing involving various provinces (Varese, Imperia, Catanzaro, Viterbo), since February 2007, people receiving Inps pensions in Lazio, Liguria, Sardinia, Calabria, and Umbria, as well as the metropolitan areas of Bari, Palermo, Naples, and Milan, can now credit their pensions to an "Inpscard". The Inpscard is a prepaid card that Poste Italiane created specifically for Inps. It is absolutely free of charge for retirees, and combines the ordinary functions of Mastercard, with the option of receiving pension funds immediately, through postal ATMs, and with secure transactions, thanks to the insurance covering any thefts or muggings that should occur within two hours of withdrawal.

"Poste Italiane makes its spaces and

Launching the iPostcard

The iPostcard is a new card with a magnetic strip. It was created specifically for the 128,000 retirees from Ipost, the "Istituto Postelegrafonici", which handles the mandatory forms of social security and assistance for group employees. Receiving regular transfers of funds through the crediting of pension funds, the iPostcard makes it possible to withdraw cash directly from the Postamat and Bancomat ATM circuit and to make payments anywhere that accepts Mastercard.

Informational campaign on the Credit Fund

The Italian Institute of Social Security for entities of public administration entrusted Poste Italiane with handling the informational campaign for retirees, explaining new opportunities to access credit by registering with the new credit fund, introduced by the social security organisation. Poste Italiane's cooperation entailed managing the informational campaign through direct mailing.

Agreement on granting financing to Inpdap retirees, members and employees

An agreement was established with Deutsche Bank, BHW, and Inpdap concerning the granting of financing to Inpdap retirees, members and employees. This agreement allows users to go directly to Poste Italiane counters to request reduced-rate mortgages and loans, even making payments backed by one fifth of their pension, issued by one of the two German banks above.

Ministry of Education Private Schools Project

Families of students enrolled in private schools are given the opportunity to benefit from grants covering some of their expenses. This grant is generally awarded to those who are in good standing as far as payments for education and attendance are concerned, and who submit the official application in compliance with the terms and conditions provided for in the ministerial specifications.



SOLIDARITY EFFORTS

Once again in 2007, Poste Italiane took numerous initiatives in supporting social campaigns and solidarity efforts, offering its physical spaces and communication channels for the exposition of informative material, or for direct contact with people, through projects organised by third parties such as institutions, non-profit organisations, and NGOs.

Youth

Letters to Santa Claus

At the end of 2007, the "Letters to Santa Claus" project was run for the eighth year. This effort is meant to teach young children about the value of writing and sending letters as an important cultural tool. As in previous years, all of the letters the kids sent to Santa that were received through the postal circuit by early January 2008, were sent a return letter with a small gift (a letter-writing kit, stickers, and a pre-stamped envelope with a tracking code so that the company could verify whether or not it was used). The job of sending return letters was assigned to 27 people scattered throughout the Territorial Logistic Areas. About 102,500 letters were received. The 85,000 letters including the sender's address were answered with a return letter and gift.

communication channels available for projects in solidarity"

Study grant for three-year doctorate research programme in Haematology – University of Rome – Tor Vergata

In July, Poste Italiane hosted the presentation of the book “La Rinascita del Regno di Napoli” (the rebirth of the Kingdom of Naples), the last generous act of a colleague in his fight against multiple myeloma. This event, which saw the eager participation of many people at Poste Italiane, marked the beginning of a cooperative programme with the University of Rome – Tor Vergata, and the Sant’Eugenio Hospital in Rome, supporting research in the field of blood cancer.

This programme, which entailed a study grant for a three-year doctorate research programme concentrating on “the impact of new pharmaceuticals’ neurotoxicity on the quality of life of patients with multiple myeloma”, provides concrete evidence of the attention given to company employees, research, and younger generations. These types of projects open doors and allow for valuable exchange with the community, enriching the lives of people and the company itself. This one painful event led to a sign of hope for many people, building a bridge to bring the company and its people closer to the needs expressed by society in general.

Fulbright – BEST

Fulbright – BEST: Silicon Valley Immersion Program is a pilot project favouring the cultural growth of recent Italian graduates specialising in the sciences, through a study and work experience in California.

Poste Italiane participated in the programme sponsored by the Italy-USA Fulbright Commission, in order to reinforce the group’s effort in promoting opportunities that encourage interaction among universities, companies, and educational authorities in the US. In fact, the project fits into the framework of a cooperative process between Italy and the US. The goal is to facilitate the exchange of knowledge, encourage entrepreneurship, and inform participating professionals of the new prospects for development that are motivating world markets.

Global Junior Challenge 2007

The GJC is an international competition awarding the most interesting scholastic projects. This year’s theme was: “fighting poverty through the use of technology”. In supporting this event, the Poste Italiane Group confirmed its commitment to efforts in cultural exchange and supporting young people. In past years, Poste Italiane took part in a campaign (also promoted by the “Fondazione Mondo Digitale” and the City of Rome) regarding the recycling of used PCs.

Solidarity

Roberto Bolle – Gala for Unicef

Aside from being of great social importance, this event included the participation of the president of Unicef Italia and Italian and foreign Unicef ambassadors. The funds raised at the gala were used for Unicef’s humanitarian projects in Darfur, aiming at improving the living conditions at refugee camps.

The FIABA Foundation’s lottery for solidarity

This lottery was one of the national projects scheduled for 2007 – the European Year of Equal Opportunities, and was run in conjunction with the national government-organised lotteries. For decades now, FIABA (the Italian foundation for breaking down architectural barriers) has been committed to providing equal opportunities for all citizens, regardless of their physical and psychological condition.

7th International Congress

Age-related Macular Degeneration: a clinical and social problem. Current and future prospects.

Statutory goals for the Bietti Foundation include the promotion of research, studies, and assistance in the field of ophthalmology, with particular reference to spreading scientific information, prevention, preliminary diagnostics, and treatment/rehabilitation.

This year, Poste Italiane continued to support the foundation, following the positive experience it had in 2003, when they held the 6th International Congress on Myopia and Related Diseases: a clinical and therapeutic approach.



Promotional ad for the Don Luigi Di Liegro Foundation

The Don Luigi Di Liegro Foundation is active in national and international educational projects aimed at promoting themes of solidarity and civic participation, especially among young people.

Poste Italiane supported these efforts by making it possible for the foundation to put out a promotional ad on its fundraising activities, with contributions made to a postal bank account.

20th World Energy Congress

The World Energy Council (WEC) is the leading international organisation in the field of energy, with national committees in over 90 countries, including those that produce and consume the largest amounts of energy.

The Poste Italiane Group showed support for this congress, since it is the most significant event tied to the international energy debate and research and development in sustainable energy.

“La Luce dei Bambini” (the light of the children) concert

Poste Italiane participated in the organisation of a concert by Maestro Ennio Morricone and Dulce Pontes for International Children’s Day.

Funds raised at the event were used for the purchase of medical equipment for the Bambino Gesù Hospital in Rome.

World Food Day 2007

Poste Italiane contributed to the campaign run by the Ministry of Foreign Affairs for the celebration of World Food Day 2007, thus confirming the company’s support for projects aimed at improving the living conditions of populations with cultural or economic difficulties.

Arts and Culture

“Roma Barocca in musica”

This festival consists of 4 concerts, each held in a different historical building or church in Rome. In conjunction with the festival there are fundraisers for the “Park Schoenfeld” paediatric clinic in Kassel, Germany, and a solidarity project for the Heim Pal Children’s Hospital in Budapest, Hungary.

International Film Festival in Rome

Poste Italiane is an official sponsor of this event, welcomed with success last year. In 2007, the company also participated through two special projects dedicated to company employees. Furthermore, on opening day, a stamp dedicated to Amedeo Nazzari was issued. The stamp was presented in a booklet along with stamps commemorating Maria Callas and Beniamino Gigli; a special philatelic cancellation was also used.

This release adds to the list of film-related stamps already issued and appreciated by the public. Previous subjects include: Aldo Fabrizi and Massimo Troisi in 1996, Anna Magnani and Ugo Tognazzi in 1997; stamps celebrating the centenary of cinema, dedicated to Federico Fellini and Totò in 1995; up to the most recent stamps with Vittorio De Sica and Cesare Zavattini in 2002, Luchino Visconti in 2006, and the Cinecittà film studios in 2007.



Environmental sustainability



Because our intelligence offers endless resources,
but our planet does not.



By 2008
“green energy”
for one fifth
of the company

**Energy
Management:**
energy planning
and proper use
of resources

**Methane
vehicles:**
Poste Italiane’s fleet
is the largest in Europe

**Green Post,
“ecologic”
mail carriers
in Perugia:**
leader in the EU
programme “Intelligent
Energy for Europe”
to reduce environmental
impact during delivery.
Experimentation
with electric,
light-weight four-wheel
vehicles now in course

**Waste
sorting:**
a programme
for identifying
the best methods
for recycling

**Hybrid
solutions:**
experimentation
with electric vehicles,
motorcycles,
and vans for light,
medium, and heavy
transport

**Over 500
motorised
bicycles**

10,000 hours
of flight time

192 million km
travelled in one year

Poste Italiane is committed to preserving the quality of the environment in which it operates and to promoting the best possible use of natural resources. Among the company's actions for environmental sustainability, there is the newly established Energy Management Department, handling the planning of energy saving projects and committed to reducing the amount of greenhouse gas emissions, as well as environmental and noise pollution in delivery processes.

In 2007, 8% of the total electric energy consumed by Poste Italiane came from renewable sources and the company's fleet of methane vehicles is the largest in Europe.

The environment is everything that surrounds Poste Italiane, in other words, it is the eco-system in which the company operates and on which it has an effect in going about its daily business.

Recognising the important role that such a large company covers in helping develop the country, Poste Italiane is committed to preserving the quality of the environment in which it operates and to promoting the best possible use of natural resources. This is why it created the Energy Management Department.

PARTICIPATING IN THE "DECADE OF EDUCATION FOR SUSTAINABLE DEVELOPMENT"

The UN General Assembly wanted to emphasise the fundamental role that education has in the areas of environmental protection and sustainable development. It was therefore decided that the period of 2005 to 2014 would be the Decade of Education for Sustainable Development, led by UNESCO. Activities for this period are aimed at making the entire world's governments and citizens aware of the need for a more harmonious future, out of respect for the generations to come and the resources that our planet offers, in addition to "using education to help every individual become capable of contributing to sustainable development". Poste Italiane decided to support this programme by increasing its visibility through a communications campaign.

Energy Management

The purpose of the Energy Management Department is to constantly monitor energy consumption with regard to the operations carried out at Poste Italiane's real estate property in its daily activities.

The evaluation of the energy situation for 2007 was decidedly positive.

Data relating to the energy withdrawn from primary sources and energy suppliers show a significant decrease in the overall energy used – about 8.2% less than that of 2006.

The results for 2007 show that Poste Italiane was able to resolve areas of below-average performance in 2006, getting back on track in terms of the goal established by the EU, of decreasing consumption by 20% in 20 years, starting in 2004.

The decision to supply 40 GWh of certified electrical energy originating from renewable sources undoubtedly contributed to this positive result. It also proves to be an important decision in terms of reducing greenhouse gas emissions, which were cut back by 7.74% compared to the year before. The significance of the electricity supplied from renewable sources can also be quantified – it is enough to run all of the post offices in Turin and province.

Moreover, a considerable decrease in diesel fuel for heating was recorded (down 21.7% from 2006), and there continues to be a gradual decrease in the consumption of this resource. As a result, there has been a less significant increase in the consumption of gas, which went up about 2%. These figures, which show that the company is gradually getting away from diesel fuel heat systems, can also be explained by the increase in average winter temperatures, which have allowed facilities to greatly reduce the number of hours the heating systems are run.



Energy consumption – Real estate property

Source	2006 consumption	TOE*	2007 consumption	TOE*	Δ consumption
Diesel fuel (thousands of litres)	6,548	5,834	5,125	4,566	-21.7%
Electricity (GWh)	497	119,280	451	108,144	-1.3%
Green energy (GWh)	-	-	40	200	
Natural gas (knm ³ - in thousands)	23.0	18,860	23.5	19,254	2.1%
Total TOE		143,974		132,164	-8.2%

* Tons of Oil Equivalent.

CO₂ emissions (tons) – Real estate property

Source	2006 consumption	CO ₂ emitted in 2006 (thousands)	2007 consumption	CO ₂ emitted in 2007 (thousands)	Δ CO ₂ emitted
Diesel fuel (thousands of litres)	6,548	17,417	5,125	13,633	-3,785
Electricity (GWh)	497	288,260	451	261,348	-25,712
Green energy (GWh)	-	-	40	1,200	
Natural gas (knm ³ - in thousands)	23.0	59,455	23.5	60,696	1,241
Total CO₂ emitted		365,132		336,876	-7.7%

“Poste Italiane participates in the World Energy Congress”



The company also showed a great deal of success in the actions taken to improve the rate of electrical energy consumption. The use of this power source records an overall decrease of 1.29%, despite the fact that the number of electrical utilities increased over the year (about 150 more utilities than in 2006). This increase in Poste Italiane's need for electricity is mainly due to the more frequent/constant use of IT and the redesigning of post offices.

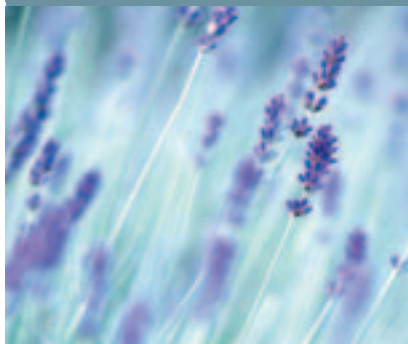
The results achieved for electrical energy consumption were also influenced by some important external factors.

In conjunction with the complete liberalisation of the market, which took place on 1 July 2007, Poste Italiane recorded a significant increase in the costs sustained for the electricity supply, even though less power was being withdrawn. The convergence of all the utilities on the market, limited by the so-called "safeguard" resulted in considerable changes in the rates over just a few months (up to 15% increases compared to initial rates).

The company reacted to this by making the rather daring decision to create a new corporate body in the energy market, which has the mission of supplying the group with electricity.

Therefore, in September 2007, Poste Energia was established and took on the responsibility of supplying electricity for the entire group and offering energy-related services with added value, considering that it would optimise withdrawal amounts. The energy supplied through Poste Energia translates to about 60% of the company's energy needs. Poste Energia's announcement on supplying energy also imposed a very significant obligation: 10% of the energy supplied must come from renewable sources.

Consolidating information technology infrastructure



Using technology to use less energy: this is the basis of the project "Consolidation of IT Infrastructure," which aims at designing and implementing a model for consolidating and integrating infrastructure and functioning of the IT system.

Thanks to this project, on which Poste Italiane has been working since 2004, it became possible to optimise the spaces used – from 3,800 sq. metres divided among tens of rooms in 2004 to the 3,000 sq. metres divided among 5 locations, as of 2006 and in operation throughout 2007.

The project's potential, in terms of conserving energy through the use of new server farms, translates to about 5-10% per year.

Poste Italiane's fleet

Poste Italiane uses different types of vehicles:

- motorcycles/scooters and motor vehicles for delivery, which make up about 88% of the fleet;
- vans and light-weight trucks, including motor vehicles under 6,000 kg;
- heavy-weight trucks, including vehicles over 6,000 kg;
- service sedans, which are professional service cars used by company personnel.

Vehicle used	2006	% of total vehicles	2007	% of total vehicles	Δ %
Motorcycles/scooters	28,474	67.0%	27,976	64.1%	-1.75%
Delivery vehicles	9,666	22.8%	10,368	23.8%	7.26%
Vans and light-weight trucks	2,902	6.8%	3,589	8.2%	23.67%
Heavy-weight trucks and other vehicles	226	0.5%	173	0.4%	-23.45%
Service sedans	1,210	2.8%	1,510	3.5%	24.79%
Total	42,478	100.0%	43,616	100.0%	2.68%

With regard to the evolution of vehicles making up the fleet, the decrease in motorcycles/scooters for delivery and the resulting increase in other motor vehicles, as well as the increase in the use of vans, are mainly due to the need for more four-wheel vehicles, given the longer routes including many delivery zones, and the type of activities carried out, some of which require heavier vehicles.

To counteract the impact of these increases, the company made the strategic decision to favour hybrid vehicles equipped with gas/methane engines. The total percentage of this type of vehicle has, in fact, gone up about 66% since 2006. These figures make Poste Italiane the European postal operator with the greatest number of hybrid vehicles used on the road every day.

Over the course of 2007, the fleet handling services for the local networks and market categories travelled about 115 million km. Furthermore, some of the transport networks are entrusted to specialised external suppliers; these vehicles covered a total of about 73 million km.



“In city centres, motorised bicycles are used for delivery”

KM TRAVELLED (IN THOUSANDS)**2006****2007**

Distances travelled by Poste Italiane's fleet

Local networks 93,370 115,890

National road networks 1,893 3,040

Distances travelled for services entrusted to external suppliers

Local networks 52,820 50,250

National road networks 18,828 22,830

Total**166,911****192,010****Air transport**

Participating national airports

17

13

Hours flown

9,000

10,544

Consumption and emissions (in thousands)*

Litres of diesel fuel

18,049

20,184

Litres of petrol

13,817

9,820

kg of methane

1,296

2,371

Tons of CO₂ emitted

84,931

83,980

* Total emissions refer only to fleet used.

Emissions (g CO ₂ /kg):	Diesel	3,140	Density	0.85 kg/l
	Petrol	3,080	Density	0.78 kg/l
	Methane	2,750		



Poste Italiane also uses air transport in carrying out operations, in order to ensure the performance levels required for certain postal products.

In 2007, the network included 13 national airports, with the hub being Brescia Montichiari, and an additional network extending only to selected airports in Southern Italy, with its hub at Rome Fiumicino.

The configuration of this network covers ordinary operations five days a week, and provides a limited network on the weekend. This transport system has gathered about 10,544 hours of flight time, 2,201 of which concerned flights operated by the group company Mistral Air Srl.

The consumption of diesel fuel increased in comparison to 2006; however, there proved to be a decrease in the amount of petrol used, due to the use of hybrid vehicles, which brought an increased consumption of methane.

This year, the evaluation on emissions was conducted according to a different method of data processing than that used in 2006. In fact, the decision was made to use emission factors typical of individual fuel types. This approach is more effective in the evaluation of estimates on emissions, facilitating the comparison of data with other scenarios (the 2006 figure was recalculated). Overall, the amount of CO₂ emitted by the fleet was reduced by approximately 1.1%.



Projects in 2007

Over the course of 2007, the company carried out important activities connected to the needs arising from the implementation of the General Delivery Project. This resulted in, among other things, a restructuring of the operating fleet and a review of the make-up and distribution of vehicles needed (through the introduction of 1,300 new vehicles).

Motorised bicycles

During the last few months of 2007, 500 bicycles with assisted pedalling were distributed throughout different areas of the country. As a result, the mailmen/women to receive them were offered the necessary training on their use.

Alternatively powered three- and four-wheel delivery vehicles (electric or hybrid)

Experimentation continued for these types of vehicles, which prove to be worthwhile, not only for their reduced impact on the environment, but also for reasons of safety and comfort for the mail carriers driving them (especially in the winter). The most extensive and significant project for the company is without a doubt "Green Post", which is in the process of being officially launched in Perugia, as will be explained further on.

Electric-endothermic hybrid solutions

The company is still convinced that this technology could be an ideal solution in satisfying the needs related to transport normally carried out with medium-sized vehicles. For this reason, experimentation has continued for vehicles with reduced impact or no impact on the environment.

During the second half of 2007, the PMC in Florence used a light-weight, serial hybrid van weighing 3,500 kg for certain services in the local network in question. The purpose of this testing, which is also being pursued in Milan, is mainly to verify this automotive technology's compatibility with the requirements of ordinary transport services.

Initial observations on the use of these vehicles were positive. They proved to be especially suitable for urban route requirements and, with proper time management in the charging and use of batteries, and providing for a charging network, all of the vehicles were able to run on electric power alone.

GREEN POST PROJECT

For companies operating in the postal service sector, mail delivery is among the activities with the heaviest impact on the environment, and the most critical issues in the way of safety on-the-job.

This is why Poste Italiane is involved in a programme aimed at combining innovation with business opportunities, along with an increased focus on the safety of its employees and efforts in protecting the environment.

With regard to reducing environmental impact, significant results have already been achieved thanks to the decisions implemented during the recent updating of the company fleet. However, this is not enough. Being aware of the fact that the company's ability to impact the development of Italy as a whole has led Poste Italiane to become involved first hand in designing innovative means of transport that are successful in cutting down on environmental and noise pollution.

Through its participation in the Intelligent Energy for Europe Programme promoted by the European Commission, Poste Italiane has been coordinating a project since 2006, with the intention of experimenting with electric and hybrid mail delivery vehicles in city centres; this is to be carried out in Perugia, Brussels, and Szentendre (20 km from Budapest).

For this project, Poste Italiane has gathered a number of excellent partners, including essential participation from both the University and the City of Perugia, and Ducati Energia; the latter will be handling the creation of the vehicle. Other project members include PostEurop (European association of public postal operators), Legambiente, La Poste/De Post (postal operator in Belgium), Magyar Posta (postal operator in Hungary), the University of Rousse (Bulgaria), and the Intelligent Energy Executive Agency (IEEA).

An investment backed 50% by the EU and Poste Italiane made the project possible.

The test vehicles being designed with Ducati Energia include 57 hybrid/electric-drive four-wheel vehicles, with a battery life of 50 km in electric drive and 300 in hybrid drive, to be used by mailmen/women as an alternative to the traditional motorcycles.

The experimentation started at the end of 2007 and is scheduled to last 30 months. In cooperation with the University of Perugia, the company plans to monitor the environmental and energetic performance levels, as well as the development of models that are able to reduce environmental and noise pollution, also making progress in terms of conserving energy.

In compliance with instructions from the IEEA and in cooperation with the City of Perugia and Legambiente, various opportunities for contact with the public have been scheduled in order to familiarise people with the topic of conserving energy. The project will also be described on a special website. Similar plans will also be made for the cities of Brussels and Szentendre.

THE WASTE PROJECT

The company has continued working on this project, which was launched in 2006 and is dedicated to uniform waste identification, also offering activities in training and spreading awareness.

The studies conducted allowed the company to define different categories of waste: batteries, film, obsolete equipment, containers and packing materials, fixative solutions, camera film, film developing solutions, cleaning products, empty toner cartridges, ribbon and ink cartridges for printers, bulky materials, rags, Styrofoam, and electric/electronic components. Along with these, waste products intended for recycling were also categorised, such as plastic containers in general, paper and cardboard, plastic and wood, beds, and pallets.

Recyclable waste also includes mail correspondence set aside for shredding and printed material for immediate shredding/pulping (in any case no more than a week after collection) once the papers have been separated from other materials.



Another activity on the agenda is the definition of behavioural guidelines for proper waste management at administrative and industrial locations. This entails, for example, the supply of materials with less impact on the environment, connections and transportation to ecological islands, and the completion of related forms. In order for the project to be successful, it is essential that the company inform employees of its importance, as their cooperation is crucial in ensuring the proper management of waste disposal activities.

Considering the fact that reaching project goals depends on the actions of everyone working for the company, an awareness campaign has been planned in order to communicate policies and strategies regarding waste management. In 2007, a surveillance programme was also planned for the purpose of monitoring the application of waste separation. Observations made since the beginning of the project demonstrated that waste sorting is currently being carried out here and there throughout the country, depending on the contracts stipulated at the local level. However, separating waste is an important civic duty and is an activity that should be completed along the entire production line.

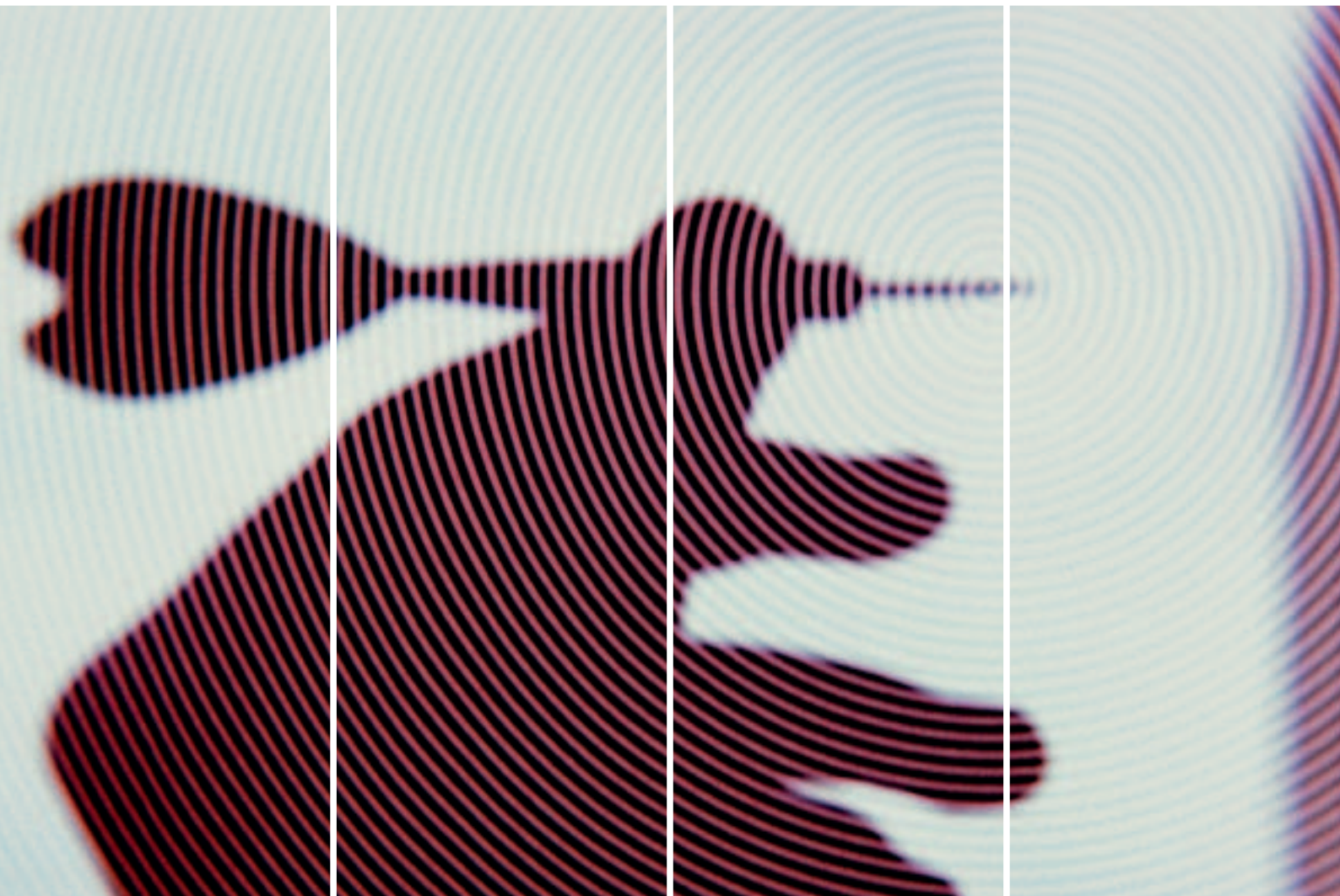
Moreover, thanks to the activation of the waste collection system, the company can enjoy the benefits of reduced waste disposal tax, according to the terms and conditions of local regulations, made possible through the waste sorting carried out by the company through the transfer of waste to duly authorised businesses.

Upcoming phases of the project, coordinated through a work group formed by various corporate departments, provide for the following:

- training programme run by waste management experts, offered to facilities throughout the country;
- recognition of all related contracts in force throughout the country;
- establishment of new contracts for waste sorting;
- activation of waste sorting for paper at the EUR location, with related awareness campaign for employees.



Goals for improvement



The policies for social and environmental responsibility pursued over the course of 2007 have given Poste Italiane further motivation in its operations. The extremely structured strategic and organisational decisions have been received with support and have allowed the company to plan and develop steps, taking more concrete action and achieving more visible results with regard to social and environmental reporting.

The goals for improvement announced in the last Social Report were reached through constant effort on the part of both human and technical resources, making it possible to refine the information provided through an organised process of social and environmental reporting for the 2007 release.

The main areas for improvement in the last report were essentially limited to two macro areas: the methodological structure followed in drafting this document (a more experienced process of stakeholder engagement, adoption of a more complete set of indicators, improvement in the collection and organisation of information) and the impact of financial, social, and environmental performance levels on management and operations.

Taking advantage of some of the suggestions made during activities involving stakeholders had a positive effect on this year's report, with regard to the goals for improvement promised last year. In order to verify the actual degree to which the report was improved, the company chose to report the goals for improvement stated in the Social Report 2006, in conjunction with the actions actually taken in 2007 and subsequently reported in this Social Report 2007. In fact, using a succinct format that allows for immediate comprehension, the following tables describe the actions taken, providing information that also corresponds to the more detailed descriptions given in the report, with regard to the commitments made last year. The first table summarises the efforts made in terms of methodology.



ACTIVITY	GOALS FOR IMPROVEMENT	ACTIONS TAKEN TO ACHIEVE GOALS
Stakeholder engagement activities	Better definition of communication and feedback tools for employees, customers, users, and citizens	Updated “corporate atmosphere analysis”, launching of “cantiereValori”, in-depth internal/external communication tools, mailing of questionnaires evaluating Social Report 2006 and gathering of feedback from consumer associations, meeting with consumer associations, agreements with other institutional partners (Confindustria, CDS, CEEP)
	Develop dialogue with strategic stakeholders, such as trade unions	Mailing of questionnaires evaluating Social Report 2006 and gathering feedback, meetings with trade unions
Set of indicators	Increase number of indicators	Supplementing table of indicators – also to start accreditation/GRI self-evaluation
	More extensive use of indicators from GRI sector supplements (finance and logistics)	Extension of indicator table for accreditation/GRI self-evaluation
Data and information	Improvement and elaboration on structure of data and information for Social Report	Concise information in table of indicators
Timeline for publishing Social Report	Reducing publication time to bring report release time closer to that of approved Financial Statements	The 2007 Social Report will be presented to the Poste Italiane Board of Directors a month after the Financial Statements are approved
System of responsible management	Review social and environmental responsibility policies on which the value system and responsible management principles are based	Redesign of models of organisation, management, and supervision in compliance with Regulation 231/01, creation of specific executive position, creation of CSR department and reporting department that also handles Social Report, creation of CSR Protocol and CSR Observatory, participation in Corporate Citizenship Initiative
	Assess coherence and completeness of value system and principles of responsibility	Specific evaluations performed by Internal Audit, extensive training project on Organisational Model 231/01 and Code of Ethics
	Getting employees more involved in defining value system and behavioural principles	cantiereValori

The table below refers to the improvement goals concerning the management of operations.

Strategy and responsible management	ACTIVITY	GOALS FOR IMPROVEMENT	ACTIONS TAKEN TO ACHIEVE GOALS
	Quality of processes	Increase quality of processes, defining the offer of services by increasing the number of certificates obtained	Many new certifications for processes, technology, and Internal Audit operations
	Economic sustainability	Improve and expand upon economic/financial reporting by elaborating on information and data contained in the Social Report	No significant improvement was shown, given that the company considers this information to be more pertinent to the Financial Statements
	Social sustainability	Reinforcing the many actions that the Social Report has been focusing on for some time	CRS Protocol, CRS Observatory, creation of CRS logo, description of main agreements with trade unions, equal opportunities, litigation, training, systems of development and compensation, selection of personnel, feedback from employees, health and safety, accident and illness, CRAL projects, other programmes for employees
		Improve information on actions taken for employee health and safety	Risk of robbery, new investments in technology and security (WODSE), electric/hybrid four-wheel vehicles, training and safety, health inspections at the workplace
		More advanced training activities for employees	Classroom training, e-learning projects, development of professional skills, training for trainers, support for business
		Development of quality processes benefiting employees	Updated "corporate atmosphere analysis"
		Development of quality processes benefiting customers	Investments in accessibility and reception, "Sportello Amico" network
		Increase in actions aimed at improving product quality	Quality Day, computer equipment for mail carriers, customer satisfaction analyses, involvement of consumer associations in launching new products, evaluations of different business units through meetings with associations, anti-phishing measures
		Improve claims management process and litigation	Analysis of claims, description of new conciliation procedure
		Intensify dialogue with consumer associations	Establishment of meetings and discussions with associations, "Focus Consumatori" newsletter



Strategy and responsible management

Social sustainability

Pursue dialogue with entities of public administration to improve relations with this client category and the local community

Agreements with Ministry for Reform and Innovation in Public Administration (innovative automated products: electronic ID cards, electronic franking, and certified e-mail), sending Inail medical certificates, online payment of Inail/Inps taxes for domestic workers, crediting pension funds with the Inpscard, launching of iPostcard, informational campaign on Credit Fund, agreement on granting financing to retirees and registered Inpdap employees, project involving private schools with Ministry of Education

Environmental sustainability

Improve results in environmental sustainability, better management of fleet, more significant energy conservation, use of renewable energy

Energy Management Project and establishment of Poste Energia, better information on consumption, renewable energy in environmental protection policies, waste project

Improvement and elaboration on structure of data and information for Social Report

More analytical and uniform data on Poste Italiane's fleet, experimental projects involving fleet, Green Post Project

Define and improve use of renewable energy

Poste Energia Project

In reading the information contained in these tables, one will find that the numerous efforts made, and accurately listed above, have essentially made it possible to achieve all of the goals for improvement established by the group last year. This goes to demonstrate the group's focus on building an effective methodological system and pursuing an approach to responsible management that allowed them to gather and report the realistic opportunities for improving information in the Social Report, based on the expectations previously stated.

Just as in the previous Social Report, the company deemed it necessary to provide a close examination of the goals for improvement on which future actions should be based. For this reason, the potential areas for improvement have been divided into the two categories of methodology and management, and the main actions that the group intends to undertake, clearly all of great social and/or environmental value, are described below.

Efforts to improve methodology

- Collecting and developing a more structured set of data and information that will make it possible to extend evaluations to some of the other group companies that are currently not very involved, despite their interesting policies and the social-environmental impact of their business;
- consolidating efforts to expand on set of indicators provided. The process of gradually conforming to the guidelines of social reporting proposed by the GRI reflects the company's opinion, as stated last year, that only through an improved, and more detailed structuring of data can the company offer a transparent and complete informational report that is, therefore, useful in assessing the social-environmental impact that Poste Italiane is capable of generating. Refining the information presented will make it possible to qualify for and comply with higher levels of accreditation, with regard to the various Application Levels in the GRI. A complete application of the Logistic and Financial Supplements should be considered along with any other supplemental indicators to be applied in terms of the group entering new business areas;
- gradual improvement of stakeholder engagement process, adding new opportunities for communication, listening, dialogue, and partnership;
- faster publication times for the Social Report and Financial Statements.

Efforts to improve management and operations

- Measuring the results of different actions taken based on the CSR Protocol for 2007; it will then be essential, to confirm the importance of the agreement, perform concrete evaluations of activities and results obtained from the completion of the actions in question;
- reporting on some of the major projects focusing on employees, in order to adapt social policies to the specific dynamics revealed within the company;
- inform the company through a series of nationwide projects in order to explore some of the topics that will help promote sustainable development and the balance between business and ethics;
- create constructive dialogue with trade unions, starting with the feedback that they will be giving on the 2007 Social Report;
- gathering results produced through "cantiereValori" Project, which will be useful in defining new values and behavioural principles and updating the group's value system;
- continuation of intense training activities in order to produce better results in terms of developing employees' expertise;
- measuring customer satisfaction, in consideration of the quality of service and products offered, in order to better meet the standards and criteria defined with different stakeholder groups (customers, customer representatives, consumer associations);
- increasing the number of corporate processes and operational units with official certification;
- measuring significant results in the area of environmental responsibility; more specifically, with regard to the various projects completed in 2007, in the area of energy, as well as the company fleet, along with the experimentation already begun, and the management of real estate property.

This outline of actions to be taken, therefore, shows a number of significant efforts that will permit the company to continue on the path it has already chosen, with a professional and responsible approach, in order to demonstrate through actual facts, that the strategies, actions, and results planned will meet the expectations of stakeholders, as long as they are pursued with conviction and dedication, and will produce value for the group over the years to come.

Indicators

The methodological approach that has accompanied the Social Report over the last few years has followed the Global Reporting Initiative (GRI) guidelines as its main model of reference. In addition, the report is also based on instructions taken from Italian models drafted by the Social Report Study Group and the plan outlined by the Ministry of Welfare.

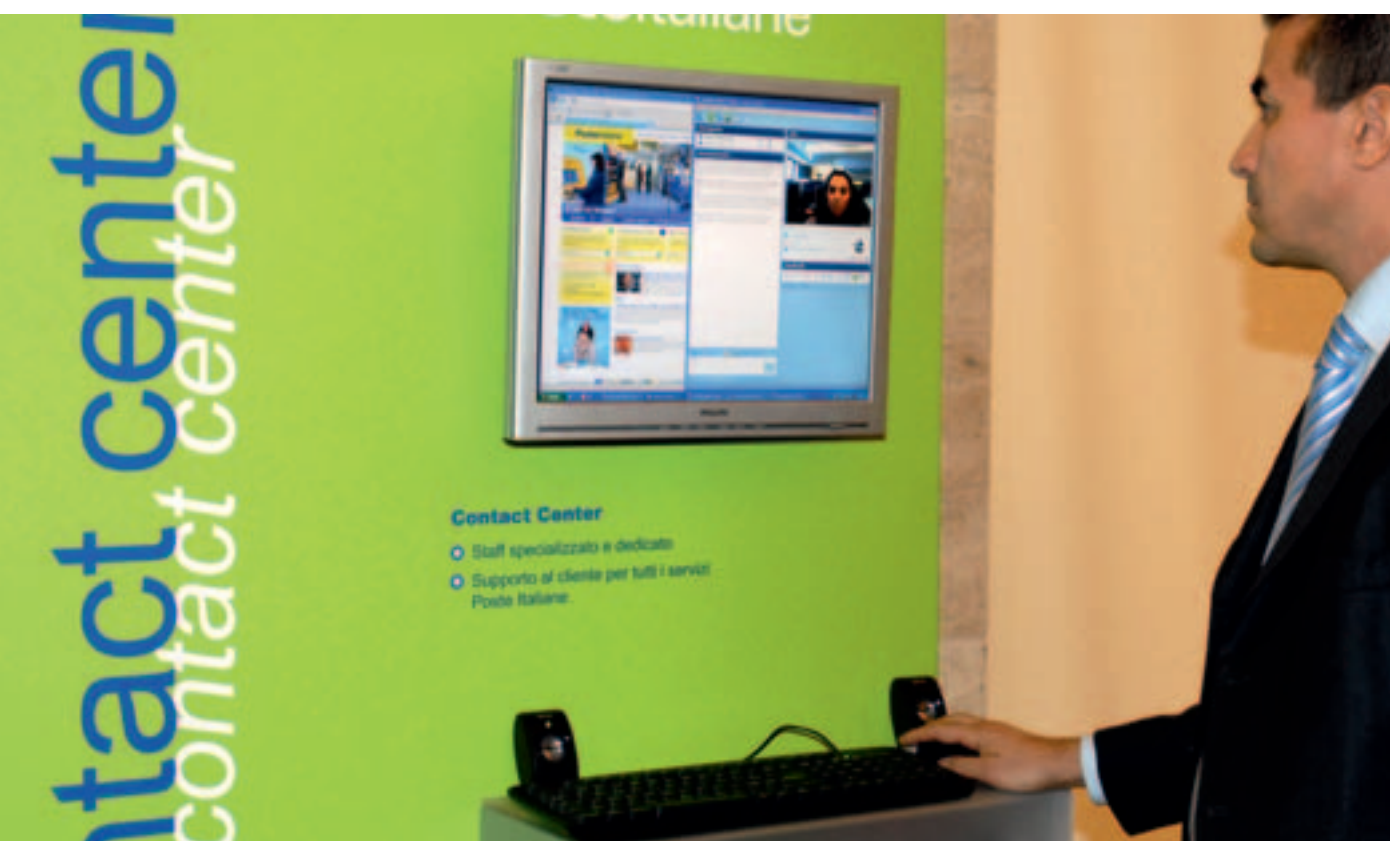
The GRI3 model proposes a substantial number of relevant indicators, some of which refer to the Company Profile and others of which refer to financial, social, and environmental performance levels, which gave a general illustration of the company in activities of reporting. Based on the number of indicators taken into account for this reporting, the GRI assigns three progressive levels describing companies' application of the model: these are the so-called application levels C, B, and A.

The lowest level (application level C) provides for full compliance with 28 indicators for the Company Profile, which are, therefore, meant to describe the structure, organisation, and governance model of the company; in addition to this information, there are at least 10 indicators that also refer to financial, social, and environmental performance levels.

The information required for the intermediate level (application level B) is definitely more detailed. The areas that are more thoroughly examined involve both the company profile, which requires compliance with 42 indicators, and the section on financial, social, and environmental performance, which has at least 20 specific indicators. Application level A is the most ambitious, requiring full compliance with all of the indicators stipulated by this model.

Poste Italiane is able to declare that the 2007 Social Report corresponds to application level B, thanks to the hard work completed over the years, allowing the company to elaborate on information concerning the management policies in the various areas of activity, and to use this report to present all of the 42 indicators referring to the company profile, along with 29 additional performance indicators from the GRI3, with which the company is in complete compliance.

The information provided overall in the Social Report is summarised in the following table of indicators, which provides detailed evidence of the report's compliance with application level B, as defined in the GRI.



Key:  Indicator satisfied/information present  Indicator partially satisfied/information incomplete
 Indicator not satisfied/information lacking  Indicator not applicable

Sections of Poste Italiane's Social Report 2007	Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Letter to the Stakeholders	1.1 Letter from the CEO on company strategies for contributing to sustainable development	x						
	2.10 Recognition and awards received for period of reporting	x						
Note on methodology	Social Report's targets		x					
	3.1 Social Report's reference period	x						
	3.2 Date of publication of most recent Social Report	x						
	3.3 frequency of reporting (annual, biennial, etc.)	x						
	Explanation of principles followed in drafting Social Report		x					
	3.5 Process for establishing content of report (decision to use GRI model)	x						
	3.9 Description of techniques used in drafting 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 (re-statement) and reason for these changes (e.g. mergers, etc.)	x						
	3.11 Significant changes in scope or measurement methods used in report, with regard to those used for the last period of reporting	x						
	3.13 Current policies and practices relating to certification of the report	x	x					
Group's history	Group's history		x					

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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Our group							
2.1 Name of the organisation	x	x					
2.8 Size of the organisation	x						
2.4 Place where the organisation is headquartered	x						
2.2 Main products and/or services	x	x					
2.7 Types of markets served	x						
2.3 Operating organisation, including description of main divisions, operating companies, and any affiliates or 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 topics of sustainability discussed in report	x						
2.9 Significant changes in size, structure, or ownership since last period of reporting, including: - location or changes in business such as the opening, closing, or expansion of facilities - changes in breakdown of share capital or transactions in contributing to, maintaining, or transferring capital	x						
Mission and values							
4.8 Declaration of mission and values, description of Code of Ethics and relevant principles for achieving best social, financial, and environmental performance levels	x	x					
Strategic positioning							
Explanation of strategy pursued by company	x	x					
1.2 Description of main risks and opportunities	x						
Short-term goals and policies for reaching goals		x					

Sections of Poste Italiane's Social Report 2007	Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Our Stakeholders	4.14 List of stakeholders: main characteristics of each and description of relationship with company	x	x	x			😊	😊
	4.15 Principles followed for identifying and selecting main stakeholders	x					😐	😊
	4.16 Approach taken in getting stakeholders involved	x					😐	😊
	4.13 Participation in industrial or business associations	x					😊	😊
	Projects (listening)			x			😊	😊
	CSR6 Dialogue with stakeholders				x		😐	😐
	4.17 Key issues and critical points revealed through stakeholder involvement	x	x				😐	😊
	Information received through stakeholder involvement, ad hoc information included in Social Report		x				😊	😊
Governance model	4.1 Organisation's governance structure	x					😊	😊
	2.6 Ownership structure, legal form	x					😊	😊
	Number of shareholders by type of shares		x	x			🕒	🕒
	Division of shareholders by category		x	x			🕒	🕒
	2.6 Type of property owned						😊	😊
	4.11 Approach used for risk management during phases of planning operations or developing and introducing new products	x					😊	😊



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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Governance structure							
Frequency of Board of Director meetings			x			😊	😊
4.2 Indication of whether or not the president of the organisation is also an executive	x					😊	😊
4.3 Indication of number of independent or non-executive members of the BoD	x		x			😊	😊
4.7 Processes in use for determining expertise needed for members of the board 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 for top management in checking methods for identifying and handling financial, environmental, and social performance levels, including significant risks or opportunities and compliance with international standards, codes of conduct, and principles declared	x					😐	😊
4.10 Processes in use for evaluating members of BoD based on achievement of social, environmental, and financial performance levels	x					😊	😊
Investor relations – communication and reporting		x	x			😊	😊
Investor relations – presentations and institutional documents			x			😊	😊
Investor relations – roadshow			x			👉	👉
Investor relations – one-to-one meetings			x			👉	👉
Investor relations – developing communication via internet			x			😐	😐
Investor relations – other (e.g. open houses)			x			😞	😞
The organisation							
Organisational structure and key supervisory figures						😊	😊

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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
System for responsible management			x			😊	😊
Application of self-government codes, Code of Ethics							
S01 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		😊	😊
4.12 Commitments in external projects, external codes of conduct relating to environmental, financial, and social indicators or other projects that the organisation supports or implements	x					😊	😊
Quality systems		x				😊	😊
S07 Legal action for anti-competitive behaviours, antitrust, and monopolies, and their results	x					😊	😊
S08 Monetary value of relevant fines and total number of fines for failure to comply with laws or regulations	x					😊	😊
Internal auditing systems			x			😊	😊
Rules and codes for respecting laws and internal auditing system							
Verifications of compliance and inspection activities			x			😊	😊
4.6 Processes for avoiding conflicts of interest	x					😊	😊

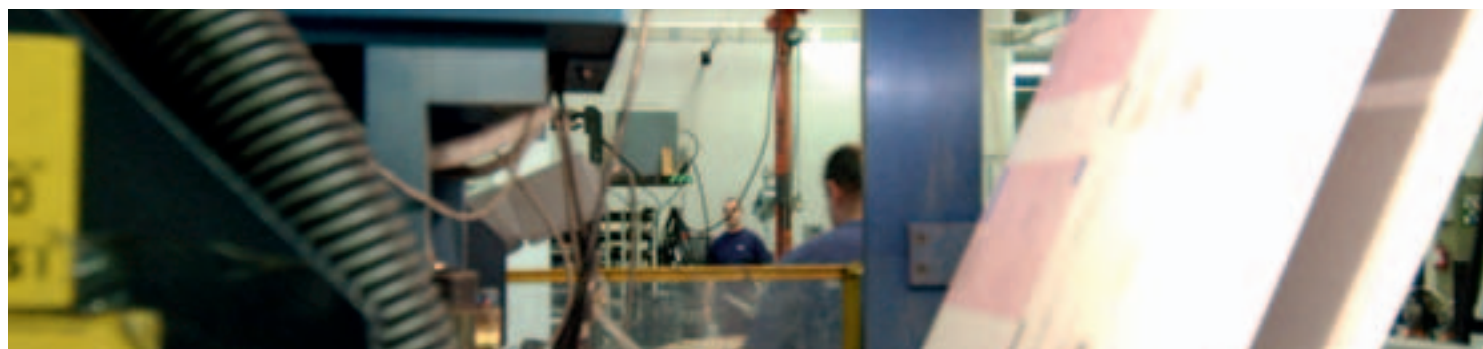


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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
The group in numbers							
Breakdown of revenues based on origin							
EC1 Economic value generated and distributed (income, operating costs, employee compensation, donations and other investments for community, remuneration for lenders and entities of public administration)	x	x			x		
SOC2 Economic value added		x		x			
Algebraic equivalence and balancing with general accounting for the year		x					
EC4 Significant financing received from entities of public administration, financial assistance/tax breaks	x	x	x				
EC8 development and impact of investments for infrastructure or services provided mainly for public use, through commercial commitments, donation of products or services, pro bono activity	x						
EC9 Analysis and description of main indirect economic effects considering external impact generated	x						
Listing performance			x				
Rating (not being a listed company, this refers to evaluations based on issues produced)			x				
Relations with government and local entities		x	x				
Relations with banks		x	x				
Relations with lenders		x					
Relations with insurance companies			x				
Relations with financial companies			x				
Remuneration of shareholders/partners – earnings per share			x				
Remuneration of shareholders/partners – dividends			x				
Remuneration of shareholders/partners – price/earnings per share			x				
Remuneration of shareholders/partners – other (e.g. refund, obligatory contributions for mutual funds)			x				
Total amount of paid taxes, divided by country		x	x				

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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Our people							
LA1 Number of employees, broken down by type of contract and geographic location	x	x			x		
LA13 Composition of executive body and company's staff groups; breakdown of employees by category (gender, age, ethnic group, other indicators)	x						
Employees by category			x	x			
Employees by age			x	x			
Employees by seniority			x	x			
Employees by geographic location				x			
Employees by nationality				x			
Employees by type of contract			x	x			
Employees by level of education			x	x			
Working hours by category				x			
Dependent and non-dependent workers				x			
EC5 Minimum entry-level wage vs. minimum wage	x						
EC7 Procedures for selecting personnel	x						
Turnover		x	x				
LA2 Total amount and percentage regarding turnover of personnel, divided by age, gender, and geographic area	x		x				
Termination of work relations			x				
Employment policies		x	x				
Stages			x				
Gross average remuneration by category			x				



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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Industrial relations		x				😊	😊
Complying with association rights and collective bargaining			x			😊	😊
LA4 Percentage of employees represented by independent organisations or covered by collective bargaining agreement	x		x			😊	😊
Work organisation policies		x				😊	😊
Workers' participation in corporate direction (level of interaction between company and trade unions)			x			😊	😊
LA5 Minimum period of notice for changes in operations (organisational changes), specifying whether or not these conditions are included in the collective bargaining agreement	x					😞	😞
HR5 Cases of violating the right to association and collective bargaining	x					😊	😊
Protecting workers' rights			x			😊	😊
Instances of strike		x	x			😊	😊
Litigation and disputes						😊	😊
EC3 Coverage of obligations assumed when pension plan was defined (benefit plan application)	x	x				😐	😊



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Sections of Poste Italiane's Social Report 2007				Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
	Indicator	GRI3	GBS	Welfare			
Equal opportunities	Equal opportunity policies			x			😊
	Policies concerning people with disabilities			x			😊
	LA14 Index for average compensation based on gender (for men vs. women) and category of worker (ratio of wages for men vs. women)	x					😞
	HR4 Cases of discrimination	x		x		x	😊
Training	LA10 Average hours of training per year, divided by category of employees	x					😊
	LA11 Programmes supporting continued training of workers	x	x	x			😊
	Training projects		x				😊
	S02 Percentage and number of company departments monitored for risks connected to corruption	x					😊
	S03 Percentage of workers to receive training on anti-corruption policies and procedures at the company	x					😐
	S04 Action taken after corruption offences	x		x			😊
Systems of professional development and compensation	Career paths						😊
	LA12 Percentage of employees to receive periodic evaluation of performance and career path	x	x	x			😊
	LA3 Benefits for full-time workers (system of compensation and incentives)	x					😊
	4.5 Link between executives' compensation and achievement of financial and other goals for organisation	x		x			😐
	INT 4 Senior management remuneration				x		😊
Internal communication and stakeholder engagement	Internal communications (tools and policies)			x			😊
	Customer satisfaction research within company						😊

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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Health and safety			x			😊	😊
Information on health of employees, health care activities, and handling safety in the workplace							
LA7 Percentage of accidents, days of work missed, rates of absenteeism, and number of accidents on the job, broken down by geographic area	x					😊	😊
Days of work missed			x			😊	😊
Reasons for absence based on percentage (sick days, trade union allowance, vacation time, compensation, medical appointments, paid leave, unpaid leave, etc.)			x			😐	😐
LA6 Formal committees for safety and health that monitor and participate in creating programmes for safety in the workplace	x					😊	😊
LA9 Formal agreements with trade unions regarding health and safety	x					😊	😊
Specific projects and actions resulting from data on incidents/accidents		x				😊	😊
CRALPoste							
Social activities			x			😊	😊
Corporate services/assistance for employees		x				😊	😊
Customers							
Characteristics and analysis of customers and markets served		x	x			😊	😊
Breakdown of customers by category		x	x			😊	😊
Breakdown of customers by type of product/service offered			x			😊	😊
Accessible postal service							
New customers			x			😊	😊



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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Development of the offer							
New products/services			x				
Information and labelling on product (security/LCA/voluntary initiative)			x				
PR1 Phases of life cycle for products/ services that are evaluated based on their impact on health or safety in order to encourage improvement; percentage of main categories of products/services	x						
PR3 Type of information relating to products and services required by labelling procedures, and percentage of products/ services subject to these requirements	x						
Customer loyalty efforts			x				
PR5 Practices relating to customer satisfaction, including survey results	x		x				
PR6 Programmes for compliance with laws, standards, and voluntary codes regarding marketing activities, including promotion and sponsoring	x		x				
PR7 Total number (divided by type) of cases in which codes or voluntary regulations were not followed	x						
Safeguarding privacy			x				
PR9 Monetary value of major fines regarding non-compliance with laws of regulations on supply and use of products or services	x						
Suppliers							
EC6 Policies for selecting and managing suppliers and percentage of expenses	x	x	x				
Register of suppliers							
Breakdown of suppliers by category			x				
Criteria for selecting suppliers			x				
Communication and information		x	x				
Contractual conditions		x	x				

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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Community							
Culture		x	x			😊	😊
Sport		x	x			😊	😊
Research and innovation		x	x			😊	😊
Education and training		x	x			😊	😊
Social solidarity			x			😊	😊
Corporate giving (involvement in social campaigns)		x	x			😊	😊
Direct contributions to different areas of involvement (volunteering, nursery schools, etc.)		x				😊	😊
Relations with associations and institutions			x			😊	😊
Communication and involvement with the community			x			😊	😊
Relations with communication media (external communications)			x			😐	😐
Virtual community – Contacts (characteristics and analysis)			x			😊	😊
Virtual community – Security			x			😊	😊
Virtual community – Tools for handling relations			x			😊	😊
Virtual community – Prevention of corruption			x			😊	😊



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Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
Environmental sustainability		x					
Energy Management							
EN26 Efforts to reduce environmental impact of products/services and results of actions taken	x						
EN28 Entities issuing fines or sanctions, also non-monetary, received because of non-compliance with environmental regulations in force	x						
EN27 Percentage of products – and related packaging – broken down by category, that are recycled at the end of the product's life	x						
EN1 Raw materials used, by weight and volume	x						
EN2 Percentage of raw materials used that come from recycled materials	x		x		x		
EN3 Direct consumption of energy, divided by original energy source	x		x				
EN4 Indirect consumption of energy, divided by original energy source	x						
EN5 Energy conserved due to improvements in efficiency	x						
EN6 Efforts to supply products/services through use of renewable energy	x		x		x		
EN7 Efforts in reducing indirect energy consumption, and results achieved	x		x				
EN8 Total amount of water withdrawn, broken down by source	x						
EN23 Total number and volume of significant water transfers	x	x			x		
EN21 Total amount of water transferred, based on quality and destination	x		x				
EN11 Location and dimensions of land owned, leased, or managed that is in or near protected areas	x						
EN12 Description of impact activities have on protected areas	x						
EN16 Total direct and indirect emissions of greenhouse gas by volume	x						
EN17 Other significant indirect greenhouse gas emissions by volume	x						

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Social Report
2007

Indicator	GRI3	GBS	Welfare	Financial Service Sector Supp.	GRI L&T Sector Supp.	Poste Italiane SR 2006	Poste Italiane SR 2007
EN18 Efforts to reduce greenhouse gas emissions, and results achieved	x						
Volume of emissions			x				
EN20 Percentage of NOx, SOx, and other emissions that are harmful to the air	x		x				
EN22 Total waste produced broken down by type and disposal method	x	x					
Poste Italiane's fleet							
EN29 Environmental impact of transport used for logistical purposes	x	x					
EN30 Expenses and investments regarding environmental protection, divided by category	x				x		
LT3 Policies and programmes for handling environmental impact, including efforts in sustainable transport, changes in means of transport, and planning/mapping of road routes					x		
LT2 Composition of fleet					x		
LT4 Efforts in using renewable energy to increase energetic efficiency (with regard to fleet)					x		
LT5 Efforts in controlling emissions in urban areas, with regard to road transport (use of alternative power, frequency of vehicle maintenance checks, driving style, etc.)			x				
Training and education (regarding environment)			x				
Goals for improvement							
Plans for future Social Reports							
Table of indicators							
3.12 Table showing GRI indicators and corresponding sections of the document	x						
3.4 Offices that can be contacted for further information on the Social Report and its contents	x						

Glossary

Added value

The wealth produced by a group or company during a specific administrative period, thanks to the execution of regular operations; information relating to the calculation and distribution of added value provides a natural link between the Social Report and the (Consolidated) Financial Statements.

Area Networks

Networks of transport services carried out within TLA zones and that connect processing centres for incoming/outgoing mail (PMC/provincial centres and other centres) with primary and secondary distribution centres so that products can be sent to collection and delivery centres. In some of the country's regions, these networks also carry out post office collection activities and the emptying of mailboxes directly.

CEEP - European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest

The CEEP is a social partner of the European Commission and is empowered to represent the interests of the industry providing public services to the commission with regard to social and employment policies, as well as training and industrial relations.

Contact Centre

A Contact Centre is a particular kind of call centre. It has a more complex organization, enabling it to manage different contact channels (Internet, fax, e-mail) in addition to telephone calls.

Customer retention

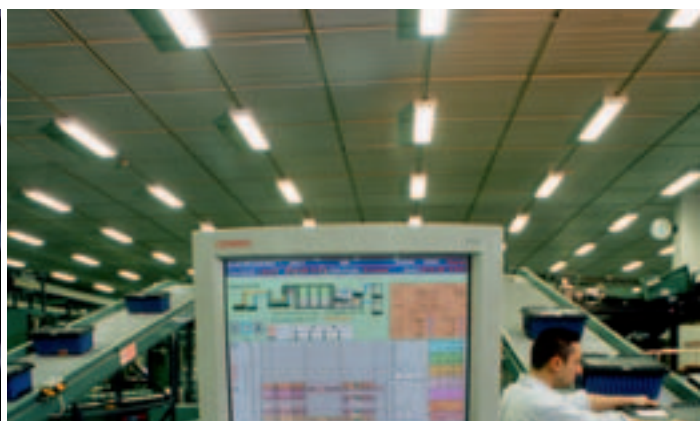
This refers to the set of actions aimed at retaining customers (i.e., to make customers want to continue purchasing the company's products). Customer retention is implemented by the following means: customer redemption (recovery of dissatisfied customers), customer satisfaction, toll-free number, service guarantee, faulty-service management, and claim management.

CSR - Corporate Social Responsibility

CSR is the acronym of 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 Mail

Direct Mail refers to integrated communication and marketing services and the printing of commercial documentation.



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.

E-commerce

This term refers to the sale of online products through the use of the Internet. This new way of doing business has revolutionised the traditional way of selling and buying by eliminating the direct contact between seller and consumer and establishing new rules of communication.

E-government

The process of computerising entities of public administration, which – along with organisational changes – allows documentation to be processed and processes managed with digital systems, thanks to the use of information and communication technologies (ICT) for the purpose of optimising work and providing users (private individuals and businesses) with both new and more rapid services through – for example – the websites of the entities concerned.

E-procurement

This term refers to the management, distribution, and supply of stationery, IT products, printed matter, and forms.

Full Time Equivalent

Full Time Equivalent (FTE) is a frequently used method for uniformly measuring the number of employees of a company. An FTE is a person who works 8 hours a day; employees working part-time are counted according to this criterion. For example, a person with a contract for 6 hours a day is a 0.75 FTE (6/8 hours).

Market delivery services

Networks of transport via medium-sized vehicles which, certified with primary and secondary distribution centres, provide delivery for customers receiving considerable volumes of mail, carry out activities supporting universal delivery services, post office mail pick-up or delivery, and the emptying of mailboxes, in addition to medium pick-up services.

Mass Printing

Set of services for managing large quantities of correspondence in outsourcing.

Multi-regional Territorial Area or Country Manager

The first organisational level of the sales network, which includes the local sales units dedicated to business customers, with the exception of top accounts and national entities of public administration.

Phishing

Phishing is a fraudulent activity that exploits a social engineering technique and is used to obtain access to personal or confidential information for the purpose of identity theft through the use of electronic communications, mainly fake e-mail messages or SMS, but also telephone contacts. Due to these messages, users are deceived and led to reveal personal data, such as checking account numbers, credit card numbers, identification codes, etc.

PMC - Postal Mechanisation Centre

These handle the acceptance, transportation, and sorting of ordinary, priority, and registered mail through highly automated systems. Two of these centres (Rome Fiumicino and Milan Peschiera Borromeo) are also equipped with material-handling systems for the internal movement of mail containers. These centres also accept mail sent by large clients.

PosteShop

These are sales outlets dedicated to retail customers. They sell products that support the core business of Poste Italiane and products of external suppliers (stationery, books, music CDs, DVDs, VHS, IT and TV products, household and leisure articles, etc.).

There are three kinds of shops: “Shop in Shop” (spaces set up in Post Offices, where customers purchase products directly or from the PosteShop catalogue and are served by a PosteShop employee), “Self Service” (spaces set up in Post Offices where customers serve themselves and pay at the counter), and “Basic” (all the outlets where, without exhibition space, customers can purchase a selection of stationery, packaging materials, international telephone cards, and products from the PosteShop catalogue directly at the counter).

PostEurop - European association of postal companies with obligatory service

Poste Italiane belongs to PostEurop, which represents it at the UPU (Universal Postal Union). When it recently revised its strategies, PostEurop recognised the importance of the issues regarding Corporate Social Responsibility (CSR) and created a special area of activity, which acts under the direct responsibility of PostEurop’s Board of Directors. Called the “Social Responsibility Committee”, this area has the task of guiding and coordinating the activities regarding specific CSR issues, instituting a discussion forum on questions of common interest, and providing the member companies of the association with support for promoting the development of policies on social responsibility in all fields (job quality, human resource development, change management, training on CSR issues, environmental impact, and social dialogue). The committee has established two fields of action as priorities: the human-resource axis and the sustainable-development axis.

PT business

These are sales outlets dedicated to SOHO and small-medium business customers and there are three types: offices entirely dedicated to this activity, dedicated areas (counter and consulting room) in traditional post offices, and dedicated counters.

Retail

This is a customer segment that includes all those who use the services provided by Poste Italiane for personal needs not connected with their professional activity.

RFID

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

SDC - Social Dialogue Committee

The Social Dialogue Committee is a body of the European Commission entrusted with discussion between employers and European trade unions on issues of common interest. Its general purpose is to facilitate such discussion to promote high-quality industrial relations in Europe.

Stakeholder

The stakeholders of a company 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, supervisory bodies, communities, the environment, future generations, etc.) in order to satisfy them while continuing to effectively and efficiently pursue its mission.



Stakeholder engagement

Different kinds of actions (regarding information, consultation, dialogue, partnerships) 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 accounting, auditing, and social reporting. This model aims at a gradual improvement over time and presupposes different and increasing levels of integration in the involvement of stakeholders.

SOHO - Small Office Home Office

SOHO is a customer segment that includes professionals who regularly use postal and financial services for needs connected with their business.

Territorial Logistic Area

The Territorial Logistic Areas coordinate and support the proper functioning of the logistic process in the area concerned, where there are both traditional and automated sorting centres.

Universal delivery services

All mail delivery activities performed by mailmen/women.

UPU - Universal Postal Unions

Established in 1874, it is headquartered in Bern. With its 190 members the Universal Postal Union is the most important world body for cooperation among postal companies 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 the improvement of the quality of the service for customers.

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Posteitaliane