Annual report 2023

bpostgroup

You make us move.

Contents

This PDF version is not ESEF (European Single Electronic Reporting Format) compliant. The ESEF package is available on our website and includes a readable XHTML version. This pdf is prepared for the ease of use, the ESEF package prevails in case of discrepancy with other formats.

1. Overview of Key figures

Adjusted for the year ended 31 December

IN MILLION EUR	2023	2022	EVOLUTION 2023-2022
Total Operating Income [1]	4,272.2	4,397.5	-2.9%
Result from operating activities (EBIT) [2]	248.5	278.5	-10.8%
Result of the year (consolidated - IFRS) [3]	147.9	245.0	-39.6%
Operating free cash flow [4]	220.7	397.4	-44.5%

Reported for the year ended 31 December

IN MILLION EUR	2023	2022	EVOLUTION 2023-2022
ECONOMIC VALUE			
Total Operating Income	4,272.2	4,397.5	-2.9%
Result from operating activities (EBIT)	160.8	263.3	-38.9%
Result of the year (consolidated - IFRS)	64.8	231.7	-72.0%
bpost NV/SA net profit (unconsolidated - Belgian GAAP)	111.5	124.3	-10.3%
Operating free cash flow [5]	223.8	403.2	-44.5%
Net debt/(Net cash) [6]	420.5	437.8	-3.9%
Basic earnings per share, in EUR	0.33	1.16	-71.7%
Dividend per share, in EUR	0.13	0.40	-67.5%
SOCIAL VALUE			
Number of employees (at year end)	35,035	34,509	1.5%
Number of FTE (average)	31,240	31,617	-1.2%
Number of FTE and interim (average)	37,782	39,285	-3.8%
Employee Engagement score	41.1%	39.5%	4.1%
Total training hours per FTE (own employees and interim)	44.0	39.1	12.6%
ENVIRONMENTAL VALUE			
Share of emission-free last mile delivery Belgium	22.0%	15.3%	43.8%
CO_2 footprint (tCO_2e)	391,517	425,765	-8.0%
CUSTOMER VALUE			
Customer satisfaction score - bpost NV/SA	84.0%	84.5%	-0.6%

(1) Adjusted total operating income represents total operating income excluding the impact of adjusting items and is not audited.
(2) Adjusted EBIT represents profit from operating activities excluding the impact of adjusting items and is not audited.
(3) Adjusted result of the year represents result of the year excluding the impact of adjusting items and is not audited.
(4) Adjusted operating free cash flow for the year represents operating free cash flow for the year excluding the impact of adjusting items and is not audited.
(5) Operating free cash flow represents net cash from operating activities less net cash used in investing activities
(6) Net debt/(Net cash) represents interest and non-interest bearing loans less cash and cash equivalents

For further details on reconciliation of Adjusted and reported key figures, please refer to section "Reconciliation of Reported to Adjusted Financial Metrics" of this document.

2. Message to stakeholders

“bpost is almost 200 years old; now we need to write the story for the next 200 years”

Audrey Hanard

“Last year has been tough for everyone, but we can now look forward with confidence”

To say that 2023 was an eventful year would be an understatement. “It was one of our toughest ever years, especially in terms of governance,” chair Audrey Hanard acknowledges. The company is looking forward with ambition after the appointment of Chris Peeters as bpostgroup’s CEO. “It is the opportunity to shift focus from ad hoc crisis dossiers to the future of our core businesses,” the new CEO says.

Audrey Hanard takes a deep breath as she begins her review of the past year. It was a turbulent one, not least because of all the questions about governance at bpost and the controversy about newspaper deliveries. “It was anything but pleasant,” she admits. “But we did what we had to do and got to the bottom of it in the compliance audits. I believe that we have reached the point where we can get back to building the future of bpostgroup.”

The compliance audits have not been fully completed yet. “We have done our work thoroughly in house, identifying the primary risks. There are some loose ends, which the authorities are working on and we are cooperating with them in a transparent way. We are also in a constructive dialogue with the public services about the three dossiers under investigation with the aim of reaching a consensus-based decision,” says Hanard.

Chris Peeters made the switch from Elia to the CEO position at bpostgroup just as a very turbulent period was coming to an end. “It was important for me to know that the biggest risks had been identified and the strengthening of compliance was up at the top of the agenda,” he remembers. A concern that was quickly taken care of. “Robust, sound work has been carried out; that new compliance culture is critical for bpostgroup. We want to be an upright group with a solid presence in Belgium and beyond. I felt comfortable stepping into this role because the homework had been done so thoroughly. Then again, you won’t hear me saying that there are no more challenges ahead.”

Partner for publishers

One of those challenges is the future of press deliveries after the federal government’s decision to stop subsidizing them. “We have taken note of that decision,” says Hanard. bpost will deliver newspapers and magazines throughout Belgium until June 2024. “First and foremost we will ensure that we continue to do a good job until then. Even more important is that bpost wants to continue to be a good partner for the publishers. We are in a dialogue with them, looking for all possible win-win solutions. It is essential that it is organized in line with the principle of a level playing field, and that press deliveries continue to be done in a socially responsible way.”

So Peeters knows what he has to do and Hanard is happy that he wanted to come on board. “Chris has a strong track record as an inspirational leader and that’s something bpostgroup badly needs at the moment. Our company will soon reach its 200th anniversary; we now need a compelling story for the next 200 years,” says Hanard.

Peeters saw the time was right for change last year. “I got to work at Elia in 2015 after a period in which the CEO was changed various times. The company was looking for a clear story and I think I managed to establish one,” says Peeters. “Listen, I’m not a football coach who’s claiming that the work at Elia is 90% done. But my profile is better suited to piloting a company undergoing a transformation.”

Peeters sees a number of similarities between Elia and bpostgroup. “They are both companies with great social relevance in Belgium and beyond,” he says. “Although they fulfil that role in different ways. While Elia operates more in the background, in one way or other bpost is in direct contact with all Belgian households and companies.”

Digitalization

It is from that perspective that Peeters now has to develop a future vision for bpostgroup. “It’s still work in progress, but the axes we will work around are already clear,” the CEO explains. “First, we will continue to focus on the proximity of our services, through both the offices and our postwomen and men. Because our people remain a trustworthy figure in both places.

Chris Peeters

“If you were to take a look in our sorting centres at night you would be taken aback by the speed and efficiency of our people and how they work”

Peeters stresses that the post office continues to play a key role. “We must abide by the conditions in the management agreement with regard to proximity and availability. But it is up to us to organize that in a cost-effective way. Based on the needs of our customers we want to develop the right mix of physical contact points – through offices, and postwomen and men – and a smart range of digital services.”

bpost’s greatly enlarged logistics network in Belgium is the second axis Peeters wants to work around. “There are so many opportunities to create value there, for both households and companies. Everything is in place to respond to the rising demand for convenience.” The third and final axis is the international scale of bpostgroup. “We must bring our international presence from Asia to North America to bear to further strengthen our e-logistics business, including in Belgium.”

Hanard and Peeters point out that bpost remains a trustworthy postal company: “We score very highly in international benchmarks too”. Peeters immediately fleshes that out: “If you were to take a look in our sorting centres at night you would be taken aback by the speed and efficiency of our people and how they work. Obviously there may be some mishaps along the way and we take every dissatisfied customer seriously. But it cannot be denied that we perform to a very high level every day and we score well on customer satisfaction.”

Focus on the future

Solid foundations, that’s what it’s about. Peeters does not deny that those foundations need a little firming up in some places. “It’s now clear to me where upgrades are needed,” he says. “Management will now work with the Board of Directors to establish a good plan that covers all of that. Because we cannot ignore the fact that the falling letter volume must be dealt with; digitalization of administrative matters is clearly having an impact. We are still sending letters to grandma, but it’s not enough.” The CEO is fully cognizant that it is not a new problem. “The transition in traditional letter post is something bpost has been grappling with for a while in Belgium. The parcel market has a central role there. There is a lot of potential for creating value from the finely meshed logistics network we have right now.”

For Peeters, ‘innovation’ is the key concept. He observes that there is plenty of inspiration to be mined in house. “I have found boxes full or ideas and concepts with potential across the whole group, as it were,” he explains. “And even more importantly: they come from enthusiastic people who are bursting to get to work on those ideas. Those are the ingredients you need to create a new dynamic. It is time to shift focus from crisis dossiers to the future of our core businesses.”

bpostgroup’s full focus is on the future, but Hanard does look back one last time. “I’m proud of how everyone in the company has closed ranks and done what was needed to pilot our company through this storm. And I’m talking not simply about the Executive Committee and the Board of Directors, but all employees, first and foremost. In the eye of the storm, they made sure that everything continued to run day in, day out. That helped ensure we were able to achieve excellent financial results in 2023 in spite of everything. It has been tough for everyone, but we can now look forward with confidence.”

3. Shared Value Creation

3.1 Who we are

bpostgroup stands as a crucial human link between the digital and the physical world. Our role involves bringing people closer together and supporting the success of our clients.

With a history spanning nearly two centuries, bpost has been dedicated to serving the needs of Belgian citizens, businesses, and public institutions. In the last decade, we have actively pursued diversification, maintaining our core postal services while strategically capitalizing on the expanding global e-commerce and contract logistics market.

Presently, bpost encompasses a broad spectrum of international operations, offering cutting-edge fulfillment and warehousing solutions, cross-border transportation, last mile deliveries, and a range of specialized services including product life-cycle solutions.
In essence, bpostgroup has decisively and confidently positioned itself as a global service provider in the realms of e-commerce and omnichannel logistics.

The group is structured in three geographic business units as follows:

Belgium

- Last mile parcels delivery (500k parcels per day on average in Belgium and the Netherlands)
- Mail and press distribution (5 million letters and newspapers handled daily in Belgium)
- Retail network and customer care
- Value added services

E-Logistics North America

Full e-commerce logistics offering, among other things:

- fulfillment and warehouse solutions;
- cross-border services;
- transportation and delivery solutions;
- returns handling;
- customer care.

E-Logistics Eurasia

Logistics backbone for e-commerce, offering more specifically:

- fulfilment and warehouse solutions;
- cross-border services;
- transportation and delivery solutions, including specialized last mile delivery (Belgium/ Netherlands);
- lifecycle solutions, for returns (global) and recycling/refurbishing of high-end products (Belgium/Netherlands).

3.2 Operating in a world in perpetual evolution

bpostgroup embraces the new opportunities that arise in a world that is continuously changing:

Digitalization of mail and growing e-commerce

As digital services increasingly replace physical ones, we see declining postal mail volumes being complemented by increasing e-commerce related activities and value-added services. Our commitment to innovation and adaptability remains unwavering as we cater to the evolving needs of our customers in today's connected landscape. Amidst this proliferation of digital interactions, our role as human interface becomes even more significant.

Macro-economic trends

In 2023, Economic growth in Western Europe and North America has been mild. Concurrently, inflation rates have slowed down from the 2022 peak. Emerging G20 economies have experienced a growth rate triple that of advanced G20 economies[1]. Those events had both positive and negative impacts on our activities. Nimble reaction to those market-shifts allowed us to capture opportunities in each markets we operate in.

1 *Source: OECD Economic Outlook, November 2023*

Evolving global trade patterns

In the recent years, geopolitical tensions are influencing trade relations with an overall slowdown in global trade growth. At the same time, trade routes are shifting with the rise of regional trade blocs. Some of those blocks experience trade growth due to diversification and beneficial trade agreements. The emergence of regional trade blocs is notable. At bpost, we are vigilant and swift in seizing emerging opportunities. Our extensive e-logistics operations, spanning across four continents, enable us to deliver robust logistics solutions precisely where our customers require them the most.

Climate change

At global level, the time has come to go beyond targets and commitments, and to engage for systemic actions to cut carbon emissions. We at bpostgroup are engaged in a relentless race to decarbonize our operations in all scopes 1, 2 and 3. We're transforming the way we heat and power our buildings, the way we transport and deliver parcels, deploying a vast network of electric vehicles and pick-up/drop-off points. We will pursue our journey with our customers and vendors to rethink and improve the carbon footprint of our growing e-commerce activities.

Technology, artificial intelligence and innovation

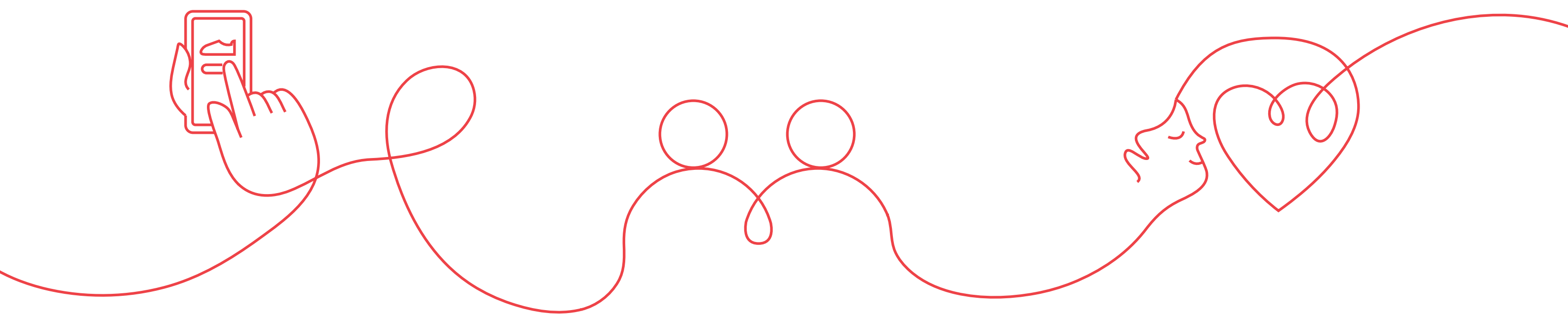
2023 can be characterized as the year when artificial intelligence models became widely accessible. The long lasting implications this will have on both businesses and society as a whole are yet to be fully understood. At bpost, we are deeply committed to embrace and drive technological advancement. We employ pioneering robotics and automation technologies across all our operations, which not only streamline our processes but also enhance the safety and wellbeing of our employees. Our commitment to reducing our environmental impact is reflected in our use of innovative packaging materials and electric vehicles. Our bpost app and the technology that supports our operations are designed to elevate the experience of our customers.

Regulatory frameworks

Our journey is influenced by evolving regulations. For instance, we welcome the EU Corporate Sustainability Reporting Directive (CSRD). We are engaged in developing stronger sustainability measurement and reporting tools, that will also enable us to improve our positive influence on our employees, on customers and society in general, and on the environment.

3.3 Our Ambition

In 2023, we have pursued our strategy to develop into a global e-commerce & logistics service provider, with a sustained Belgian anchor, recognized as a reference in sustainability.



Develop into a leading international e-commerce and logistics service provider.

Reinvent, secure and grow our anchorage services in Belgium to citizens, businesses and public institutions.

Be a reference in social and environmental sustainability in all markets in which we operate.

3.4 How we achieve our objectives

In order to accomplish our 2023-2027 targets supporting our three ambitions, we execute nine strategic programs (pillars).

AMBITION	STRATEGIC PILLARS	ENABLERS
Develop into a leading **international e-commerce and logistics service provider**	1. **Intensify** organic growth by investing in sales excellence, and by broadening our customer base in selected market segments. 2. **Expand** our activities through external partnerships or acquisitions, to leverage synergies of scale and continue to deploy new, transformative service offerings. 3. **Ramp up** our cross-border business activities as a driver of growth and profits. 4. **Further develop** our high-density last-mile capabilities, with pick-up and drop-off points in selected markets.	• Focus on client centricity **"We direct all our energy towards adding value to our customers."** • Drive operational excellence **"We continuously improve our processes towards total quality and efficiency"**
Reinvent, secure and grow our anchorage **services in Belgium** to citizens, businesses and public institutions	5. **Defend and grow** our existing business in Belgium, by targeting additional parcel customers and by adjusting our offering and operations for the declining mail market; as well as by preparing competitive commercial press distribution solutions. 6. **Build, develop & acquire** new activities, for citizens, institutions and businesses, focused on e-commerce, digitization and B2B and X2C parcel logistic services. 7. **Transform** our organization to be more flexible, while maintaining strong social responsibility.	• Invest in business technologies and simplification **"We serve our client through technology enabled solutions and leverage data and technology to simplify our processes and offering."**
Be a **reference in social and environmental sustainability** in all markets we operate in	8. **Reduce** our environmental footprint, by decarbonizing the e-commerce value-chain, as well as by re-using and re-cycling packaging. 9. **Be an employer of choice** for our employees, incorporate DE&I values in everything we do, in a safe, healthy environment of wellbeing.	• Invest in our people & culture **"We care for each of our employees. We lift our careers and develop our skills for the future."**

To implement the strategy, management is committed to act on the basis of 4 key leadership behaviors, considered to best reflect the core values of bpost

We Care	We are Clear	We Collaborate	We continuously Improve
We care about the wellbeing and development of our employees as well as the sustainability and quality of the services we deliver to our clients	We clarify the priorities of bpostgroup, incl. roles & responsibilities, and engage in open & transparent communication and feedback to the entire organization	We collaborate as one group, sharing best practices across business units, teams & functions, and we create value together with our clients	We continuously improve our services through a mix of high-quality execution and operational excellence supported by innovation, continuous feedback loops and strong technological developments

3.5 Our value creation model

bpost has operated and generated value for almost 2 centuries. Today, its significance exceeds its benefits to the entire Belgian society. Over the past decade, bpostgroup has invested to progressively spread its reach and positive influence at the international level, with a strong footprint in North America, Europe, Asia and Australia. The tangible and pervasive nature of its value creation is evident:

OUR STRATEGIC VALUES	OUR STRATEGIC AMBITION	OUR KEY PERFORMANCE INDICATORS
Customer & Citizen Value	**Reinvent**, secure and grow our anchorage **services in Belgium** to citizens, businesses and public institutions and develop into a leading **international e-commerce and logistics service provider**. • Provide proximity services through our dense presence of local team members and retail points close to our customers. • Allow citizens to communicate and exchange easily by mail. • Deliver the shipments of e-commerce consumers' predictably, on time. • Supply e-commerce actors with reliable, scalable capacity and seamless integration. • Offer business customers affordable and dynamic services, to reach their market.	Customer Satisfaction score 84%
Environmental Value	Be a **reference in environmental sustainability** in all markets we operate in. bpostgroup is committed to achieving net zero by 2040 with ambitions to: • Decarbonize the e-commerce supply chain • Re-use and re-cycle packaging as part of a circular economy	Emission-free last mile delivery 22% 391,517 tCO_2 footprint tCO_2e
Social Value	Be a **reference in social sustainability** in all markets we operate in. • Health & Safety of our people first • Champion Diversity, Equity & Inclusion across the group	Employee engagement score 41.1% Employee training and development hours per FTE 44
Economic Value	Develop into a leading **international e-commerce and logistics service provider**. • Enable customers to perform business around the world • Generate predictable and stable dividends and profit growth for shareholders	Operating Income: 4,272.2mEUR EBIT adjusted 248.5mEUR

OUR SDG IMPACT

4 QUALITY EDUCATION — By being a socially responsible employer that values the skills and competences of our employees, bpost provides training and development opportunities to our employees, job seekers, and external partners. bpostgroup is committed to ensuring sustainable employment based on continual upskilling opportunities in response to everchanging job requirements and society at large.

7 AFFORDABLE AND CLEAN ENERGY — By investing in the reduction of the environmental impact of all our operations, buildings and facilities and investing in renewable electricity, we contribute to accelerating the transition to an affordable, reliable and sustainable energy system.

8 DECENT WORK AND ECONOMIC GROWTH — By being an inclusive organization, offering life-learning experiences enabling employability for our people, we help promote long-term, inclusive and sustainable economic growth, as well as full, productive and decent employment for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — By being an important contributor to social cohesion in society and the preferred partner for public services providing an affordable and reliable postal service to all Belgian citizens across rural and urban areas, we are helping to build a resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

11 SUSTAINABLE CITIES AND COMMUNITIES — By being fully active in providing zero emission last-mile delivery in Belgian city centers and by working closely with suppliers, customers and communities, we help make cities and human settlements inclusive, safe, resilient and sustainable.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — By being the omni-commerce partner sustainably diversifying, innovating and growing in e-commerce logistics services while respecting our environment, we help ensure sustainable consumption and production patterns.

13 CLIMATE ACTION — By being a reference earth & people friendly company through our commitment to the Paris Climate Agreement & to the Belgian Alliance for Climate Action, via our Science Based CO_2 reduction Target, we contribute to taking urgent action to combat climate change and its impacts.

4. Governance

4.1 Corporate Governance Statement

Reference Code and introduction

In this Corporate Governance Statement, the Company outlines the key aspects of its corporate governance framework. This framework is consistent with the rules and principles set out in the Law of March 21, 1991 on the reform of certain economic public companies, as amended from time to time (the "**1991 Law**"), the Belgian Code of Companies and Associations[1] (the "**BCCA**"), the Articles of Association, and the Corporate Governance Charter.

As a limited liability company under public law, the Company is governed by the BCCA, unless otherwise stipulated in the 1991 Law or other Belgian laws or regulations.

Articles of Association

The latest version of the Company's Articles of Association was adopted at the General Shareholders' Meeting of May 13, 2020 and was approved by the Royal Decree of December 6, 2020[2].

The main characteristics of the Company's governance model are the following:

- The **Board of Directors** sets the Company's general policy and strategy and oversees operational management;
- The Board of Directors has set up a **Strategic Committee,** an **Audit, Risk & Compliance Committee**, a **Remuneration and Nomination Committee** and an **ESG Committee** to assist and make recommendations to the Board of Directors;
- An ***Ad Hoc* Committee** consisting of at least 3 independent directors of the Board of Directors, which is established and intervenes if and when the procedure prescribed by Article 7:97 of the BCCA, must be applied;
- The Chief Executive Officer ("**CEO**") is responsible for operational management; the Board of Directors has delegated the powers of day-to-day management to the CEO[3];
- The **Executive Committee** assists the CEO with operational management;
- There is a clear division of responsibilities between the Board of Directors and the CEO.

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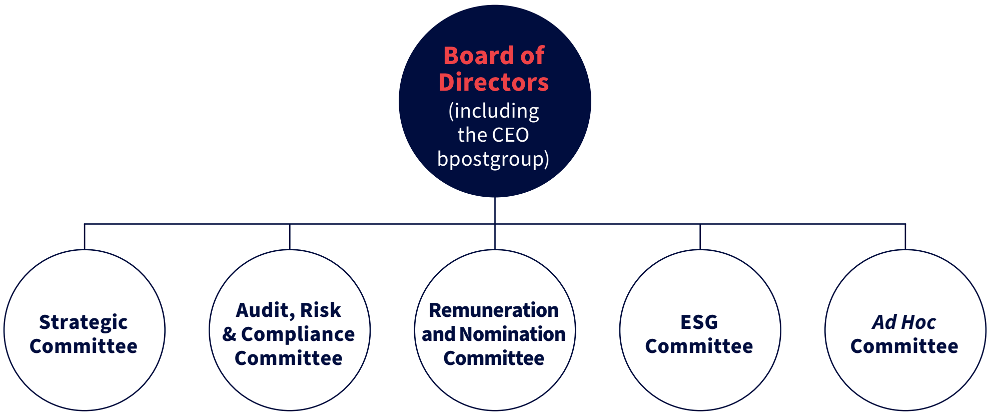
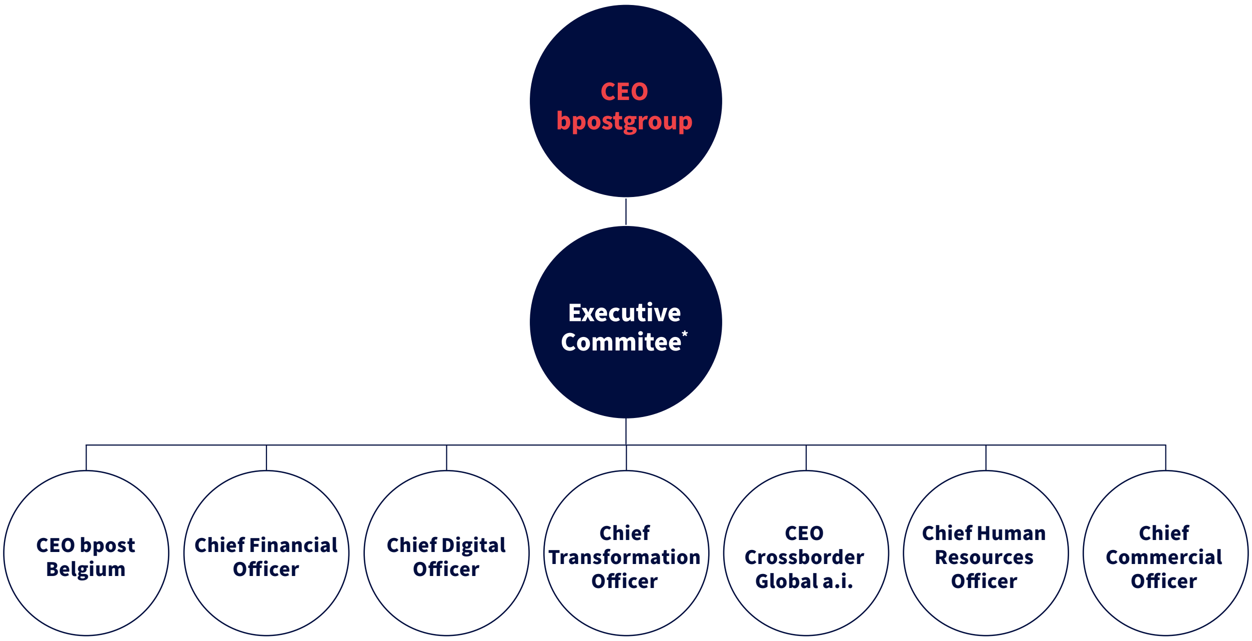
1 *Dated March 23, 2019. This Code was published in the Belgian Official Gazette on April 4, 2019.*

2 *This Royal Decree was published in the Belgian Official Gazette on December 29, 2020. In accordance with article 41, §4 of the 1991 Law, any amendment to the Company's Articles of Association must be approved by a Royal Decree following a debate in the Council of Ministers.*

3 *On November 9, 2022, upon recommendation of the Remuneration and Nomination Committee, the Board of Directors unanimously decided to appoint Philippe Dartienne as CEO ad interim with immediate effect, pending the appointment of a new CEO. His mandate of CEO ad interim ended on November 5, 2023 (midnight). For ease of reference, references to the "CEO" in this report should be understood as CEO or CEO ad interim, unless specified otherwise.*
On September 6, 2023, upon recommendation of the Remuneration and Nomination Committee, the Board of Directors unanimously decided to appoint Christiaan ("Chris") Peeters as person vested with (i) the day-to-day management of the Company and the representation of the Company in respect of such management, (ii) the execution of the resolutions of the Board of Directors and (iii) the special powers delegated to him by the Board of Directors in accordance with article 18, §2 of the Articles of Association for a term of six years with effect from a mutually agreed date between Chris Peeters and the Company. This date was set at November 1, 2023.
The Special General Shareholders' Meeting of November 23, 2023 decided to appoint Chris Peeters as member of the Board of Directors for a term ending after 6 years as from November 1, 2023.
On December 11, 2023, the Board of Directors unanimously decided to appoint Chris Peeters as CEO (gedelegeerd bestuurder / administrateur délégué) vested with the day-to-day management of the Company and the representation of the Company in respect of such management for a term ending after 6 years as from November 1, 2023.





**Composition of the Executive Committee as of February 1, 2024.*

Corporate Governance Charter

The Board of Directors adopted the Corporate Governance Charter on May 27, 2013. The Charter has been in effect since June 25, 2013 and was last amended by the Board of Directors' decision of December 11, 2023.

The Board of Directors regularly reviews the Corporate Governance Charter and adopts any changes deemed necessary and appropriate.

The Corporate Governance Charter contains rules with respect to:

- the corporate governance structure: the Company applies a "one-tier" governance structure in accordance with article 7:85 of the BCCA;
- the duties of the Board of Directors, Board Committees, Executive Committee, and CEO;
- the responsibilities of the Board of Directors' Chair and Corporate Secretary;
- the requirements that apply to the Board of Directors' members to ensure that they have adequate experience, expertise, and competences to fulfill their duties and responsibilities;
- the disclosure system on mandates held and rules aimed at avoiding conflicts of interests and providing guidance on how to inform the Board of Directors in a transparent way in case conflicts occur, and a prohibition on director participation in the deliberations and voting on any matter in which he or she has a conflicting interest.

Reference Corporate Governance Code

The 2020 Belgian Code on Corporate Governance (the "**Corporate Governance Code**") is the reference code applicable to the Company[4]. The Corporate Governance Code is based on a "comply or explain" approach. Belgian listed companies are required to follow the Corporate Governance Code, but may deviate from its provisions provided they disclose the justification for any such deviation.

Deviations from the Corporate Governance Code

During the financial year 2023, the Company complied with the Corporate Governance Code, with the exception of the following 4 deviations:

- the Corporate Governance Code (provision 5.6) states that the term of a board mandate should not exceed 4 years. However, Chris Peeters was appointed at the Special General Shareholders' Meeting of November 23, 2023 as director for a term ending after 6 years as from November 1, 2023. Linking his board mandate to his mandate as CEO, instead of setting a term of 4 years, was justified and even necessary to ensure continuity in the organization and management of the Company, and contributes to the achievement of the Company's long-term objectives.

- the Corporate Governance Code (provision 7.6) provides that non-executive directors should receive part of their remuneration in the form of shares in the company to allow them to act from the perspective of a long-term shareholder. The Company deviates from this principle, and does not award any share-based remuneration to the non-executive members of the Board of Directors. Taking into account the current remuneration as well as the independence of the non-executive directors, the Company is of the view that granting remuneration in shares would not necessarily contribute to the objectives of the Corporate Governance Code, and believes that the applied Remuneration Policy already achieves the objective of enabling such directors to act from the perspective of a long-term shareholder and reduces the likelihood of conflicts of interest. Moreover, per December 31, 2023, 5 of the 11 non-executive Directors were appointed upon nomination by the reference shareholder and, based on a survey of Spencer Stuart, many listed companies do not pay their non-executives directors in shares, including other Belgian state-owned listed companies. Therefore, the Company considers that such deviation from provision 7.6 of the Corporate Governance Code is justified.

- the Corporate Governance Code (provisions 7.7 and 7.9) states that executives should hold a minimum number of shares in the company and receive an appropriate balance of cash and deferred remuneration. However, the members of the Executive Committee are not awarded any equity-based remuneration (shares, stock-options or other rights to acquire shares) and, under the Remuneration Policy as first approved by the General Shareholders' Meeting of May 12, 2021, no part of their remuneration was deferred. This deviation from the Corporate Governance Code is in line with the majority shareholder's expectation and the Company considers it to be justified as the Board of Directors is convinced that such remuneration package of executives contributes to achieving the objectives of promoting sustainable value creation and strategic objectives, as well as attracting and retaining talents. To further align the Remuneration Policy with the Corporate Governance Code in general and to ensure that the actions and initiatives taken by the executives are guided by long-term interests in particular, a long-term incentive plan has been introduced by the revised Remuneration Policy as approved by the Special General Shareholders' Meeting of November 23, 2023.

- the Corporate Governance Code (provision 7.12) provides that contracts with executives should include clawback provisions. There are no specific contractual clawback provisions in favor of the Company for the short-term variable remuneration paid out to the members of the Executive Committee who were in office on November 23, 2023[5] (excluding the CEO). The long-term incentive for the member of the Executive Committee located in the United States as applicable under the Remuneration Policy approved in 2021, is not subject to any clawback provisions either. This deviation from the Corporate Governance Code is justified as the variable remuneration of members of the Executive Committee is capped, and does not represent a significant portion of their remuneration package[6]. In these circumstances, the insertion of clawback provisions with regard to the payment of variable remuneration to executives would have a limited influence in the pursuit of long-term and sustainable value-creation objectives. In addition, the number of situations that could give rise to a clawback is very limited, as grants of variable remuneration will be based on audited financial information. To further align the Remuneration Policy with the Corporate Governance Code, the newly appointed CEO and Executive Committee members appointed after November 23, 2023[7] are awarded their short-term variable remuneration subject to clawback provisions. The long-term variable remuneration as introduced (for the Executive Members not employed by a US entity) or amended (for the Executive Members employed by a US entity) by the Remuneration Policy revised in 2023, is also subject to clawback provisions.

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4 The Corporate Governance Code is available on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be).

5 The date of the Special General Shareholders' Meeting approving the revised Remuneration Policy.

6 For the member of the Executive Committee located in the United States, the portion of variable remuneration is higher in line with local market practices.

7 The date of the Special General Shareholders' Meeting approving the revised Remuneration Policy.

Board of Directors

Composition

General rules governing the composition of the Board of Directors

The composition of the Board of Directors is governed as described below:
- the Board of Directors consists of a maximum of 12 directors, including the CEO, and comprises only non-executive directors, except for the CEO;
- all directors are appointed (and can be removed) by the General Shareholders' Meeting by simple majority, on proposal by the Board of Directors and from candidates nominated by the Remuneration and Nomination Committee;
- directors are appointed for a renewable term of maximum 4 years, to the extent that the total term of their mandate (as renewed) does not exceed 12 years. To ensure continuity in the organization, these limitations do not apply to the CEO;
- any shareholder holding at least 15% of the Company's shares has the right to nominate directors for appointment *pro rata* its shareholding ("nomination right"). Directors appointed upon nomination by a shareholder can be independent, provided they fulfill the general independence criterion laid down in Article 7:87 of the BCCA (also considering the specific independence criteria laid down in provision 3.5 of the Corporate Governance Code and article 4.2.6 of the Corporate Governance Charter), but do not have to be independent;
- all directors, other than the CEO and those appointed through the aforementioned nomination right, must be independent directors. In any case, the Board of Directors must comprise at all times at least 3 directors fulfilling the general independence criterion laid down in Article 7:87 of the BCCA, also considering the specific independence criteria laid down in provision 3.5 of the Corporate Governance Code and article 4.2.6 of the Corporate Governance Charter. The Corporate Governance Charter further provides that at least half of the directors must at all times meet the independence criteria as set out in provision 3.5 of the Corporate Governance Code;
- any director can be removed by decision of the General Shareholders' Meeting;
- should any director mandate become vacant, the remaining directors have the right, in accordance with Article 7:88 of the BCCA, to temporarily fill such vacancy until a final appointment takes place in accordance with the abovementioned rules.

The current composition of the Board of Directors complies with:
- the gender representation requirements set forth in (i) Article 18, §2bis of the 1991 Law and (ii) Article 7:86 of the BCCA; and
- the language requirements set forth in Article 16, 20, §2, 54/6, 5° and 148bis/1 of the 1991 Law.

Finally, in accordance with the Law of September 3, 2017 on disclosure of non-financial and diversity information by certain large undertakings and groups, the Company applies a diversity policy in relation to its administrative, management, and supervisory bodies with regard to aspects such as age, gender, educational and/or professional backgrounds. A description of this policy, its objectives, how it has been implemented, and the results in the reporting period is provided further in this Annual Report.

The Board of Directors was, per December 31, 2023, composed of the following 12 members:

Members of the Board of Directors appointed by the General Shareholders' Meeting upon nomination of the Belgian State

NAME	POSITION	FIRST APPOINTMENT AS DIRECTOR	TERM
Christiaan ("Chris") Peeters (6)	Chief Executive Director	2023	2029
Audrey Hanard (1) (2)	Chair of the Board and Non-Executive Director	2021	2025
Ann Caluwaerts (5)	Non-Executive Director	2023	2027
Véronique Thirion (6)	Non-Executive Director	2023	2027
Denis Van Eeckhout (6)	Non-Executive Director	2023	2027
Ann Vereecke (5)	Non-Executive Director	2023	2027

Members of the Board of Directors appointed by the General Shareholders' Meeting

NAME	POSITION	FIRST APPOINTMENT AS DIRECTOR	TERM
David Cunningham (4)	Independent Director	2022	2026
Lionel Desclée (1)	Independent Director	2021	2025
Jules Noten (1)	Independent Director	2021	2025
Sonja Rottiers (1)	Independent Director	2021	2025
Michael Stone (3)	Independent Director	2014	2026
Sonja Willems (1)	Independent Director	2021	2025

(1) Appointed by the General Meeting of Shareholders of the Company held on May 12, 2021.
(2) Appointed as Chair by a Board of Directors decision of May 12, 2021.
(3) Appointed by the General Meeting of all Shareholders of the Company other than Public Institutions held on September 22, 2014. His mandate was renewed by the General Meetings of Shareholders respectively held on May 9, 2018 and on May 11, 2022.
(4) Appointed by the General Meeting of Shareholders of the Company held on May 11, 2022.
(5) Appointed by the General Meeting of Shareholders of the Company held on May 10, 2023.
(6) Appointed by the General Meeting of Shareholders of the Company held on November 23, 2023.

Changes in the composition of the Board of Directors

The following changes occurred in the composition of the Board of Directors in 2023:
- on December 9, 2022, upon nomination by the Belgian State in accordance with its nomination right and upon recommendation of the Remuneration and Nomination Committee, the Board of Directors unanimously decided to appoint, by means of cooptation, Ann Caluwaerts as non-executive director replacing Jos Donvil (who had resigned as non-executive director following his appointment as member of the Executive Committee), with effect as from January 1, 2023;
- at the General Shareholders' Meeting of May 10, 2023, the mandate of Laurent Levaux and Caroline Ven, appointed as non-executive directors upon nomination by the Belgian State, expired. The General Shareholders' Meeting decided to (i) confirm the cooptation of Ann Caluwaerts as director and appoint her as a director for a term of 4 years and (ii) appoint Ann Vereecke as director for a term of 4 years;
- on September 13, 2023, Mohssin El Ghabri resigned as director (appointed upon nomination by the Belgian State), with immediate effect;
- at the Special General Shareholders' Meeting of November 23, 2023, upon nomination of the Belgian State in accordance with its nomination right and upon recommendation of the Remuneration and Nomination Committee, the General Shareholders' Meeting decided to appoint (i) Chris Peeters as director for a term ending after 6 years as from November 1, 2023 and (ii) Véronique Thirion and Denis Van Eeckhout as directors for a term of 4 years until the close of the annual General Shareholders' Meeting of 2027.

Newly elected directors can choose to participate in an induction program aimed at acquainting them with the Company's activities and organization as well as with the rules laid down in the Corporate Governance Charter. This program includes visiting operational and sorting centers.

Powers and functioning

Powers and responsibilities of the Board of Directors

The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of the Company's purpose, except for those actions that are specifically reserved by law or the Articles of Association to the General Shareholders' Meeting or other management bodies.

In particular, the Board of Directors is responsible for:
- defining and regularly reviewing the medium- and long-term strategy, as well as the general policy orientations of the Company and its subsidiaries;
- deciding all major strategic, financial and operational matters of the Company and its subsidiaries;
- ensuring that the Company's culture is supportive of the realization of its strategy and that it promotes responsible and ethical behavior;
- overseeing the management of the Company by the CEO and the Executive Committee;
- all other matters reserved to the Board of Directors by the BCCA or the 1991 Law.

The Board of Directors is entitled to delegate special and limited powers to the CEO and other members of senior management and can allow sub-delegation of said powers. On June 30, 2017, the Board of Directors decided to approve a delegation of authority formalizing the delegation of specific powers by the Board of Directors to the CEO and other members of the Executive Committee. This policy, which does not affect the powers granted to the Board of Directors by or pursuant to the Company's Articles of Association, has been published in the Annexes to the Belgian Official Gazette on November 16, 2017.

Functioning of the Board of Directors

The Board of Directors meets whenever the interests of the Company so requires or at the request of at least two directors. The Board of Directors meets in any event not less than five times a year. In 2023, the Board of Directors met 24 times.

In general, the Board of Directors' and Board Committees' decisions are taken by simple majority of the directors present or represented, although for certain Board matters a two-thirds' majority is required (such as, *e.g.*, decisions on the approval of all renewals or amendments to the management contract and certain decisions on the administrative law status of statutory employees). In the case of a tie, the Chair has a casting vote.

The Corporate Governance Charter reflects the principles by which the Board of Directors and the Board Committees operate.

The Corporate Governance Charter provides, *inter alia*, that the Board of Directors' decisions of strategic importance, including the adoption of the business plan and the annual budget and decisions regarding strategic acquisitions, alliances and divestitures must be prepared by a standing or an *ad hoc* Board Committee. For any such decisions, the Board of Directors shall strive to achieve broad support across its various constituencies, it being understood that, following appropriate dialogue and consultations, the Board of Directors' Chair may call for a decision and the proposal shall carry if adopted by a majority of the votes cast.

Evaluation process of the Board of Directors

Under the Chair's lead, the Board of Directors conducts regular evaluations of its scope, composition, and performance, along with those of the Board Committees, as well as the interaction with the Executive Committee. If needed, the Chair shall propose the necessary measures to remedy any weaknesses of the Board of Directors or of any Board Committee.

The Board of Directors conducted an external assessment on its functioning and composition. Such external assessment led by Guberna took place between September and November 2022. The results of this assessment were presented to the Board of Directors in December 2022 and initiatives were prepared to ensure that the functioning of the Board of Directors and the Board Committees always continues to improve. Initiatives derived from such assessment have been implemented in 2023 and the Board of Directors continues to look for opportunities to implement additional initiatives derived from such assessment.

The Board of Directors continuously evaluates and improves its functioning in order to steer the Company ever better and more efficiently.

Transactions between the Company, its Board members and executive managers

A general policy on conflicts of interest applies within the Company and prohibits any conflict of interests situation of a financial nature that may affect a director's personal judgment or professional tasks to the detriment of the bpostgroup.

The conflicts of interest procedure laid down in Article 7:96 of the BCCA has not been applied in 2023.

Transactions between the Company and its related parties

The related party transactions procedure set forth in Article 7:97 of BCCA shall be observed for any transactions or decisions regarding the management contract or other transactions with the Belgian State or regarding other related parties of the Company (other than those within the scope of Article 7:97, §1, section 3 of the BCCA).

In 2023, the Company applied the procedure in the context of (i) the second management contract related to the obligations of the postal universal service and (ii) the six-months extension of the press concession. The announcement(s) regarding these transaction(s) and decision(s) are available on the Company's website[8].

Committees of the Board of Directors

The Board of Directors has established 4 Board Committees which assist the Board of Directors and make recommendations in specific fields: (i) the Strategic Committee, (ii) the Audit, Risk & Compliance Committee (in accordance with Article 7:99 of the BCCA), (iii) the Remuneration and Nomination Committee (in accordance with Article 7:100 of the BCCA) and (iv) the ESG Committee. The terms of reference of these Board Committees are set out in the Corporate Governance Charter. These Board Committees are advisory committees. Strategic decision-making remains the responsibility of the Board of Directors as a whole.

Strategic Committee

The Strategic Committee advises the Board of Directors on strategic matters and shall in particular:
- regularly review industry, competitive and market developments against the objectives and strategies of the Company and its subsidiaries and recommend corrective actions if required;
- assist and provide guidance to management in the preparation of strategic files for review by, and related discussions of, the Board of Directors. This includes without limitations: assisting and providing guidance to management on (i) the vision, mission & strategies of the company, (ii) strategic options and scenarios, (iii) value propositions, (iv) strategic canvas to monitor execution of the long term strategy through strategic objectives, milestone plans and targets, and (v) business and implementation planning files in general;
- review and refine strategic files with the management prior to being presented and proposed to the Board of Directors;
- review strategic transactions or initiatives proposed by the Board of Directors, CEO or Executive Committee, including acquisitions and divestitures, strategic alliances or any longer-term cooperation agreements, and the entry into new markets or geographic areas;
- monitor the progress of strategic projects and initiatives and of the business plan in line with the Company's progress against strategic objectives, using predefined and agreed KPIs and provide feedback and recommendations to the Board of Directors on the results and on corrective actions if required;
- review the results of strategic transactions (*e.g.*, acquisitions, mergers, disposals) against the foreseen value of the transaction to the Company and recommend action to the Board of Directors as required;
- make reports to the Board of Directors on its activities including an annual review of the performance of the committee and any recommendations for changes in the scope of its duties, composition and working practices.

8 *https://bpostgroup.com/who-we-are/bylaws-and-charters*

The Strategic Committee consists of maximum 6 directors. The Strategic Committee's Chair is designated by the Strategic Committee's members.

The Strategic Committee was, per December 31, 2023, composed of the following 6 members:

NAME	POSITION
Lionel Desclée (Chair)	Independent Director
Michael Stone	Independent Director
Jules Noten	Independent Director
Ann Caluwaerts	Non-Executive Director
Ann Vereecke	Non-Executive Director
Chris Peeters	CEO

The Strategic Committee met 6 times in 2023.

Audit, Risk & Compliance Committee

The Audit, Risk & Compliance Committee advises the Board of Directors on accounting, audit, risk management and internal control matters, and shall in particular be in charge of:
- monitoring the integrity of the Company's financial statements and the Company's accounting and financial reporting processes and financial statements audits as well as the Company's budget;
- together with the ESG Committee, monitoring the integrity of the Company's non-financial reporting in its annual report;
- monitoring and overseeing the effectiveness of the Company's internal control and risk management framework;
- monitoring the internal audit function and its effectiveness;
- monitoring the performance of the Joint Auditors and the statutory audit of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the Joint Auditors;
- reviewing and monitoring the independence of the Joint Auditors, especially in view of the provisions of the BCCA;
- proposing candidates to the Board of Directors for the 2 Auditors to be appointed by the General Shareholders' Meeting;
- informing the Board of Directors on the results of the statutory audit and the performance of its tasks;
- appointing, dismissing, replacing, and annually evaluating the performance of the Chief Audit Officer;
- addressing risk management and governance within the Company, notably in light of the Company's strategy and fostering an appropriate risk culture;
- approving and reviewing the Company's risk management policy and process aiming at identifying, managing and monitoring critical risks and following the implementation of such policy and process;
- closely following the process for risk identification within the Company and overseeing the risk exposure of the Company: this includes developing a view into critical risks and exposures and management's strategy for addressing them;
- regularly advising and reporting to the Board of Directors on risk strategy and risk exposure and informing the Board of Directors of the implementation of the risk management policy and process;
- reviewing risks and opportunities of the strategy as identified by the Company's strategic risk assessment and other key factors, such as: relevant industry trends and changes, emerging or evolving competitive activity, governmental or legislative developments, the Company's performance against the financial targets agreed by the Board of Directors and communicated to the shareholders;
- monitoring the Company's potential or emerging compliance risks that are of a significant nature based on the Company's business operations and regulatory environments;
- closely following any audits, reviews and investigations into potential compliance violations at the Company of a significant nature and the steps that have been taken to monitor, correct and/or mitigate such violations or risk of future violations;
- reporting to the Board of Directors the main findings from reviews and investigations into potential compliance violations of a significant nature;
- monitoring the implementation of, and providing oversight for, an effective compliance management system at the Company that is designed to ensure that the Company achieves the related objectives set by the Audit, Risk & Compliance Committee and Board of the Directors;
- ensuring that the programs underlying the Company's compliance management system are adequately resourced;
- reviewing periodically the structure, operation and effectiveness of the Company's compliance management system and makes recommendations in this regard to the Board of Directors;
- in general setting a tone of fostering a culture of compliance and ethics at the Company.

The Audit, Risk & Compliance Committee consists of maximum 5 non-executive directors, with at all times a majority of independent directors. The Audit, Risk & Compliance Committee's Chair must be an independent director and is designated by the Audit, Risk & Compliance Committee's members.

Collectively, the Audit, Risk & Compliance Committee's members have sufficient relevant expertise in the field of accounting and audit to fulfill their roles effectively, notably in financial matters. Sonja Rottiers is competent in accounting, internal control and risk management, as evidenced by her current positions as director of Belgian Finance Center VZW and independent director of Kinepolis Group NV and Matexi NV. Moreover, she has more than 35 years of professional experience in the financial industry (*e.g.*, as CEO of Lloyd's Insurance Company, CFO of AXA Belgium and Dexia Insurance). The other members of the Audit, Risk & Compliance Committee hold or have held several board or executive mandates in top-tier companies or organizations.

The Audit, Risk & Compliance Committee was, as of December 31, 2023, composed of the following 5 members:

NAME	POSITION
Sonja Rottiers (Chair)	Independent Director
David Cunningham	Independent Director
Véronique Thirion	Non-Executive Director
Denis Van Eeckhout	Non-Executive Director
Michael Stone	Independent Director

The Audit, Risk & Compliance Committee met 8 times in 2023.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee advises the Board of Directors principally on matters regarding the appointment and remuneration of members of the Board of Directors, CEO and Executive Committee members and shall in particular:

- identify Board of Directors candidates to fill vacancies as they arise, thereby considering proposals made by relevant parties, including shareholders;
- nominate for appointment candidates for the mandate of member of the Board of Directors (whether or not in application of the nomination right set forth in article 14, §2 of the Articles of Association);
- advise the Board of Directors on the appointment of the Chair of the Board of Directors;
- advise the Board of Directors on the appointment of the CEO and on the CEO's proposals for the appointment of other members of the Executive Committee;
- advise the Board of Directors on the remuneration of the CEO and the other members of the Executive Committee, including arrangements on early termination;
- advise the Board of Directors on the remuneration of the Board of Directors members;
- review the remuneration (long term share-based or cash-based, and short-term incentive schemes) of the directors, members of the Executive Committee and employees;
- review periodically the performance evaluation processes at the Company;
- establish performance targets and conduct performance reviews for the CEO and other members of the Executive Committee;
- advise the Board of Directors on talent management, diversity & inclusiveness policies and in general HR policies;
- review periodically the Company's stated values, desired leadership behaviors, and related elements that define the culture at the Company;
- prepare and submit the remuneration report to the Board of Directors;
- advise the Board of Directors on the remuneration policy to be submitted, as the case may be, to the Shareholders' Meeting;
- lead the process for succession planning for Board of Directors and Executive Committee members taking into account the challenges and opportunities facing the Company, the skills and expertise needed in each position and the appropriate balance of skills, knowledge, experience and diversity to be maintained on the Board of Directors and its committees;
- lead talent profile definition for Board members and Executive Committee members taking into account the required skills and expertise needed in each position and the competencies generally needed at the Company in light of the challenges and opportunities facing the Company.

The Remuneration and Nomination Committee consists of minimum 3 and maximum 5 non-executive directors, with at all times a majority of independent directors.

The Chair of the Board of Directors chairs the Remuneration and Nomination Committee.

Collectively, Remuneration and Nomination Committee's members have sufficient relevant expertise with regard to remuneration policies to fulfil their roles effectively.

The Remuneration and Nomination Committee was, per December 31, 2023, composed of the following 5 members:

NAME	POSITION
Audrey Hanard (Chair)	Chair of the Board[9] and Non-Executive Director
Sonja Willems	Independent Director
Sonja Rottiers	Independent Director
Michael Stone	Independent Director
Ann Caluwaerts	Non-Executive Director

The Remuneration and Nomination Committee met 17 times in 2023.

9 *As Audrey Hanard, Chair of the Board of Directors, went on maternity leave from December 16, 2022 until March 10 2023, the Board of Directors decided that Sonja Rottiers replaced her as Chair of the Board of Directors during that time.*

ESG Committee

The ESG (environmental, social and governance) Committee advises the Board of Directors principally on matters regarding the Company's ESG strategy and activities, including the preparation and implementation of ESG initiatives and supporting the group in developing a position as a global leader in ESG performance. The ESG Committee consists of maximum 6 directors. The ESG Committee's Chair is designated by the ESG Committee's members.

The ESG Committee was, per December 31, 2023, composed of the following 5 members:

NAME	POSITION
Sonja Willems (Chair)	Independent Director
Ann Vereecke	Non-Executive Director
Audrey Hanard	Chair of the Board[10] and Non-Executive Director
Denis Van Eeckhout	Non-Executive Director
Jules Noten	Independent Director

The ESG Committee met 3 times in 2023.

Executive Management

CEO

Pending the appointment of a new CEO, the Board of Directors appointed Philippe Dartienne as CEO *ad interim* with immediate effect on November 9, 2022. The mandate of Philippe Dartienne as CEO *ad interim* ended on November 5, 2023 (midnight). The current CEO, Chris Peeters, was appointed by the Board of Directors upon recommendation of the Remuneration and Nomination Committee, for a term ending after 6 years as from November 1, 2023.

For ease of reference, references to the "CEO" in this report should be understood as CEO or CEO *ad interim*, unless specified otherwise.

The CEO is vested with (i) the day-to-day management of the Company and the representation of the Company in respect of such management in accordance with article 7:121 of the BCCA, (ii) the execution of the resolutions of the Board of Directors and (iii) the special powers delegated to him or her by the Board of Directors in accordance with Articles 18, §2 and 25 of the Articles of Association. The CEO reports regularly to the Board of Directors.

The CEO can be removed by the Board of Directors.

Executive Committee

The Company's operational management is ensured by the Executive Committee under the leadership of the CEO. The Executive Committee consists of maximum 9 members, who are appointed (for the duration determined by the Board of Directors) and removed by the Board of Directors, upon proposal of the CEO and after having received the advice of the Remuneration and Nomination Committee.

The Executive Committee convenes regularly at the invitation of the CEO. The Executive Committee is assisted by the Company Secretary.

The individual members of the Executive Committee exercise the special powers delegated to them by the Board of Directors or the CEO, as the case may be. Within the limits of these powers, the members of the Executive Committee may assign to one or more members of the Company's staff special and limited powers. The Executive Committee members may allow sub-delegation of these powers.

10 As Audrey Hanard, Chair of the Board of Directors, went on maternity leave from December 16, 2022 until March 10 2023, the Board of Directors decided that Sonja Rottiers replaced her as Chair of the Board of Directors during that time.

The Executive Committee was, as of December 31, 2023, composed of the following members:

NAME	FUNCTION
Chris Peeters	CEO bpostgroup
Anette Böhm	Chief Human Resources Officer
Philippe Dartienne	CEO e-Logistics North America / Eurasia a.i.
Jos Donvil	CEO bpost Belgium
Nicolas Baise	Chief Strategy & Transformation Officer / CEO Crossborder Global a.i
James Edge	Chief Technology Officer

The Executive Committee counted as of December 31, 2023 a number of *ad interim* functions, including a Chief Financial Officer, *ad interim*. To be able to fulfil the ambitions of the bpostgroup and to build a solid future for the bpostgroup, a number of decisions were taken to reinforce the Executive Committee. The Executive Committee was, as of February 1, 2024, composed of the following members:

NAME	FUNCTION
Chris Peeters	CEO bpostgroup
Anette Böhm	Chief Human Resources Officer
Frank Croket	Chief Digital Officer
Philippe Dartienne	Group CFO
Jos Donvil	CEO bpost Belgium
Nicolas Baise	Chief Transformation Officer
James Edge	CEO Crossborder Global a.i

A new function of Chief Commercial Officer was created in the Executive Committee. The hiring process for this function has been started. At the moment of the preparation of this annual report, the position of Chief Commercial Officer was not yet filled.

1991 Law Committee

The 1991 Law contains several provisions detailing the composition, appointment, and functioning of a “1991 Law Committee”. Since the entry into force of the December 2015 Law, the powers to be assigned to the 1991 Law Committee are limited to the negotiation of the Management Contract with the Belgian State (it being understood that the Management Contract requires the subsequent approval of the Board of Directors). Therefore, the 1991 Law Committee remains in existence only for the limited purposes and tasks assigned to it by the amended 1991 Law.

The 1991 Law Committee was, as of December 31, 2023, composed of the CEO, who chairs the Committee, and two other members (one Dutch-speaking member and one French-speaking member): Jos Donvil and Catherine Delvaux.

Company Secretary

The Board of Directors and the Advisory Committees are assisted by the Company Secretary, Ross Hurwitz, who is also the Company’s Chief Legal Officer. He was appointed in such qualities on September 23, 2021.

Joint Auditors

The Joint Auditors audit the Company’s financial condition as well as consolidated and unconsolidated financial statements. There are four Joint Auditors: (i) two Auditors appointed by the General Shareholders’ Meeting and (ii) two Auditors appointed by the Court of Audit, the Belgian institution responsible for the verification of public accounts (*Cour des Comptes/Rekenhof*). The Joint Auditors are appointed for renewable terms of three years. The General Shareholders’ Meeting determines the remuneration of the Joint Auditors.

The Joint Auditors of the Company were, as of December 31, 2023:

- Réviseurs d'Entreprises–Bedrijfsrevisoren SRL/BV ("**EY**"), represented by Mr. Han Wevers (member of the *Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*), Kouterveldstraat 7B, box 1, 1831 Machelen, Belgium (its mandate was renewed by the annual General Shareholders' Meeting on May 12, 2021, and will expire after the annual General Shareholders' Meeting to be held in 2024);
- PVMD Bedrijfsrevisoren - Réviseurs d'Entreprises CV/SC ("**PVMD**"), represented by Mr. Alain Chaerels (member of the *Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*), Avenue d'Argenteuil 51, 1410 Waterloo, Belgium (its mandate was renewed by the annual General Shareholders' Meeting on May 12, 2021, and will expire after the annual General Shareholders' Meeting to be held in 2024);
- Mr. Dominique Guide, Advisor to the Court of Audit (*Rekenhof/Cour des Comptes*), Rue de la Régence 2, 1000 Brussels, Belgium (he was appointed by the Court of Audit on June 1, 2023 until May 31, 2026); and
- Mrs. Hilde François, first Chair of the Court of Audit (*Rekenhof/Cour des Comptes*), Rue de la Régence 2, 1000 Brussels, Belgium (she was appointed by the Court of Audit on October 1, 2021 until September 30, 2024).

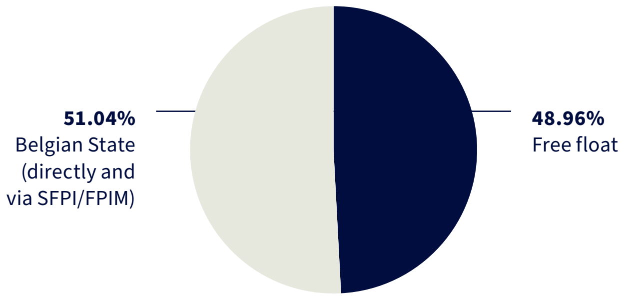
EY and PVMD are responsible for the audit of the Company's consolidated financial statements. For the year ended December 31, 2023, EY and PVMD received 1,334,838 EUR (excluding value added tax) in fees for the audit of financial statements of the Company and its subsidiaries and 256,811 EUR (excluding value-added tax) in fees for non-audit services. The two auditors appointed by the Court of Audit received 94,690.26 EUR in remuneration for their services in connection with the audit of the Company's non-consolidated financial statements for the year ended December 31, 2023.

Shareholding structure and shareholders rights

The Company's shares are registered or dematerialized. On December 31, 2023, the Company's share capital was represented by 200,000,944 shares, admitted to trading on the regulated market of Euronext Brussels.

With respectively, 48,263,200 (24.13%) and 53,812,449 (26.91%) shares of the Company in its possession on December 31, 2023, the Belgian State and the SFPI/FPIM together hold 102,075,649 (51.04%) of the Company's issued voting shares. The remaining 97,925,295 shares are held by individual shareholders and European and international institutional shareholders.

SHAREHOLDING STRUCTURE ON DECEMBER 31, 2023



In 2023, the Company did not receive any transparency declarations disclosing that a notification threshold had been reached (or crossed upward or downward) in accordance with the Law of May 2, 2007 on the disclosure of significant shareholdings in listed companies and the Articles of Association. All transparency notifications are available on the Company's website https://bpostgroup.com/investors/transparency-declarations.

The Company's shares are freely transferable, provided that, according to Article 147*bis* of the 1991 Law and Article 11 of the Corporate Governance Charter, the direct participation of Public Institutions in the registered capital has to exceed 50%.

On December 31, 2023, the Company did not hold any of its own shares.

Each share entitles its holder to one vote. Apart from the restrictions on voting rights imposed by law, the Articles of Association provide that, if shares are held by more than one owner, are pledged, or if the rights attached to the shares are subject to joint ownership, usufruct or any other kind of split of such rights, the Board of Directors may suspend the exercise of the rights attached to such shares until one person has been appointed as the sole representative of the relevant shares vis-à-vis the Company.

Remuneration Report

This remuneration report of bpost NV/SA (the "**Remuneration Report**") is established in accordance with article 3:6, §3 of the Belgian Code of Companies and Associations (the "**BCCA**"), the Belgian Code of Corporate Governance 2020 (the "**Corporate Governance Code**"), market practices and trends.

The Company considers transparency and clear communication on the principles and implementation of its remuneration policy to be essential. It therefore shares relevant information in this Remuneration Report on the remuneration paid to the members of the Board of Directors and of the Executive Committee in the financial year 2023. The Remuneration Report also includes tables providing additional insight into the total remuneration of the members of the Board of Directors and of the Executive Committee, as well as the performance realized and the pay-out of the variable remuneration.

1. Procedure for establishing the remuneration policy and setting the individual remuneration of the members of the Board of Directors and Executive Committee

In accordance with article 7:89/1 of the BCCA and the Corporate Governance Code, the Company has a specific remuneration policy (the "**Remuneration Policy**") setting out the remuneration principles of (i) the non-executive members of the Board of Directors, (ii) the CEO and (iii) the other members of the Executive Committee.

The Remuneration Policy was first approved by the General Shareholders' Meeting on May 12, 2021 and has been applicable since January 1, 2021[11]. Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors has prepared a revised version of the Remuneration Policy, mainly to introduce a long-term incentive plan. The revised Remuneration Policy was approved by the Special General Shareholders' Meeting of November 23, 2023[12]. The Remuneration Policy, together with the results of the Shareholders vote, are available on the Company's website[13]. Any material change to this Remuneration Policy has to be approved by the General Shareholders' Meeting, upon recommendation of the Board of Directors and the Remuneration and Nomination Committee. In any case, the Remuneration Policy must be approved by the General Shareholders' Meeting at least every four years. The revised Remuneration Policy has been applicable since November 23, 2023.

The Company distinguishes three different groups for which the remuneration is set out in this Remuneration Report:
- the non-executive members of the Board of Directors;
- the CEO; and
- the other members of the Executive Committee.

The individual remuneration of the members of the Board of Directors and the members of the Executive Committee depends on the category they belong to.

The Remuneration and Nomination Committee regularly examines the Remuneration Policy's principles and their application and will continue to do so.

2. Total remuneration of the members of the Board of Directors, the CEO and the other members of the Executive Committee

A. Remuneration of the non-executive members of the Board of Directors

The remuneration of the members of the Board of Directors (with the exception of the CEO) consists of two elements:
- a monthly fixed fee; and
- an attendance fee for each Advisory Committee[14] meeting attended.

The monthly fixed fee and the attendance fee are subject to automatic indexation on March 1 of each calendar year on the basis of the Consumer Health Index.

No other benefits were paid to the Board of Directors' members for their mandate.

The CEO is not entitled to any remuneration for his mandate as a member of the Board of Directors.

11 *https://bpostgroup.com/investors/governance/shareholders-meetings?year_id=89: the Remuneration Policy was approved by the General Shareholders' Meeting on May 12, 2021 with a majority of 91.73% votes in favour and 8.27% votes against.*
12 *https://bpostgroup.com/who-we-are/bylaws-and-charters: the revised Remuneration Policy was approved by the Special General Shareholders' Meeting on November 23, 2023 with a majority of 89.32% votes in favour and 10.68% votes against.*
13 *https://bpostgroup.com/who-we-are/bylaws-and-charters.*
14 *The Advisory Committees include the Strategic Committee, the Remuneration and Nomination Committee, the Audit, Risk & Compliance Committee, the ESG Committee and Ad Hoc Committee.*

Monthly fixed fee

During the financial year 2023, the members of the Board of Directors (with the exception of the CEO) received the following monthly fixed fee:

- 4,123.54 EUR for the Board of Directors' Chair, who also chairs the Company's Joint Industrial Committee (*Paritair Comité / Commission Paritaire*), as indexed on March 1, 2023;
- 2,061.77 EUR for each other director (with the exception of the CEO), as indexed on March 1, 2023. As of November 23, 2023 the monthly fixed fee for the Chair of the Audit, Risk & Compliance Committee was increased to 3,092.66 EUR.

Attendance fees

The members of the Board of Directors (with the exception of the CEO) also received an attendance fee of 2,061.77 EUR, as indexed on March 1, 2023, per attended Advisory Committee meeting, regardless of whether as Chair or member of the Advisory Committee.

Overall remuneration

For the financial year 2023, the overall remuneration paid to all the members of the Board of Directors (with the exception of the CEO) totaled 587,533.49 EUR.
The table below shows the total annual remuneration paid on an individual basis to each member of the Board of Directors (with the exception of the CEO) based on his/her participation in the Advisory Committee meetings

BOARD OF DIRECTORS' MEMBERS	BOARD OF DIRECTORS		STRATEGIC COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE		AUDIT, RISK & COMPLIANCE COMMITTEE		ESG COMMITTEE		*AD HOC* COMMITTEE		TOTAL ANNUAL REMUNERATION (EUR)
	AMOUNT (EUR)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	
ANN CALUWAERTS	24,477.22	21/24	2,061.77	1/2	NA		NA		NA		NA		26,538.99
DAVID CUNNINGHAM	24,477.22	18/24	NA		NA		16,362.15	8/8	NA		10,308.85	5/5	51,148.22
LIONEL DESCLÉE	24,477.22	22/24	12,106.60	6/6	NA		12,370.62	6/8	NA		2,061.77	1/1	51,016.21
MOSSHIN EL GHABRi (until September 13, 2023)	17,113.76	10/18	NA		NA		NA		NA		NA		17,113.76
AUDREY HANARD (Chair as of March 11, 2023) (***)	44,345.18	22/24	NA		32,988.32	17/17	NA		6,185.31	3/3	NA		83,518.81
LAURENT LEVAUX (until May 10, 2023)	8,768.50	6/10	NA		NA		NA		NA		NA		8,768.50
JULES NOTEN	24,477.22	21/24	8,115.07	4/6	32,856.31	16/17	NA		NA		4,123.54	2/2	69,572.14
SONJA ROTTIERS (Chair until March 10, 2023) (***)	30,679.67	22/24	NA		32,856.31	16/17	16,362.15	8/8	NA		4,123.54	2/2	84,021.67
MICHAEL STONE	24,477.22	21/24	10,044.83	5/6	32,856.31	16/17	NA		NA		10,308.85	5/5	77,687.21

BOARD OF DIRECTORS' MEMBERS	BOARD OF DIRECTORS		STRATEGIC COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE		AUDIT, RISK & COMPLIANCE COMMITTEE		ESG COMMITTEE		*AD HOC* COMMITTEE		TOTAL ANNUAL REMUNERATION (EUR)
	AMOUNT (EUR)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	AMOUNT (EUR) (*)	MEETINGS (**)	
VÉRONIQUE THIRION (as of November 23, 2023)	2,624.07	1/2	NA		NA		NA		NA		NA		2,624.07
DENIS VAN EECKHOUT (as of November 23, 2023)	2,624.07	2/2	NA		NA		NA		NA		NA		2,624.07
CAROLINE VEN (until May 10, 2023)	8,768.50	4/10	6,053.30	3/4	NA		NA		2,061.77	1/1	NA		16,883.57
ANN VEREECKE (as of May 10, 2023)	16,003.27	14/14	4,123.54	2/2	NA		NA		4,123.54	2/2	NA		24,250.35
SONJA WILLEMS	24,477.22	22/24	NA		30,794.54	15/17	NA		6,185.31	3/3	10,308.85	5/5	71,765.92
TOTAL	**277,790.34**		**42,505.11**		**162,351.79**		**45,094.92**		**18,555.93**		**41,235.40**		**587,533.49**

(*) These amounts cover all amounts awarded to the directors due to their participation in the Advisory Committee meetings held in financial year 2023, including amounts that were paid in financial year 2024.
(**) The total number of meetings used as reference in the table depends on when the concerned director has been appointed as member of the Board of Directors or of an Advisory Committee.
(***) As Audrey Hanard went on maternity leave as from December 16, 2022 until March 10, 2023, the Board of Directors decided that Sonja Rottiers replaced her as Chair of the Board of Directors during her absence.

B. Remuneration of the CEO and the other members of the Executive Committee

In accordance with the Remuneration Policy, the remuneration package of the CEO[15] and the other members of Executive Committee consisted in 2023 of:
- a fixed base remuneration;
- a variable short-term incentive;
- a variable long-term incentive[16]:
- pension contributions; and
- various other benefits.

No shares, stock options, or other rights to acquire shares (or other share-based remuneration) were granted to or exercised by the CEO or the other members of the Executive Committee or have expired in 2023. No options under previous stock option plans were outstanding for the financial year 2023.

Compared to the Remuneration Policy as first approved by the General Shareholders' Meeting of May 12, 2021, the revised Remuneration Policy as approved by the Special General Shareholders' Meeting of November 23, 2023 introduced the following main changes with regard to the remuneration of the members of the Executive Committee:

- introduction of a long-term incentive for the CEO and the other Executive Committee members not employed by a US entity and amendment of the long-term incentive for the other Executive Committee members employed by a US entity, subject to clawback provisions;
- adjustment of the percentage of the annual potential short-term incentive at target for the CEO;
- addition of clawback provisions for the CEO and future Executive Committee members in relation to their short-term incentive;
- addition of the possibility of an exceptional sign-on bonus for the CEO and the other Executive Committee members.

The newly introduced long-term incentive for the CEO and the other Executive Committee members not employed by a US entity, as well as the amendment of the long-term incentive for the other Executive Committee members employed by a US entity have been activated as from the financial year 2024.

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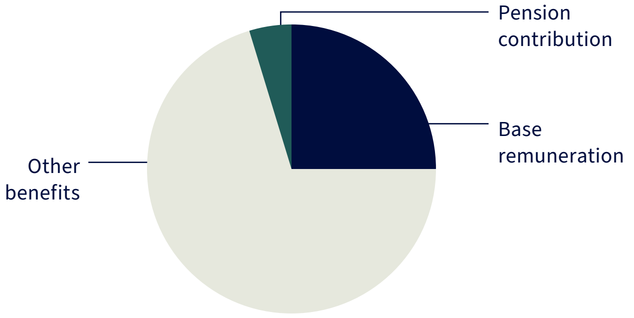
15 *On November 9, 2022, the Board of Directors unanimously decided to appoint Philippe Dartienne as CEO ad interim with immediate effect. His mandate of CEO ad interim ended on November 5, 2023 (midnight). Philippe Dartienne continued to be remunerated as a member of the Executive Committee throughout his term of office as CEO ad interim, except for an indemnity to cover the period where he was CEO ad interim. His remuneration is therefore included in the global remuneration of the Executive Committee members.*
Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors unanimously decided on September 6, 2023 to appoint Chris Peeters as CEO of the Company for a term of six years with effect from a mutually agreed date between Chris Peeters and the Company. This date was set at November 1, 2023. Chris Peeters has been remunerated as CEO as from November 1, 2023. The Special General Shareholders' Meeting of November 23, 2023 decided to appoint Chris Peeters as member of the Board of Directors for a term ending after 6 years as from November 1, 2023.
For the purposes of this Remuneration Report, the term "CEO" refers to Chris Peeters and not to Philippe Dartienne.

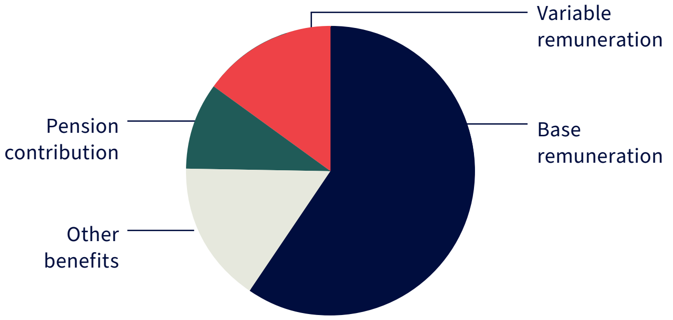
16 *During the financial year 2023, a variable long-term incentive was only available for the member(s) of the Executive Committee located in the United States.*

The variable remuneration relating to the achievement of collective objectives and individual performance targets during financial year 2022 and paid in financial year 2023, as reported in this Remuneration Report, was determined based on the Remuneration Policy approved by the General Shareholders' Meeting of May 12, 2021.

The relative importance of the various remuneration components of the CEO and Executive Committee members is illustrated in the graphs below.



RELATIVE IMPORTANCE OF THE VARIOUS ELEMENTS OF THE CEO'S REMUNERATION (2023)



RELATIVE IMPORTANCE OF THE VARIOUS ELEMENTS OF THE GLOBAL REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE (excl. CEO) (2023)

Base remuneration

The base remuneration consists of a fixed base salary paid in cash, defined by the nature and specificities of the functions, granted independently of the Company's results:

- the CEO's total base remuneration for the financial year 2023 amounted to 92,166.15 EUR (including starting remuneration in November and indexed remuneration for December 2023). The CEO did not receive any remuneration for his mandate as a member of the Board of Directors;
- the global base remuneration granted to the other members of the Executive Committee for the financial year 2023 amounted to 3,562,815.19 EUR (as indexed on January 1 and December 1, 2023). The amount of their individual base remuneration reflects the responsibilities and characteristics of the position, the level of experience and, to a certain extent, the performance of the members of the Executive Committee during the past year.

The base remuneration is revised annually based on a benchmark study that covers large Belgian companies and/or postal companies in Europe in order to offer a base remuneration in accordance with the median on the reference market. For US equivalent positions in the US-based entities, benchmarking studies that reflect the market situation in the US are used for the same purpose.

Variable short-term remuneration

The short-term incentive consists of a variable remuneration paid in cash or, as of November 23, 2023, in the form of a contribution to an extralegal pension plan. In 2023, the members of the Executive Committee in Belgium (excluding the CEO)[17] received variable short-term remuneration with regard to the performance during financial year 2022 of 30% (at target) of their annual fixed base remuneration. The member(s) of the Executive Committee in the United States received variable short-term remuneration of 50%[18] (at target) of their annual fixed base remuneration. In the case of overperformance, the variable short-term remuneration could exceed 30%, respectively 50% and potentially reach a maximum at (i) 60% of the annual fixed base remuneration for the members of the Executive Committee in Belgium, and (ii) 105% of the annual fixed base remuneration for the member(s) of the Executive Committee in the United States.

The variable short-term remuneration was awarded on the basis of the achievement of both collective objectives and individual performance targets, which were set at the start of 2022. The ratio between the collective objectives and the individual performance targets is 70%-30%. Finally, the collective objectives are segmented for the group and the business units to improve the line of sight.

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17 *The current CEO, Chris Peeters, did not receive a variable short-term remuneration in 2023 for financial year 2022, as he was appointed in the course of 2023.*
During his term of office as CEO ad interim, Philippe Dartienne continued to be remunerated as a member of the Executive Committee (first CFO and subsequently as CEO e-Logistics North America / Eurasia ad interim) and received variable short-term remuneration based on the achievement of the collective objectives and individual targets during financial year 2022 as a member of the Executive Committee (CFO). His variable short-term remuneration as a member of the Executive Committee is included in the global variable short-term remuneration of the members of the Executive Committee paid in 2023.

18 *As opposed to 70% (at target) of the annual fixed base remuneration as laid down in the Remuneration Policy.*

- The **collective objectives** (70% of the total potential variable short-term remuneration at target[19]) relate to performance against Key Performance Indicators (KPIs) set by the Board of Directors upon recommendation of the Remuneration and Nomination Committee. These KPIs include financial and non-financial indicators:
  - EBIT (50%): reflects the group and business units' financial results. The financial results applicable to the CEO and the other members of the Executive Committee in charge of the support units are linked to the group, while those for the members of the Executive Committee in charge of a business unit, are linked, for 30% to the group and 70% to the respective business unit. The pay-out factor for 2022 was between 19.00 % and 81.10 %.
  - Customer Loyalty Index (20%[20,21]): reflects the loyalty of the Company's customers. The pay-out for this criterion is equal to the results for the given year. The Customer Loyalty Index for 2022 is composed of three metrics. The results for 2022 reached a pay-out factor between 73.90 % and 112.40 %.

- The **individual performance targets** (30% of the total potential variable short-term remuneration at target[22]) are defined and agreed on at the beginning of each year (i) between the Board of Directors and the CEO and (ii) between the CEO and each Executive Committee member. The Board of Directors approves the individual performance targets of the CEO and the other Executive Committee members upon recommendation of the Remuneration and Nomination Committee.

  These individual targets are assessed annually during the first quarter following the end of the financial year, by the Board of Directors upon recommendation of the Remuneration and Nomination Committee.

  Clear and measurable targets are set, which are to be achieved within an agreed timeframe. The individual performance is measured against these targets.

  The main individual performance targets to be achieved by the members of the Executive Committee (excluding the CEO[17]) over financial year 2022 were the following:
  - People: care for employees and families as we return from pandemic; strengthen culture, leadership, and talent as enablers of group transformation
  - Clients: understand implications of dramatically changing consumer demand on bpostgroup activities and drivers of customer satisfaction
  - ESG: embed ESG in bpostgroup business strategy
  - Technology: drive the digital transformation and modernization and simplification of bpostgroup tech landscape; innovate through data and agile automation; strengthen cyber security awareness and cloud capabilities; understand power of AI for bpostgroup
  - Performance: instill financial discipline and cost-control mindset across the group; align labor cost and reward mechanisms with bpostgroup strategy
  - Belgium: develop industrial plan to grow and transform Business Unit Belgium; shift to a customer-centric organization and focus on quality; and introduce dynamic, data-driven workforce planning
  - E-Logistics Eurasia: realize growth plans of Radial EU, Active Ants and other E-Logistics Eurasia entities; and accelerate inorganic growth strategy (incl. partnerships) to complement organic growth plans
  - E-Logistics North-America: execute Radial US accelerated growth plan and establish rigor around peak management

In 2022, the individual performance targets reached a pay-out of 100 % for all the members of the Executive Committee.

The members of the Executive Committee (excluding the CEO[17]) received a global variable short-term remuneration of 765,458.53 EUR in 2023 based on the achievement of the collective objectives and the individual performance targets for the year 2022.

The variable short-term remuneration for the achievement of the collective objectives and individual performance targets during the financial year 2023, if any, will be determined and paid in May 2024, after the performance assessment of each member of the Executive Committee and disclosed in the remuneration report to be published in 2025.

Variable long-term remuneration for the other Executive Committee member(s) employed by a US entity

In financial year 2023, a variable long-term incentive was only available for the member(s) of the Executive Committee located in the United States. The newly introduced long-term incentive for the CEO and the other Executive Committee members not employed by a US entity, as well as the amendment of the long-term incentive for the other Executive Committee members employed by a US entity, have been activated as from financial year 2024.

19 With a minimum of 0% in the case of underperformance and a maximum of 200% in the case of overperformance.

20 The Remuneration Policy as first approved by the General Shareholders' Meeting on May 12, 2021 determines the following KPIs: EBIT (50%), Customer Loyalty Index (15%) and Short-term Absenteeism Index or Employee Engagement Index (5%). To ensure a constant alignment to market reality and best practices, the weight of the non-financial indicators for the collective objectives was slightly adapted. As from January 1, 2022 (for the variable remuneration paid in 2023), the Customer Loyalty Index weighs 20% and the Short-term Absenteeism Index is no longer taken into account.

21 For the member(s) of the Executive Committee in the United States, the KPIs include the following financial and non-financial indicators: EBIT (50%), Customer Loyalty Index (10%) and Employee Engagement Index (10%).

22 With a minimum of 0% in the case of underperformance and a maximum of 200% in the case of overperformance.

The Landmark Global, Inc. Long Term Incentive Plan ("**LTIP**") is designed to reward outstanding financial performance on a KPI of stretch goals against Earnings Before Interest & Tax ("**EBIT**"). The LTIP is in line with general reward market practices and also serves as a retention tool by incentivizing long term retention of high performing key talent by providing monetary bonuses paid over a 3 year period. Achievement of the LTIP ensures rewards are only earned when EBIT is accelerated above agreed upon EBIT targets.

The member(s) of the Executive Committee eligible for the LTIP received in 2023 variable long-term remuneration of 127,642.91 EUR for the achievement of the performance targets over the financial years 2020, 2021 and 2022.

Pension contribution

The CEO and the other members of the Executive Committee have a complementary pension plan (second pillar):

- the CEO's total pension contribution for the financial year 2023 amounted to 16,598.32 EUR;
- the other Executive Committee's global pension contribution for the financial year 2023 amounted to 576,971.94 EUR.

Other benefits

The CEO and the other members of the Executive Committee have received other benefits, *e.g.*, an insurance covering death-in-service and disability, medical insurance, meal vouchers, representation fees, sign-on bonus and a company car. These benefits are benchmarked regularly and adapted according to standard practices. The amount of the other benefits is set out in the table below.

Overall remuneration

The **total remuneration** paid to the CEO in 2023 amounts to 367,135.50 EUR (compared to 968,373.62 EUR in 2022) and can be broken down as illustrated in the table below.

The **total remuneration** paid to the members of the Executive Committee (other than the CEO) in 2023 amounts to 5,976,306.57 EUR (compared to 5,796,181.98 EUR in 2022) and can be broken down as illustrated in the table below:

	TOTAL REMUNERATION OF THE CEO AND OTHER MEMBERS OF THE EXECUTIVE COMMITTEE IN 2023					
	FIXED REMUNERATION (EUR)			VARIABLE REMUNERATION (EUR)	TOTAL REMUNERATION (EUR)	PROPORTION OF FIXED AND VARIABLE REMUNERATION[23]
NAME AND POSITION	BASE REMUNERATION	OTHER BENEFITS	PENSION CONTRIBUTION			
Chris Peeters (CEO as from November 1, 2023)	92,166.15	258,371.03[24]	16,598.32	0	367,135.50	Fixed: 100 % Variable: 0 %
Other Executive Committee members[25]	3,562,815.19[26]	943,418.00[27]	576,971.94	893,101.44	5,976,306.57	Fixed: 85.06 % Variable: 14.94 %

C. Use of clawback provisions

There are no specific contractual clawback provisions in favor of the Company for the short-term variable remuneration paid out to the members of the Executive Committee who were in office on November 23, 2023[28] (excluding the CEO). The CEO and the Executive Committee members who joined the Company after November 23, 2023[28] are awarded their short-term variable remuneration subject to clawback provisions.

The long-term incentive for the member of the Executive Committee located in the United States as applicable under the Remuneration Policy approved in 2021, is not subject to any clawback provisions. The long-term variable remuneration, as introduced (for the Executive Members not employed by a US entity) or amended (for the Executive Members employed by a US entity) by the Remuneration Policy revised in 2023, is subject to clawback provisions.

No use was made of such clawback provisions in 2023.

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23 *Fixed remuneration comprises the base remuneration, the other benefits and the pension contributions. Variable remuneration comprises the variable short-term and, if any, long-term remuneration.*
24 *Other benefits of the CEO include: (i) a sign-on bonus (250,000 EUR), (ii) other insurances (4,751.32 EUR), (iii) leasing costs for company car (2,786.40 EUR), (iv) representation fees and meal vouchers (833.31 EUR).*
25 *During his term of office as CEO ad interim, Philippe Dartienne continued to be remunerated as a member of the Executive Committee (first CFO and subsequently CEO e-Logistics North America / Eurasia ad interim). His remuneration as member of the Executive Committee is included in the global remuneration of the other members of the Executive Committee paid in 2023.*
26 *The base remuneration of the other Executive Committee members includes end-year bonuses and holiday pay, as well as the indemnity of in total 138,746 EUR received by Philippe Dartienne to cover the period where he was CEO ad interim.*
27 *Other benefits of the other members of the Executive Committee include: (i) bonus (543,518.52 EUR), (ii) other insurances (123,611.49 EUR); (iii) leasing costs for company car (70,862.81 EUR); (iv) relocation and travel reimbursement (154,184.00 EUR) and (v) My Benefit My Choice (25,897.77 EUR), (vi) representation fees, meal vouchers and gift card (25,343.41 EUR).*
28 *The date of the Special General Shareholders' Meeting approving the revised Remuneration Policy.*

D. Changes to the composition of the Company's Executive Committee

The following changes in the composition of the Executive Committee occurred in 2023:
- on November 9, 2022, the Board of Directors unanimously decided to appoint Philippe Dartienne (CFO) as **CEO *ad interim*** with immediate effect. His mandate of CEO *ad interim* ended on November 5, 2023 (midnight). During his term of office as CEO *ad interim*, he was not remunerated as CEO. Philippe Dartienne continued to be remunerated as a member of the Executive Committee, except for an indemnity of in total 138,746.00 EUR to cover the period where he was CEO *ad interim*;
- on August 7, 2023, as part of the compliance review, the Board of Directors and Kathleen Van Beveren, CEO E-Logistics Eurasia and member of the Executive Committee, decided to end their collaboration with immediate effect. No severance pay or non-compete remuneration were due. Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors decided that Philippe Dartienne would temporarily take over the responsibilities of the CEO E-Logistics Eurasia;
- on September 6, 2023, upon recommendation of the Remuneration and Nomination Committee, the Board unanimously decided to appoint Chris Peeters as CEO of the Company for a term of six years with effect from a mutually agreed date between Chris Peeters and the Company. This date was set at November 1, 2023. Chris Peeters has been remunerated as CEO in accordance with the Remuneration Policy since November 1, 2023;
- Henri de Romrée resigned as CEO E-Logistics North America and member of the Executive Committee with effect from September 15, 2023. No severance pay or non-compete remuneration were due. Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors decided that Philippe Dartienne would temporarily take over the responsibilities of the CEO E-Logistics North America.

3. Compliance with the Remuneration Policy, long-term objectives and sustainability

The total amount of remuneration paid out during the financial year 2023 is substantially in line with the principles of the Remuneration Policy as approved by the General Shareholders' Meeting.

In 2023, Philippe Dartienne has received a sign-on bonus of 150,000 EUR for his function as CFO and Henri de Romrée has received a sign-on bonus of 375,000 USD for his function as CEO E-Logistics North America. The sign-on bonuses were awarded with a view to attracting the best qualified talents needed to achieve the Company's short-term and long-term goals. Henri de Romrée has received a bonus of 50,000 USD in recognition of his leadership of the resolution, stabilization and communication efforts in the wake of the compliance reviews. The Remuneration Policy as first approved by the General Shareholders' Meeting on May 12, 2021 did not provide for the option of paying a (sign-on) bonus to members of the Executive Committee. The possibility to award a sign-on bonus has explicitly been incorporated in the revised Remuneration Policy as approved by the Special General Shareholders' Meeting of November 23, 2023.

Philippe Dartienne was appointed as CEO *ad interim* following a compliance review relating to the concession for the distribution of newspapers in Belgium. He received an indemnity of in total 138,746 EUR to cover the period where he was CEO *ad interim*.

These deviations were approved by the Board of Directors, upon recommendation of the Remuneration and Nomination Committee.

The objective of the Remuneration Policy is to attract, motivate, and retain the best qualified talents needed to achieve the Company's short-term and long-term goals within a coherent framework. The Remuneration Policy is structured in a way that aligns the interests of the Company's Board of Directors and management with the interests of shareholders, stakeholders and society at large:
- the level of the fixed base remuneration ensures that the bpostgroup could always rely on a professional and experienced management, even in more difficult times;
- the payment of the variable short-term remuneration ensures the realization of both financial and non-financial performance criteria that translate the strategy of the Company;
- the introduction of the variable long-term remuneration encourages sustainable and profitable performance and growth over the long term.

4. Remuneration of employees

The Company applies the same principles of remuneration for its management and employees: they both have a fixed base remuneration, a variable remuneration and various benefits. The fixed base remuneration component is reviewed regularly. The variable remuneration component depends on key financial and non-financial metrics of the Company. Additional benefits are granted, depending on the qualifications and seniority of the staff.

As Belgium's leading postal operator and a parcels and e-commerce logistics provider in Europe, North-America, and Asia, bpostgroup employs over 35,000 experienced and talented employees, who are committed to serving clients and communities of bpostgroup. The Company is dedicated to continuing to improve working conditions to promote a collaborative, inclusive and healthy workplace. The Company is convinced that this will help the Company to attract, develop and retain the best talent and capabilities to drive the Company's strategy.

The ratio between the highest executive remuneration (CEO or member of the Executive Committee, as appropriate) and the lowest employee remuneration (on a fulltime equivalent basis) within the Company in 2023 was 32.77[29].

For reasons of transparency and clarity, the Company has decided to introduce the disclosure of the following three additional ratios based on a remuneration structure on target (100% results on objectives) on a full time equivalent basis, which makes it possible to carry out measurements smoothing out any variations.

The ratio "highest to lowest remuneration" is measured by comparing the highest and lowest remuneration[30], taking into account the total target remuneration package (including base remuneration, premiums, variable remuneration, group insurances and benefits), excluding employer's social contributions.

The ratio "highest to median remuneration" is measured by comparing the highest and median remuneration[30], taking into account the total target remuneration package (including base remuneration, premiums, variable remuneration, group insurances and benefits), excluding employer's social contributions.

The ratio "highest to average remuneration" is based on remuneration costs including all the employees (full time, part time, fixed term and open-ended contract) even if an employee has less than one year of service.

	FY 2021	% CHANGE VS. FY 2021	FY 2022	% CHANGE VS. FY 2022	FY 2023
Ratio of highest to lowest remuneration	28.80	15%	33.23	8%	35.61[31]
Ratio of highest to median remuneration	21.62	18%	25.51	4%	26.56
Ratio of highest to average remuneration	15.99	20%	19.25	8%	20.72[32]

5. Information on shareholder vote

The General Shareholders' Meeting of May 10, 2023 approved the remuneration report of 2022 with a majority of 85.56% (compared to 87.92% in 2022) (with 14.18% against compared to 12.08% in 2022).

The Company encourages an open and constructive dialogue with its shareholders to discuss its approach to governance, including remuneration.

29 As opposed to the ratio of 35.61 (see table below), the ratio of 32.77 is calculated based on the remuneration actually paid in 2023 in full time equivalent and not based on the remuneration on target.

30 Fixed-term contracts have been excluded from the scope due to the difficulty in accurately calculating the annual remuneration package for such contracts. It is however important to note that these contracts adhere to the same remuneration policy as the contracts of indefinite duration and represent a minority among the Company's workforce (2%) and are not in the lowest pay range. This ensures consistency and integrity in the ratio calculation.

31 The ratio of 35.61 is based on the target remuneration of the CEO on a full time equivalent basis, taking into account that no variable long-term remuneration has been granted.

32 The ratio in relation to average remuneration is generally lower and changes less quickly than the other two ratios, since it is considerably influenced by the management population, which has no influence on the median or lowest remuneration.

One concern raised about the Remuneration Policy is that the Company is reporting on previous year performance instead of the performance during the reporting year for the payment of the variable short-term remuneration. However, as stated above (see Section 2B), the variable short-term remuneration for the achievement of collective objectives and individual performance targets during the reporting year, if any, are only determined (and paid) in May of the following year, after the performance assessment of the CEO and of each other member of the Executive Committee. As a consequence, the amount of the variable short-term remuneration, if any, related to achievement during the financial year 2023 and to be determined (and paid) in May 2024, are not known on the day of the publication of this Remuneration Report and will be disclosed in the remuneration report to be published in 2025.

6. Remuneration of the members of the Board of Directors and of the Executive Committee in context

This section places the remuneration of the members of the Board of Directors and of the Executive Committee and its development over time in the broader context of the average remuneration of the Company's employees (on a full time equivalent basis) and of the Company's performance. The following table gives an overview of the evolution in time over the last 5 years of the total remuneration of the members of the Board of Directors and the members of the Executive Committee. The table further displays this evolution in the broader context of the average remuneration of the Company's employees (on a full time equivalent basis) and the overall annual performance criteria.

The methodology used for the calculation of the remuneration average (on a full-time equivalent basis) of the employees is the following: the sum of the monthly salary, annual bonus, other benefits, divided by the total number of employees on a full-time equivalent basis.

	FY 2019 (EUR OR %)	% CHANGE VS. FY 2019	FY 2020 (EUR OR %)	% CHANGE VS. FY 2020	FY 2021 (EUR OR %)	% CHANGE VS. FY 2021	FY 2022 (EUR OR %)	% CHANGE VS. FY 2022	FY 2023 (EUR OR %)
BOARD OF DIRECTORS AND MANAGEMENT REMUNERATION[1]									
Board of Directors' members' global remuneration	388,123	-17.8%[2]	319,138	53.59%[6]	490,162	-7.05%	455,604	28.96%[11]	587,533
CEO's global remuneration	736,326	-15.4%	623,285	-0.42%	620,659	56.02%	968,374[9]	-62.09%[12]	367,136
Other Executive Committee members' global remuneration	4,277,965	10.7%	4,791,691[3]	- 18.65%[7]	3,898,219	48.69%	5,796,182[10]	3.11%	5,976,307
COMPANY PERFORMANCE									
Financial metric (adjusted EBIT)	310,805,491	-9.7%	280,573,881	24.51%	349,346,005	-20%	278,498,241	-10.8%	248,478,479
Total operating income (adjusted)	3,837,800,000	8.3%	4,154,600,000	4.31%	4,333,721,259	1.47%	4,397,525,431	-2.9%	4,272,179,837
Customer Loyalty Index	100%	-8.2%	92%	34%[8]	123%	-3.36%	119%	-19.24%	96%
Short-term Absenteeism Index	5%	9.7%	5%[4]	2.41%	5%	11.02%	6%	-14.83%	5.11%
Employee Engagement Index					7%	-1.24%	72%	-	-[13]
AVERAGE REMUNERATION ON A FULL-TIME EQUIVALENT BASIS OF EMPLOYEES [5]									
Employees of the Company	47,259	1.8%	48,118	0.1%	48,182	5.2%	50,704	3.35%	52,403.17

Explanations regarding information included in the above table can be found below:

(1) The total remuneration of the members of the Board of Directors and of the members of the Executive Committee includes the variable short-term and long-term (if any) remuneration. The total remuneration of the Executive Committee also includes severance pays, if any.

(2) The decrease in the total remuneration of the Board of Directors' members in 2020 is explained by the fact that since October 2019, the mandate of one independent director was vacant.

(3) The increase in the total remuneration of the members of the Executive Committee (with the exception of the CEO) in 2020 compared to 2019 is explained by (i) changes in the composition of the Executive Committee leading to a higher amount of base remuneration, (ii) an increase in the pension costs, as well as (iii) the improved Company's performance in 2019 compared with the results in 2018 leading to a higher amount of variable short-term remuneration for the performances of the Executive Committee's members in 2019 paid in 2020.

(4) The percentage of 4.96% is the Short-term Absenteeism Index for the full financial year 2020. However, for the calculation of the collective objectives of 2020, only the Short-term Absenteeism Index of Q3 2020 is taken into account due to the quarantine impact due to Covid-19, i.e., 3.94%.
(5) The average remuneration of employees of the Company excludes directors, members of the Executive Committee and the CEO who would have entered into an employment agreement with the Company.
(6) The increase in the total remuneration of the Board of Directors' members in 2021 is explained by the fact that (i) the number of Board of Directors members was lower in 2020 and (ii) there were a significant number of Remuneration and Nomination Committee meetings in 2021 as a result of the replacement of the CEO and other directors whose mandate terminated.
(7) The decrease in the total remuneration of the Executive Committee is explained by a decreased number of Executive Committee members during the financial year 2021.
(8) The increase in the Customer Loyalty Index in 2021 is explained by progresses and good performance in all indicators composing this Index in the course of the year.
(9) The increase in the total remuneration of the CEO in 2022 compared to the 3 previous financial years is explained by the fact that (i) the insurance policy coverage of the CEO (covering the period from July 2021 - date of appointment of Dirk Tirez as CEO - until 31 December 2021) was invoiced in 2022 and not in 2021, (ii) in 2020 and 2021, no bonus was paid to the respective CEOs as they had not completed a full year (i.e., Jean-Paul Van Avermaet for 2020 and 2021, Dirk Tirez for 2021) and (iii) the indexation during 2022.
(10) The increase in the total remuneration of the Executive Committee in 2022 is explained by (i) the fact that in 2021, the number of Executive Committee members was lower, (ii) the total remuneration includes the severance pay of 619,461.53 EUR paid to Jean Muls and (iii) the indexation during 2022.
(11) The increase in the total remuneration of the Board of Directors' members in 2023 is mainly explained by the fact that there were a significant number of Advisory Committee meetings in 2023, especially Remuneration and Nomination Committee meetings as a result of the replacement of the CEO and other directors whose mandate terminated.
(12) The decrease in the global remuneration of the CEO is explained by the fact that the mandate of the current CEO only started as of November 1, 2023.
(13) For the Company, the Employee Engagement Index was not measured in 2023 (last survey was carried out in September 2022). The decision was made to replace the Employee Engagement Index by an employee well-being index as from 2024 (via pulse survey).

Risk Management & Compliance

Risk Management

The Company's Enterprise Risk Management ("**ERM**") framework assists the Company in managing risks effectively and in implementing the necessary controls to pursue its objectives. The ERM framework covers: (i) risk management, allowing the Company to take informed decisions on risks it is willing to take to achieve its strategic objectives, thereby taking into account external factors; and (ii) internal control activities, which include all internal policies, procedures and business practices to mitigate risks. Best practices in risk management and internal control activities (*e.g.*, international standard ISO31000) and the Commission on Corporate Governance's directions have been used as references to define the ERM framework.

The following description of the Company's internal control and risk management activities is factual and aims to cover the activities' main characteristics.

Risk assessment

The purpose of risk management, embedded in the ERM framework, is to deliver a consistent corporate approach and establish a sound risk management culture. A strategic risk assessment takes place as part of the process to define/ revise the Company's strategy. Moreover, there is risk and internal control management at a process, product or project level. This includes an evaluation of the adequacy of the most important internal controls to mitigate risks at a process, product or project level. The same structured risk management process is applied:

- identification of the risks that may have an impact on realizing the objectives;
- assessment of risks in order to prioritize them;
- decision on risk responses and action plans to address key risks;
- monitoring action plan implementation and overall risk evolutions and identification of emerging risks.

The coherence of risk activities is ensured by using a single framework of risk evaluation criteria to assess the risks. This ensures the right risks are circulated, both top-down and bottom-up.

More information can be found in the "Risk Management" section of the annual report.

Control activities

In general

Policies and procedures are established for the key processes (accounting, procurement, investments, treasury, etc.). They are subject to regular controls. Internal controls are monitored where relevant.

All companies within bpostgroup use an Enterprise Resource Planning ("**ERP**") system or accounting software to support efficient processing of business transactions, to perform accounting and to deliver data for consolidation. These systems provide management with transparent and reliable information it needs to monitor, control, and direct business operations. A close monitoring of potential conflicts of separation of duties in the ERP system is carried out on a regular basis. The Company has established management processes to ensure the implementation of appropriate measures on a daily basis to sustain the performance, availability and integrity of its IT systems. The adequacy and effectiveness is monitored through internal service level agreements as well as periodic performance and incident reporting to the different Business Units involved.

Specifically related to the financial statements

Systematic and structured finance processes ensure a timely and qualitative reporting. These processes include the following main activities or controls:

- careful and detailed planning of all activities, including owners and timing;
- communication by the Group Finance Department prior to the closing of guidelines, including on all IFRS accounting principles, to be applied by all legal entities and operating units;
- separation of duties between the accounting teams in the different legal entities actually performing the accounting activities and the departments responsible to review the financial information. The review is performed more specifically by (i) financial business partners responsible, *inter alia*, for the review of financial information in their area of responsibility, and (ii) the Group Finance Department, which is responsible for the final review of the financial information of the different legal entities and operating units and for the preparation of the consolidated financial statements;
- systematic account justification and review after the closing triggering follow-up and feedback of the timelines, quality and lessons learned in order to strive for continuous improvement.

Information and communication

The Internal Communication department uses a wide variety of tools, such as the Company's intranet and employee newsletters, to circulate messages in a structured and systematic way both from top management and operational level. Regular digital touchpoints are organized at different levels in the organization.

Financial and performance information is shared between operational and financial management and the Executive Committee. Besides the monthly reporting analysis prepared by the financial business partners, the CEO, CFO, CTO conducts a thorough performance management dialogue with the different Business Units'.

Proper assignment of responsibilities and coordination between the relevant departments ensures an efficient and timely communication process for periodic financial information. The Group Finance Department communicates on a regular basis all IFRS accounting principles, guidelines and interpretations, to be applied by all legal entities and operating units, to the accounting teams of the different legal entities and operating units.

Externally, the Press Relations, Public Affairs and Investor Relations departments manage stakeholders, *e.g.* press, public authorities and the financial community. These departments centralize and validate external communications with a potential impact at bpostgroup level. This includes, but is not limited to, financial information.

Financial information is made available to the market on a quarterly, semi-annual and annual basis. Prior to external publication, financial information is subject to (i) an extensive internal validation process, (ii) review by the Audit, Risk & Compliance Committee, and (iii) approval by the Company's Board of Directors.

Monitoring

Commitment to corporate governance fostering accountability

The Board of Directors supervises the Company's operational management. The Audit, Risk & Compliance Committee advises the Board of Directors on accounting, audit, risk management, compliance and internal control matters. Without prejudice to the monitoring role of the Board of Directors, the Executive Committee establishes risk and compliance management and internal control guidelines and procedures and monitors their effective roll-out. A “three lines of defense” model has been implemented:

- the operational management is responsible for the design and maintenance of risk management and internal controls (first line);
- the second line functions, such as Legal, HR, Finance, Enterprise Risk Management, ESG, Regulatory & Competition, Compliance & Data Protection, Cyber and Information Security, Safety & Prevention, Physical Security or Integrity, provide expert support to the first line operational management. All second line functions report at least annually to the Executive Committee, the Audit, Risk & Compliance Committee and the Board of Directors on the risk evolution in their respective domains. In addition, a dedicated reporting line has been created for the Enterprise Risk Management and Compliance Directors to the Audit, Risk & Compliance Committee’s Chair;
- finally, Corporate Audit, responsible for the internal audits of bpostgroup, constitutes the third line of defense. The Chief Audit Officer reports to the Audit, Risk & Compliance Committee’s Chair and CEO.

Corporate Audit (internal) and Joint Auditors (external)

The Company has a professional internal audit department that works in line with the Institute of Internal Auditors’ standards. The department is subject to an external quality review every five years. Corporate Audit conducts an annual risk assessment with a semi-annual revision to determine the audit program. Via its audit assignments, Corporate Audit provides reasonable assurance on internal control effectiveness in the different processes, products or projects reviewed.

The Joint Auditors provide an independent opinion on the full year statutory and consolidated financial statements. They perform a limited review on the half-year interim condensed financial statements. In addition, they review material changes to the IFRS accounting principles and evaluate the different identified key controls on the processes that support the set-up of the financial statements.

Audit, Risk & Compliance Committee and Board of Directors

The Audit, Risk & Compliance Committee advises the Board of Directors on accounting, audit, risk management and internal control matters.

To do so, the Audit, Risk & Compliance Committee receives and reviews:

- all relevant financial information to enable the Audit, Risk & Compliance Committee to analyze the financial statements;
- the quarterly treasury update;
- any significant change of the IFRS accounting principles;
- relevant findings resulting from the activities of the Corporate Audit Department and/or the Joint Auditors;
- the Corporate Audit, Risk and Compliance’s quarterly status reports on the follow-up of audit, risk and compliance recommendations and their annual activity report;
- the Executive Committee’s annual conclusion on the effective execution of the Company’s risk & compliance management and internal control activities as well as periodic information on the main business and related risk evolutions.

The Board of Directors ultimately ensures the establishment of internal control systems and procedures. The Board of Directors monitors the functioning and adequacy of the internal control systems and procedures, considering the Audit, Risk & Compliance Committee’s review, and takes the necessary measures to ensure the integrity of the financial statements. A procedure is in place to convene the Company’s appropriate governing body on short notice if and when circumstances so dictate.

More detailed information on the composition and functioning of the Audit, Risk & Compliance Committee and the Board of Directors is included in the section of this Corporate Governance Statement on the Board of Directors and the Audit, Risk & Compliance Committee.

Compliance

bpostgroup is built upon a foundation of strong corporate values and ethical business practices designed to support our sustainable and responsible business strategy. These values and practices reflect our commitment to our colleagues, employees, suppliers, customers, business partners, shareholders and the larger society. Building a reputation as a trustworthy and ethical organization among our stakeholders is necessary to maintain sound and robust relationships and drive positive customer experience and financial performance.

To achieve this, bpostgroup encourages each employee to continuously hold themself to the highest ethical standards. These standards, values and principles are set out in the bpostgroup Code of Conduct, which is reflected in multiple bpostgroup codes, policies and procedures.

Compliance with bpostgroup codes, policies and procedures is carefully monitored. The Board of Directors and the Audit, Risk & Compliance Committee oversees bpostgroup’s commitment to strong corporate values and ethical business practices regularly and takes decisions and actions for enhancements, as appropriate.

bpostgroup Compliance Department

The bpostgroup Compliance Department is responsible for coordinating compliance activities within the bpostgroup, and aims to promote, at all levels, ethical conduct, respect of values and compliance with laws and internal and external rules and policies, prevent unlawful or unethical behavior and ensures an appropriate response in case such behavior occurs. The bpostgroup Compliance Department is managed by the Director Compliance, who reports directly to the Chief Legal Officer as well as to the Audit, Risk & Compliance Committee's Chair.

Code of Conduct

The Board of Directors and Executive Committee have approved bpostgroup's Code of Conduct, which was first issued in 2007, updated in 2022 and last updated in March 2023 to update the dedicated part about Speak Up.

The Code-publicly available on bpostgroup's website - has general principles that describe the values and ethical standards for everybody working in the group and enables appropriate responses in the event that it is not followed. These principles are reinforced by the relevant codes, policies and procedures that are in place across bpostgroup's businesses, affiliates and ventures.

bpostgroup expects all its employees to comply with the Code of Conduct and use it as a reference in their day-to-day practice. Any violations of the Code of Conduct must be reported to the established channels provided for in the bpostgroup Code of Conduct, on a confidential basis as the case may be.

In 2023, over 90% of the bpostgroup employees have received a training, created by the HR and the Compliance departments, about the Code of Conduct through in-class sessions for employees who do not have a professional email address or through a dedicated e-learning for the employees that received a professional email address. This training was built to be practical, insisting on best practices and processes to follow in case of doubt (first line of defense).

Human Rights Policy

bpostgroup is committed to the highest standards of ethical behaviour in the protection and promotion of human rights (including freedom of association and collective bargaining, prohibition of forced labor, human trafficking, modern slavery and child labor). bpostgroup has adopted and published a Human Right Policy. bpostgroup expects all people involved in the group's business to respect the Human Rights Policy. There is zero-tolerance regarding violations of human rights and there are no exceptions to this Human Rights Policy.

Dealing & Disclosure Code

To comply with insider trading and market manipulation regulations, bpostgroup has adopted a Dealing and Disclosure Code which is available on the bpostgroup website. This Code, amended from time to time to be in line with the most recent market abuse laws and regulations, aims to create awareness around possible improper conduct by employees, senior employees, and persons discharging managerial responsibilities (being members of the Board of Directors and of the Executive Committee) and their closely associated persons. The Dealing and Disclosure Code contains strict rules on confidentiality, non-use of "price sensitive" information, and dealing restrictions. The rules of this Code have been widely communicated within bpostgroup and the Code is available to all employees, senior employees and persons discharging managerial responsibilities. In conformity with the Market Abuse Regulation of April 16, 2014, persons discharging managerial responsibilities at the Company have been informed of their obligations in relation to insider trading under the Market Abuse Regulation.

Commitment to employee development and competence

Good leadership is invaluable and generates better results for the Company. To develop skills, the Company has established its own training center. Technical courses are held in the business units (*e.g.*, training on the International Financial Reporting Standards ("IFRS") used to prepare the Company's consolidated financial statement) and *ad hoc* courses are developed on a need-to-have basis. Personal development is driven by clear job descriptions and a structured bi-annual evaluation. *Ad hoc* coaching sessions are promoted.

Diversity

Creating a culture of Diversity and Inclusion

The Company is a highly diverse company in terms of its workforce and is committed to creating and supporting a collaborative workplace culture. Such a diverse environment allows the group to optimize interaction with its customers and stakeholders, and responds to challenges in different and efficient ways.

In that context, the Company has designed a Diversity Policy aimed at creating diversity and inclusion awareness within the group. The purpose of this Diversity Policy is to support the Company's employees and management in building a culture where diversity and inclusion are a daily practice.

The program focuses on engagement, awareness, and involvement. The Board of Directors sets the tone at the top and is the true sponsor of the diversity and integration workshops organized for teams investing in diversity and inclusion awareness and/or dealing with specific topics within the diversity and inclusion framework.

Diversity within the Board of Directors and the Executive Committee

The Company adheres to the view that diversity of competences and views of the Board of Directors and Executive Committee facilitates a good understanding of the business organization and affairs. It enables the members to constructively challenge strategic decisions, ensure risk management awareness, and be more open to innovative ideas.

The Company complies with the provisions of Article 7:86 of the BCCA in terms of gender diversity, but the Diversity Policy for the members of its management goes beyond this strict legal minimum.

In the composition of the Board of Directors and Executive Committee, special attention is paid to diversity in terms of criteria such as age, professional background, gender, and geographic diversity. When considering candidates for vacancies, the Remuneration and Nomination Committee takes into account balanced scorecards of such diversity criteria.

Diversity aspects that are taken into account in relation to the Board of Directors and Executive Committee members are the following:

- **Gender**: gender diversity promotes a better understanding of the market place, increases creativity, produces more effective leadership and promotes effective global relationships. To achieve greater gender diversity within its management, the Company aims to (i) identify potential female talents at an early stage, (ii) provide opportunities that allow women to reach their full potential, (iii) enroll women in development programs that prepare them for management roles.
- **Age**: age diversity in the workplace is part of the human capital and provides a larger spectrum of knowledge, values, and preferences. Such age-diverse management will provide a more dynamic environment with continuous movement. To achieve age diversity, the Company aims to ensure that its management counts (i) older talents, with breadth and depth of work experience, and (ii) high-potential younger talents who are eager to learn.
- **Professional background**: to stay competitive in a changing environment, the Company must attract and retain talent with diverse professional backgrounds. Diversity of professional backgrounds provides the Company with a range of expertise and experience necessary to respond to the complex challenges it faces. To achieve professional background diversity within its management, the Company aims to identify people who (i) have distinct professional backgrounds, and (ii) come from various sectors at different points in their career.
- **Geographic diversity**: geographic diversity is significant and positively correlated with firm performance, especially in increasing business and strategy internationalization. To stimulate geographic diversity, the Company takes into account foreign elements in the profile and the path of its candidates.

The Board of Directors assesses annually whether diversity within the Company's management has improved.

Diversity aspects – Implementation & outcome

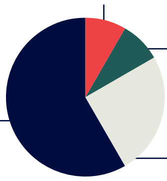
On December 31, 2023, the outcome of diversity aspects in relation to the Company's Board of Directors and Executive Committee members is the following:

Board

Gender diversity

50% — **50%**
women men

Age diversity



30-39 years 1 member
40-49 years 1 member
50-59 years 3 members
60 years and more 7 members

Geographical diversity

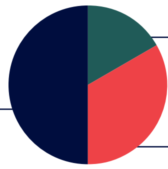
Belgian
Irish
American

Executive Committee

Gender diversity

17% — **83%**
women men

Age diversity



60 years and more 1 member
40-49 years 2 members
50-59 years 3 members

Geographical diversity

Belgian
German
British/ American

Professional background

Board		Executive Committee
67%	Finance & Accounting, Risk Management, Audit	33%
33%	Transport & Logistics, Fullfilment, Warehousing, E-commerce	33%
17%	Postal & parcels services	33%
33%	Digital, Technology & Innovation	50%
75%	Human Resources Management & Talent Development	67%
33%	ESG	17%
100%	Strategy	83%

4.2 Risk Management

Approach and methodology

During the course of 2023, a revision of the existing Enterprise Risk Management ("**ERM**") framework has been performed and the Board of Directors decided to position a Group ERM function in the Corporate Legal and Compliance department. Additional resources have been engaged to further embed company-wide risk management processes within key activities of bpostgroup.

In today's complex, highly regulated and rapidly evolving business landscape, bpostgroup's entities face uncertainties that may be the source of desirable events (opportunities) and may also lead to unwanted events (risks). Both fall within the scope of enterprise risk management. Risk is inherent in all organizational endeavors. To proactively address risks and promote a culture of risk awareness and resilience, an effective ERM policy is paramount and provides the overarching framework on risk management to all entities. The **bpostgroup ERM policy** has been reviewed in 2023 and approved by the Audit, Risk and Compliance Committee early 2024.

Excessive risk aversion is incompatible with the creation of long-term value, as decision making will be severely delayed or paralysed. Insufficient risk aversion will in turn lead to potential damage to business performance or continuity. bpostgroup recognizes the importance of correctly identifying and reporting the key risks associated with our activities and business objectives, as well as, having the appropriate risk conversations, at the right level of our organisation, to ensure an informed decision on risk taking that matches the risk appetite of bpostgroup that is calibrated by the Board of Directors from time to time.

Within our renewed ERM Operating Model, we **distinguish between two different levels** to define the risk appetite of bpostgroup with dedicated mitigation, monitoring and governance rules:

For **Process Risk Management purposes**, we aim to implicitly define the risk appetite of bpostgroup through the definition of minimum control requirements while analyzing the risks attached to our key domains of activities. The necessary checks and controls are then designed in our processes to ensure operational excellence and an end-to-end quality management for the customer. Workshops are organized with the business lines and experts to discuss the main risks and controls that we want to have in place. They are turned into formalized Group Risks & Controls policies, communicated and implemented within bpostgroup. Domains with heightened inherent level of risk such as compliance with laws and regulations, business continuity and recovery, IT security and data protection, ESG consequences, health, safety or security are specifically discussed and considered during this analysis.

Additionally, the 17 principles of the Committee of Sponsoring Organizations (COSO) framework lead to the definition of a set a Group Key Controls that are reviewed and approved by the Audit, Risk and Compliance Committee. Those Group Key Controls solidify the foundations of the Internal Control Framework for bpostgroup and their implementation is verified by the Group ERM department and/or Group second line functions (for example, Compliance, Enterprise Risk Management, Legal, Cyber and Information Security, Data Protection, ESG, Regulatory and Competition Law, Finance and HR). The Corporate Internal Audit Department independently tests the control effectiveness in function of their independent assessment of the risk areas. All internal audit reports are communicated to the Group CEO and the Chair of the Audit, Risk and Compliance Committee as well as the Executive Committee member responsible for the matter under review.

For **Strategic Risk Management purposes**, the risk appetite of bpostgroup is based on dimensions which capture financial, reputational, legal, regulatory, compliance, operational and strategic impacts of identified risks, including ESG, as well as the estimated probability of each such risk. Based on a risk evaluation criteria that is calibrated by the Board of Directors from time to time, bpostgroup prioritizes risks into a *Group Risk Heat Map* that determines the communication and dialogue around risks throughout the company (top-down and bottom-up). The Group ERM department is responsible for maintaining a Group register of identified risks (Group Register) with the support of Group second line functions and an ERM network cultivated at bpostgroup (the ERM network consists of ~ 10 ERM coordinators - senior executives named by members of the Executive Committee and ~ 50 ERM SPOCs - risk advisors/ambassadors named by ERM coordinators across bpostgroup).

For Strategic Risk Management purposes, risks are categorized as follows:

- *Strategic risks:* uncertainties that may affect or endanger a successful deployment of bpostgroup's strategy;
- *Operational risks:* mostly internally oriented risks or unforeseen disasters that may result in an impact on bpostgroup's results. These also includes financial risks;
- *Regulatory, Compliance and Legal risks:* regulatory evolutions, and legal compliance issues that could substantially impact the realization of bpostgroup's strategy, have significant financial impact or damage bpostgroup's reputation.

The Group Risk Register is reviewed for completeness and accuracy, at least, twice a year: before the Board of Directors annual strategic offsite and as part of the annual budget process. During these reviews, the Group Risk Register is updated (i) to reflect a re-evaluation of each identified risks' current likelihood and impact and (ii) consider the addition of emerging and new risks to the Group Risk Register. For the heightened risks in each category, a dedicated mitigation and monitoring approach is defined by an identified owner of that risk. When a risk exceeds the pre-defined risk appetite level set by the Board of Directors, additional documentation and details are provided, including immediate remediation actions to address the risk. All assessments are consolidated by the Group ERM function and undergo reviews by the Executive Committee, who ensures its accuracy and alignment with bpostgroup's objectives. The Group ERM function reviews and validates the final results of the assessments with the Audit, Risk & Compliance Committee.

The outcomes of the strategic risk assessment are linked and aligned with the outcomes of the ESG double materiality assessment which identifies and manages risks related to ESG factors. Please refer to the section 10.4 of this report for further comments on the outcomes of the ESG double materiality assessment.

Below we provide some information regarding heightened risks identified in the Group Risk Register. Any of the following risks could have a material adverse effect on bpostgroup's business, financial position and operating results. There may be additional risks of which bpostgroup is currently unaware. There may also be risks that are currently considered to be immaterial, but that may ultimately have a material adverse effect. The risk mitigation and monitoring mechanism here described is no guarantee that risks will not materialize. It is meant to provide an overview of (i) potential risks and (ii) initiated action points in response to such risks -- accordingly, the following should not be interpreted as a comprehensive list of risk responses. In addition, it should be noted that no risk management or internal control system can provide absolute safeguards against failure to achieve corporate objectives, fraud or breach of rules and regulations.

Strategic Risks

The risks mentioned in this section are considered in light of the long term strategy of bpostgroup. bpostgroup assigned ownership for each of these risks at the level of the Executive Committee under the ultimate responsibility of the CEO. The owner monitors the risk, follow up on trends and initiates mitigating actions if and when needed. The Audit, Risk and Compliance Committee reviews the application of this process on a regular basis.

Related to the electronic substitution, market evolution, competition and innovation

The use of mail has declined in recent years, primarily as a result of a continuous trend of increased digital communication in our society and changed consumer behaviours. bpostgroup expects that the mail volumes will continue to decline. Faster than anticipated volumes decrease could not be excluded due to, among others, E-government initiatives or other measures introduced by the Belgian State or other public authorities or private enterprises that encourage electronic substitution in administrative mail.

The new "digital" era also disrupts the parcels industry in many ways *e.g.* when the e-commerce clients show a limited willingness to pay for the delivery while requesting additional services (*e.g.* same day delivery). Factors like the rise of platforms and new entrants and a tight competition landscape challenge the parcels growth path in general (both in Belgium and abroad) and put pressure on the margins and overall profitability in the industry. bpostgroup monitors the potential adverse market evolutions and innovates to develop new initiatives minimizing potential operational or financial impacts to an acceptable level for the Board of Directors.

More fundamentally, bpostgroup is taking the next steps in transforming into a strong leader in the parcel-size logistics market, in Belgium leading the B2C and parcel-sized B2B logistics, and internationally as a leading 3PL player, focused on defendable high value market segments. In Belgium, bpost NV/SA transformed the mail distribution network into a sustainable integrated mail and parcels network and is taking the necessary measures to ensure that its organisation and resources can react with flexibility to the changing market conditions and client needs. In Europe and in the US, bpostgroup continues to build a leadership position in e-commerce logistics by increasing its size, innovating to introduce new products and services lines and continuously improving its efficiency to manage costs and quality. The speed of the transformation change, the customers' and employees' reactions remain highly uncertain and a failure to innovate fast enough could result in the Group lagging in terms of technology, with negative commercial, operational, and people consequences.

bpostgroup's activities may also be materially affected by other external factors, such as the current uncertainty regarding the impacts of the international geopolitical and macroeconomic market conditions and labour market constraints (salary indexations, transport and energy costs). bpostgroup is in putting mechanisms in place as to monitor these evolutions and continuously assess their potential impacts.

Related to the complexity of the transformation, agility and flexibility of operations

Due to the relatively fixed nature of its cost base, accelerated decline in mail volumes or an increased volatility in the parcels market may translate into significant impacts in profit and could even affect our competitive position, unless bpost NV/SA can introduce the required flexibility and reduce its costs. Accordingly and as stated earlier above, bpost will continue to introduce multiple levers for the transformation of the legacy business in order to ensure a swift and efficient alignment of its operational activities to the changing market conditions while continuing to guarantee the quality of our services and qualitative jobs for its employees. However, there can be no assurance that bpost will realize all of the benefits expected from such initiatives in time, since it depends from many exogenous factors. Some of the critical elements for success of our ambitious transformation are change management, project prioritization, resources availability and stakeholder alignment.

While bpostgroup applies the most advanced program management approaches, none of these critical success factors could be entirely secured and implementing such amount of organizational changes inherently induces a higher likelihood of temporary ineffective internal controls.

Related to the climate change and ESG related topics

The risk of a potential prolonged interruption of operations due to extreme natural events (*e.g.*, fire, flood, storm, pandemic, and increase in employees' health issues due to pollution) has increased. bpostgroup seeks to prevent damage to buildings and interruptions to operations as much as possible through prevention, business continuity and contingency programs. The detrimental consequences of these risks are covered by insurance policies. A physical climate risk assessment as part of the EU taxonomy requirements on its Belgian operations has been performed to assess the chronic and acute extreme weather events as a result of climate change. Mitigation plans are defined for the risks that are most likely to increase in likelihood in the next 20-30 years due to climate change according to the Business As Usual scenario, including heat waves, wildfires, heavy precipitation, coastal and fluvial floods and landslides. In 20023, bpostgroup further finalize a double materiality assessment confirming the ESG priorities going forward and contributing to the definition of ESG strategic ambitions.

bpostgroup's sustainability strategy includes ambitious targets to reduce its Greenhouse Gas ("GhG") emissions. bpost commitst to be one of the greenest players in the countries it operates with the target to reach net-zero emissions by 2040 and reduce 55% emissions by 2030 compared to 2019 in our own operations (in line with the SBTi 1.5 degree Celsius pathway). bpostgroup estimates that these various green initiatives will contribute to the global effort to reduce climate change and the occurrence of extreme natural events. If bpostgroup would not be able to achieve these ambitious targets, this may lead to reputational damage, financial loss and customer churn.

Operational Risks

bpostgroup faces many operational challenges that require an appropriate level of management attention, quality management approaches and internal controls definition. bpostgroup initiates mitigating action plans if and when needed. More details on the internal control and risk management system, inspired by the COSO framework, can be found in the Corporate Governance Statement.

Related to the press and periodical concession

The recent announcements and developments around the press and periodical concessions renewal implies lot of uncertainties that could lead to social unrest and financial impacts. Various factors and market circumstances should be considered today as beyond our control.

Related to Data privacy, Information Security and Technology

bpostgroup relies on Information and Communication Technology ("ICT") systems to provide most of its services. The systems are subject to risks, such as power outages, disruptions of internet traffic, software bugs, cyber-attacks (such as data exfiltration attacks, encryption attacks, and other forms of hacking) and problems arising from human error. This may result in data breaches or significant disruption of bpostgroup's operations and of its customers.

Increased global cyber security intimidations, threats and more complex and targeted cyber-related attacks threatens the security of bpostgroup, its customers, partners, suppliers and third-party service providers in terms of services, systems and networks. The confidentiality, integrity and availability of the data of bpostgroup and its customers may be at risk. bpostgroup is taking the necessary measures and making the required investments to reduce these risks, including employee awareness trainings, protective measures, detective measures, security testing and roll out of contingency plans. The Data Protection Officer in the Group Compliance department and the Group CISO function in the Group Technology department oversee these risks with the support of the Group Enterprise Risk Management (ERM) function.

Related to the business continuity and recovery management

bpostgroup's ability to serve its customers highly depends on its network of operational centers. In Belgium, bpost SA/NV operates six sorting centers, where it centralizes, sorts and prepares the mail and parcels for distribution. In North America, Radial operates 23 fulfilment centers and in Europe it operates 13 fulfilment centers, where they store, pick, pack and ship parcels for distribution. If one or more of these key facilities were to shut down for a period of time due to, *e.g.*, power outage, accident, strike action, natural disaster resulting in fire or flooding, terrorist attack or otherwise, bpostgroup may be unable to distribute or respect delivery times for a period of time. This could have a negative impact on bpostgroup's reputation, customer satisfaction and financial performance. As to monitor and mitigate these risks, a Group

Business Continuity Management (BCM) function define guidelines, policies and procedures, advise and oversees their implementation with the bpostgroup's entities. The Group CISO is closely associated to the definition of the Group BCM risk based approaches.

Related to rising operational costs and the integration of recent acquisitions

Due to an increased complexity of the operations and volatility of market conditions, bpostgroup entities might encounter unforeseen costs increases (such as salary costs, energy costs, IT maintenance spends to run legacy systems...) with an impact on margin and profitability if the rising operational costs are not pass through or adjusted for in due time. For example, in 2023, our US entities faced adverse evolution of the real estate market conditions leading to higher cost of sqm structurally when renewing some LT premises contracts, impacting margin and requiring further Value Chain Management improvements. Several initiatives are taken as to mitigate these risks, notably the simplification of the IT landscape, stable relations and constructive dialogues with the Unions partners or proactive management of all supporting costs (such as energy or real estate).

To pursue its growth ambitions, bpostgroup has bought several companies over the last few years. The most important acquisition was Radial in the US. As for all acquisitions and integration paths there is the risk of not being able to successfully integrate and whether bpostgroup's subsidiaries will actually realize the related business plans. To mitigate these risk as much as possible, regular performance management dialogue are performed and post-acquisition integration activities have been strengthened.

Related to the attractiveness of bpostgroup as employer

bpost may face difficulties to attract and retain the operational workforce it needs to ensure day-to-day delivery of mail and parcels. As any large employer, talent management in view of effective succession planning for critical functions and successful in-sourcing of certain new capabilities may also be challenging. To develop career opportunities in a proactive, structured and managed way within the Group, across the various business and support units a Talent Management function exist at bpostgroup level with the aim to develop future leaders in-house, on the basis of career paths and development routes. In the course of 2023, several initiatives have been defined and implemented to maximize the retention of our key talents in the context of the compliance crisis weathered by the Group.

Related to financial risks

bpostgroup faces different types of financial risks such as market risks from movements in foreign exchange rates, interest rates and other market prices or liquidity risk (see note 30 Financial instruments and financial risk management). Among the financial risks, the credit/ counterparty risk is monitored with attention given the emerging adverse evolutions on the e commerce markets that could lead to an increased risk of bankruptcy of our clients and ultimately to financial loss. bpostgroup is exposed to concentration risks in his client portfolio mix given the importance of businesses with the Belgian State and some large contracts with private customers.

Related to the new BNPPF banking model

In order to implement its new strategy for banking activities, bpost NV/SA entered into a new contract with BNP Paribas Fortis NV/SA that came into force in the first quarter 2024. Even though, this new contract contributes positively to ensure a stable income fees for the next 2 years, uncertainty remains about the success of the new model that depends on various factors and market circumstances, which could be beyond bpost NV/SA's control.

Regulatory, Compliance and Legal Risks

Appropriate policies, processes and internal control procedures are implemented in order to limit the exposure to complex regulator, compliance and legal requirements. bpostgroup strives for a constructive stakeholder management towards, inter alia, government, decision makers and regulators. bpostgroup operates in markets that are heavily regulated, including by national, EU and global regulatory bodies. It is uncertain whether Belgian or European regulators or third parties will raise material issues with regard to bpostgroup's compliance with applicable laws and regulations or whether future legislative, regulatory or judicial changes or other regulatory developments might have a material adverse effect on bpostgroup's business, financial condition, operating results and prospects.

Related to our mail and parcel business in Belgium

In 2012, the European Commission required bpost to repay alleged state aid for the period 1992 to 2012. On May 2, 2013, the European Commission approved the compensation granted to bpost NV/SA under the terms of the 5th management contract covering the period 2013 to 2015 ("**5th management contract**"). On December 3, 2015, bpost and the Belgian State signed a management contract ("**6th management contract**") with respect to a variety of SGEIs (*inter alia*, the maintenance of a retail network, distribution of pensions, cash at counter and other services). This 6th management contract provided for a continued provision of these SGEIs for a period of five years, ending on December 31, 2020, and for a remuneration in line with the principles of the 5th management contract, as approved by the European Commission on May 2, 2013. On June 3, 2016, the European Commission approved the 6th management contract and the press concession agreements under the state aid rules.

In December 2020, the Belgian government decided to extend the 6th management contract until December 31, 2021. The extension was approved by the European Commission on July 27, 2021. On September 14, 2021, the Belgian government and bpost NV/SA signed the 7th management contract covering the period until December 31, 2026 ("**7th management contract**"). This contract has been notified to the European Commission and was approved on July 19, 2022. As a consequence of this approval the contract entered into force. The 7th management contract is in line with the 6th management contract and only provides for minor changes to the scope of the SGEIs entrusted to bpost NV/SA compared to the 6th management contract.

Although the European Commission's decisions on state aid provide bpost NV/SA with a degree of certainty regarding the compatibility of the compensation it receives for the provision of services of public economic interest ("**SGEIs**") with state aid rules, it cannot be excluded that bpost NV/SA could be subject to further state aid allegations and investigations in relation to SGEIs, other public services and other services it performs for the Belgian State and various public entities.

In accordance with the Belgian State's commitment to the European Commission, the Belgian State organized a competitive, transparent and non-discriminatory tendering procedure with respect to the distribution of recognized newspapers and periodicals in Belgium, following which the service concessions were awarded to bpost on October 16, 2015 to provide the services from January 1, 2016 until December 31, 2020. In December 2019, the Belgian government decided to extend the service concessions until December 31, 2022. The European Commission approved the compensation granted to bpost relating to this extension of the service concessions on September 2, 2021. An internal compliance review was requested by the Chair of the Board of Directors in August 2022 regarding the then ongoing public tenders of the Belgian State for the distribution of recognized newspapers and periodicals in Belgium (more details on this internal compliance review can be found in the Contingent liabilities section of this annual report). In February 2023, the Belgian government announced its intention to conduct a governmental audit into the compensation for the current press concession (2016-2020), which was extended until end 2023. In December 2023, following its decision not to award any new press concession and to replace it by a tax measure for the press publishers, the Belgian government decided to extend the current concession for an additional six months period, until mid-2024. These two extensions are being notified to the European Commission. Reference is made to the Contingent liabilities section of this annual report concerning the possible impact thereof.

bpost NV/SA may be required to provide other postal operators access to specific elements of its postal infrastructure (such as information on requests for mail re-direction in case of address change or parcel lockers), access to its postal network and/or to certain universal services. It cannot be excluded that competent authorities impose access at uneconomic price levels or that the access conditions imposed upon may be not favourable for bpost NV/SA. In the event bpost NV/SA were to fail to comply with these requirements, it may also be subject to fines (under the competition law rules and postal regulation) and/or other postal operators may initiate proceedings seeking damages in national courts.

bpost NV/SA is required to demonstrate that its pricing for the services falling within the universal postal service obligations ("**USO**") complies with the principles of affordability, cost orientation, transparency, non-discrimination and uniformity of tariffs. Tariff increases for certain single piece mail and USO parcels are subject to a price cap formula and prior control by the Belgian Institute for Postal services and Telecommunications ("**BIPT**"). The BIPT may refuse to approve such tariffs or tariff increases if they are not in compliance with the aforementioned principles or price cap formula. It should be noted that the Postal Law, which entered into force in February 2018, provides for a price cap formula as part of a stable and predictable price control mechanism. However, at the request of the Minister of the Post, an evaluation of the price cap formula has been carried out in the course of 2022 by the BIPT. As a result, the BIPT is tasked to update the benchmarking on a European scale.

In addition, in relation to activities for which bpost NV/SA is deemed to have a dominant market position (or with respect to which other companies are deemed to be economically dependent on bpost), its pricing must not constitute an abuse of such dominant position (economic dependence). Failure to observe this requirement may result in fines and could result in an order by national courts to discontinue certain commercial practices or to pay damages to third parties.

bpost NV/SA is also subject to the requirement of no cross-subsidization between public services and commercial services. In addition, according to state aid rules, if bpost engages in commercial services, the business case for providing such services must comply with the "private investor test," that is, bpost NV/SA must be able to demonstrate that a private investor would have made the same investment decision. If these principles are not complied with, the European Commission could find that commercial services have benefited from unlawful state aid and order the recovery of this state aid from bpost.

According to the European Commission, cross-border parcel delivery is one of the key elements impacting e-commerce growth in Europe. A regulation on cross-border parcel delivery was adopted by the Council and EU Parliament in 2018 and imposes increased pricing transparency and regulatory oversight for cross-border parcel delivery operators such as bpostgroup. bpost NV/SA was designated by the Belgian State as the USO provider for an eight-year term commencing in 2011. In the Postal Law, bpost NV/SA is designated as USO provider until the end of 2023. The special terms and conditions of the USO are defined in a dedicated management contract which entered into force in 2019. The obligation to provide the USO may represent a financial burden on bpost. Although the Postal Law provides that bpost is entitled to compensation by the Belgian State in the event the USO has created an unfair burden, there can be no assurance that the entire net cost of the USO will be covered.

Related to the final outcomes and financial consequences of the recent crisis.

As a consequence of the crisis weathered by bpostgroup led to different potential litigations and compliance cases that are still pending today. Despite a financial provision of 85 Mio Euro that has been recorded, various factors and circumstances should be considered beyond bpost's control and remaining uncertainties could lead to additional financial impacts. More detailed information on these compliance matters can be found in the Contingent liabilities section of this annual report.

Related to the third party management

In the context of the upcoming Supply Chain Due Diligence Regulation and given the rising importance of third party management in light of bpostgroup's strategic ESG ambitions, potential gaps, notably compliance related, within bpostgroup's current third-party management systems are possible and are currently being reviewed in greater details. In the case of material gaps being identified, appropriate mitigation plans will be defined and deployed on due time.

Related to bpost as agent to of BNP Paribas Fortis NV/SA (“BNPPF”)

Following the sale by bpost NV/SA of its 50% stake in bpost bank NV/SA (“bpost bank”) to BNPPF”) in 2021 (effective 2022), bpost bank has merged into BNPPF on January 19, 2024 and, as of January 22, 2024, bpost welcomes -as an agent of BNPPF- the clients of BNPPF (including former clients of bpost bank) in its network of postal offices for banking and insurance matters. The regulatory landscape for financial institutions has changed considerably (*e.g.*, increased focus on customer protection, anti-money laundering, etc.) and prudential supervision has been reinforced. It is uncertain whether future legislative, regulatory or judicial changes may have a material adverse effect on BNPPF's business, financial condition, results of operations and prospects which could have an impact on bpost as agent of BNPPF.

Related to other regulatory & legal requirements

The interaction between the laws applicable to all private limited liability companies and the specific public law provisions and principles applicable to bpostgroup, especially in Belgium, may present difficulties in interpretation and cause legal uncertainty, notably regarding competition law. Many bpostgroup entities are subject to specific transport regulations inducing the potential for heightened compliance risks and liabilities. In Belgium, bpost SA/NV is subject to certain specific risks in relation to employment matters deriving from the application of certain public law provisions and principles, uncertain interpretation of tax exemption's right and is also subject to a correct application of public procurement law.

Amendments to – or the introduction of new – legislation and regulations, including legislation and regulations relating to state pensions, could result in additional burdens for bpost. There can also be no assurance that bpost will not face challenges regarding certain employment matters on state aid grounds. Finally, bpost SA/NV 's contractual employees could also challenge their employment status for being deprived of statutory employment protection and benefits.

4.3 Strengthening due diligence in the value chain

We are strengthening our due diligence processes, anchoring human rights and environmental considerations throughout our operations, value chain, and corporate governance

Here at bpostgroup we work closely together with our customers, partners, suppliers and other key stakeholders. We value these relationships as they enable us to respond to current and future needs across the globe. For a complete overview of bpostgroup's engagement with customers and communities, please refer to the Customer and Citizen Value chapter. A detailed account of our sustainable supply chain activities can be found below.

In preparation for the upcoming EU Corporative Sustainability Due Diligence Directive (CSDDD) aimed at protecting human rights and the environment, bpostgroup has taken first steps to identify and take action to prevent or mitigate adverse environmental, social, and governance (ESG) impacts in our operations, subsidiaries and supply chain. Backing these steps, we are collecting human rights and environmental data from our stakeholders, in line with our recently launched human rights policy (training courses to follow in 2024/5) applicable to our entire value chain. Similarly, we have been tracking Scope 1, 2 and 3 emissions data, where necessary taking action to reduce the climate impact of our operations and suppliers. Furthermore, in line with the key role played by risk assessment and compliance, we plan to conduct a new climate risk and scenario analysis in 2024.

This intensified focus on sustainability within bpostgroup's strategic vision is reflected in our procurement. First steps were taken in 2023 to establish a Group Procurement Program at bpostgroup, aimed at transforming our procurement model with a view to enhancing collaboration and efficiency across subsidiaries in Belgium, North America and Eurasia. Beyond cost savings, one of its main goals is to strengthen due diligence in our value chain.

We also aspire to champion ESG goals in our procurement, with a specific focus on carbon reduction, waste reduction, eco-design, and solidarity sourcing. By centralizing our efforts, we will be fostering transparent communication, encouraging best practices, and driving innovation in sustainable sourcing.

This marks a pivotal step in our commitment to operational excellence and sustainability, aligning our procurement practices with bpostgroup ambitions.

Ensuring sustainability in often complex supply chains is a challenging task. Nevertheless, a top priority for bpostgroup is to improve our transparency and performance. Over the years, we have been stepping up our efforts to exercise our duty of care with regard to the impact of our activities and those across our value chain.

Our sustainable procurement strategy already integrates ESG in different steps of the procurement process, from selecting to evaluating suppliers. In so doing, we not only interact with suppliers and supply chains, but also source sustainable solutions with a view to:

- Upskilling the procurement team on sustainable procurement and bpostgroup ESG strategy.
- Raising awareness about sustainable solutions and approaches with our internal stakeholders.
- Conducting high-level risk and impact assessments on each ESG category and defining actions where appropriate.
- Monitoring our supply chain: all our suppliers are bound by a minimum set of requirements, one of which is our Supplier Code of Conduct. This is a set of ethical principles and standards to which we and our suppliers, including their employees, suppliers and subcontractors, must adhere.
- Including specific sustainability criteria in our tender documents and contracts.
- Monitoring and assessing the sustainability performance of our suppliers, using tools such as EcoVadis scorecards.

In the coming years we will be reviewing our processes and tools to adequately identify, monitor, prevent and report back on fundamental human rights and environmental factors in our value chain. We will continue to strengthen our due diligence practices in 2024 in line with the expected EU CSDDD legislation.

Sustainable Procurement Performance Summary[33]

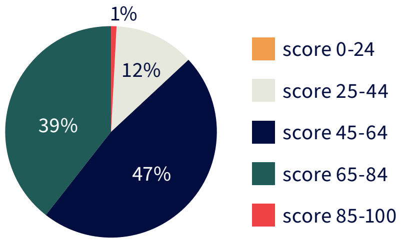
INDICATOR	UNIT	2019 BASELINE	2022	2023
Share of significant Tier-1 suppliers covered by the Supplier Code of Conduct	%	35	49	45
Share of procurement spent on significant Tier-1 suppliers screened on CSR by Ecovadis	%	39	65	66
Number of Tier-1 suppliers with SBTi approved targets	Number	n/a – new metric	25	28

In 2023, KPIs related to sustainable procurement have demonstrated stability. This trend underscores our steadfast commitment to incorporating environmentally and socially responsible practices within our procurement processes.

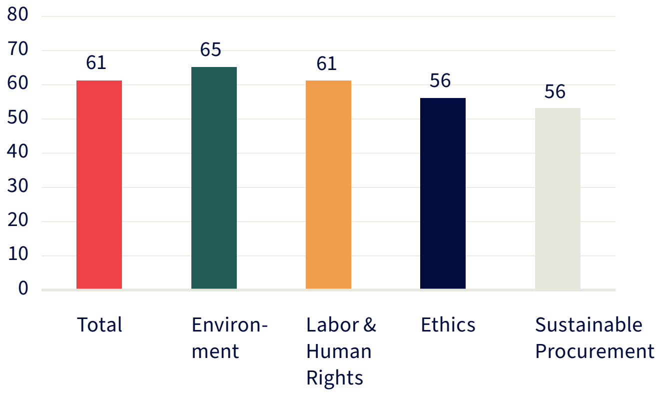
bpostgroup is committed to incorporating environmentally and socially responsible practices into our procurement processes. We conduct sustainability performance assessments of key and high-risk suppliers via EcoVadis. Ecovadis provides an outsourced sustainability management program allowing us to invite our suppliers to be rated on their environmental, social and ethical performance, and drive continuous improvement. The assessment is centered around four themes: the environment; labor and human rights; ethics; and sustainable procurement. We expect our key suppliers to have an EcoVadis scorecard (or equivalent) and a score of at least 45 of max. 100 points. Suppliers with lower scores are encouraged to improve their scores, while bpost reserves the right to end collaboration when no improvement is registered. Working this way increases transparency and standardizes reporting, ultimately leading to more sustainable practices at our suppliers.

Figures for bpost NV/SA

DISTRIBUTION OF ECOVADIS SCORES



SUPPLIER ECOVADIS SCORES



61
Average score EcoVadis

67%
Spend screened with EcoVadis

In 2023, 74 assessment scores for key suppliers were made available to the bpost Belgium team. In 2023, 88% of assessed suppliers achieved a score of 45 or higher. The average score was 61, pointing to a relatively good sustainability performance level, but with room for improvement. Suppliers not meeting the benchmark are requested to improve their overall sustainability performance, whereby we offer support to them in setting up an improvement plan. In the long term, the aim is to continuously improve the sustainability performance of our entire supply chain.

Most of our suppliers screened with EcoVadis are located in Europe (> 80%), with almost half of them in Belgium. Of the rest, most are located in USA, followed by Asia and the Middle East.

Key initiatives in 2023

Sustainable Procurement at Radial North America – leveraging the bpostgroup ESG strategy and roadmap to 2040 to engage key suppliers

In the first half of 2023, Radial North America and Landmark Global International invited tenders from temporary labour agencies for services entailing an annual spend of approximately $300 million. All preferred vendors are to comply with the bpostgroup's ESG strategy and roadmap and will invest at least 1% of their revenues from Radial - equal to an annual total of about $3 million - on 'social initiatives' in accordance with the policy. Examples of such initiatives include stimulating local employment, supporting continuous learning pathways, investing in health and safety, providing fair compensation to employees and being more inclusive in hiring. Such initiatives will be intensified through the newly installed procurement department at Radial.

Sustainable Procurement Day 2023, bpost Belgium

On March 21, 2023, bpost held its annual Sustainable Procurement Day, an event dedicated to advancing environmentally and socially responsible procurement practices and featuring internal and external speakers. The procurement team gained a better understanding of bpostgroup's ESG strategy and roadmap, with a specific focus on how procurement contributes towards our overall ambition and targets, and on many of the sustainable solutions bpost is bringing to the market.

bpostgroup Subcontractor Policy

bpostgroup launched a new Subcontractor Policy in May 2023. The policy encompasses daily controls and the establishment of a Compliance Monitoring Program by the Transport Compliance Department. bpost takes a robust approach to working with subcontractors:

- Minimizing the extent to which bpostgroup outsources its core activities (i.e. transport), wherever possible working with our own employees.
- Monitoring whether subcontractors are providing minimal social protections and decent working conditions, particularly in transport.
- Reviewing the results of the controls on an annual basis. This is done by the Transport Governance Board, the Executive Committee and the Audit, Risk and Compliance Committee.

4.4 Upholding responsible business conduct and ethics in the workplace

We aim to be a trustworthy and ethical company based on strong corporate values, accountability, and responsible business conduct that reflect our commitment to our employees, suppliers, customers, business partners, shareholders and the larger society.

bpostgroup is committed to continuously working to improve its due diligence processes and further increase awareness of integrity and ethical behavior across the group, for example through good communication guidelines, direct employee communication and following up on registered cases of unethical workplace behavior. Employees are encouraged to report suspected violations or concerns through various channels.

Throughout 2023, bpostgroup has further boosted its commitment to creating a safe and empowering environment for all employees. This is part of a broader strategy that includes updating the Code of Conduct, Speak up Policy, Escalation Policy, Reporting FAQ and implementing targeted actions to address and mitigate instances of unethical behavior. These measures reflect bpostgroup's dedication to ensuring a workplace where ethical standards are not only upheld but are a fundamental part of our corporate culture.

Performance Summary

INDICATOR	UNIT	2022	2023
Number of registered cases of corruption and bribery	Number	0	0
Total legal and regulatory fines and settlements above 10,000 EUR linked to data breaches, corruption or environmental damage	Number	0	0
Number of registered complaints on unethical workplace behavior	Number	53	117

In 2023 bpostgroup had no registered cases of corruption or bribery, nor was subject to any legal or regulatory fines or settlements above 10,000 EUR linked to data breaches, corruption or environmental damage.

Registered complaints over unethical workplace behavior covered a variety of issues. 19 of the 80 complaints filed in one of the U.S. entities concerned the same issue, with several seemingly filed by the same person. All complaints have been investigated and appropriate measures, such as disciplinary action, taken where necessary; however, many complaints were found to be without merit. The remaining complaints were related to discrimination, inappropriate conduct and harassment. In all cases, actions were immediately taken to investigate and remediate concerns and the issues were settled rapidly thanks to a robust due diligence process across bpostgroup.

The April 2023 launch of the Speak Up program, featuring a secure reporting channel available 24/7 for confidential or anonymous reporting, represents a significant step forward in empowering employees to voice concerns without fear of retaliation. This initiative is in line with bpostgroup's ongoing efforts to create a safe and supportive environment for all employees, further reinforced by the updated Code of Conduct and the launch of group-wide e-training courses.

Key initiatives in 2023

Code of conduct training

In 2023, 90% of the bpostgroup employees received training (created by the HR and Compliance departments) on the Code of Conduct through in-class sessions for staff without a business email address or through a dedicated e-learning channel for staff with one. Made up of different sections, this training underlined the importance of responsible behavior towards clients and colleagues.

Speak up program

A Speak Up program was launched in 2023 featuring a secure 24/7 reporting channel (confidential or anonymous). All bpostgroup employees were informed by letter and email of the program's launch and how to report incidents. This same information was also communicated via videowalls and posters at all company premises.

4.5 Ensuring the data privacy and security of our clients and workforce

We aim to ensure the security of our employee and stakeholder data by fully applying and in some cases even exceeding international data privacy standards across all global operations.

bpostgroup recognizes that information, whether belonging to bpost or held in trust on behalf of its customers and business partners, as well as the ICT facilities on which it is stored, are critical business assets. It is therefore committed to preserving the confidentiality, integrity and availability of all forms of information used and maintained on behalf of its employees, business partners and customers.

As a consequence, specific policies, standards, guidelines and procedures are developed to help administer and manage the storage and processing of information related to the proper and lawful conduct of business. Addressing all information management activities constituting a threat or risk to ongoing bpost activities, their aim is to ensure that any risk is minimized or otherwise accepted by the appropriate management level.

Moreover, an Information Security Roadmap has been developed, outlining the steps and milestones required to achieve the desired level of information security. As a framework for continuous improvement, this Roadmap is reviewed at least once a year in order to stay ahead of emerging threats and ensure that bpostgroup's security framework remains robust, with the risk of security breaches minimized.

As part of the Information Security Roadmap, a Data Security Governance Program has been set up, covering several topics, such as data discovery & prioritization, governance & policies, techniques & protection measures, or information rights management. Alongside this Program, other initiatives aimed at protecting data and sensitive information are either up and running or planned.

From a privacy perspective, the focus has been put on reorganizing governance, improving incident management and further automating data subject access requests.

Key initiatives in 2023

Data classification policy

As part of the Data Security Governance Program, the Data Classification Policy has been fundamentally reviewed. The aim of this policy is to provide guidance to all stakeholders and help them understand data classification at bpost. Moreover, it helps data owners, business owners, ICT data custodians, contractors and vendors to determine what level of security is required to protect data on the bpost systems for which they are responsible. The classification scheme is based on the internationally recognized CIA triad – Confidentiality – Integrity – Availability.

Data leakage detection program

With the support of an external provider, a data leakage detection program is being deployed, searching for possible leaks of bpostgroup-related data and information. The program consists of:

- Domain Protection via monitoring and detecting malicious domains resembling genuine bpost domains and possibly used for launching phishing campaigns and cyberattacks;
- Dark Web Monitoring: detect and mitigate targeted attacks planned on Dark Web forums, messaging apps, etc.;
- Account Takeover Prevention by monitoring and detecting critical credentials leaks before they are compromised;
- Data Breach Prevention via monitoring, detecting and securing publicly accessible sensitive data before any breach occurs.

Information Security Questionnaire

To comply with the EU NIS-2 Directive (the EU-wide legislation on cybersecurity) and more specifically with the requirements regarding Supply Chain Risk, an Information Security Questionnaire has been developed. Our providers are asked to complete it and, where appropriate, implement extra security measures. As the Questionnaire is based on the ISO27001 Information Security Standard, data security is an integral part.

ICT incident management

bpostgroup has made considerable progress in ICT incident management, including improving the handling of data breaches. As an example, bpostgroup employees' attention is being specifically drawn to data breach incidents in the Code of Conduct.

5. Customer and Citizen Value

84%
bpost Belgium Customer Satisfaction Score

3,108
total PUDO points

3.85 million
registered consumer preferences

>700 thousand
last-mile parcel deliveries in one single day in Belgium

We're always busy - whether it's our call center agents answering consumer questions, our associates preparing client orders in our fulfilment centers, or our postwomen and -men out on every street in Belgium. Day in, day out, we connect people, businesses, and society.

bpost Belgium's dense retail network features at least one post office in every Belgian municipality, providing sending and receiving services, banking services, and an ATM when not offered by other banks. At the start of 2024, we migrated bpost bank to BNPPF, strengthening the role of our post offices in the banking service sector.

Further developing our proximity PUDO (Pick-Up/Drop-Off) network, we passed the 3,000-PUDO-point milestone in September 2023, meaning that Belgians increasingly have access to it within walking or cycling distance. We are also helping to close the digital gap affecting 46% of the Belgian population[1]. Within a one-month pilot period, bpost Belgium provided over 4,300 assistance sessions, notching up a customer satisfaction score of over 90%.

As Belgium's universal postal service obligations ("USO") provider, bpost's USO commitments are formalized in the 7th management contract signed in 2021 and running until the end of 2026. The customer satisfaction score of 84% among residential and commercial customers alike bears witness to bpost being a trusted partner in Belgium.

As Belgium's national postal operator, the history of bpost is closely intertwined with that of the country. However, in recent years we have transitioned from a traditional postal company to a global parcels and e-commerce logistics provider. We are now a global group headquartered in Belgium, yet made up of diverse entities around the world, each with its own strengths and services.

1 *According to the latest research by the King Baudouin Foundation, 46% of the Belgian population is at risk of being digitally excluded.*

5.1 Customer Experience

KPI	UNIT	2019 BASELINE	2022	2023
Customer Satisfaction score – bpost Belgium	%	82	84.5	84
Total number of PUDO points (including parcel lockers)	Number	2,088	2,760	3,108
Total number of parcel lockers	Number	150	692	901

Customer Satisfaction

bpost Belgium conducts an annual customer satisfaction survey among residential (RES) and business (BUS) customers alike. Since 2019, our customer satisfaction score has steadily increased from 82% to 84%.

Both segments remain very satisfied with the traditional ‘postmen’ (and increasingly ‘postwomen’), especially regarding their friendliness. As bpost’s face to the customer, they remain a key touchpoint for Belgian citizens and companies. Satisfaction with both timely and correct delivery among RES and BUS customers alike increased significantly in 2023, driven by improved timely delivery figures and revealing a high correlation in overall satisfaction with domestic mail. BUS customers were significantly more satisfied with registered mail, resulting in the highest satisfaction rate in years. They appreciate at-work delivery, easy collection, and correct deliveries.

Turning to the worldwide bpostgroup, we measure our customer experience and loyalty through the Net Promoter Score (NPS) on a scale of -100 to 100. NPS is a widely used metric used by many of our customers. Their responses provide us with insights into their overall satisfaction level, including how willing they are to recommend the products or services of bpostgroup and its subsidiaries to others.

We distinguish between B2B and B2C customers as the nature of these customer segments differs greatly, as do the respondents. Each unit within the group uses the broken-down results to create specific action plans aimed at improving their respective NPS.

Customer Centric – Private

PUDO – convenient and sustainable

We provide customers with convenient and sustainable solutions, one of which is our comprehensive Pick-Up Drop-Off (PUDO) network in Belgium. This network also contributes to the wider Ecozone project that bpost is involved with throughout Belgium. In 2023 350 new pick-up points were added including 209 new parcel lockers at high footfall locations like train stations and supermarkets, where they are available 24/7 with smartphone or e-mail code access. This brings to 3,109 the total number of PUDO points including post offices, post points, parcel points and parcel lockers, where consumers can choose to conveniently drop or ship their parcels.

In September 2023 bpost celebrated the 3,000th PUDO point in the presence of Jos Donvil, CEO BU Belgium and the Minister Petra De Sutter. By 2030 we aim to have approx. 4,000 pick-up points throughout Belgium, so that everyone in the country will be able to pick up or drop off their parcels at a point nearby. In addition to the convenience factor, the PUDO service also helps reduce CO_2 emissions due to fewer failed deliveries and volume consolidation. Furthermore, the density of the network makes it conveniently accessible by consumers on foot or by bike, resulting in a further reduction of harmful emissions. Yet another step on the road to achieving our sustainability targets.

bpost bank joins BNP Paribas Fortis (BNPPF)

During 2023, efforts continued to prepare the post office network for the migration of bpost bank to BNPPF. Over 100,000 training hours were spent by the entire office staff to master product, process and technical knowledge so that we could hit the ground running as of January 2024. More than 100 additional sales profiles were also recruited and onboarded. Moreover, offices were rebranded to reflect the new partnership, while technical roll-out of ICT equipment took place throughout the year.

Customer Centric – Professional

A commitment to SMEs

bpost has always been committed to supporting SMEs. During the Covid pandemic, bpost pioneered in Belgium with its 'everybody online' program to help SMEs go digital. Then in 2022 bpost launched an SME initiative for companies that send fewer than 1,000 packages a year. SMEs can thus create a free, professional account without a fixed contract but with a market-consistent pricing policy.

Since then, more than 15,000 Belgian SMEs have signed up, making this initiative a game-changer for many smaller businesses in the e-commerce space. It is also a perfect match with bpost 's mission to help companies evolve.

Growing SMEs also face logistical challenges, *e.g.* shipping more parcels. In response to this, bpost launched the Recurrent Collect All-In offer for companies sending more than 2,500 parcels a year. For an all-in price covering parcel collection and distribution, customers can grow their parcel volume and have seasonal peaks with the commitment of bpost to collect all notified volume. In just a few months, bpost has offered this service to 30 customers and has collected extra volume from 107 addresses.

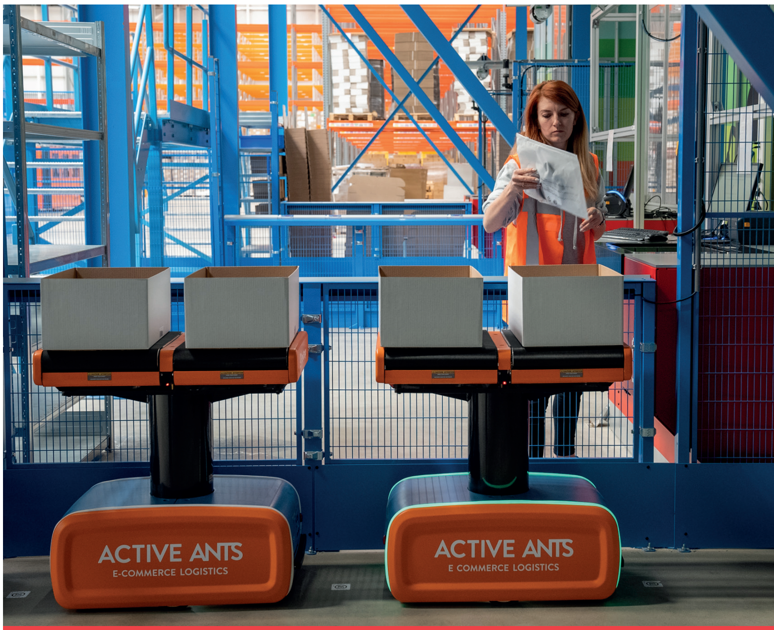
5.2 Digital Innovation

With bpostgroup's mission being 'to connect the digital with the physical', digital innovation is clearly key to delivering on that mission, as witnessed by several initiatives taken over the past year:

Active Ants: highly automated e-fulfilment company changing UK's e-commerce industry

Active Ants is a highly automated e-fulfilment company that was created in the Netherlands in 2010 and spread across Europe to Belgium and Germany. With its state-of-the-art robotized operations, Active Ants is able to offer a multi-warehouse solution to its customers, giving them the option to place stock as close as possible to their clients. The location of its warehouses close to key transport hubs (Schiphol Airport, Brussels Airport, ports of Rotterdam and Antwerp) means that Active Ants can offer the best entry point into Europe and can onboard new products extremely quickly.

Now Active Ants has started to change the e-commerce landscape in the UK as well. As a fulfilment specialist for global online stores, Active Ants unveiled its first ever e-fulfilment center in Northampton, with revolutionary robots working alongside human team members. Khalil Ashong, Country Director UK, says: “We have a structured and efficient process which combines humans and robots. In our 252,000 sq ft warehouse we can ship up to 10 million parcels a year. At full capacity over 400 robots will work next to 250 people, making the site the most efficient and sustainable in the UK!”



My bpost — an app for everyday use

My bpost is currently the most complete track & trace app for smartphones on the market, with a 4-star rating in the app stores. By the end of 2023 it had been downloaded 3.85 million times, and every month more than 1.3 million Belgians use the app. My bpost allows customers to track all barcoded shipments from bpost NV/SA and other carriers and create labels for parcels. Users can also set their preferences for both parcels and registered letters, making use of our ecofriendly lean PUDO lockers which can be opened without a screen via a bluetooth connection.

My bpost users are updated on the arrival of their precious goods. But what if they're not home when the parcel is delivered? In most cases, the mail delivery person will slip a printed failed delivery notice in the letterbox. This is convenient but also has an environmental impact. Therefore, bpost NV/SA has launched a pilot project in Tessenderlo and Chastre to make the delivery process more sustainable. Now, customers will only get a printed failed delivery notice if email is not an option. The result: 90% fewer printed notices.

Speos and b2boost

In 2023 speos — bpostgroup's subsidiary and document management specialist — partnered up with b2boost, a Belgian company specializing in digitizing B2B data processes. The two companies joined forces to respond to the growing market demand for digital data interchange and process automation. b2boost created a platform offering a complete solution for the legally compliant digitization of invoices and the automation of supply chain messages (and other protocols). As of January 2024 this collaboration has evolved and speos has now acquired 100% of b2boost. Together they will continue to support their B2B customers' efforts to digitize their administrative processes and pursue the migration from paper to EDI (electronic data interchange) as required by law. In addition, b2boost customers will be able to access all financial and administrative document management solutions offered by speos.

5.3 Community engagement: our social projects across the globe

bpostgroup doesn't operate in isolation but as part of society at large. The different communities making up society render our work interesting and worthwhile. As bpostgroup grows, these communities grow with us: we started out as a Belgian postal operator, but the business and communities now have a more international character. With a view to nevertheless staying in close contact with these communities, we are supporting several social projects across the globe.

Bridge the Digital Divide

Digital Inclusion – Free Services & Online Bills

Since December 2021, bpost NV/SA has been investing in its role to fight digital exclusion, affecting 46% of the Belgian population[2]. Thus numerous digital assistance projects have been completed, while in 2023 initiatives were set up in more than 80 post offices with the aim of helping citizens navigate an increasingly digital world. The goal of the latest national test, performed in 10% of the network (65 post offices), was to offer, among other things, personalized digital assistance for citizens with various online procedures (accessing and discovering public

2 *According to the latest research by the King Baudouin Foundation, 46% of the Belgian population is at risk of being digitally excluded.*

government sites, creating an e-mail account, online identification, etc.). During this one-month pilot, bpost NV/SA delivered over 4,300 assistance sessions with a customer satisfaction rate exceeding 90%. The conclusions of these various pilots are positive and prove that post offices can play a major role in bridging the digital gap.

One of the main advantages of digital communication is that addressees can receive more extensive and up-to-date digital information about their parcel delivery. At present, only addressees who have registered their delivery preferences will receive digital notifications. This successful pilot will be continued in 2024.

Charity initiatives

bpost collects donations for Turkey

On 6 February 2023, a devastating earthquake rocked Turkey and Syria. In the face of this tragedy bpost felt moved to play its part in alleviating the suffering of the victims and their loved ones. By harnessing its logistics expertise and extensive post office network, bpost engaged its post offices across the country as drop-off points for donations of foodstuffs, hygiene products and blankets from Belgian citizens for those people in Turkey who had lost everything. In a heart-warming demonstration of engagement and solidarity, private citizens made 70% of the donations, and 30% came from companies like Colruyt, Ecotone and Noé Nature.

Jos Donvil, CEO bpost Belgium: "bpost has always been attentive to society as a whole. Mutual aid and solidarity are strong values defended by the company and we can extol the virtues of our logistics strength. This month of collecting donations for the earthquake victims shows us once again that the Belgian people also hold these values dear. It’s incredible. Thank you to all the private citizens who helped so freely, the companies who gave so many products and the bpost NV/SA employees who made this initiative possible. We are very grateful and touched to have assisted in this tremendous outpouring of generosity."

- 656 post offices involved
- 171 tons of vital supplies (> 50 tons of hygiene products; almost 40 tons of blankets)
- 648 pallets constituted and stored at Ghent X sorting center
- 20 trucks transported products to Istanbul, thanks to ADA Trans and Aras, experts in transport between Belgium and Turkey
- Thousands of Belgians donated goods or relayed information.

Hakan Gülten, CEO of PTT As: "I really want to tell you that all the support you are giving us is a major factor in enabling us to get through this tough period and become stronger. There is a Turkish proverb that says, ‘A friend in need is truly a friend’. The fact that you have supported us in every way you can at this time really illustrates this proverb. I would like to take this opportunity to thank you, and the whole bpost family, from the bottom of my heart for all the humanitarian aid you have sent, as well as for the friendship and the solidarity you have shown."

Advent Calendar for C-R-Y

In December we launched our Advent Calendar, an initiative we started last year at Radial UK. With amazing prizes and treats to be won, the aim is to give something back to the staff but also to raise more money for another charity. The final charity choice in 2023 was C-R-Y: Cardiac Risk in the Young, an organization close to the heart of a member of the Social Team. This organisation works to prevent sudden cardiac deaths in the young by raising awareness, setting up screening programs, conducting research and supporting affected families. With the support of everyone at Radial UK, we raised the nice sum of £801. Every effort and initiative contributes to the cause and with our contribution, the donations gifted to the Laura West memorial page are now enough to cover the cost of running the first screening program in a local area to test those aged 14 to 35 years of age for any unknown heart conditions.

Feeding America®

As an organization, giving back to the community really matters to Radial North America. This year, we have partnered with Feeding America®, a non-profit organization that distributes donated food and groceries to where they are most needed. Food banks in the network collect, sort, and store food donations—for onward distribution to local food pantries, soup kitchens, shelters, and meal programs. Between 16 and 31 October 2023, Radial hosted a nationwide food drive across the US, aiming to collect and donate 2,000 lbs. of food to underserved communities across our network. In addition, we launched an Employee Match Program in partnership with Feeding America®, a corporate philanthropy initiative

that rewards employees’ charitable donations. For every dollar donated by an employee to Feeding America®, Radial North America made a proud commitment to donate an equal amount. By the end of 2023 we raised $5K in employee donations, which were then matched by Radial to a total of $10.1K in financial aid to the charity.

Lastly, Radial encourages its employees to take an active role in supporting the communities in which we operate. That's why we have implemented our Community Engagement PTO Policy—providing up to 8 hours of paid time-off, per year, for employees to step away from work and make a difference in their local community. Between 16 and 31 October 2023, Radial hosted in-person volunteering at local food pantries within the Feeding America® network. By the end of 2023, we achieved an organizational total of 1,940 volunteer hours, with 259 people taking advantage of the Community Engagement PTO policy. Additionally, we engaged over 50 employees in helping to distribute over 4,802 lbs. of non-perishable food.

STAR4U

Star4U is a bpost initiative in Belgium that encourages employees to sign up for social, cultural and environmental projects in line with bpost values. This initiative subsidizes the non-profit associations in which bpost employees are active. Based on applications submitted by employees, a jury panel of three bpost employees and three external experts subsequently decides on the level of funding to be awarded. Since the launch in 2010, bpost NV/SA has backed more than 1,250 projects, donating more than 1 million euros. This initiative also meets UN Sustainable Development Goals 4, 10 and 11.

Engaging children and youth

Saint Nicholas

Every year, the visit of Saint Nicholas is a magical moment for most children. But the magic actually starts when they send their letter. And this is where bpost plays an essential role. Not only did every child who sent a letter to Saint Nicholas receive an answer in the post, but this year they also had the option to post their letter themselves into a specially designed magical safe, the *Sinterkluis/Saintnicolis*. Once posted, they were able to see Saint Nicholas in his study instantly writing a reply. They could then pick up that reply and a bag of tasty and fun surprises from the safe themselves. In this way bpost ensured not only that every child received an answer from Saint Nicholas, but also that they enjoyed an unforgettable, magical experience.

The *Sinterkluis/Saintnicolis* visited all provinces, for 2 days in each location. Approx. 8,000 children came along to enjoy the magic of Saint Nicholas and post their note in the *Sinterkluis/Saintnicolis*. In addition, the Saint's Secretariat had its hands full this year, ensuring that more than 200,000 children who posted their letter in the traditional way also received an answer from the Saint.

5.4 In summary: customer and citizen value at bpostgroup

bpostgroup is a dynamic organization, putting great value on its proximity to citizens and society. 2023 saw many initiatives at all levels of our business, ranging from new digital offerings benefiting society, via ever greater inclusivity, to supporting those in need. With our commitment to sustainable practices running deep, we are encouraging our partners to also pay increasing attention to this aspect. While some of the programs mentioned here are 'big', others are smaller in scope and ambition. Yet, whatever their size, *they are all important* – to customers, citizens, and to bpost. And one thing is clear: without customers, there can be no profit!

6. Environmental Value

-11%
Reduction in Scope 1 and 2 emissions vs. 2019

22%
Emission-free last-mile delivery in Belgium

40%
renewable electricity consumed

85%
recycled content in packaging sold in Belgium

As a global logistics service provider, bpostgroup has an impact on the environment across the e-commerce value chain. Every day we ship more than a million parcels around the world, using one of the largest car and truck fleets in Belgium and generating a significant carbon footprint. Which is why we are determined to fight climate change and be a force for good in the countries we operate in.

We have set ambitious science-based targets for bpostgroup in line with the 1.5°C pathway. These include a 55% reduction in our Scope 1 and 2 emissions and a 14% reduction in Scope 3 emissions by 2030 – compared to the 2019 baseline.

To accelerate progress, we have upgraded our ESG strategy across the business, while also investing in sustainable policies aimed at electrifying the bpost delivery fleet and company cars, expanding Eecozones across Belgium, reusing and recycling packaging, using green electricity and reducing bpostgroup's carbon footprint. One of the main priorities in 2023 was to strengthen ESG reporting across the business units and subsidiaries through completing a double materiality assessment, gearing up for the CSRD and building a data transformation roadmap.

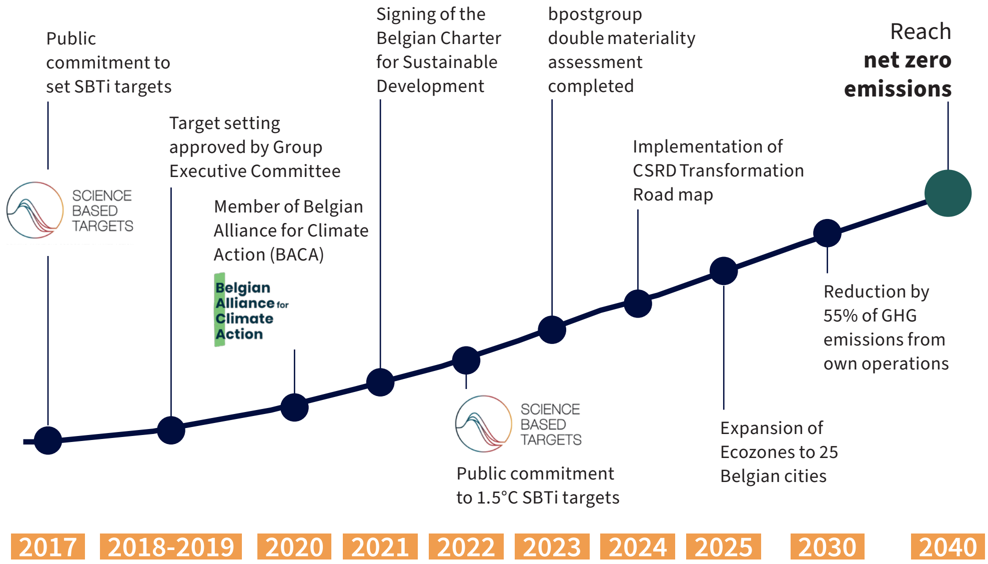
"Being a reference in environmental sustainability in all markets we operate in."

Our Net Zero Ambition

bpostgroup is committed to achieving net zero by 2040. This shared long-term target is encouraging us to accelerate our efforts to **decarbonize the e-commerce supply chain and reuse and recycle packaging as part of a circular economy**.

Our approach can be summed up in the following medium-term targets: **Reduce Scope 1 and 2 emissions by 55% by 2030**:
- 100% zero-emission last-mile deliveries
- 100% green electricity
- 100% truck fleet running on alternative fuels
- 100% of new company cars zero-emission
- 100% recyclable or reusable packaging

BPOSTGROUP IS FIRMLY COMMITTED TO FURTHER STEP UP SUSTAINABILITY EFFORTS



6.1 Decarbonizing the e-commerce supply chain

Progress towards our targets

AMBITION	2030 TARGET	2023 PROGRESS TOWARDS TARGET	2023 ACHIEVEMENTS	LOOKING FORWARD
Reduce emissions by 55% by 2030 and reach net zero by 2040.	• 100% zero-emission last-mile delivery • 100% green electricity • 100% of truck fleet running on alternative fuels • 100% of new company cars zero-emission • 100% recyclable or reusable packaging	• 22% zero-emission last-mile delivery • 40% green electricity • 50 trucks running on alternative fuels • 16% of new company cars zero-emission • 85% recyclable or reusable packaging	• Expanded Ecozones to 5 new cities in 2023, resulting in 14 ecozones in total across Belgium. • bpost won the 2023 'Zero-Emission Van Trophy' and was the No. 1 buyer of electric vans in Belgium. • Radial North America installed its first EV charging stations at its new facility in Indiana. • Dynagroup started a pilot project to decarbonize its fleet with the launch of two large full-electric vehicles for distribution activities. • Leen Menken installed 1,038 solar panels, meaning that one third of the total energy used in the warehouse is now renewable.	• We aim to install more than 4,500 EV charging stations in Belgium by 2030. • bpost is soon to welcome its first electric truck. • Continue roll-out of employee awareness campaign to encourage selection of electric vehicles.

Carbon footprint

Performance Summary

		2019 BASELINE	2022	2023	TREND
SCOPE 1	**tCO_2e**	**88,997**	**90,143**	**78,043**	↘
Fuel fleet[1]	tCO_2e	67,983	69,107	60,004	↘
Natural gas & heating oil	tCO_2e	20,986	21,020	18,025	↘
Oil for generators	tCO_2e	28	16	14	↘
SCOPE 2	**tCO_2e**	**30,266**	**28,620**	**27,904**	↘
Electricity (market-based)[2]	tCO_2e	29,794	28,348	27,840	↘
District Heating	tCO_2e	472	272	64	↘
SCOPE 1 & 2	**tCO_2e**	**119,263**	**118,763**	**105,947**	↘
SCOPE 3	**tCO_2e**	**322,562**	**307,002**	**285,570**	↘
Subcontracted road transport	tCO_2e	113,440	89,663	78,710	↘
Business travel	tCO_2e	1,374	731	1,157	↗
Employee commuting	tCO_2e	32,977	27,011	26,614	↘
Waste	tCO_2e	3,932	4,690	4,768	↗
Subcontracted air transport Belgium	tCO_2e	37,597	19,133	18,743	↘
Subcontracted air transport Subsidiaries[3]	tCO_2e	34,733	42,029	38,684	↘
Fuel & energy related activities not included in scope 1 or 2	tCO_2e	22,248	22,304	20,323	↘
Purchased goods & services	tCO_2e	76,260	101,441	96,569	↘
TOTAL CO_2 EMISSIONS (SCOPE 1+2+3)	**tCO_2e**	**441,824**	**425,765**	**391,517**	↘

Our efforts to reduce our carbon footprint yielded positive results in 2023, even with the expansion of our reporting scope to three new bpostgroup entities: Aldipress, Radial Belgium and IMX France. We saw a clear decrease in total CO_2 emissions, reflecting the success of targeted initiatives across the group such as switching to electric vehicles, optimizing transport operations, and an ongoing commitment to renewable electricity.

We achieved a significant reduction in our Scope 1 emissions, largely through our ongoing transition to electric vehicles for our fleet and company cars. Furthermore, in 2023 a new emission factor has been used for Fuels – Diesel (Scope 1), following the recommendation by DNV Assurance (previously, the emission factor for fossil diesel was used for diesel, while diesel B7 is used in EU countries with a slightly lower emission factor). Despite opening new buildings, we also managed to decrease natural gas consumption, showing progress in our transition to greener buildings and energy optimization.

Our Scope 2 emissions also continued to decline, largely due to the increase in installed renewable energy and green electricity. In addition, all our buildings in Belgium are powered by green electricity or have certificates of origin.

Despite an increase in business travel due to the expansion of bpostgroup's e-commerce activities and a return to pre-COVID 2019 levels, overall Scope 3 emissions decreased by 8%. Due to the use of more eco-friendly transport options such as trains, buses and bicycles, and a reduction in the number of working days, emissions from employee commuting dropped. Moreover, emissions from subcontracted road transport also decreased by 12% as a result of our efforts to optimize our road transport operations and reduced business needs. Even though Landmark UK was included for the first time in the subcontracted air transport reporting scope, emissions decreased by 4%.

Finally, our waste emissions increased due to a significant decrease in waste recycling. In addition, improvements to our reporting system identified an increase in waste incineration and landfill, as well as an increase in hazardous waste production. These findings highlight the importance of improved monitoring and mitigation measures to minimize our impact on the environment.

1 *A new emission factor has been used for fuel fleet (scope 1): DEFRA 2023 - Fuels - Diesel (average biofuel blend).*
2 *The market-based method reflects bpost NV/SA choices in terms of electricity supply, such as the purchase of electricity from renewable energy sources. This is set out in detail in contracts between bpost and its energy suppliers.*
3 *Since 2022 we collect detailed subcontracted air transport data for the subsidiaries. We extrapolated 2019 and 2021 data for comparison purposes.*

Green fleet and delivery

Performance Summary

METRIC	UNIT	2019 BASELINE	2022	2023
KPI – Share of emission-free last-mile delivery	%	n/a – new metric	15.3	22
Total number of emission-free ecozones	Number	n/a – new metric	9	14
Share of last mile alternative fuel vehicles	%	31.6	33.4[4]	36
Share of new company cars zero-emission	%	n/a – new metric	7	16.5

In 2023, bpostgroup made further progress in fulfilling its commitment to sustainable transport practices. The share of alternative fuel vehicles for the last mile and the number of green delivery vehicles across the group have increased. We are proud to state that 42% of our fleet in Belgium is now green; in 2023 alone, we doubled our electric fleet. Moreover, with its almost 1,600 e-vans bpost NV/SA won the 2023 'Zero-Emission Van Trophy' and was the No. 1 buyer of electric vans in Belgium.

Since the 2020 launch of a pilot Ecozone in Mechelen, several Belgian cities have been transformed into a bpost Ecozone, serviced by zero-emission vehicles. The total number has since increased to an impressive 14 cities and 33 zip codes across Belgium.

In terms of vehicle efficiency, average fuel consumption of vans has decreased considerably due to the replacement with electric vans, while that of trucks has remained stable.

bpost Belgium is also making progress in increasing the share of zero-emission company cars. In 2023, the company car policy underwent further analysis to accelerate the transition to zero-emission vehicles ahead of the 2026 target.

2023 Key Initiatives Green Mobility

A growing fleet of electric vehicles

bpostgroup is firmly committed to reducing its reliance on fossil fuels as well as easing the pressure of traffic in our cities. So, after making considerable progress in sustainable distribution in 2022, we went on to double our electric fleet in 2023. With a current total of 7,800 green vehicles, 42% of our fleet is now green and we make emission-free last mile deliveries of 22% of all parcels with e-bikes, electric vehicles and e-trailers.

2023 evolution:
- 607 e-vans growing to 1,590 (+983)
- 2,490 e-bikes growing to 2,597 (+107)
- 5,468 non-motorized vehicles (incl. normal bikes)
- 344 e-trailers growing to 458 (+114)

4 *Corrected 2022 figure.*

In addition to 50 LPG trucks which were acquired in 2022 and 2023 bpost NV/SA is soon to welcome its first electric truck. Furthermore, the delivery of 7 new double decker trailers, taking that total to 12, makes good our commitment to reducing kilometers driven. With almost 1,600 e-vans bpost NV/SA won the 2023 'Zero Emission Van Trophy' and was not surprisingly the No. 1 buyer of electric vans in Belgium (Febiac 2023). Meanwhile, in the Netherlands, Dynagroup started a pilot project to decarbonize its fleet with the launch of two large full-electric vehicles for distribution activities.

New charging infrastructure

We aim to install more than 4,500 electric vehicle chargers in Belgium by 2030. As of 2023, almost 1,700 charging points were operational and a third more were added. In the meantime, Radial North America launched its first EV charging stations at its new facility in Indiana, while also incorporating infrastructure on site in anticipation of future EV truck charging stations.

Zero-emission company cars at bpost NV/SA

When bpost updated its company car policy in 2021, the intention was to transition to electric vehicles by providing financial subsidies and installing charging points at employees' homes. During the course of 2022 1,000 charging points were operational, and as of September 2023 all company cars at bpost NV/SA must be electric. These initial efforts have been supplemented with several more initiatives.

First, an awareness campaign to encourage the selection of a fully electric car where appropriate. Second, negotiations with parking providers to enable battery charging facilities at the Brussels' headquarters. In 2023 the company car policy underwent further analysis to accelerate the transition to zero emissions ahead of the 2026 deadline.

Ecozones

Ecozone is a model that reduces the impact of our operations in Belgian cities. The Ecozones are based on 3 pillars: a dense network of collection points within city centers (*e.g.* post offices, post points and parcel lockers), delivery by soft mobility devices (e-trailers, e-bikes) and replacement of the remaining diesel vans by e-vans. With the help of a fleet of 100% green vans and bikes, the aim is to drastically reduce the number of car journeys made for pick-up and drop-off of deliveries. The benefit for city-dwellers is twofold: first, it improves the air they breathe; and second, it relieves pressure in their busy lives.

In 2020 bpost launched a pilot Ecozone in Mechelen, and since then several Belgian cities have been transformed into a bpost Ecozone, serviced by zero-emission vehicles. These include Antwerp, Brussels, Mechelen, LLN, Leuven, Hasselt, Eupen, Namur, Mons, Brugge, and since 2023 Seraing, Verviers, Oostende and Kortrijk. The total number is now 14 cities and 33 zip codes.

According to researchers at Vrije Universiteit Brussels, bpost not only reduced its carbon emissions by 90% in the Mechelen Ecozone, but also achieved a significant reduction in noise and traffic. Similar results were obtained in the other Ecozone cities. The project also won the Environmental Achievement of the Year category at the Parcel and Postal Technology International Awards hosted in Vienna in October 2021. In addition, in 2022 we won the BeCommerce Logistics and Innovation awards, and the jury prize for Ecozones.

Green buildings

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2022	2023
Total renewable energy capacity installed	kWp	4,830	8,238	9,038
Total surface of solar electricity capacity installed	m^2	45,890	66,042	67,063
Share of renewable electricity	%	49	43	40

Our efforts to improve the energy efficiency of bpostgroup buildings have made significant progress. We managed to noticeably reduce electricity consumption and our reliance on natural gas, district heating and fuel oil, demonstrating our commitment to adopting greener energy solutions.

These initiatives led to a clear reduction in energy consumption per employee, indicating that we are using our energy resources more efficiently across all our operations.

However, this year also saw a decrease in the share of renewable electricity, showing that we need to step up our efforts and investments to develop renewable energy across bpostgroup. To this end, our total renewable energy capacity installed has increased by more than 80% since 2019.

2023 Key Initiatives Green buildings

Dynalogic goes solar

In a move to embrace solar energy, Dynalogic made the decision in 2023 together with its landlord to install solar panels on the roof of its buildings, totaling more than 30,000 m2. These installations will be completed in 2024.

Radial under the sun

Since 2022 Radial Inc has enjoyed renewable energy from its solar panel installation at the Rialto site in California. At 525 kW, the set-up meets the building's total electricity needs for most of the year and up to 80% of its energy consumption during peak hours. Radial is exploring new solar projects for the California market and in other areas of North America with similarly favorable climatic conditions.

BREEAM certification in the Netherlands and UK

Dynagroup achieved a 'very good' BREEAM certification in its fossil-fuel-free buildings in Bleiswijk and Amsterdam, Netherlands. In addition, Active Ants obtained BREEAM certification for its premises in Roosendaal.

In the UK, the Active Ants Northampton warehouse on the Brackmills Industrial Estate is now in possession of an A+ rating and an 'outstanding' BREEAM certificate. This is due to the 1,000+ solar panels on the roof, which allow the warehouse to supply its own electricity.

Leen Menken keeps cool thanks to the sun

At the start of 2023 Leen Menken's new freezer warehouse was put into operation. Completed at the end of 2022, this state-of-the-art storage unit can accommodate up to 10,000 pallets at -20 degrees Celsius and is equipped with the most sustainable cooling and freezing technology. Furthermore, the roof has been fitted with a total of 1,038 solar panels, which means that one third of the total energy used in the warehouse is now generated from a renewable source.

Waste

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2022	2023
Share of recycled waste	%	87	88	78
Total waste generated	t	62,241	79,907	46,660
Residual waste incinerated for energy recovery	t	3,246	2,886	2,927
Total hazardous waste generated	t	114	1,726	2,195

In 2023, the amount of waste recycled decreased significantly, mainly due to one of our subsidiaries, Dynagroup, considerably reducing its electronic waste. The durability of electronics such as smartphones, tablets and computers have significantly improved in quality over the years, and thus fewer repairs are needed. As a result, in 2023 there was a lower volume in electronic repairs, and given the fact that electronic waste was fully recycled at Dynagroup, the share of recycled waste has been affected.

In addition, we saw a slight increase in the amount of residual waste incinerated for energy recovery, and a more significant increase in waste incinerated without energy recovery or landfilled. This change is mainly due to improvements made to our reporting system, which now provides a better understanding of waste production across bpostgroup. This information will be used to draw up an action plan to maximize recycling and recovery in the future. Finally, the increase in hazardous waste generated highlights the importance of closely monitoring our processes and continuing to implement measures to mitigate their impact on the environment.

2023 Key initiatives Waste

Robotics for optimizing packaging

Active Ants is a revolutionary company that takes sustainability very seriously. Which is why they have invested in innovative warehouse storage solutions that take up six times less space than traditional warehouses. Automated packaging machines make custom-sized boxes for products, thus removing the need for box filling. As a result, less space is required during last-mile transport and less waste is created.

Les Petits Riens

Last year, as part of its ISO 14001 certification, bpost set up a sustainable project with the charity 'Les Petits Riens' in its NBX sorting center in Brussels. Almost 90,000 kg of unclaimed goods were sent by bpost to Les Petits Riens and from there distributed to those in need. The cardboard boxes used for the deliveries were replaced by reusable bbox pallets. Each pallet can hold up to 100 kg, which represents a saving of up to 900 kg cardboard. In 2023, 840 reusable boxes were used to distribute more than 63,000 kg. For bpost the impact is social, environmental and economic. For Les Petits Riens, bpost’s participation means donations have been sent to nearly 1,500 people in need.

Carbon offsetting

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2022	2023
Total carbon emissions offset for the customers	$tCO_2eq.$	2,000	32,307	48,269

Compensating unavoidable emissions

At bpostgroup we work hard to ensure the 'greener' delivery of mail and parcels. But what happens if we can't prevent all CO_2 emissions? In order to offset those unavoidable carbon emissions in Belgium, we have committed to supporting ambitious projects: first, in Turkey, where we support the construction of hydropower facilities to reduce natural gas consumption and its associated harmful emissions; and second, in India, where we invest in the creation of wind farms to reduce dependence on fossil fuels thus improving public health.

Uzundere Hydroelectric Power Plant, Turkey
Learn more about the hydroelectric power plant in Turkey here.

Wind Power Generation In Gujarat, India
Learn more about the wind power revolution in India here.

In addition, so that all our customers who are sending and receiving parcels know that their parcel is delivered CO_2 neutral, every shipping label now proudly displays the CO_2 neutral icon.

Plant a tree to offset carbon

Together with Trees4All, Dynafix introduced a CO_2 free repair option for mobile phones. Customers decide at the checkout whether to fully compensate the CO_2 used in their transaction. Then for every CO_2 neutral repair, Dynafix plants a tree.

6.2 Re-using and re-cycling packaging as part of a circular economy

Progress towards our targets

AMBITION	2030 TARGET	2023 PROGRESS TOWARDS TARGET	2023 ACHIEVEMENTS	LOOKING FORWARD
Offer sustainable solutions for the e-commerce value chain through recyclable and reusable packaging	For bpost Belgium to offer packaging that is 100% recyclable and has at least 70% recycled content by 2030	• 81.9% recycled content in 2023, exceeding 2030 target of 70% recycled content. • 85.2% of packaging sold was recyclable or reusable. Despite a slight (-1%) decrease in 2023, we are on track to meeting our 2030 target.	• Hipli pilot project achieved 'Packaging Innovation of the Year' award at the Parcel and Postal Technology Awards in Frankfurt • Radial has transitioned the two highest volume shippers to a 100% recycled corrugate for their packaging	• Expand uptake of the Hipli reusable packaging solution by new customers with a view to increasing volumes and upscaling the pilot. • Continue investing in green alternatives for consumers

Sustainable Packaging

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2023
Share of recyclable or re-usable sold packaging[5]	%	86.3	85.2
Share of recycled content in packaging sold[6]	%	80.9	81.9

At bpostgroup we are acutely aware of the resources we use and their recyclability and reusability, which is why we manage our packaging and waste streams responsibly. At all our locations in Belgium, we sort waste and work with a registered waste partner for recycling (paper, drink cartons, plastic bottles, metal) or disposal with energy recovery. 100% of all plastic, paper and cardboard waste is recycled and 100% of our unsorted waste is incinerated for energy recovery. Our aim is to achieve the same targets at all locations across the group.

bpost Belgium's post offices sell packaging such as bubble envelopes, gift boxes, standard boxes, and fashion bags. Following the launch of the first fully recyclable fashion bag made of recycled material in 2021, we have since transformed all our packaging (for sale on our website and in our retail outlets) to 100% recyclable material or made out of 100% recycled fibers. Furthermore, all our boxes are reusable, even after delivery.

2023 Key Initiatives Sustainable Packaging

Hipli - Parcel Packaging for over 100 reuses

Following the success of the Hipli pilot with Torfs, AS Adventure and Juttu in 2022, which subsequently received the 'Packaging Innovation of the Year' award at the Parcel and Postal Technology Awards in Frankfurt, this re-usable packaging for e-commerce has now been rolled out for all our customers. After receiving their delivery, customers simply drop the empty bags into a bpost red mailbox. bpost then bundles the packaging and sends it to a sheltered workforce organization within Belgium for cleaning and reconditioning.

5 *These figures are for bpost NV/SA only.*
6 *These figures are for bpost NV/SA only.*

The French company's innovative re-usable packaging continues to be actively used in our shipping management system, and their new products are now also included in our workflow. In the meantime, the test has been extended to another supplier, Re-zip, whose products are sourced via Rajapack in Belgium. This means we can expand our offer by including re-usable plastic bags as well as re-usable cardboard boxes. A dedicated team is now working to optimize the operational processes and raise awareness about the project. Our goal here? Attract and then successfully service new customers with a view to increasing volumes and upscaling the pilot.

Increasing recycled content in packaging

Radial has transitioned the two highest volume shippers used for one of its largest clients, a cosmetics company, to a 100% recycled corrugate for their packaging. We have also sourced FSC certified materials for specifically targeted brands within the client's portfolio. This decisive step was taken after Radial investigated alternative mailbag material options with a higher recycled and/or recyclable content. In the end, a paper-based mailbag that is curbside recyclable was selected by the client and then deployed just before our end-of-year peak season. The result? Approximately 1,292 kilos of material were diverted from the waste stream during this busy season alone.

bBAG

Research shows that when customers pick up their parcels on foot or by bike, carbon emissions are reduced by 90%. But it isn't always easy to carry packages. Since bpost is committed to investing in green alternatives for consumers, Wunderman Thompson Benelux came up with the bBAG. This hardwearing backpack is designed to hold parcels of almost every shape and size. What's more, it's made of 100% recycled materials such as tarpaulin from their trucks and fabric from old jackets. Customers who change their delivery preferences to pick up their parcels from a pick-up point have a chance to win one of these innovative bBAGs by entering the competition on the bBAG website.

6.3 EU Taxonomy

6.3.1 Introduction

This section reports on the key performance indicators required under Regulation EU 2020/852[7] and the related Delegated Acts[8] (the EU Taxonomy). The EU Taxonomy was enacted by the European Commission to support the objective of directing capital towards sustainable activities. Reaching this objective is essential to meet the EU ambition of becoming climate neutral by 2050.

The EU Taxonomy is a classification system defining which economic activities can be considered environmentally sustainable. An environmentally sustainable activity is one that:
- Is included in the EU Taxonomy Climate Delegated Act (i.e., is an “eligible activity”);
- Meets the Technical Screening criteria to prove substantial contribution to one or more environmental objectives (detailed in section 6.3.3.1);
- Does not significantly harm any of the other environmental objectives (detailed in section 6.3.3.2);
- Complies with Minimum Safeguards[9] (related mainly to human rights, anti-corruption and anti-bribery, taxation and fair competition).

An environmentally sustainable activity, also referred to as an "aligned" activity, is considered to make a substantial contribution to one of the six environmental objectives of the EU Taxonomy, without doing any significant harm to any of the other objectives:
- climate change mitigation;
- climate change adaptation;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

As a logistics and postal company, bpostgroup strives to reduce our impact on the environment on several levels, as described within this chapter ‘6. Environmental Value’, specifically, ‘6.1 Decarbonize the e-commerce supply chain’ and ‘6.2 Re-use and re-cycle as part of a circular economy’ of this report to inform our stakeholders where bpostgroups stands in our sustainable journey. In this section we look at our contribution through the lens of EU Taxonomy, legislation which continues to evolve and for which no common interpretation yet exists within the sector. In this second year of reporting, bpostgroup has chosen to continue its prudent approach to assess Taxonomy-eligibility and alignment.

EU Taxonomy eligibility and alignment must be reported as financial Key Performance Indicators (KPIs), as percentages of a company's total revenue, capex additions and opex. In the event that the total amount of opex is considered not material for the business model of the company, that company is exempt from the requirement to calculate the numerator of the opex percentage, and instead should disclose the numerator as being equal to zero and report the value of the denominator (total amount of opex). bpostgroup’s EU Taxonomy KPIs are detailed in section 6.3.4.

6.3.2 bpostgroup EU Taxonomy eligibility assessment process

An ‘eligible economic activity’ is one that is described in the EU Taxonomy. It is not necessarily one that is environmentally sustainable, but one that has the potential to be environmentally sustainable (i.e. 'aligned') if it additionally meets additional criteria (see section 6.3.3) laid out in the related Delegated Acts.

The evaluation of our eligible activities under the EU Taxonomy involved the following steps:

a. Looking for a match based on bpostgroup’s main NACE Code (H53.10 - Postal activities under universal service obligation). This resulted in a match with activity 6.6 Freight transport services by road.
b. Reviewing the description of the activities under our NACE Code[10].
c. Further screening our activities and matching them with other activities described in the EU Taxonomy (besides activity 6.6 listed above).
d. The result of this second screening led us to identify the following additional eligible activities performed by bpostgroup:
   i. 6.4 Operation of personal mobility devices, cycle logistics
   ii. 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
   iii. 6.15 Infrastructure enabling low-carbon road transport and public transport (transshipment infrastructure). We have considered all of our sorting centers in the EU as part of the transshipment infrastructure included in the description provided by the EU Taxonomy.

The eligibility analysis was performed by collaborating with and involving each of the relevant business units, as well as the Corporate and Support Units which carried out the mapping exercise detailed above.

At this stage bpostgroup considers that, consistent with reporting in previous years, revenue-generating activities of E-Logistics North America and a major part of the activities of E-Logistics Eurasia are not in explicit scope of the activity descriptions presented in the EU Taxonomy. Therefore, adopting a prudent approach, bpostgroup considers the activities of all of our e-commerce fulfillment centers as non-eligible. This analysis has been made based on bpostgroup’s best interpretation efforts while maintaining the prudent approach mentioned above, as the guidance from the EU on the interpretation of what is included or excluded in a specific activity is limited.

7 *Regulation EU 2020/852 of the European Parliament and of the Council, published in the Official Journal of the European Union on June 22, 2020.*

8 *The Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021), the Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023) and all related Annexes.*

9 *The Minimum Safeguards shall be procedures implemented by a company that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.*

10 *The EU Taxonomy includes a reference to NACE codes (Revision 2) on each activity. However, such references are only indicative and do not prevail over the specific definition provided in the text of the Climate Delegated Act.*

6.3.3 bpostgroup EU Taxonomy alignment assessment process

An ‘aligned economic activity’ is one that is Taxonomy-eligible, and furthermore meets the accompanying Technical Screening criteria to prove Substantial Contribution to one of the environmental objectives of the EU Taxonomy, as well as the Do No Significant Harm criteria for that activity, whereby the company as a whole meets the Minimum Safeguards requirements. Such an economic activity is considered environmentally sustainable ('aligned').

The evaluation of our eligible activities to determine if they are additionally aligned under the EU Taxonomy involved the following steps:

a. For each eligible activity, analyzing whether the applicable Substantial Contribution criteria for that activity are also met.
b. For each eligible activity, analyzing whether the Do No Significant Harm criteria for that eligible activity are also met.
c. Analyzing whether bpostgroup as a whole complies with the Minimum Safeguards.

6.3.3.1 Substantial Contribution Technical Screening Criteria

The Technical Screening criteria which must be applied to determine whether an eligible activity makes a substantial contribution to one of the environmental objectives of the Taxonomy are different for each Taxonomy-defined activity. It Is therefore necessary to separately examine the various Taxonomy-eligible bpostgroup activities as they are grouped under the Taxonomy.

Local delivery services

A significant portion of bpostgroup's postal delivery services is conducted by (e-)bike and/or cargo bike and are considered Taxonomy-eligible under Taxonomy activity 6.4 'Operation of personal mobility devices, cycle logistics' (substantial contribution to climate change mitigation). As these activities are inherently 'green', the substantial contribution criteria are relatively straightforward: the activity must employ zero-emission personal mobility devices powered by the user, a battery or a combination of both, and the mobility devices must be legally permitted to operate on the same infrastructure as bicycles or pedestrians. The bpostgroup activities identified as eligible meet these Technical Screening criteria.

Medium-range delivery services

For somewhat longer distances and larger packages, bpostgroup employs a fleet of light commercial vehicles, which is in the process of being converted from internal combustion engines to electric power. Eligible under Taxonomy activity 6.5 'Transport by motorbikes, passenger cars and light commercial vehicles' (substantial contribution to climate change mitigation), such delivery services are subject to a Technical Screening criterion for vehicle emissions: light vehicles for the carriage of goods (vehicle category N1) must emit no more than 50 gCO_2/km. Delivery services conducted with bpostgroup's electric delivery vans meet this requirement.

Bulk transport of post and packages

For the bulk transport of post and packages over longer distances, bpostgroup employs a modern fleet of conventional lorries and tractor-trailers, which Is eligible under Taxonomy activity 6.6 'Freight transport services by road' (substantial contribution to climate change mitigation). However, the Technical Screening criteria are stringent: heavy-duty vehicles (trucks/lorries and tractor-trailers falling under vehicle categories M1 and N1) must be either zero-emission or qualify as 'low-emission heavy-duty vehicles[11]' with specific CO_2 emissions of less than half of the reference CO_2 emissions of all vehicles in their vehicle sub-group. Because bpostgroup's bulk transport employs conventional vehicles which produce emissions that can be considered average for their vehicle sub-group, these eligible activities currently do not meet the set emissions requirement. Furthermore because Taxonomy-alignment depends on the abovementioned Technical Screening criteria which focus on the vehicle pulling the trailer, the positive impact of bpostgroup’s new fleet of 14 double-decker trailers is not reflected in the Taxonomy-aligned revenue and CAPEX figure. Nevertheless, these trailers can be seen to have a significant impact, providing 60% increased load capacity with translates into 40% lower carbon emissions for the amount of freight transported, as well as fewer trucks on the road, reducing traffic congestion.

Supporting infrastructure

All bpostgroup's delivery services depend on a supporting network of sorting and distribution centers, which seek to adhere to the latest environmental standards. Activities related to postal and package delivery (excluding e-commerce logistics) are considered Taxonomy-eligible under activity 6.15 'Infrastructure enabling low-carbon road transport and public transport' (substantial contribution to climate change mitigation). The Technical Screening criteria specify that infrastructure and installations must be dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods. Additionally, the infrastructure must not be dedicated to the transport or storage of fossil fuels. The identified bpostgroup eligible activities meet these Technical Screening criteria.

11 As defined in Article 3, point (12), of Regulation (EU) 2019/1242 of June 20, 2019.

6.3.3.2 Do No Significant Harm Technical Screening Criteria

In order to qualify for alignment, Taxonomy-eligible activities must also not do any significant harm to any of the environmental objectives of the EU Taxonomy. Although there is substantial overlap, the specific Do No Significant Harm criteria can differ per Taxonomy-defined activity.

All Taxonomy-eligible activities

As part of the Do No Significant Harm criteria, all bpostgroup Taxonomy-eligible delivery services and supporting infrastructure must be subject to a robust climate risk and vulnerability assessment. Similarly, for all eligible activities, measures must be in place to reduce waste during use and at end-of-life, in line with the transition to a circular economy. More Information on the climate risk and vulnerability assessment can be found in the chapter Governance (4.2 Risk Management).

Activities employing transport vehicles

To prevent pollution, the tires used on light commercial vans, lorries and tractor-trailers must comply with the highest class (class A) of external rolling noise requirements, and must comply with one of the highest two classes (class A or B) for energy efficiency (rolling resistance). Moreover, building on the Do No Significant Harm requirements for circular economy, bpostgroup's light delivery vans and bulk transport vehicles must be reusable or recyclable to a minimum of 85% by weight, and reusable or recoverable to a minimum of 95% by weight to qualify for Taxonomy-alignment.

Currently only a small percentage (2.5%) of the electric vans are fitted with tires that meet the abovementioned stringent requirement for pollution, resulting in a relatively low percentage of Taxonomy-alignment for activity 6.5 ‘Transport by motorbikes, passenger cars and light commercial vehicles'. Although bpostgroup has invested over the years and continues to invest in electric vans, new electric vans are not automatically delivered with tires that are Taxonomy-compliant. Replacing tires before the end of their lifespan (especially when still relatively new) has a negative environmental impact as well, which can also be seen as doing harm to the Taxonomy objective of circular economy. bpostgroup therefore employs a prudent approach to replace non-compliant tires with Taxonomy-compliant ones in the course of normal operations. As the tires on the electric van fleet are replaced over time as a result of normal use, the percentage of Taxonomy-aligned revenue will increase significantly. To illustrate: if all non-compliant tires were replaced by Taxonomy compliant tires today, bpostgroup Taxonomy-aligned revenue would be nearly 10% higher at 25%, and Taxonomy-aligned CAPEX would increase to 36%.

Supporting infrastructure

Additional Do No Significant Harm requirements apply for supporting infrastructure (sorting and distribution centers). Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed. At least 70 % (by weight) of any non-hazardous construction and demolition waste that is generated on construction sites is prepared for reuse, recycling and other material recovery, and where applicable the EU Construction and Demolition Waste Management Protocol is followed. Where relevant, noise and vibrations from use of infrastructure are mitigated, and during construction or maintenance works measures are taken to reduce noise, dust and pollutant emissions. An Environmental Impact Assessment or screening has been completed, and where an Environmental Impact Assessment has been carried out, the required mitigation and compensation measures for protecting the environment are implemented. For sites/operations located in or near biodiversity-sensitive areas an appropriate assessment, where applicable, has been conducted and any necessary mitigation measures are implemented.

Nearly all of bpostgroup's Taxonomy-eligible activities that meet the Technical Screening criteria furthermore meet all applicable Do No Significant Harm criteria. Only bpostgroup's medium-range delivery services employing electric delivery vans do not fully meet the criteria due to the stringent requirements for the tires used.

6.3.3.3 Minimum Safeguards

To be compliant with the Minimum Safeguards as set out in the EU Taxonomy, a company must implement procedures to ensure its alignment with the following international standards:
- the OECD Guidelines for Multinational Enterprises;
- the UN Guiding Principles on Business and Human Rights;
- the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work;
- the International Bill of Human Rights.

In addition to the already established procedures, bpostgroup has continued to progressively introduce measures concerning the topics of human rights, anti-corruption and anti-bribery, taxation and fair competition. These measures are considered to provide a sufficient level of assurance to conclude bpostgroup’s compliance with the Minimum Safeguards.

For more Information, see Chapter Governance Corporate Statement of bpostgroup's FY2023 Annual Report, and Human Rights Policy.

6.3.4 EU Taxonomy KPIs

6.3.4.1 Turnover

	YEAR			SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)										
ECONOMIC ACTIVITES	CODE (2)	TURNOVER (3)	PROPORTION OF TURNOVER, YEAR 2023 (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY (16)	MINIMUM SAFEGUARDS (17)	PROPORTION OF TAXONOMY-ALIGNED (A.1.) OR -ELIGIBLE (A.2.) TURNOVER, YEAR N-1 (18)	CATEGORY ENABLING ACTIVITY (19)	CATEGORY TRANSITIONAL ACTIVITY (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)
		MILLION EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
Operation of personal mobility devices, cycle logistics	CCM 6.4	10.9	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	n.a.	Y	0.4%			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	10.8	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	Y	Y	n.a.	Y	0.2%			
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	639.0	15.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	16.2%	E		
TURNOVER OF ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED (A.1.)		**660.6**	**15.5%**	**100.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**n.a.**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**16.9%**			
Of which enabling		**639.0**	**15.0%**	**96.7%**	**0%**	**0%**	**0%**	**0%**	**0%**	**n.a.**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**16.2%**	**E**		
Of which transitional		**0**	**0.0%**	**0.0%**						**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**0.0%**			
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																				
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,216.2	28.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								22.8%			
Freight transport services by road	CCM 6.6	130.9	3.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								4.6%			
TURNOVER OF TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (A.2.)		**1,347.2**	**31.5%**	**100.0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**27.4%**			
TURNOVER OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1. + A.2.)		**2,007.8**	**47.0%**														**44.3%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		2,264.4	53.0%																	
TOTAL		**4,272.2**	**100.0%**																	

Numerator

The numerator includes the eligible and aligned net revenue related to the economic activities listed below:
- 6.4. Operation of personal mobility devices, cycle logistics
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 6.15. Infrastructure enabling low-carbon road transport and public transport

From this list, only activity 6.15 could be considered as enabling, as referred to in Article 10(1) point (i) of Regulation (EU) 2020/852.

Double counting was avoided by following bpostgroup's financial reporting process; each unit provided the information separately, based on the classification of activities. Total net revenues were then aggregated and validated by the finance consolidation team.

In line with bpostgroup's eligibility analysis, the numerator does not include revenue from e-fulfillment center activities. E-Logistics North America and a major part of E-Logistics Eurasia turnover, hence a major part of our turnover has been excluded for eligibility and alignment upon the interpretation by bpostgroup of the EU legislation.

Denominator

The denominator is the total net turnover for the financial year 2023, as seen in the consolidated income statement included in the financial consolidated statements.

6.3.4.2 CAPEX

ECONOMIC ACTIVITES	CODE (2)	CAPEX (3)	PROPORTION OF CAPEX, YEAR 2023 (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY (16)	MINIMUM SAFEGUARDS (17)	PROPORTION OF TAXONOMY-ALIGNED (A.1.) OR -ELIGIBLE (A.2.) CAPEX, YEAR N-1 (18)	CATEGORY ENABLING ACTIVITY (19)	CATEGORY TRANSITIONAL ACTIVITY (20)	CATEGORY (TRANSITIONAL ACTIVITY) [21]
	YEAR			SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)										
		MILLION EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
Operation of personal mobility devices, cycle logistics	CCM 6.4	0.0	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	n.a.	Y	0.7%			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.3	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	Y	Y	n.a.	Y	0.1%			
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	80.1	31.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	Y	Y	Y	6.7%	E		
CAPEX OF ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED (A.1.)		**80.4**	**31.7%**	**100.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**n.a.**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**7.5%**			
Of which enabling		**80.1**	**31.6%**	**99.6%**	**0%**	**0%**	**0%**	**0%**	**0%**	**n.a.**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**6.7%**	**E**		
Of which transitional		**0**	**0.0%**	**0.0%**						**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**0.0%**			
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																				
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	29.3	11.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								8.2%			
Freight transport services by road	CCM 6.6	7.5	3.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL								3.0%			
CAPEX OF TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (A.2.)		**36.8**	**14.5%**	**100.0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**11.2%**			
CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1. + A.2.)		**117.2**	**46.2%**														**18.7%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		136.5	53.8%																	
TOTAL		**253.7**	**100.0%**																	

Numerator

The numerator includes: (i) capex linked to the taxonomy-eligible and taxonomy-aligned activities listed in Section 6.3.3.2 above and (ii) capex linked to expenses related to other taxonomy-eligible and taxonomy-aligned economic activities, following Section 1.1.2.2 of Annex I of the Disclosures Delegated Act. The total EU Taxonomy-eligible capex is mainly calculated from the following economic activities:

- 6.4. Operation of personal mobility devices, cycle logistics
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 6.15. Infrastructure enabling low-carbon road transport and public transport

Denominator

The denominator is comprised of bpostgroup total capex (investments made in the financial year 2023) and additions of right-of-use assets, as seen in the consolidated income statement included in the financial consolidated statements.

6.3.4.3 OPEX

The EU Taxonomy follows a limited definition of opex. According to Section 1.1.3.1 of Annex I of the Disclosures Delegated Act, the only expenses to be considered as part of the opex KPI are direct non-capitalized costs from: research and development, building renovation measures, short-term leases, maintenance and repair, and other day-to-day expenses for the servicing of property, plant & equipment. Within this limited EU Taxonomy definition, bpostgroup identifies short-term leases and maintenance and repair expenses (under the bpost accounts 'rent and rental costs' and 'maintenance and repairs', respectively).

According to Section 1.1.3.2 of Annex I of the Disclosures Delegated Act, companies are exempted from the calculation of the numerator of the opex KPI in the event that the opex figure is not material for the business model. The opex numerator should be thereby be disclosed as being equal to zero. For FY2023 the total value of the opex denominator as per the EU Taxonomy definition of opex specified in Section 1.1.3.1 of Annex I of the Disclosures Delegated Act equals 215.9 mEUR. This amount is small compared to the total bpostgroup operating expenses and the total size of the bpostgroup business and is therefore considered not material for bpostgroup's business model. Major contributors to bpostgroup's business model are payroll costs, interim costs and transport costs which are not part of the definition of opex within EU taxonomy. Employing this exemption from the calculation of the opex KPI numerator, the opex numerator is disclosed as zero.

6.3.5 Mandatory disclosure on Nuclear and Gas

Article 8(6) and 8(7) of the Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021) requires companies to disclose on nuclear- and gas-related activities, using the mandatory table provided In Annex 3 of the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022).

bpostgroup does not engage in any nuclear energy or fossil gas related activities.

	NUCLEAR ENERGY RELATED ACTIVITIES	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	~~YES~~/**NO**
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	~~YES~~/**NO**
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	~~YES~~/**NO**

	FOSSIL GAS RELATED ACTIVITIES	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	~~YES~~/**NO**
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	~~YES~~/**NO**
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	~~YES~~/**NO**

7. Social Value

33,864
total employees

38.3%
women in management

112
nationalities present within the group

15.5%
reduction in number of occupational accidents[1]

"Being a reference in social sustainability in all markets we operate in."

Here at bpost, we believe it is essential to commit every employee to our mission of being a key part of our customers' daily lives. We value the wide array of skills and competences found among our employees, as well as their loyalty, recognizing that people are key to the success of bpostgroup. We regard every employee as a member of the extended bpostgroup family – a family of more than 33,000 people across the globe, from very diverse backgrounds.

It is our duty to provide all employees with the best corporate culture, safeguarding good working conditions, ethical behavior, health, safety and wellbeing at work. We fulfil this duty by taking measures tailored to different countries, businesses, and business units to strengthen and anchor this culture-shaping process. In 2023, our ongoing efforts to improve made significant progress in prioritizing our people's health and safety and championing diversity, equality, and inclusion across the group:

- 29% increase in total employee training hours per FTE across bpostgroup, compared to the 2019 baseline
- 15.5% reduction in the number of occupational accidents at bpost compared to the 2019 baseline, **exceeding our 2025 target**
- 44% decrease in bpostgroup's accident rate, compared to 2022[2]
- 4% increase in employee engagement score, again compared to 2022[2]

1 *Compared to a 2019 baseline (bpost NV/SA), exceeding 2025 target*
2 *New group consolidated score since 2022.*

Our Ambition

bpostgroup's ambition is to be a reference in social sustainability in all markets we operate in, with a focus on two areas where bpostgroup can have a significant impact:

- **Health and safety of our people first:** we aim to become an employer of choice by creating an environment promoting physical safety and mental well-being
- **Championing diversity, equality and inclusion (DE&I) across the group**: we aim to be an inclusive employer offering equal opportunities, where all people – whatever their ethnic or social background, religion, gender, age, ability or disability (whether visible or invisible) – feel welcomed and valued

7.1 Health and safety of our people first

Progress towards our targets

AMBITION	2025 TARGET	2023 PROGRESS TOWARDS TARGET	2023 ACHIEVEMENTS	LOOKING FORWARD
To become an employer of choice by creating an environment promoting physical safety and mental well-being	• 14% reduction in the number of accidents compared to the 2019 baseline.[3] • 6.9% reduction in absenteeism compared to the 2019 baseline.[3] • To achieve 'best-in-class' industry employee engagement.[3] • To be recognized as a "great employer".[4]	• 15.5% reduction in the number of accidents at bpost NV/SA compared to the 2019 baseline, exceeding our 2025 target. • 14% increase in absenteeism compared to the 2019 baseline at bpost NV/SA due to COVID-19 and the legal framework in Belgium facilitating sick leave.	• 29% increase in employee training hours per FTE compared to the 2019 baseline. • 4% increase in employee engagement score compared to 2022 • We continued to consolidate the 'My Voice' employee engagement survey across bpostgroup, for the second year in a row.	• Further strengthening our safety culture through new ways of working, a train-the-trainer program and onboarding action plans • New-Hire Orientation & Onboarding Program Pilot and expansion of employee resource groups to increase employee engagement and retention at Radial US. • Further roll-out of the employee engagement action plan and e-learning program across bpostgroup.

3 *These targets are specific to bpost NV/SA.*
4 *This target is specific to bpost Radial US.*

7.1.1 Health and safety of our employees

Performance Summary

		BPOST NV/SA			BPOSTGROUP	
METRIC	UNIT	2019	2022	2023	2022	2023
KPI - Absenteeism of employees due to illness[5]	%	7.96	9.51	9.09	n/a – new metric	8.02
Absenteeism of employees due to work-related injuries	%	n/a – new metric	n/a – new metric	n/a – new metric	n/a – new metric	0.07
KPI – Accident frequency rate of employees	Accidents per 1,000,000 hours worked	27.14	24.65	23.76	18.72	15.22
Accident severity rate of employees	Lost days per 1,000 hours worked	0.84	0.77	0.71	0.41	0.31
Lost days of employees	Days	28,487	27,641	23,608	29,002	24,435
Occupational accidents of employees	Number	949	890	788	1,120	946
Total number of fatalities among employees	Number	2	2	0	2	0

Across bpostgroup, there was a strong focus in 2023 on boosting health and safety training for both employees and temporary staff. In Belgium, for the first time all team leaders took an online training course on safety and prevention. Moreover, we are now seeing reductions in our absenteeism rate after a challenging few years due to COVID-19 and Belgium's legal framework facilitating sick leave.

Alongside physical illnesses, research in Belgium indicates a rising trend in the number of employees with psychosocial difficulties, a finding also reflected in company data. More specifically, we have seen a slight rise in our medium-term sick leave, in line with the labor market.

Our ongoing efforts to improve our safety culture also continue to reap results. In 2023, we saw a further significant improvement in our safety results, posting a 15.5% reduction in the number of accidents at bpost NV/SA compared to the 2019 baseline, thereby exceeding our 2025 target. Moreover, bpostgroup's accident frequency rate for own employees decreased by 19% in 2023 compared to 2022[6]. The most prevalent safety-related incidents in our business are slipping, falling, tripping, and the improper use of vehicles. To limit the risk of accidents and health issues, we perform regular risk assessments. The identified risks are communicated within the organization together with clear measures to be taken. The bpostgroup prevention plan focuses on a number of specific key performance indicators to measure success: higher safety training hours, onboarding, communicating safety figures in meetings, health exams, fleet maintenance preventive actions, etc.

What can be achieved by this kind of focus is demonstrated by bpostgroup's American entity, Radial US, which performed 80% better than the US national average injury rate. Radial US incorporated continuous improvement practices into safety programs and held safety-specific Kaizen events to improve practices and procedures across the network. This has resulted in Radial performing better in all injury prevention KPIs (Behavioral-Based Safety observations, Safety Committee Attendance and Near-Miss Reporting) compared to the previous year.

Key 2023 Initiatives

The Safety Register and Safety Performance Barometer

Several health and safety initiatives have been successfully implemented in bpost Belgium, including the use of a safety corner on the work floor. Here employees are encouraged to report any safety incident, and they can also learn about ongoing safety campaigns.

In addition, there is a Safety Register to ensure that safety checks are followed in a structured way. Important lessons can then be learned and communicated to employees.

Linked to the Safety Register is the Safety Performance Barometer. Launched in 2019, this enhanced well-being tool measures safety

5 For the first time in 2023, we reported the rate of absenteeism by (1) illness and (2) work-related injuries separately. Our previous definition was the rate of unplanned absence of own employees due to work-related occupational accidents or illness during the reporting period.

6 Through improved reporting efforts, we managed to consolidate health and safety scores at group level for the first time in 2022.

performance and also puts the focus firmly on the main safety indicators. By consolidating existing safety performance indicators, it provides us with insight into the overall safety performance of a specific region. From there we can prioritize where and what the greatest needs are. The tool is now fully integrated into the management performance monitoring processes

The Safety Games

A new approach to safety training was adopted in 2022 – 'gamification'. To refresh their memory, employees are sent two questions every day via an app on issues connected with health and safety. There are fifty questions in total, and they vary according to the season. For every correct answer, the employee-player wins ten points. The Safety Games concept is used in bpost Belgium Mail Distribution and now the Logistics Unit as well.

Risk Reporting via POINTS

POINTS is a mobile reporting device that our postal workers can use to gather information concerning risks and incidents on the road or in the workplace. They can also highlight those areas that require action, sharing all this information with their fellow postal workers on the same round. The result is better field knowledge to support starters and replacement staff. It also provides an opportunity for planning and structural action to be taken in order to eliminate or reduce the reported risks. Feedback on the measures taken is then shared with the employees.

7.1.2 Employee wellbeing

Performance Summary

METRIC	UNIT	2019 BASELINE	2022	2023
KPI – Employee engagement	%	n/a[7]	39.5	41.1
KPI – Total training hours per FTE	hours per FTE	34.0	39.1	44.0

It's no secret and indeed we're quite proud of it: we are one of the largest employers in Belgium. As such, we are intent on providing opportunities for training and education to all employees, at all times, and promoting inclusiveness for every one of us at bpostgroup. 2023 saw a dedicated focus on providing training to both employees and temporary staff, with a whopping 29% increase in employee training hours per FTE across bpostgroup, compared to the 2019 baseline. This is predominantly due to the increase in training hours for temporary staff across the group.

In 2023, 90% of bpostgroup employees received training (available in 19 different languages) on the Code of Conduct. Furthermore, our recent DE&I training courses were aimed at empowering our global bpostgroup communications team to leverage the power of language and create more inclusive and impactful messaging. A new IT security training platform required all Landmark Global Inc. employees to take quarterly and annual IT security training courses around such topics as phishing and social engineering. Finally, cognitive bias training sessions were provided at Radial North America, equipping the leadership committee and 300 people managers with valuable skills and knowledge to conduct fair and unbiased evaluations.

At bpostgroup, employee opinions and feedback are highly valued, as our employees are the drivers of our company. For the second year in a row, the "My Voice" employee engagement survey was consolidated across bpostgroup entities to gain a deeper understanding of how employees feel and perform inside the company. The survey is conducted on a bi-annual basis with frequent pulse checks in between, and results are benchmarked according to the region and industry. With employee satisfaction scores varying across different regions, local teams work on development plans to build on our strengths and address development opportunities.

Key initiatives in 2023: Well-being

Radial NA Mental Health and Wellness

In September 2022 Radial US launched a Mental Health & Wellness ERG (Employee Resource Group) with the aim of unlocking resources, reducing stress inside and outside the workplace, and creating a safe space in which employees can flourish. In less than a year, we were able

7 *New group-wide KPI since 2022. For historical data on employee engagement, scores are available for bpost NV/SA in the 2021 annual report.*

to recruit and service more than 160 active members.

In honor of Mental Health Awareness Month, Radial's Mental Health & Wellness ERG introduced the 'Mental Health Awareness Challenge' last May. Over a 31-day period, in excess of 3,580 hours of 'rest and relaxation' were accumulated from employees across the entire network. Employees prioritized their well-being by engaging in a variety of non-work-related activities, among them exercise, meditation, writing a journal and reading.

Our ERG membership keeps on growing, and in the past six months alone, the total number of members has increased by 281% since its launch in fall 2022. During July 2023 we welcomed over 200 employees for our virtual monthly event, during which we explored how busy working professionals can achieve wellness. Our Mental Health & Wellness ERG continues to host various virtual events, including most recently 'Addressing Suicide Prevention' and 'How to Create Good Health through Humor'.

Re-Connect: Pilot Project Mid-Long Term Illness

In recent years there has been a noticeable increase in the number of people affected by mid to long-term illness. This has a huge impact on our society and the wider economy. In response, bpost introduced Re-Connect, a new approach to supporting its employees. Rolled out across 3 sites, the aim of this pilot is twofold: to help bpost employees return to work and to improve their well-being. Social assistants from the psychosocial prevention service make contact with employees who have been on sick leave for 15 days and facilitate a re-connection with various stakeholders. Participation was also extended in the monthly consultation moments, whereby employees who are absent are followed up and where psychosocial support has proved to be beneficial.

Essential to addressing the complexity of problems related to absenteeism are the HR Core Meetings. During these meetings various HR experts (business partners, administration, legal, disciplinary) convene on a regular basis to discuss the different processes, tools, procedures and practices. This has enabled us to remain aligned on the many different areas impacted by absenteeism.

Thanks to the effort and cooperation of the various actors (social assistants, local management, HR) the Re-Connect pilot will be extended into 2024.

Belgium’s Biggest Team

The end of every year brings with it specific challenges, new and old. It was no different in 2023. We came through this hectic period together, achieving great things despite the strong headwinds along the way. Since 2020, parcel volumes have increased in record numbers year on year, and our 2023 volumes were the highest ever. Between Black Friday and New Year's Eve, bpost delivered more than 15 million parcels in Belgium, a massive total that included a peak of 700,000 on one day.

We took it all in our stride, because bpost employees are all part of 'Belgium's biggest team' and our valued ‘Heartworkers’. You put your heart and soul into getting this task completed at this most magical time! Almost 500 office-based colleagues rolled up their sleeves to help handle these phenomenal volumes, helping with collection, input, sorting, and delivery of letters and parcels. The result? Satisfied and appreciative clients, who regularly showed their appreciation throughout this long and intense period.

Key initiatives in 2023: Training & Development

DynaGroup Training Academy and Experience Centers

In 2022 DynaGroup upgraded its training facilities to Experience Centers. These state-of-the-art facilities are now at the disposal of every Dynalogic Depot. There are two areas of focus: soft skills, to achieve the perfect customer experience; and hard skills, for example installing a washing machine or assembling a hospital bed at a customer site.

The Talent Wheel Development Program

DynaGroup has its own training and talent development program: Talent Wheel. Each and every employee has their own individual talent and Dyna is keen to help them develop it.

“We believe strongly that our employees make the difference, every day! Creating this framework helps us develop our Dyna values and provides our people with the necessary programs to grow continuously in their career within Dyna.”

E-Learning HR, bpost Belgium

When managers are appointed, they receive on-site training in health

and safety tasks, duties and responsibilities, via Atalanta and 'Eye for Talent'. By introducing a compulsory 3-yearly refresher course, consisting of 10 online modules, we reach more managers and can better monitor and demonstrate who has and who has not had the training. They in turn can respond more quickly to their job-related responsibilities and can integrate these legal assignments into their daily activities. In 2023, we reached 98% of our operational managers via this E-learning initiative.

DUO for a JOB

For a number of years already, bpost has been working together with DUO for a JOB, the Ghent-based intergenerational coaching organization. bpost offers training for experienced managers over the age of 50 to become a mentor for job-seeking young people from migrant backgrounds, thus boosting their chances of finding employment. In 2023, 11 people were mentored by bpost managers, bringing the total to 60 since the start of the collaboration.

7.2 Championing diversity, equality & inclusion (DE&I) across the group

Progress towards our targets

Diversity, equality and inclusion are core bpostgroup values and progress continues towards our immediate targets and beyond.

AMBITION	2025 TARGET	2023 PROGRESS TOWARDS TARGET	2023 ACHIEVEMENTS	LOOKING FORWARD
To be an inclusive employer offering equal opportunities, where all people – whatever their ethnic or social background, religion, gender, age, ability or disability (whether visible or invisible) – feel welcomed and valued	Increase women's representation in management to 45% by 2025 compared to the 2019 baseline	• 1.5% increase at bpostgroup compared to the 2019 baseline • 9% increase at bpost NV/SA, compared to the 2019 baseline	• Expansion of DE&I training courses across the group to encourage respectful workplace behavior • Implementation of the group policy on DE&I 'zero tolerance of inappropriate behavior' • WIN membership expanded by 5% in Radial's Fulfillment Centers	• Expansion of the Women @ Sorting 100% respect campaign to 2 new distribution centers • X and Y initiative to focus on 2024 work-life balance theme

Performance Summary

METRIC	UNIT	2019 BASELINE	2022	2023
KPI – Share of women in management positions	%	37.8	37.0	38.3
Share of women at group executive level[8]	%	28.6	28.6	14.3
Share of female employees	%	35.7	34.5	35.0

8 The Executive level is defined as the group Executive Committee (ExCo) as indicated in our leadership governance.

Diversity is a fact. Inclusion is our choice. At bpostgroup, we strive to be an employer promoting equal opportunities within a participative culture, where all people – whatever their ethnic or social background, religion, gender, age, ability or disability (whether visible or invisible) – feel welcomed and valued.

We have more than 33,000 colleagues around the world, representing 112 nationalities, all of whom put our know-how at the service of our clients and society every day. We make every effort to create an environment where everyone can be themselves, and are respected and valued for their skills.

We continue to invest in group initiatives such as DE&I training courses, group policy on DE&I “zero tolerance for inappropriate behavior”, the X and Y, Women’s Initiative Network (WIN), Women @ Sorting, Pride2b, as well as expanding initiatives targeting people with disabilities (all described below under 2023 key initiatives).

We can pride ourselves on being on track to achieve the 45% women in management target in Belgium; we already reached 41% in 2023, an almost 9% increase over 2019. However, there is room for improvement to increase women’s representation in management across bpostgroup subsidiaries. With the departure of a female member of the Executive Committee in Q3 2023, the women’s share in the executive committee dropped. The Board and Executive Committee of bpostgroup are making a conscious effort to promote diversity within the executive team as it continues to grow.

Key Initiatives in 2023

DE&I in action

Women@sorting – 100% respect

Assisted by a multidisciplinary team and the psychosocial service, management at our sorting facilities have implemented a targeted phased action plan to support inclusion and respect for women on site at the sorting centers. An action plan was rolled out in 2022 with the launch of ‘All unique, all bpost’ refocusing on sexism, awareness, and training by the diversity and inclusion manager and psychosocial prevention advisor.

After the success of the 2022 targeted phased action plan to promote 100% respect for women on site in our sorting center in Brussels, we have decided to roll out the project to 2 distribution centres. Based on an analysis of employee input during focus groups, we cooperated closely with management to raise awareness among the team about stamping out physical and verbal aggression by third parties and encouraging respectful behavior in the workplace. Many initiatives are in place to support the various businesses along with tools to help employees faced with aggression and to promote respectful contact. These include raising awareness, discussion groups, templates for writing a police report, individual report, etc., as well as contact with the police in the Brussels area with a view to collaboration.

Women's Initiative Network (WIN)

Established in 2014, the Women's Initiative Network (WIN) aims to 'empower women and their allies' by providing skills and resources to support them on their journey to becoming global thought leaders. In 2022 the annual WIN conference hosted by Radial US was a virtual event, attracting approx. 100 attendees. In partnership with Lumiere Sciences, participants got the chance to discover the seven leadership roles in every organization.

In 2023 we increased WIN membership by 5% by expanding to the Fulfillment Centers, thanks to the partnership and support of regional leads and site liaisons. The annual one-day conference held in June was attended by 50% of our members in person, and by 45 members virtually. It was an event dedicated to personal and professional development, during which members were able to increase self-awareness and learn how to interact with others more effectively and more compassionately by completing the 'Taking Flight DISC Assessment'.

XandY

Our Employee Resource Group XandY had a great year in 2023. The aim of this community of women in management throughout the year was to deep-dive into the topic of assertiveness and self-confidence.

There were several activities on the agenda, including a webinar around the myths that hold women back, group discussions and leadership & challenges for women. The debate on leadership and challenges was concluded with a guest lecture on the theme of balanced leadership by keynote speaker Michèle Mees, Global Ambassador for inclusion and inclusive leadership and author of The Balanced Leader.

Pride2b

Pride2b is our most recent Employee Resource Group (ERG). It aims to create a community in which people feel safe, and can give and receive support around LGBTQIA+ topics. The launch at the beginning of 2023, in partnership with the non-profit organization Open@ Work, coincided with bpostgroup's first participation with a dozen colleagues in the Belgian Pride in Brussels event. We are proud to be part of this initiative to promote tolerance, inclusion and diversity in the workplace.

Young bpost

Young is a community open to young employees in management (aged 38 and below) which currently has a membership of approx. 250. In 2023 Young organized several high-impact events with the aim of getting to know bpost better. These activities included: a Meet & Greet, to connect young talent within the company to top management, and a visit to the Belgian facility of Active Ants. There was also a joint event with the Young community of Proximus.

DE&I Training

Radial DEI Communications Training

In 2023 a number of Diversity, Equity and Inclusion training courses were arranged for managers. These included:

- Cognitive Bias Training for the Leadership Talent Review, to equip our Managing Committee as well as over 300 people managers with valuable skills and knowledge for them to conduct fair and unbiased evaluations. By improving awareness of cognitive biases, our leaders can implement mitigating strategies to ensure a more transparent and inclusive review process. This in turn will ensure leadership talent is identified and nurtured based on true merit and potential.
- DEI Training with People Managers in Mississauga, Canada, to train some 15 leaders to actively solicit input from individuals with different backgrounds and experiences, utilize objective data and established metrics on which to base decisions and employ structured frameworks for the evaluation process, minimizing the potential for subjective judgment.
- Inclusive Communications Training for the bpostgroup Global Comms Team, to explore the importance of inclusive language in internal and external communications, and receive practical guidance on its application during crisis management situations.

Training bpost recruiters

In 2023 bpost recruiters took the first step on their diversity and inclusion journey with a training course developed together with UNIA, an independent public institution that fights discrimination and promotes equality within Belgium. The curriculum focused on the importance of identifying unconscious bias throughout every step of the recruitment process, as well as looking at how to raise awareness among managers with a hiring role.

TADA campaign

TADA is a non-profit organization offering extracurricular activities to young children from socially vulnerable backgrounds. The aim is to help them become familiar with Belgian society and its businesses. For the period 2023-2025 bpost has committed to opening its doors on a Saturday and giving these children the opportunity to find out all about the various jobs that are done here, such as parcel delivery, sorting, etc. Last year a total of 30 children were welcomed at our Mail Center in Schaerbeek.

7.3 In summary: social value at bpostgroup

Social value runs through every aspect of bpostgroup's activities where being an employer with a positive impact on society is fundamental. The examples we have looked at here are just some of the many initiatives we are developing globally to benefit our employees, and society at large. Some of the changes we are undertaking will take time to really take hold, while others are already fully operational. But what should be clear is bpostgroup's unwavering commitment to social value, both now and in the future. And one thing is clear: without our people, our employees, there can be no profit!

8. Economic value

8.1 Financial review

8.1.1 Group overview

Compared to last year, **total operating income** decreased by -125.3 mEUR or -2.9% to 4,272.2 mEUR, driven by E-Logistics North America.

- External operating income Belgium increased by +53.8 mEUR or +2.5%. Excluding the deconsolidation of Ubiway Retail (-21.6 mEUR) operating income increased by +75.4mEUR. This increase was driven by the parcels volumes increase of +6.3% and price/mix impact of +4.8%. Furthermore the underlying mail volume decline of -8.4% was offset by the positive price/mix impact.
- External operating income of E-Logistics Eurasia increased by +50.3 mEUR or +8.5%, mainly driven by higher Cross-Border sales mainly reflecting growth from existing and new customers in Asia and the continued expansion of Radial Europe and Active Ants (+15.1%).
- E-Logistics North America external operating income decreased by -225.9 mEUR or -13.6%, at constant exchange rate revenues decreased by -11.0% reflecting lower volumes at Radial and Landmark US (Amazon insourcing).
- Corporate external operating income decreased by -3.5 mEUR in line with lower building sales.

Operating expenses (including D&A) decreased by +22.8 mEUR or -0.6% to 4,111.4 mEUR. Excluding the provision related to overcompensation operating expenses (including D&A) decreased by +97.8 mEUR. This decrease mainly driven by lower opex in line with revenue development E-Logistics North America, last year's bad debt provision at Radial US and the deconsolidation of Ubiway Retail triggering lower material costs. This decrease was partially offset by higher payroll cost (impact inflation, despite decreased FTE), lower recoverable VAT and higher depreciation.

Reported EBIT amounted to 160.8 mEUR and decreased by -102.5 mEUR compared to last year. Excluding the provision related to overcompensation reported EBIT decreased by -27.5 mEUR. **Adjusted EBIT** (amongst other adjusted for the provision related to overcompensation) amounted to 248.5 mEUR and decreased by -30.0 mEUR or -10.8% compared to last year.

Net financial result (i.e. net of financial income and financial costs) amounted to -41.6 mEUR and decreased by -71.9 mEUR mainly due to last year's non-cash positive financial result related to IAS 19 employee benefits triggered by the significant increase in discount rates at that time. Year-over-year impact of non-cash financial results related to IAS 19 employee benefits amounted to -65.6 mEUR.

Last year's **remeasurement of assets held for sale at fair value less costs to sell** of -1.2 mEUR related to an additional write down for the sale of Ubiway Retail and bpost bank of respectively 1.0 mEUR and 0.2 mEUR.

Income tax expense amounted to 54.5 mEUR and decreased by +6.4 mEUR compared to last year mainly due to the lower profit before tax. Note that the provision for overcompensation is already net of corporate income taxes; the provision – except for the compound interest – is not tax deductible.

Group net profit at 64.8 mEUR and decreased by -166.9 mEUR compared to last year, to a large extent due to the provision for overcompensation and the lower financial result.

Adjusted contribution (see section "Reconciliation of Reported to Adjusted Financial Metrics") of the different business units for 2022-2023 amounted to:

	2023			2022		
IN MILLION EUR (ADJUSTED)	TOTAL OPERATING INCOME	EBIT	MARGIN (%)	TOTAL OPERATING INCOME	EBIT	MARGIN (%)
Belgium	2,265.7	183.1	8.1%	2,193.3	198.3	9.0%
E-Logistics Eurasia	668.3	37.9	5.7%	614.1	27.4	4.5%
E-Logistics North America	1,438.4	65.2	4.5%	1,661.6	86.9	5.2%
Corporate	437.8	(37.7)	-8.6%	404.2	(34.1)	-8.4%
Eliminations	(538.1)	0.0	-	(475.6)	0.0	-
GROUP	**4,272.2**	**248.5**	**5.8%**	**4,397.5**	**278.5**	**6.3%**

8.1.2 Description of Business Units

bpost operates through three business units and support units providing services to these business units:

- The business unit Belgium oversees the commercial activities related to Transactional, Advertising mail, Press and Parcels and the operational activities of collecting, transporting, sorting and distributing of addressed and non-addressed mail, printed documents, newspapers, periodicals and parcels mainly in Belgium. Furthermore Belgium offers Value added services including document management and related activities and offers proximity and convenience retail through its retail network in Belgium composed out of post offices and postal points. It also sells banking and financial products, as part of the Proximity and convenience retail network, under an agency agreement with bpost bank and AG Insurance. The business unit also carries out Services of General Economic Interest ("SGEI") on behalf of the Belgian State.
- The business unit E-Logistics Eurasia oversees the commercial and operational activities related to e-commerce logistics (fulfillment, handling, distribution and return management) and cross-border (inbound, outbound and import services) for parcels in Europe & Asia and for international mail worldwide. The business unit runs several operations centers across Europe. DynaGroup, Radial, Active Ants, Leen Menken and Landmark Global entities in Europe & Asia are part of this business unit.
- The business unit E-Logistics North America is in charge of the commercial and operational activities related to e-commerce logistics (fulfillment, handling and distribution, return management, customer service and value-added technology services) in North America and Australia and cross-border parcels and international mail in North America. Radial North-America and Landmark Global entities in North America are part of this business unit.

Corporate and Support units ("Corporate") consist out of the 3 support units and the corporate unit. The support units offer as a sole provider business solutions to the 3 business units and to Corporate and includes Finance & Accounting, Human Resources & Service Operations, ICT & Digital. The Corporate unit includes Strategy, M&A, Legal, Regulatory and Corporate Secretary. The EBIT generated by the support units is recharged to the 3 business units as OPEX while the depreciation remains in Corporate. Revenues generated by the Support Units, including sales building are disclosed in Corporate.

8.1.3 Business Unit performance: Belgium

Belgium

IN MILLION EUR	2023	2022	CHANGE %
Transactional mail	747.1	731.5	2.1%
Advertising mail	179.0	187.1	-4.3%
Press	349.6	345.9	1.1%
Parcels Belgium	499.1	449.1	11.1%
Proximity and convenience retail network	292.1	302.0	-3.3%
Value added services	132.5	124.9	6.0%
Intersegment operating income & other	66.3	52.7	25.8%
TOTAL OPERATING INCOME	**2,265.7**	**2,193.3**	**3.3%**
Operating expenses	2,070.5	1,914.5	8.1%
EBITDA	**195.2**	**278.7**	**-30.0%**
Depreciation, amortization	87.6	81.0	8.2%
PROFIT FROM OPERATING ACTIVITIES (EBIT REPORTED)	**107.6**	**197.8**	**-45.6%**
Margin (%)	*4.7%*	*9.0%*	
PROFIT FROM OPERATING ACTIVITIES (EBIT ADJUSTED)	**183.1**	**198.3**	**-7.7%**
Margin (%)	*8.1%*	*9.0%*	

Total operating income in 2023 amounted to 2,265.7 mEUR and showed an increase of 72.4 mEUR or +3.3%, driven by strong parcel volumes, resilient mail revenues, indexation 7th Management Contract and higher intersegment revenues from inbound cross-border volumes handled in the domestic network. This increase was partially offset by -10.0 mEUR impact (within "other revenue") of 2023 repricing of license plates, 679 accounts and traffic fines services to the State and the deconsolidation of Ubiway Retail (-21.6 mEUR).

Revenues from **Domestic mail** (i.e. Transactional, Advertising and Press combined) increased by +11.3 mEUR to 1,275.8 mEUR. **Transactional mail** noted an underlying volume decline of -9.2% for the year compared to -6.5% underlying volume decline for the year 2022. In 2022 Admin mail was supported by COVID-19 communication (estimated at 11.0 mEUR). **Advertising mail**, driven by continued market pressure, faced an underlying volume decrease of -11.9% against -6.9% for last year. **Press** revenues increased by +3.8 mEUR, supported by the integration of the Dutch press distributor Aldipress acquired September 30, 2022.

Total Domestic mail volume decrease impacted revenues by -101.8 mEUR (-8.4% underlying volume decline against -6.8% in 2022) and was more than compensated by +99.7 mEUR net improvement in price and mix and by +13.4m EUR from the integration of Aldipress on 30 September 2022.

Belgium

EVOLUTION UNDERLYING VOLUMES	FY22	1Q23	2Q23	3Q23	4Q23	FY23
DOMESTIC MAIL	**-6.8%**	**-8.8%**	**-8.3%**	**-8.2%**	**-8.1%**	**-8.4%**
Transactional mail	-6.5%	-9.9%	-8.5%	-9.2%	-9.2%	-9.2%
Advertising mail	-6.9%	-11.8%	-14.8%	-12.3%	-8.7%	-11.9%
Press excl. Aldipress	-8.4%	-9.5%	-3.7%	-7.9%	-11.2%	-9.4%
PARCELS VOLUME	**-7.5%**	**+9.1%**	**+7.8%**	**+5.5%**	**+3.4%**	**+6.3%**

Parcels Belgium increased by +50.0 mEUR (or +11.1%) to 499.1 mEUR resulting from parcels volume increase of +6.3%, against -7.5% in 2022 reflecting the successful Commercial Hunting Plan 2022, and price/mix improvement of +4.8%. 2022 volumes were impacted by Amazon's insouring, excluding this insourcing underlying volume increased by +1.0%.

Proximity and convenience retail network decreased by -9.9 mEUR to 292.1 mEUR. This decrease was mainly driven by the deconsolidation impact of Ubiway Retail as of the 1st March 2022 (-21.6 mEUR impact). Excluding the deconsolidation, revenues increased by +11.7 mEUR mainly driven by the indexation of the 7th Management Contract.

Value added services amounted to 132.5 mEUR and showed an increase of +7.5 mEUR (or +6.0%) versus last year due to higher revenues from fines solutions.

Operating expenses (including D&A) increased by -162.6 mEUR or +8.1%. This increase was by mainly driven by the provision related to overcompensation (-75.0 mEUR), higher payroll costs and interim costs per FTE (due to salary indexations) and lower recoverable VAT, partially offset by lower material costs given the deconsolidation of Ubiway Retail.

Reported EBIT decreased by -90.2 mEUR mainly due to the provision for overcompensation. Adjusted EBIT decreased by -15.2 mEUR with a margin of 8.1%, slight decrease of EBIT when excluding the impact repricing services (-10.0 mEUR).

8.1.4 Business Unit performance: E-Logistics Eurasia

E-Logistics Eurasia

IN MILLION EUR	2023	2022	CHANGE %
E-commerce logistics	291.1	273.0	6.6%
Cross-border	349.5	317.5	10.1%
Intersegment operating income & other	27.8	23.6	17.8%
TOTAL OPERATING INCOME	**668.3**	**614.1**	**8.8%**
Operating expenses	597.4	561.5	6.4%
EBITDA	**70.9**	**52.6**	**34.9%**
Depreciation, amortization	36.5	28.3	28.9%
PROFIT FROM OPERATING ACTIVITIES (EBIT REPORTED)	**34.4**	**24.3**	**41.9%**
Margin (%)	*5.2%*	*4.0%*	
PROFIT FROM OPERATING ACTIVITIES (EBIT ADJUSTED)	**37.9**	**27.4**	**38.1%**
Margin (%)	*5.7%*	*4.5%*	

Total operating income increased by 54.2 mEUR or +8.8%.

E-commerce logistics operating income in 2023 amounted to 291.1 mEUR, an increase of +18.1 mEUR or +6.6% compared to the same period of 2022. The revenue growth of Radial Europe and Active Ants of +15.1%, mainly from increased sales of existing customers and new customer onboardings from international expansion, partially offset by lower volumes across all Dyna lines which are only partially mitigated by price indexations.

Cross-Border operating income in 2023 amounted to 349.5 mEUR, an increase of +32.0 mEUR or +10.1% compared to the same period of 2022. This increase was mainly driven by IMX growth and consolidation as from July 2022 and furthermore customer wins in Asia, partially offset by adverse UK market conditions.

Operating expenses (including D&A) were up by -44.0 mEUR or +7.5%, reflecting higher transport costs in line with higher E-commerce logistics and Cross-Border activities (including IMX integration) with favorable mix tied to volumes with destination Belgium (opex charged by Belgium), higher payroll costs from inflation mitigated by lower FTE and improved automation and productivity, higher depreciation and E-commerce logistics expansion related expenses.

Reported EBIT increased by +10.2 mEUR and **adjusted EBIT** increased by +10.4 mEUR compared to last year same period and amounted respectively to 34.4 mEUR and 37.9 mEUR. This improved profitability over the year was fueled by topline growth, favorable mix at Cross-Border and productivity gains.

8.1.5 Business Unit performance: E-Logistics North America

E-Logistics North America

IN MILLION EUR	2023	2022	CHANGE %
E-commerce logistics	1,428.3	1,655.9	-13.7%
Intersegment operating income & other	10.2	5.7	78.4%
TOTAL OPERATING INCOME	**1,438.4**	**1,661.6**	**-13.4%**
Operating expenses	1,270.0	1,481.5	-14.3%
EBITDA	**168.4**	**180.2**	**-6.5%**
Depreciation, amortization	111.9	104.7	6.9%
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT REPORTED)	**56.5**	**75.4**	**-25.1%**
Margin (%)	*3.9%*	*4.5%*	
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT ADJUSTED)	**65.2**	**86.9**	**-25.0%**
Margin (%)	*4.5%*	*5.2%*	

Total operating income amounted to 1,438.4 mEUR and decreased by -223.2 mEUR, or -13.4% (-10.7% at constant exchange rate), mainly driven by lower revenues at Radial.

E-commerce logistics decreased by -227.6 mEUR to 1,428.3 mEUR or -13.7% (-11.0% at constant exchange rate) due to lower revenues at Radial (-10.9% at constant exchange rate) resulting from lower sales from existing customers, partially offset by the contribution of new customers mitigating revenue churn from terminated contracts announced in 2022 and 2023. Furthermore lower revenues at Landmark US reflecting Amazon's insourcing and the general competitive pressure.

Radial North America (*)

IN MILLION USD (ADJUSTED)	2023	2022
Total operating income	1,250.6	1,403.9
EBITDA	128.1	127.5
Profit/(Loss) from Operating Activities (EBIT)	36.2	44.1

(*) Business unit performance expressed in USD of the consolidated Radial entities held by bpost North America Holdings Inc.

Operating expenses (including D&A) decreased by -204.2 mEUR or -12.9%, or -10.1% at constant exchange rate resulting from last year's provision of 7.1 mEUR following a dispute with a terminated customer and lower variable opex in line with revenue development, continuous strong variable labor management and productivity gains, resulting in an improved variable contribution margin at Radial (+4% year-over-year). Radial's structural efficiency gains and improved peak execution has translated into 5 consecutive years of steady EBITDA margin expansion, from 3.1% in 2019 to 10.2% in 2023.

Reported EBIT amounted to 56.5 mEUR down by -18.9 mEUR with a margin of 3.9% compared to a margin of 4.5% last year. **Adjusted EBIT** amounted to 65.2 mEUR (down by -21.7 mEUR) with a margin of 4.5% compared to a margin of 5.2% last year. Preserved EBIT margin amid adverse market conditions and revenue pressures, mainly driven by efficiency gains at Radial.

8.1.6 Business Unit performance: Corporate

Corporate

IN MILLION EUR	2023	2022	CHANGE %
EXTERNAL OPERATING INCOME	7.0	10.5	-33.3%
Intersegment operating income	430.8	393.7	9.4%
TOTAL OPERATING INCOME	437.8	404.2	8.3%
Operating expenses	394.5	363.0	8.7%
EBITDA	43.3	41.1	5.2%
Depreciation, amortization	81.0	75.2	7.6%
LOSS FROM OPERATING ACTIVITIES (EBIT REPORTED)	(37.7)	(34.1)	10.5%
Margin (%)	*-8.6%*	*-8.4%*	
LOSS FROM OPERATING ACTIVITIES (EBIT ADJUSTED)	(37.7)	(34.1)	10.5%
Margin (%)	*-8.6%*	*-8.4%*	

External operating income decreased by -3.5 mEUR in 2023 driven by lower building sales.

Increase in **operating expenses (including D&A)** by -37.2 mEUR or +8.5%. Reflecting amongst other inflationary pressure on payroll costs (+7.0% from 7 salary indexations in the period 2022-2023), partially mitigated by continued efforts on overhead reduction (-5.3% FTE), increased compliance reviews related costs, transformation costs and higher depreciation.

Reported and **adjusted EBIT** at -37.7 mEUR down by -3.6 mEUR, mainly driven by lower sales buildings.

8.1.7 Statement of cash flows

IN MILLION EUR	2023	2022	CHANGE %
Net cash from operating activities	376.2	422.4	-10.9%
Net cash used in investing activities	(152.4)	(19.2)	-
Net cash from financing actvities	(428.7)	(262.1)	63.6%
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(204.9)	141.1	-
FREE CASH FLOW	223.8	403.2	-44.5%

In 2023 the net cash outflow increased compared to last year by 346.1 mEUR to -204.9 mEUR. This increase was mainly driven by last year's sale of bpost bank and the repayment of the maturing 185 mUSD term loan in 2023.

Reported and **adjusted free cash flow** amounted respectively to 223.8 mEUR and 220.7 mEUR.

Cash flow from operating activities before change in working capital and provisions decreased by 97.5 mEUR compared to 2022 mainly driven by the negative EBITDA variation (-74.8 mEUR), amongst other mainly due to the provision for the overcompensation.

Cash flow related to collected proceeds due to Radial's clients was 2.7 mEUR lower (3.2 mEUR inflow in 2023 compared to an inflow of 5.8 mEUR last year).

The variance in change in working capital and provisions (+54.0 mEUR) was mainly explained by the 82.5 mEUR provision related to overcompensation, partially offset by the deferral into the first quarter 2023 of the withholding taxes on payroll of the fourth quarter 2022 (30.6 mEUR), a measure granted by the Belgian government in the context of the energy crisis in 2022.

Investing activities resulted in a cash outflow of 152.4 mEUR in 2023, compared to a cash outflow of 19.2 mEUR last year. This evolution was mainly explained by the proceeds from the sale of bpost bank and Ubiway Retail (-146.9 mEUR including the reimbursement of the subordinated loan) in 2022 and lower proceeds from sales of buildings in 2023 (-7.2 mEUR) compensated by lower capex in 2023 (-9.7 mEUR).

In terms of acquisitions in 2023 bpostgroup acquired the remaining shares (95%) of b2boost, whereas in 2022 bpost bought 68.59% of the shares of IMX and 100% of the shares of Aldipress.

Capex stood at 154.7 mEUR in 2023 and was mainly spent on international e-commerce logistics – including logistics real estate for Radial US instead of leasing – and on domestic fleet, operational infrastructure and parcels capacity.

In 2023 the cash outflow relating to **financing activities** amounted to 428.7 mEUR compared to 262.1 mEUR last year, mainly driven by the repayment of the 185 mUSD term loan maturing on December 29, 2023 and the purchase of remaining shares of Active Ants partially compensated by a lower dividend payment (-18.2 mEUR).

8.1.8 Net debt

As at 31 December

IN MILLION EUR	2023	2022
NET DEBT/(NET CASH)		
Interest bearing loans and borrowings	1291.0	1,488.2
Bank overdrafts	0.0	0.4
Non-interest bearing loans and borrowings	0.1	0.1
Cash and cash equivalents	(870.6)	(1,051.0)
TOTAL	**420.5**	**437.8**

Net debt slightly decreased by 17.3 mEUR. The decrease in Cash and cash equivalents was mainly explained by the reimbursement in 2023 of the maturing 185.0 mUSD term loan. Net debt position of 420.5 mEUR includes 643.8 mEUR of lease liabilities.

8.1.9 Balance sheet

IN MILLION EUR	2023	2022
ASSETS		
Property, plant and equipment	1,372.0	1,398.9
Intangible assets	810.9	855.8
Investments in associates and joint ventures	0.1	0.1
Other assets	38.0	52.7
Trade and other receivables	1,001.2	974.3
Inventories	25.4	24.5
Cash and cash equivalents	870.6	1,051.0
Assets held for sale	0.6	1.0
TOTAL ASSETS	**4,118.8**	**4,358.3**

IN MILLION EUR	2023	2022
EQUITY AND LIABILITIES		
Total equity	1,026.5	1,065.4
Interest-bearing loans and borrowings (incl. overdraft)	1,291.0	1,488.6
Employee benefits	249.8	244.2
Trade and other payables	1,432.5	1,520.3
Provisions	106.0	26.7
Derivative instruments	0.2	(0.3)
Other liabilities	12.8	13.5
Liabilities directly related to assets held for sale	0.0	0.0
TOTAL EQUITY AND LIABILITIES	**4,118.8**	**4,358.3**

Total assets and liabilities decreased by 239.5 mEUR to 4,118.8 mEUR, mainly driven by the reimbursement of the maturing 185 mUSD term loan.

Property, plant and equipment decreased by 26.9 mEUR as the capital expenditure and the new right-of-use assets were offset by the depreciation.

Intangible assets decreased by 44.9 mEUR due to the depreciation and the evolution of the exchange rate – mainly impacting the goodwill in USD, partially offset by the capital expenditure.

The trade and other receivables slightly increased by 2.8% or 26.9 mEUR.

The decrease in cash and cash equivalents by 180.4 mEUR was mainly due to the reimbursement in the fourth quarter of 2023 of the maturing 185.0 mUSD term loan.

The decrease of equity by 38.9 mEUR was mainly explained by payment of dividends (80.3 mEUR) and the exchange differences on translation of foreign operations, partially offset by the realized profit.

Interests-bearings loans and borrowings decreased by 197.6 mEUR mainly due to the reimbursement in the fourth quarter of 2023 of the maturing 185.0 mUSD term loan.

The decrease of trade and other payables by 87.8 mEUR was mainly due to the reversal of the liability related to the remaining shares of Active Ants and the decrease of social and trade payables. The decrease of social payables was mainly due to the unwinding of the deferred payment of withholding taxes on payroll – a measure granted by the Belgian government in the context of the energy crisis in the fourth quarter of 2022 – in the first half of 2023.

The increase of provisions by 79.3 mEUR is in line with the finalization and communication by bpost of the results of three compliance reviews (traffic fines, 679 accounts and licence plates) for which bpostgroup has taken a provision of 82.5 mEUR (75.0 mEUR + 7.5 mEUR). Based on its in-depth legal and economic assessment, bpostgroup believes that such number constitutes the overcompensation to be repaid to the Belgian State over the past years for the three contracts.

8.1.10 Alternative Performance Measures (unaudited)

bpostgroup also analyses the performance of its activities in addition to the reported IFRS figures with alternative performance measures (“**APMs**”). The definitions of these alternative performance measures can be found below.

APMs (or non-GAAP measures) are presented to enhance an investor’s understanding of the operating and financial performance, to aid in forecasting and to facilitate meaningful comparison of the result between periods.

The presentation of APMs is not in conformity with IFRS and the APMs are not audited. The APMs may not be comparable to the APMs reported by other companies as those companies may compute their APMs differently from bpostgroup.

The calculation of the adjusted performance measure and adjusted operating free cash flow can be found below the definitions. The APMs derived from items reported in the financial statements can be calculated with and reconciled directly to the items as disclosed in the definitions below.

Definitions

Adjusted performance (adjusted operating income/adjusted EBITDA/adjusted EBIT/adjusted EAT): bpostgroup defines the adjusted performance as operating income/EBITDA/EBIT/EAT excluding the adjusting items. Adjusting items represent significant income or expense items that, due to their non-recurring character, are excluded from performance analyses. bpostgroup uses a consistent approach when determining if an income or expense item is adjusting and if it is significant enough to be excluded from the reported figures to obtain the adjusted ones. An adjusting item is deemed to be significant if it amounts to 20.0 mEUR or more. All profits or losses on disposal of activities are adjusted whatever the amount they represent, as well as the year-to-date amortization and impairment on the intangible assets recognized throughout the Purchase Price Allocation (PPA) of the acquisitions. Reversals of provisions whose addition had been adjusted are also adjusted whatever the amount they represent. The reconciliation of the adjusted performance is available below the definitions.

bpostgroup’s management believes this measure provides the investor a better insight and comparability over time of the economic performance of bpostgroup.

Constant exchange rate: bpostgroup excludes in the performance at constant exchange rate the impact of the different exchange rates applied in different periods for the segment E-Logistics North America. The reported figures in local currency of the prior comparable period are converted with the exchange rates applied for the current reported period.

bpostgroup’s management believes that the performance at constant exchange rate provides the investor an understanding of the operating performance of the entities part of the E-Logistics North America segment.

Capex: capital expenditure for tangible and intangible assets including capitalized development costs, excluding right of use assets.

Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA): bpostgroup defines EBITDA as earnings from operating activities (EBIT) plus depreciations and amortizations and is derived from the consolidated income statement.

Net debt/(Net cash): bpostgroup defines Net debt/(Net cash) as the non-current and current interest-bearing loans and borrowings (incl. lease liabilities) plus bank overdrafts minus cash and cash equivalents and is derived from the consolidated statement of financial position.

Operating free cash flow (FCF) and **adjusted operating free cash flow**: bpostgroup defines FCF as the sum of net cash from operating activities and net cash used in investing activities and is derived from the consolidated statement of cash flows. Adjusted operating free cash flow is the operating free cash flow as defined excluding working capital impact of “the collected proceeds due to clients”. The reconciliation is available below the definitions. In some cases, Radial performs the billing and receiving of payments on behalf of their customers. Under this arrangement, Radial routinely remits billed amounts back to the client, and performs periodical settlements with the client on amounts owed to or from Radial based on billings, fees, and amounts previously remitted. Adjusted operating free cash flows excludes the cash Radial received on behalf of their customers as Radial has no or little impact on the amount or the timing of these payments.

Evolution Parcels volume: bpostgroup defines the evolution of Parcels as the difference, expressed as a percentage, of the reported volumes between the current and prior comparable period of the parcels processed by bpost NV/SA in the last mile delivery.

Radial North America Performance in USD: bpostgroup defines the performance of Radial North America as the total operating income, EBITDA and EBIT expressed in USD following the consolidation of the group of Radial entities held by bpost North America Holdings Inc. Transactions between the group of Radial entities and other bpostgroup entities are not eliminated and are part of the total operating income, EBITDA and EBIT.

bpostgroup's management believes this measure provides the investor a better insight in the performance of Radial and the scale up of its US presence and the expanding of its product offering into value-added activities that cover the entire value chain in e-commerce logistics and omnichannel technology.

Underlying volume (Transactional mail, Advertising mail and Press): bpostgroup defines underlying mail volume as the reported mail volume including some corrections, for example the impact of mail volumes related to elections.

Reconciliation of Reported to Adjusted Financial Metrics

Operating income for the year ended 31 December

IN MILLION EUR	2023	2022	EVOLUTION 2023 – 2022
Total operating income	4,272.2	4,397.5	-2.9%
ADJUSTED TOTAL OPERATING INCOME	**4,272.2**	**4,397.5**	**-2.9%**

Operating expenses for the year ended 31 December

IN MILLION EUR	2023	2022	EVOLUTION 2023 – 2022
Total operating expenses excluding depreciation, amortization	(3,794.4)	(3,844.9)	-1.3%
Sale of The Mail Group [1]	0.0	2.5	-100.0%
Provisions related to overcompensation [4]	75.0	0	
ADJUSTED TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION, AMORTIZATION	**(3,719.4)**	**(3,842.4)**	**-3.2%**

EBITDA for the year ended 31 December

IN MILLION EUR	2023	2022	EVOLUTION 2023 – 2022
EBITDA	477.8	552.6	-13.5%
Sale of The Mail Group [1]	0.0	2.5	-
Provisions related to overcompensation [4]	75.0	0.0	-
ADJUSTED EBITDA	**552.8**	**555.1**	**-0.4%**

EBIT for the year ended 31 December

IN MILLION EUR	2023	2022	EVOLUTION 2023 – 2022
EBIT	160.8	263.3	-38.9%
Sale of The Mail Group [1]	0.0	2.5	-
Non-cash impact of purchase price allocation (PPA) [3]	12.7	12.6	0.3%
Provisions related to overcompensation [4]	75.0	0.0	-
ADJUSTED RESULT FROM OPERATING ACTIVITIES (EBIT)	**248.5**	**278.5**	**-10.8%**

Results for the year ended 31 December (EAT, earnings after taxes)			EVOLUTION
IN MILLION EUR	2023	2022	2023 – 2022
Result of the year	64.8	231.7	-72.0%
Sale of The Mail Group [1]	0.0	2.5	-
Provisions related to overcompensation [4]	73.8	0.0	-
Remeasurement of assets held for sale at fair value less costs to sell [2]	0.0	1.2	-
Non-cash impact of purchase price allocation (PPA) [3]	9.3	9.6	-2.5%
ADJUSTED RESULT OF THE YEAR	**147.9**	**245.0**	**-39.6%**

(1) On August 5, 2021, bpost US Holdings signed an agreement with Architect Equity for the sale of the Mail Group (IMEX Global Solutions LLC, M.A.I.L. Inc and Mail Services Inc.). The Mail Group has been deconsolidated as of August 5. As part of the transaction, bpost US Holdings issued a subordinated seller note to Mail Services Inc, amounting to 2.5 mUSD. As in 2022 a part of the due amount was not redeemed, the total seller note of 2.5mUSD was fully reserved for and adjusted.

(2) In 2022 bpostgroup finalized the sales process of Ubiway Retail. As the fair value less costs to sell of Ubiway Retail was lower than the carrying value an initial write down of 7.4 mEUR in 2021 was recorded and an additional write down of 1.0 mEUR was recorded in 2022.

In 2020 bpostgroup and BNP Paribas Fortis (BNPPF) announced a non-binding agreement on the future long-term partnership of bpost bank NV/SA, including the sale of participation from bpost to BNPPF. In 2020 the investment in bpost bank had been classified as assets held for sale and the carrying value was reduced to the fair value less costs to sell, hence an impairment loss of 141.6 mEUR based upon the best estimate of bpostgroup at that time had been recognized in 2020. In 2021 the agreement had been finalized and on January 3, 2022 the transaction was completed after having obtained the regulatory approvals. At year end 2021 in line with IFRS 36.110, bpostgroup assessed that the impairment loss recognized in 2020 had decreased and bpostgroup estimated the recoverable amount to be 119.5 mEUR, hence a reversal on the impairment loss of 19.5 mEUR had been recognized. Furthermore as in 2022 the sale of the participation of bpost bank to BNPPF was finalized and as the fair value less costs to sell was lower than the carrying value an additional write down of 0.2 mEUR was recorded.

(3) In accordance with IFRS 3 and throughout the purchase price allocation (PPA) for several entities, bpostgroup recognized several intangible assets (brand names, know-how, customer relationships…). The non-cash impact consisting of amortization charges on these intangible assets is being adjusted.

(4) In 2023 bpostgroup had voluntary launched 3 compliance reviews concerning the processing of traffic fines, the management of 679 accounts, and the delivery/cancellation of licence plates and concluded an in-dept legal and economic assessment regarding the remuneration paid by the Belgian State for these 3 services. As part of bpostgroup's commitment to repay any overcompensation, a provision of 75.0 mEUR has been recorded related to the period before 2023. The provision, as is customary concerning the repayment of State Aid, is already net of corporate income taxes paid on the incompatible aid principal amount. As a result, the amount except for the compound interest is not tax deductible. In line with the definition of adjusting items within the APMs and as this provision exceeds the threshold of 20.0 mEUR, this provision is being adjusted.

Reconciliation of reported to free cash flow and adjusted free cash flow

			EVOLUTION
IN MILLION EUR	2023	2022	2023 – 2022
Net Cash from operating activities	376.2	422.4	-10.9%
Net Cash used in investing activities	(152.4)	(19.2)	693.4%
OPERATING FREE CASH FLOW	**223.8**	**403.2**	**-44.5%**
Collected proceeds due to clients	(3.2)	(5.8)	-
ADJUSTED OPERATING FREE CASH FLOW	**220.7**	**397.4**	**-44.5%**

8.2 Outlook for 2024

Pending operational and financial outcomes of ongoing commercial discussions with the involved press stakeholders, bpostgroup is not in a position today to guide on a Group EBIT guidance for the year 2024. In the meantime the following divisional guidance is provided.

Excluding Press revenues, the group's total operating income for 2024[1,2] is expected to remain stable compared to 2023.

Belgium:

- Slightly higher total operating income, excluding press revenues[1], notably driven by:
  - Mail (excluding Press): an underlying volume decline of 6 to 8% mitigated by a price / mix impact of 4 to 5%.
  - Parcels: a high single digit percentage volume growth and low single digit percentage price/mix impact.
- 6 to 8% adjusted EBIT margin prior to any Press impact. Margin range to be confirmed once further clarity is obtained on future press distribution. EBIT margin will reflect higher costs due to salary indexation and cost inflation, partly offset by continued ambition in productivity gains and cost reduction initiatives.

E-Logistics Eurasia:

- Low double digit percentage growth in total operating income, driven by:
  - Continued growth of Radial Europe and Active Ants, and
  - Continued growth of Cross-Border Commercial activities including development of new lanes.
- 5 to 7% adjusted EBIT margin reflecting strong productivity gains at Radial Europe and Active Ants, mitigating negative mix effect at Cross-Border, higher FTEs and cost inflation.

E-Logistics North America:

- High single digit percentage decline in total operating income[2], reflecting:
  - Radial US net volume loss from client churn and client concessions in the context of adverse market conditions.
  - New Cross-Border lanes and customer wins at Landmark Global.
- 4 to 6% adjusted EBIT margin, with topline pressure mitigated by continued Variable Contribution Margin (VCM) rate improvements and substantial efforts to further reduce SG&A and other costs.

Group EBIT will include a decline in EBIT at Corporate level from discontinuation of building sales and higher opex from compliance and strategic initiatives.

Group capex is expected to be around 180 mEUR.

1 *Press revenues of 349.6 mEUR in 2023, of which 255.1 mEUR tied to Press concession (including 163.4 mEUR from Belgian State) and 94.5 mEUR from AMP and Aldipress. On December 12, 2023 the Belgian State decided to withdraw the future press concession and to extend the current concession until June 30, 2024 with a budget of 75.0 mEUR.*
2 *Assuming EUR/USD at 1.09 for 2024.*

8.3 Financial consolidated statements 2023

1. Consolidated Income Statement

For the year ended 31 December

IN MILLION EUR	NOTES	2023	2022	EVOLUTION 2023 – 2022
Revenue	6.7	4,257.5	4,372.0	-2.6%
Other operating income	6.8	14.7	25.5	-42.5%
TOTAL OPERATING INCOME		**4,272.2**	**4,397.5**	**-2.9%**
Material costs	6.10	(84.8)	(99.3)	-14.6%
Services and other goods	6.11	(1,851.6)	(1,999.9)	-7.4%
Payroll costs	6.12	(1,741.7)	(1,705.8)	2.1%
Other operating expenses	6.9	(116.3)	(39.9)	-
Depreciation, amortization and impairment	6.16|6.19	(317.0)	(289.3)	9.6%
TOTAL OPERATING EXPENSES		**(4,111.4)**	**(4,134.2)**	**-0.6%**
RESULT FROM OPERATING ACTIVITIES (EBIT)		**160.8**	**263.3**	**-38.9%**
Financial income	6.13	33.2	79.6	-
Financial costs	6.13	(74.8)	(49.3)	51.8%
Remeasurement of assets held for sale at fair value less costs to sell		0.0	(1.2)	-
Share of result of associates and joint ventures	6.20	0.0	0.0	-
RESULT BEFORE TAX		**119.2**	**292.5**	**-59.2%**
Income tax expense	6.14	(54.5)	(60.8)	-10.5%
RESULT FROM CONTINUING OPERATIONS		**64.8**	**231.7**	**-72.0%**
RESULT OF THE YEAR (EAT – EARNINGS AFTER TAXES)		**64.8**	**231.7**	**-72.0%**
ATTRIBUTABLE TO				
Owners of the Parent		65.7	232.5	-71.7%
Non-controlling interests		(1.0)	(0.8)	18.2%

EARNINGS PER SHARE

IN EUR	2023	2022
Basic, profit/(loss) for the year attributable to ordinary equity holders of the parent	0.33	1.16
Diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent	0.33	1.16

2. Consolidated statement of comprehensive income

For the year ended 31 December

IN MILLION EUR	NOTES	2023	2022
RESULT OF THE YEAR		**64.8**	**231.7**
OTHER COMPREHENSIVE INCOME			
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:			
Net gain/(loss) on hedge of a net investment	6.29	4.7	(7.8)
Net gain on cash flow hedges	6.29	1.9	1.9
- Gain on cash flow hedges		*2.5*	*2.5*
- Income tax effect		*(0.6)*	*(0.6)*
Exchange differences on translation of foreign operations (1)		(29.4)	45.8
NET OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**(22.9)**	**39.9**
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:			
Remeasurement gain on defined benefit plans	6.25	(0.6)	4.3
- Gross gain on defined benefit plan		*(0.8)*	*5.3*
- Income tax effect		*0.2*	*(1.0)*
NET OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**(0.6)**	**4.3**
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**(23.5)**	**44.2**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**41.3**	**275.9**
ATTRIBUTABLE TO			
Owners of the Parent		42.2	276.7
Non-controlling interests		(1.0)	(0.8)

(1) The exchange differences on translation of foreign operations were mainly impacted by the movements of intangible assets (2022|2023: 35.1 mEUR| -20.9 mEUR out of which 29.3 mEUR|-18.1mEUR related to the goodwill), mainly due to the evolution of the exchange rate of the USD. See note 6.19 for more details.

3. Consolidated statement of financial position

As at 31 December

IN MILLION EUR	NOTES	2023	2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6.16	1,372.0	1,398.9
Intangible assets	6.19	810.9	855.8
Shares in equity	6.20	0.0	0.1
Investments in associates and joint ventures	6.4	0.1	0.1
Investment properties	6.17	3.4	3.4
Deferred tax assets	6.14	22.6	18.4
Trade and other receivables	6.21	31.7	33.0
		2,240.6	**2,309.6**
CURRENT ASSETS			
Inventories	6.22	25.4	24.5
Income tax receivable	6.14	12.0	30.8
Trade and other receivables	6.21	969.5	941.3
Cash and cash equivalents	6.23	870.6	1,051.0
		1,877.6	**2,047.7**
Assets held for sale	6.18	0.6	1.0
TOTAL ASSETS		**4,118.8**	**4,358.3**
Equity and liabilities			
Issued capital		364.0	364.0
Reserves		550.6	401.3
Foreign currency translation		46.8	70.2
Retained earnings		65.7	231.7
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**1,027.0**	**1,067.1**
Equity attributable to non-controlling interests		(0.5)	(1.7)
TOTAL EQUITY	**4**	**1,026.5**	**1,065.4**
Non-current liabilities			
Interest-bearing loans and borrowings	6.24	1,152.0	1,180.9
Employee benefits	6.25	249.8	244.2
Trade and other payables	6.26	2.4	25.9
Provisions	6.27	11.5	15.2
Deferred tax liabilities	6.14	9.9	11.0
		1,425.5	**1,477.2**
Current liabilities			
Interest-bearing loans and borrowings	6.24	139.0	307.3
Bank overdrafts		0.0	0.4
Provisions	6.27	94.5	11.5
Income tax payable	6.14	2.9	2.4
Derivative instruments	6.29	0.2	(0.3)
Trade and other payables	6.26	1,430.1	1,494.4
		1,666.8	**1,815.8**
TOTAL LIABILITIES		**3,092.3**	**3,292.9**
TOTAL EQUITY AND LIABILITIES		**4,118.8**	**4,358.3**

4. Consolidated statement of changes in equity

Attributable to equity holders of the parent

IN MILLION EUR	AUTHORIZED & ISSUED CAPITAL	CASH FLOW HEDGE RESERVE	REMEASUREMENT ON DEFINED BENE-FIT PLANS	NET INVESTMENT HEDGE	FOREIGN CURRENCY TRANSLATION	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
AS PER 1 JANUARY 2022	**364.0**	**(8.5)**	**15.1**	**(4.3)**	**36.6**	**231.6**	**250.2**	**884.8**	**0.5**	**885.3**
Result of the year 2022	0.0	0.0	0.0	0.0	0.0	0.0	232.5	232.5	(0.8)	231.7
Other comprehensive income	0.0	1.9	4.3	(7.8)	45.8	250.2	(250.2)	44.2	0.0	44.2
TOTAL COMPREHENSIVE INCOME	**0.0**	**1.9**	**4.3**	**(7.8)**	**45.8**	**250.2**	**(17.8)**	**276.7**	**(0.8)**	**275.9**
Dividends (Pay-out)	0.0	0.0	0.0	0.0	0.0	(98.0)	0.0	(98.0)	(0.5)	(98.5)
Other	0.0	0.0	0.0	0.0	(0.2)	4.7	(0.8)	3.6	(1.0)	2.7
AS PER 31 DECEMBER 2022	**364.0**	**(6.6)**	**19.4**	**(12.1)**	**82.3**	**388.5**	**231.7**	**1,067.1**	**(1.7)**	**1,065.4**
AS PER 1 JANUARY 2023	**364.0**	**(6.6)**	**19.4**	**(12.1)**	**82.3**	**388.5**	**231.7**	**1,067.1**	**(1.7)**	**1,065.4**
Result of the year 2023	0.0	0.0	0.0	0.0	0.0	0.0	65.7	65.7	(1.0)	64.8
Other comprehensive income	0.0	1.9	(0.6)	4.7	(29.4)	231.7	(231.7)	(23.5)	0.0	(23.5)
TOTAL COMPREHENSIVE INCOME	**0.0**	**1.9**	**(0.6)**	**4.7**	**(29.4)**	**231.7**	**(165.9)**	**42.2**	**(1.0)**	**41.3**
Dividends (Pay-out)	0.0	0.0	0.0	0.0	0.0	(80.0)	0.0	(80.0)	(0.3)	(80.3)
Other	0.0	0.0	(9.3)	0.0	1.4	5.6	0.0	(2.3)	2.4	0.1
AS PER 31 DECEMBER 2023	**364.0**	**(4.7)**	**9.6**	**(7.4)**	**54.2**	**545.7**	**65.7**	**1,027.0**	**(0.5)**	**1,026.5**

Total equity amounted to 1,026.5 mEUR out of which 456.2 mEUR distributable retained earnings and legal reserves of 50.8 mEUR within bpost NV/SA.

Equity slightly decreased by 38.9 mEUR, or -3.6%, to 1,026.5 mEUR as of December 31, 2023 from 1,065.4 mEUR as of December 31, 2022. This decrease was mainly explained by the exchange differences on translation of foreign operations (-24.8 mEUR) and dividend payments of 80.3 mEUR, partially offset by the result of the year (64.8 mEUR) and the effective part of a cash-flow hedge entered into to hedge the cash flow risk of the bond (1.9 mEUR). The cash-flow hedge reserve will be reclassified to profit or loss over the 8 years after the issuance date of the bond.

At December 31, 2023, the shareholding of bpost is as follows:

	TOTAL	THE BELGIAN STATE [1]	FREE FLOAT
AS PER 1 JANUARY 2023	**200,000,944**	**102,075,649**	**97,925,295**
Changes during the year	0	0	0
AS PER 31 DECEMBER 2023	**200,000,944**	**102,075,649**	**97,925,295**

(1) directly and via the Federal Holding and Investment Company (SFPI/FPIM).

The shares have no nominal value and are fully paid up.
Distributions made and proposed:

IN MILLION EUR	2023	2022
CASH DIVIDENDS ON ORDINARY SHARES DECLARED AND PAID		
Final dividend for 2022: 0.40 EUR per share (2021: 0.49 EUR per share)	80.0	98.0
PROPOSED DIVIDENDS ON ORDINARY SHARES		
Final cash dividend for 2023: 0.13 EUR per share (2022: 0.40 EUR per share)	26.0	80.0

Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognized as a liability as at 31 December.

5. Consolidated statement of cash flows

As at 31 December

IN MILLION EUR	NOTES	2023	2022
OPERATING ACTIVITIES			
Result before tax	1	119.2	292.5
Adjustments to reconcile result before tax to net cash flows			
Depreciation, amortization and impairment losses		317.0	289.3
Impairment on debtors	6.9	(2.3)	19.4
Result on sale of property, plant and equipment		(3.1)	(2.8)
Net financial results	6.13	41.6	32.8
Other non-cash items		5.0	(12.9)
Change in employee benefit obligations	6.25	(15.8)	(48.8)
Remeasurement of assets held for sale at fair value less costs to sell		0.0	1.2
Share of result of associates and joint ventures	6.20	(0.0)	(0.0)
Income tax paid		(60.2)	(74.8)
Income tax (paid)/received on previous years		17.4	20.5
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		**418.9**	**516.4**
Decrease/(increase) in trade and other receivables		(43.4)	(40.4)
Decrease/(increase) in inventories		(0.9)	1.4
Increase/(decrease) in trade and other payables		(80.8)	(61.6)
Increase/(decrease) in collected proceeds due to clients		3.2	5.8
Increase/(decrease) in provisions		79.3	0.9
NET CASH FROM OPERATING ACTIVITIES		**376.2**	**422.4**
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		4.0	11.2
Disposal of subsidiaries, net of cash disposed off	6.18	0.0	121.9
Acquisition of property, plant and equipment	6.16	(140.8)	(146.1)
Acquisition of intangible assets	6.19	(13.9)	(18.3)
Acquisition of share in equity		0.0	(0.1)
Loan to associate		0.0	25.0
Acquisition of subsidiaries, net of cash acquired		(1.7)	(12.8)
NET CASH USED IN INVESTING ACTIVITIES		**(152.4)**	**(19.2)**
FINANCING ACTIVITIES			
Proceeds from cash and cash equivalents and borrowings		10.8	50.0
Payments related to borrowings		(170.0)	(63.1)
Interests related to borrowings		(17.5)	(13.5)
Payments related to lease liabilities		(160.7)	(137.0)
Changes in ownership interests in controlled entities		(11.0)	0.0
Dividends paid	4	(80.0)	(98.0)
Dividends paid to minority interests	4	(0.3)	(0.5)
NET CASH FROM FINANCING ACTIVITIES		**(428.7)**	**(262.1)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(204.9)**	**141.1**
NET FOREIGN EXCHANGE DIFFERENCE		**(6.3)**	**2.0**
CASH CLASSIFIED AS ASSET HELD FOR SALE			**0.0**
Cash and cash equivalents less bank overdraft as of 1st January		1,050.6	907.5
Cash and cash equivalents less bank overdraft and bpaid balance as of 31st December		839.3	1,050.6
MOVEMENTS BETWEEN 1ST JANUARY AND 31ST DECEMBER		**(211.3)**	**143.1**

6. Notes to the consolidated financial statements

6.1 General information

Business activities

bpost NV/SA and its subsidiaries (hereinafter referred to as “bpostgroup”) provide national and international mail and parcels services comprising the collection, transport, sorting and distribution of addressed and non-addressed mail, printed documents, newspapers and parcels.

bpostgroup also sells a range of other products and services, including postal, parcels, banking and financial products, e-commerce logistics, express delivery services, proximity and convenience services, document management and related activities. bpost also carries out Services of General Economic Interest on behalf of the Belgian State.

Legal status

bpost NV/SA is a limited liability company under public law. bpost has its registered office at Anspachlaan/Boulevard Anspach 1, box 1, 1000 Brussels. The shares of bpost NV/SA are listed on the regulated market of Euronext Brussels since June 21, 2013 (share ticker BPOST).

6.2 Basis of preparation

bpostgroup’s consolidated financial statements and Board of Directors' report prepared in accordance with article 3:32 of the Belgian Code of companies and associations (“BCCA”) set forth on pages 13 to 49, 57 to 72, 82 to 88, 91, 158 and 160 of the annual report for the financial year ended December 31, 2023 were authorized for issue by the Board of Directors on March 21, 2024. The consolidated financial statements of bpostgroup have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted for use by the European Union. bpostgroup has prepared the financial statements on the basis that it will continue to operate as a going concern as there are no material uncertainties and there are sufficient resources to continue operations.

The consolidated financial statements are presented in Euro (“EUR”), all values are rounded to the nearest million except when otherwise indicated. The consolidated financial statements are prepared under the historical cost convention, except for those items that are measured at fair value.

The accounting policies adopted are consistent with those followed in the preparation of bpostgroup’s annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of new standards and interpretations effective as from January 1, 2023.

The following amendments to existing standards apply for the first time as from 2023:

- IFRS 17 – Insurance Contracts
- IAS 1 – Amendments and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- IAS 8 – Amendments – Definition of Accounting Estimates
- IAS 12 – Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IAS 12 – Amendments – International Tax Reform – Pillar Two Model Rules

The International Accounting Standards Board (IASB) has released on May 2023 the Amendments to IAS 12, issued International Tax Reform—Pillar Two Model Rules.

The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. The standard was amended to provide timely relief for affected entities, prevent diverse interpretations of IAS 12 from developing in practice, and enhance the information provided to users of financial statements before and after Pillar Two legislation comes into effect.

The Amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and a disclosure requirements for affected entities. bpostgroup has applied the mandatory temporary exception, which prohibits the recognition and disclosure of deferred tax assets and liabilities associated with Pillar Two income taxes originating from tax legislation enacted or substantively enacted to enforce the Pillar Two Model Rules. This encompasses as well tax laws implementing qualified domestic minimum top-up taxes.

Pillar Two legislation has been enacted or substantively enacted in several jurisdictions where bpostgroup operates. The legislation will be effective for the bpostgroup's financial year beginning 1 January 2024. As bpostgroup's consolidated revenue exceeds the threshold of 750 mEUR, bpostgroup will be required to pay top up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent.

bpostgroup has conducted an assessment of its potential exposure to Pillar Two income taxes. The assessment was based on an analysis of the legislation and the data available in the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in bpostgroup per 31 December 2023. Based on this 2023 assessment and assuming no major changes will occur in 2024, it is expected that bpostgroup will qualify in 2024 for the Transitional Safe Harbours in nearly all jurisdictions, given that the effective tax rates as calculated under these rules exceed 15 percent. In general for 2024, bpostgroup does not expect to have a material exposure to Pillar Two income taxes in any of the jurisdictions where bpostgroup is present.

Based on this assessment, it is expected that bpostgroup will qualify for the Transitional Safe Harbours in nearly all jurisdictions, given that the effective tax rates are (largely) above 15 percent. bpostgroup does not expect to have a material exposure to Pillar Two income taxes in any of the jurisdictions where bpostgroup is present.

None of the above amendments will have a material impact on the consolidated financial statements.

Standards and Interpretations issued but not yet applied by bpostgroup

The following standards, interpretations, amendments and revision issued but not yet effective or which are yet to become mandatory, have not been applied by bpostgroup for the preparation of its consolidated financial statements.

STANDARD OR INTERPRETATION	EFFECTIVE FOR IN REPORTING PERIODS STARTING ON OR AFTER
IAS 1 – Amendments – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
IFRS 16 – Amendments – Lease Liability in a Sale and Leaseback	1 January 2024
IAS 7 and IFRS 7 – Amendments – Disclosures: Supplier Finance Arrangements	1 January 2024
IAS 21 – Amendments – Lack of exchangeability	1 January 2025
IFRS 10 and IAS 28 – Amendments – Sale or Contribution of Assets between an investor and its Associate or Joint Venture (*)	-

(*) Not yet endorsed by the EU as per date of this report

bpostgroup has not early adopted any new or amended standard and interpretation that were issued but is not yet effective. The amendments are not expected to have a material impact on bpostgroup's consolidated financial statements.

6.3 Significant accounting judgments and estimates

A series of significant accounting judgments underlie the preparation of IFRS compliant consolidated financial statements. They impact the value of assets and liabilities. Estimates and assumptions are made concerning the future. They are re-assessed on a continuous basis and are based on historically established patterns and expectations with regards to future events that appear reasonable under the existing circumstances.

All accounting estimates and assumptions that are used in preparing the financial statements are consistent with bpostgroup's latest budget/ long- term plan projections, where applicable. Judgments are based on the information available on each statement of financial position date.

Although these estimates are based on the best information available to the management, actual results may ultimately differ from those estimates.

Impairment of assets

bpostgroup performs annual impairment tests on CGUs to which goodwill has been allocated and each time there is an indication of impairment. This requires management to make significant judgement and estimates to determine the asset's recoverable amount. The recoverable amounts are based on the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a rate determined upon the weighted average cost of capital ("**WACC**") formula. Determining cash flows requires the use of judgement and estimates embedded in the business plan and budgets used and assumptions applied related to the long-term growth rate and WACC.

Employee Benefits – IAS 19

The key assumptions, inherent to the valuation of employee benefit liabilities and the determination of the pension cost, include employee turnover, acceptance rate, mortality rates, retirement ages, discount rates, benefit increases and future wage increases, which are updated on an annual basis. Each year the reference database is enriched with one additional year of historical data making the database ever more stable and reliable. Actual circumstances may vary from these assumptions, giving rise to different employee benefit liabilities, which would be reflected as an additional profit or cost in the income statement or in the other comprehensive income depending on the type of the benefit.

The mortality tables used are the Belgian Mortality tables MR (for men) and FR (for women) with an age adjustment of two years. bpostgroup decided to reflect the mortality improvements by adopting an age correction of two years to the official tables, for both active and inactive employees.

Regarding the Accumulated Compensated Absences benefit, the consumption pattern of the illness days is derived from the statistics of the consumption average over a mobile average of 3 years (years 2021 to 2023 for December 2023). The number of days of illness depends on the age, identified per segment of the relevant population. The rate of guaranteed salary is set at 75% in case of long-term illness. Thus, the percentage of the guaranteed salary used for determining the cost of days accumulated in the notional account is 25%. The balance of the cumulated unused sickness days for civil servants is limited to a maximum of 63 days.

By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return. Hence, those plans classify as defined benefit plans which would require that the Projected Unit Credit method is applied in order to measure the benefit obligations. As from 2016, the minimum return for future contributions is equal to the average of the past 24 months return on 10-year linear bonds, with a minimum of 1.75% p.a. bpostgroup applies the so-called PUC ("**Projected Unit Credit**") methodology without projection of future contributions as the plans are not backloaded and with application of paragraph 115 of IAS 19.

The financing methodology of family allowances for civil servants changed following a law change (law of 19 December 2014). As a consequence, bpost as a public institution pays a contribution that is defined by a program law. The amount is adapted each year proportionally to the number of civil servants (full time equivalents) and is subject to inflation.

For most benefits, an average cost per inactive member is used for the valuation of the benefits. This average cost has been estimated by dividing the annual cost for inactive members by the number of inactive beneficiaries based on the reference data received from the pensions' administration.

The discount rates have been determined by reference to market yields at the statement of financial position date. bpostgroup used the Towers Watson RATE: link tool[3] for the determination of the discount rates, considering a mix of financial and non-financial AA corporate bonds.

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3 *The Towers Watson RATE:link tool is a tool designed to assist companies in the selection of discount rates that accurately reflect the characteristics of their pension schemes.*

Fair value adjustments for business combinations

In accordance with IFRS 3 Business combinations, the identifiable assets acquired and the contingent considerations are valued at fair value at the acquisition date as part of the business combination. Fair value adjustments for the assets are based on external appraisals or valuation models. When the contingent consideration meets the definition of a liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Revenue and revenue related accruals

bpostgroup handles and ships international mail and parcels to and from other foreign postal operators. At balance sheet date the best estimate of the outstanding position is reflected in the consolidated statement of financial position, however as the final settlements are based upon different assumptions (among which “items per kilo”) final settlements might deviate from the initial assessment. Furthermore a part of the revenues are estimated at year end based upon various input data (quality targets, volumes) used in the calculations and are billed after year end. Revenues related to SGEI and the distribution of press and periodicals are finalized after year end and are subject to further ex-post verifications. The methodology provides that compensation shall be based upon the difference in the net cost between bearing or not the provision of SGEI, hence requires management estimates.

Income taxes and deferred taxes

bpostgroup is subject to income taxes in a number of different jurisdictions. Deferred taxes are calculated at the level of each fiscal entity. bpostgroup recognizes deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. In order to determine this, bpostgroup uses estimates of taxable income by jurisdiction in which bpostgroup operates and the period over which deferred tax assets are recoverable. The same principles apply to the recognition of deferred tax assets for unused tax losses carried forward.

Calculation of present value of lease payments and determining the lease term of contracts with renewal options

In calculating the present value of lease payments, bpostgroup uses an incremental borrowing rate for buildings based on currency, economic environment and duration. For fleet and other leases, the discount rate is the rate implicit in the lease if available, otherwise same methodology applied as for buildings.

bpostgroup determines the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain to be exercised.

6.4 Summary of significant accounting policies

Consolidation

The parent company and all the subsidiaries it controls are included in the consolidation. No exception is permitted.

Subsidiaries

Assets and liabilities, rights and commitments, income and charges of the parent and the subsidiaries fully controlled are consolidated in full. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Control is assumed to exist when bpost holds at least 50%, plus one share of the entity’s voting power; these assumptions may be rebutted if there is clear evidence to the contrary. When bpost has less than a majority of the voting or similar rights of an investee then it considers all

relevant facts and circumstances in assessing whether bpost has control over the investee in accordance with article 1:14 BCCA. The existence and effect of potential voting rights that are currently exercisable or convertible are notably considered when assessing whether bpost controls an entity.

Consolidation of a subsidiary takes place from the date of acquisition, which is the date on which control of the net assets and operations of the acquiree is effectively transferred to the acquirer. From the date of acquisition, the parent (the acquirer) incorporates into the consolidated income statement the financial performance of the acquiree and recognizes in the consolidated statement of financial position the acquired assets and liabilities (at fair value), including any goodwill arising on the acquisition. Subsidiaries are de-consolidated from the date on which control ceases. Intragroup balances and transactions, as well as unrealized gains and losses on transactions between group companies are eliminated in full.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Associates and joint ventures

An associate is an entity in which bpostgroup has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not to control those policies. It is assumed to exist when bpostgroup holds at least 20% of the investee's voting power but not to exist when less than 20% is held; these assumptions may be rebutted if there is clear evidence to the contrary.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the legal entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require the unanimous consent of the parties sharing control.

Consistent accounting policies are applied within the whole group, including associates and joint ventures.

All associates and joint ventures are accounted for using the equity method: the participating interests are separately included in the consolidated statement of financial position (under the caption “Investments in associates and joint ventures”) at the closing date at an amount corresponding to the proportion of the associate's or joint ventures equity (as restated under IFRS), including the result for the period. Dividends received from an investee reduce the carrying amount of the investment.

The portion of the result of associates and joint ventures attributable to bpostgroup is included separately in the consolidated income statement under the caption “Share of result of associates and joint ventures (equity method)”.

Unrealized profits and losses resulting from transactions between an investor (or its consolidated subsidiaries) and associates or joint ventures are eliminated to the extent of the investor's interest in the associate.

Business combination, goodwill and negative acquisition differences

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. At acquisition date, the difference determined between the cost of the acquisition of the investment and the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill (if the difference is positive) or directly as a profit in the income statement (if the difference is negative). The measurement period to determine the goodwill cannot exceed one year from the acquisition date.

The consideration transferred may in certain situations include a contingent consideration, which is measured at fair value at the time of the business combination and included in the consideration transferred (i.e. included in the determination of goodwill or badwill). If the amount of the contingent consideration changes as a result of a post-acquisition event (such as meeting an earnings target), the change in fair value is recognized in profit or loss. In certain acquisitions, bpostgroup does not obtain control over 100% of the shares of the acquired entity but enters into additional agreement (*e.g.*: put/call option) with the aim to acquire the remaining shares later. Unless the economic substance of these agreements is clearly a fixed price forward agreement (in which case bpostgroup considers that it has acquired present economic interest in the shares concerned), bpostgroup (i) continues recognizing the non-controlling interest (initially measured at fair value or proportionate share of the acquiree's net assets) and (ii) accounts for a financial liability measured at the present value of the amount payable upon exercise of the option. Any subsequent changes in the financial liability is recognized in profit or loss as financial income or financial costs. When in an acquisition, the consideration transferred includes contingent consideration (*e.g.* earn-out), these amounts are fair valued at the acquisition date and subsequently at each reporting date. Changes in fair value are recognized in operating result.

After initial recognition, goodwill is not amortized, but is tested for impairment annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of bpostgroup's cash-generating units (“CGU”) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Intangible assets

Intangible assets acquired separately are recognized in the consolidated statement of financial position when the following conditions are met:

(i) the asset is identifiable, i.e. either separable (if it can be sold, transferred, licensed) or it results from contractual or legal rights;
(ii) it is probable that the expected future economic benefits that are attributable to the asset will flow to bpostgroup;
(iii) bpostgroup can control the resource; and
(iv) the cost of the asset can be measured reliably.

At initial recognition, these intangible assets are measured at cost (including the costs directly attributable to the transaction, but not indirect overheads). Subsequently, they are measured at cost less any accumulated amortization and less any accumulated impairment loss.

Internally generated intangibles are only capitalized when the cost relates to the development phase. The expenses in relation to the research phase are recognized in the consolidated income statement. Within bpostgroup, internally generated intangible assets represent mainly IT projects.

Intangible assets with finite lives are amortized on a systematic basis over their useful life, using the straight-line method. The applicable useful lives are:

INTANGIBLE ASSETS	USEFUL LIFE
Goodwill	Indefinite*
Development	
IT development costs	5 years
Patent	12 years
Know-how	5 years maximum
Software	5 years maximum
Customer relationships** including point of sale network (replacement costs)	Between 5 and 20 years
Tradename including brandnames**	Between 5 and 15 years

* *Intangible fixed assets with indefinite useful lives are not amortized but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be justifiable. If not, the change in useful life from indefinite to finite is made on a retrospective basis.*

** *Useful life can be different case per case and depends on the assessment done at the time of the purchase price allocation.*

Property, plant and equipment

Property, plant and equipment are carried at acquisition cost, less any accumulated depreciation and less any accumulated impairment loss. Cost includes any directly attributable cost of bringing the asset to working condition for its intended use.

Expenditures on repair and maintenance which serve only to maintain but not to increase the value of fixed assets are charged to the consolidated income statement. However, expenditures on major repair and major maintenance, which increase the future economic benefits that will be generated by the fixed asset, are identified as a separate element of the acquisition cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset.

The depreciable amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The depreciable amount is the acquisition cost, except for vehicles. For vehicles, it is the acquisition cost less the residual value of the asset at the end of its useful life. The applicable useful lives are:

PROPERTY, PLANT AND EQUIPMENT	USEFUL LIFE
Land	n/a
Central administrative buildings	40 years
Network buildings	40 years
Industrial buildings, sorting centers	25 years
Fitting-out works to buildings	10 years
Tractors and forklifts	10 years
Bikes and motorcycles	4 years
All other vehicles (cars, trucks, etc,)	5 years
Machines	5 – 10 years
Furniture	10 years
Computer Equipment	4 – 5 years

Lease transactions

bpostgroup assesses at contract inception whether a contract is, or contains, a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under IFRS 16, bpostgroup applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. bpostgroup as lessee recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- **Right-of-use assets**:
  The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date (*e.g.* prepayments) less any lease incentives received. The recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- **Lease liabilities**
  The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. For example most of the Belgian building lease contracts are subject to indexation, whereas most of the US building contracts have fixed lease payments. To be noted that unrecoverable VAT is not included in lease payments and is still recognized in the income statement. The lease payments also include the exercise price of a purchase option when it is reasonably certain that bpostgroup will exercise the option. Similarly, lease term and lease payments can include the effect of penalties for terminating a lease, if the lease term reflects bpostgroup exercising the option to terminate. For the so-called 3/6/9 commercial lease agreements in Belgium bpostgroup has the unilateral right to cancel the agreement after 3 years. As for garages, post offices and retail outlets it's not reasonably certain that bpostgroup will extend the lease after 3 years, the lease term is capped at 3 years. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, bpostgroup uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- **Leases of low-value assets**
  Applied the low-value asset lease expense exemptions to leases with value under 5,000 EUR mainly for ICT items as printers and rent of square meters for parcel lockers.

- **Short-term leases**
  Applied the short-term lease expense exemptions for vehicles with lease terms of 12 months or less.

Investment properties

Investment property mainly relates to apartments located in buildings used as post offices that are rented out in order to earn rents.

Investment properties are carried at acquisition cost less any accumulated depreciation and less any impairment loss. The depreciation amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The applicable useful lives can be found in the table that is included in section "Property, plant and equipment".

Assets held for sale

Non-current assets are classified as assets held for sale under a separate heading in the statement of financial position if their carrying amount is recovered principally through sale rather than through continuing use. This is demonstrated if certain strict criteria are met (active program to locate a buyer has been initiated, property is available for immediate sale in its present condition, sale is highly probable and is expected to occur within one year from the date of classification). Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.
Property, plant and equipment held for sale are no longer depreciated or amortized once classified as held for sale.

Stamp collection

The stamp collection that is owned by bpostgroup is stated at the reevaluated amount less discount for the lack of liquidity. The revalued amounts are determined periodically on the basis of market prices. bpostgroup proceeds to the reevaluation of its collection every five years (last revaluation took place in 2020). The stamp collection is recorded in the caption "Other Property, Plant and Equipment" of the statement of financial position.

Impairment of assets

bpostgroup assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing is required (i.e. goodwill and intangible assets with indefinite useful life), bpostgroup estimates the asset's recoverable amount. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal (corresponding to the cash that bpostgroup can recover through sale) and its value in use (corresponding to the cash that bpostgroup can recover if it continues to use the asset).

When possible, the tests are performed on individual assets. When however it is determined that assets do not generate independent cash flows, the test is performed at the level of the cash-generating unit (CGU) to which the asset belongs (CGU = the smallest identifiable group of assets that generate inflows that are largely independent from the cash flows from other CGUs).

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to groups of cash-generating units, that are expected to benefit from the synergies of the combination.

Where an impairment is identified, it is first allocated to reduce the carrying amount of any goodwill allocated to the group of CGU. Any excess is then allocated to reduce the carrying amount of other fixed assets of the CGU in proportion to their book values, but solely to the extent that the selling price of the assets in question is lower than their carrying amount.

Impairment on goodwill may never be reversed at a later date. Impairment on other fixed assets is reversed if the initial conditions that prevailed at the time the impairment was recorded cease to exist, and solely to the extent that the carrying amount of the asset does not exceed the amount that would have been obtained, after depreciation, had no impairment been recorded.

Inventories

Inventories are measured at the lower of cost and net realizable value at the statement of financial position date.
The acquisition price of inventory of goods purchased for resale is determined by application of the FIFO method. Inventories of minor importance whose value and composition remain stable over time are stated in the statement of financial position at a fixed value.

The cost of inventories finished products comprises all costs incurred in bringing inventories to their present location and condition, includ ing indirect production costs. In particular, the cost price of stamps includes the direct and indirect costs of production, excluding costs of borrowing and overheads that do not contribute to bringing them to the present location and condition. The allocation of fixed costs of production to the cost price is based on normal production capacity.

A write-down is necessary when the net realizable value at the statement of financial position date is lower than the cost.

Revenue related accruals and contract assets and liabilities

Deferred income is the portion of income received during the current or prior financial periods that relates to a subsequent financial period. Accrued income is the portion of income to be received during the subsequent financial periods that relates to the current or prior financial periods.

bpostgroup recognizes advance customer payments on its balance sheet as deferred income and presents this as contract liability if the performance obligation has not yet been satisfied. Contract liabilities are predominantly relating to stamps, credits on franking machine sold but not yet used by customers at balance sheet date and the SGEI consideration for which the performance obligation has not been satisfied.

bpostgroup recognizes a contract asset after transferring a good or service to a customer before the customer pays consideration or before payment is due. An unconditional right to consideration is presented as a trade receivable and a conditional right is presented as an accrued income.

Receivables

Receivables are initially measured at their fair value and later at their amortized cost, i.e. the present value of the cash flows to be received (unless the impact of discounting is not significant).

bpostgroup recognizes a trade receivable when it has an unconditional right to payment of a consideration as a result of satisfying a performance obligation.

bpostgroup recognizes on all of its trade receivables an allowance for expected credit losses based on the lifetime expected credit losses ("ECL") model. As the trade receivables do not contain a significant financing component bpost opted to apply the simplified approach to calculate the expected credit loss rate with the use of a provision matrix, based on the historical default rates adapted for current and forward looking information.

Contract costs

bpostgroup recognizes as assets the incremental costs to obtain a contract and to fulfill a contract if bpostgroup expects to recover them. If other standards are not applicable, only the directly related costs to fulfill a contract in scope of IFRS 15 are capitalized. The assessment of these criteria requires management judgement.

The costs capitalized are mainly system set-up and adaptation, project management and sales commission for logistic and fulfilment services and back-office and proximity and convenience services. The assets are amortized on the expected duration of the contract with the customer.

Investment securities

Investment securities can be classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss ("FVPL"). The classification of investment securities at initial recognition depends on the financial asset's contractual cash flow characteristics and bpostgroup's business model for managing them. bpostgroup initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The classification and measurement of bpostgroup's investment securities are, as follows:
- Debt instruments at amortized cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion (Solely Payment of Principal and Interest).
- Financial assets at FVPL comprise only derivative instruments.

All investment securities are subject to an impairment methodology, referred to as the Expected Credit Loss ("ECL") model, which requires measuring the expected credit losses. Those ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that bpost expects to receive. For debt instruments, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in the credit risk since origination, the allowance will be based on the lifetime ECL. bpostgroup considers an investment security to be in default (totally or partially) when internal or external information indicates that bpostgroup is unlikely to receive the outstanding contractual amounts in full and account the appropriated ECL.

Regular way purchases or sales of financial assets are recognized and de-recognized using settlement date accounting. The fair values of the financial assets are determined by reference to published price quotations in an active market.

Cash and cash equivalents

This caption includes cash in hand, at bank, values for collection, short-term investments that are held for meeting short-term cash commitments and not for investment purpose. Cash and cash equivalents are highly liquid (i.e. the entire principal amount can be withdrawn in less than 3 months through a formal notification) and are readily convertible into a known amount of cash and are subject to an insignificant risk of changes (cf. risk scale) in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

Share capital

Ordinary shares are classified under the caption "issued capital".
Other reserves comprise the results of the previous periods, the legal reserve and the consolidated reserve. Retained earnings include the result of the current period as disclosed in the income statement.

Employee benefits

Short-term benefits

Short-term benefits are recognized as an expense when an employee has rendered the services to bpostgroup. Benefits not paid for on the statement of financial position date are included under the caption "trade and other payables".

Post-employment benefits

Post-employment benefits are valued using an actuarial valuation method and provisions are set up for them (under deduction of any plan assets) in so far as bpost has an obligation to incur the costs in relation to these benefits. This obligation can be a legal, contractual or constructive obligation ("vested rights" on the basis of past practice).

In application of these principles, a provision (calculated according to an actuarial method laid down in IAS 19) is set up in the context of the post-employment benefits to cover:
- the future costs relative to current retirees (a provision representing 100% of the future estimated costs of those retirees);
- the future costs of potential retirees, estimated on the basis of the employees currently in service, taking into account the accumulated service of these employees on each statement of financial position date and the probability that the personnel will reach the desired age to obtain the benefits (the provision is constituted progressively, as and when members of the personnel advance in their careers).

Remeasurements, comprising of actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Actuarial assumptions (concerning the discount rate, mortality factor, costs of future benefits, inflation, etc.) are used to assess employee benefit obligations in conformity with IAS 19. Actuarial gains and losses inevitably appear, resulting (1) from changes in the actuarial assumptions year on year, and (2) deviations between actual costs and actuarial assumptions used for the IAS 19 valuation.

The calculation of the obligation is done using the projected unit credit method. Each year of service confers entitlement to an additional credit unit to be taken into account in valuing the benefits granted and the obligations pertaining thereto. The discount rate used is the yield of high-quality corporate bonds or is based on government bonds with a maturity similar to that of the benefits being valued.

The Belgian defined contribution plans with legal minimum guaranteed returns are valued under the projected unit credit method without projection of future premiums. Considering that the plans do not grant benefits that will lead to a materially higher level of benefit due to the employee's service in later years, i.e. the plans are not back-loaded, the straight-line base principle is not applicable. The applied methodology means that the current legal minimum reserves are projected under the Belgian legislation until the assumed retirement age and are discounted back (respecting vertical/horizontal method and the past legal minimum rates credited on the legal minimum reserves). IAS 19 paragraph 115 has been applied as the group insurance contracts are qualifying as insurance contract. The individual calculated defined benefit obligation cannot be lower than the individual fair value of plan assets as under Belgian legislation, there cannot be compensation between one person and another.

Service costs comprise current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.

Past service costs resulting from a plan amendment or curtailment should be recognized at the earlier of the date when (1) the plan amendment or curtailment occurs; and (2) the entity recognizes related restructuring costs in accordance with IAS 37. Past service costs are recognized in the income statement.

Net interest is calculated by applying the discount rate to the net defined benefit liabilities or assets. Net interest costs are also recognized in the income statement.

The plan assets related to the post-employment benefits are measured at their fair value at the end of the period in the same definition used in IFRS 13.

Other long-term benefits

Other long-term employee benefits are valued using an actuarial valuation method and provisions are set up for them (under deduction of any plan assets) in so far as bpostgroup has an obligation to incur the costs in relation to these benefits. This obligation can be a legal, contractual or constructive obligation ("vested rights" on the basis of past practice).

A provision is created for other long-term benefits to cover benefits that will only be paid in a number of years but that are already earned by the employee on the basis of the past service. Here, as well, the provision is calculated according to an actuarial method imposed by IAS 19.

The provision is calculated as follows:

Actuarial valuation of the obligation under IAS 19	
–	Fair value of the plan assets
=	Provision to be constituted (or asset to be recognized if the fair value of the plan assets is higher).

Remeasurements, comprising of actuarial gains and losses are recognized immediately through profit or loss in the period in which they occur.

Actuarial assumptions (concerning the discount rate, mortality factor, costs of future benefits, inflation, etc.) are used to assess employee benefit obligations in conformity with IAS 19. Actuarial gains and losses inevitably appear, resulting (1) from changes in the actuarial assumptions year on year, and (2) deviations between actual costs and actuarial assumptions used for the IAS 19 valuation. These actuarial gains and losses are recognized directly in the income statement.

The calculation of the obligation is done using the projected unit credit method. Each year of service confers entitlement to an additional credit unit to be taken into account in valuing the benefits granted and the obligations pertaining thereto. The discount rate used is the yield of high-quality corporate bonds or alternatively is based on government bonds with a maturity similar to that of the benefits being valued.

Service costs comprise current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.

Past service costs resulting from a plan amendment or curtailment should be recognized at the earlier of the date when (1) the plan amendment or curtailment occurs; and (2) the entity recognizes related restructuring costs in accordance with IAS 37. Past service costs are recognized in the income statement.

Net interest is calculated by applying the discount rate to the net defined benefit liability or assets. Net interest costs are recognized in the income statement.

Termination benefits

Where bpostgroup terminates the contract of a member of their personnel prior to the normal retirement date or where an offer of benefits is made in return for the termination of employment that can no longer be withdrawn, a provision is constituted in so far as there is an obligation for bpostgroup.

Provisions

A provision is recognized only when:

(1) bpostgroup has a present (legal or constructive) obligation as a result of past events;
(2) it is probable (more likely than not) that an outflow of resources will be required to settle the obligation; and
(3) a reliable estimate of the amount of the obligation can be made.

Where the impact is likely to be material (mainly for long-term provisions), the provision is estimated on a net present value basis. The increase in the provision due to the passage of time is recognized as a financial expense.

A provision for restoring polluted sites is recognized if bpostgroup has an obligation in this respect. Provisions for future operating losses are prohibited.

If bpostgroup has an onerous contract (the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), the present obligation under the contract is recognized as a provision.

A provision for restructuring is only recorded if bpostgroup demonstrates a constructive obligation to restructure at the statement of financial position date. The constructive obligation should be demonstrated by: (a) a detailed formal plan identifying the main features of the restructuring; and (b) raising a valid expectation to those affected that it will carry out the restructuring by starting to implement the plan or by announcing its main features to those affected.

Income taxes and deferred taxation

Income tax includes current taxation and deferred taxation. Current taxation is the amount of taxes to be paid (recovered) on the taxable income for the current year together with any adjustment in the taxes paid (to be recovered) in relation to previous years. It is calculated using the tax rate on the statement of financial position date. bpostgroup only considers substantively enacted tax laws when estimating the amount of deferred taxes to be recognized.

Deferred taxation is calculated according to the liability method on the temporary differences arising between the carrying amount of the statement of financial position items and their tax base, using the tax rate expected to apply when the asset is recovered or the liability is settled.

Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, carried forward tax credits or carried forward losses can be utilized. The same principles apply to recognition of deferred tax assets for unused tax losses carried forward. This criterion is reassessed on each statement of financial position date.

Deferred taxes are calculated at the level of each fiscal entity. The deferred tax assets and liabilities of various subsidiaries may not be presented on a net basis.

Transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency of the entities concerned using the exchange rates prevailing on the dates of the transactions. Realized exchange rate gains and losses and non-realized exchange rate gains and losses on monetary assets and liabilities on the statement of financial position date are recognized in the income statement.

On consolidation, the assets and liabilities of the foreign operations are translated into Euro at the exchange rate prevailing at the reporting date and their income statements are translated on a monthly basis at average exchange rate for that month. The exchange differences arising from translation to Euro for the consolidation for those entities whose functional currency is not Euro are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

Revenue recognition

bpostgroup earns revenue from a range of services including national and international postal and parcels services, e-commerce logistics, back-office, proximity and convenience services and sells a range of products including banking and financial, postal and retail products. bpostgroup also carries out Services of General Economic Interest (SGEI) pursuant to a contract with the Belgian State. All income related to standard business operations is recognized as revenue in the income statement. All other income is reported as other operating income (see separate section).

bpostgroup recognizes revenue from contracts with customers when control of the goods and services is transferred to the customer at an amount that reflects the consideration to which bpostgroup expects to be entitled in exchange for those goods and services. Below the nature, amount, timing, uncertainty of recognition from revenues from contracts with customers is detailed per class of services.

The presentation of the revenues in the notes per product line item is composed of a combination of type of activities (as described below), type of product, customers and geographical region and is disaggregated in line with the information regularly reviewed by the Chief Operating Decision Maker (“CODM”).

bpostgroup’s business activities can be split into three different revenue recognition streams: (i) Distribution and transport services, (ii) Logistic and fulfilment services and (iii) Back-office and proximity and convenience services.

(i) Distribution and transport services

Service included in product line items: Transactional mail, Advertising mail, Press, Parcels Belgium, Cross-border (inbound and outbound) and International mail.

This class of services consists in the delivery of domestic and international mail and parcels comprising the collection, transport, sorting and distribution of addressed and non-addressed mail, printed documents, newspapers and parcels.

Revenue is recognized when the performance obligation, the promise to deliver a good (*e.g.*: letter, parcel,…) to an addressee or location, is satisfied at a point in time. This is in general on the delivery of the goods. bpostgroup generally considers that it is the principal in distribution and transport services, except for the delivery of newspapers and periodicals to newsstands where it acts as an agent.

The delivery of the newspapers and periodicals can occur in two different ways:

Firstly, bpostgroup makes direct delivery to the households and business (“users”) for their subscribed newspapers and periodicals (reported as product line “Press”). In this case, bpostgroup is a principal because it is the primary obligor to deliver the newspapers and periodicals directly to users and is remunerated by the publishing companies and the Belgian State (“customers”). The remunerations received from the publishing companies for the delivery are based on the volume handled. The remuneration received from the contract with the Belgian State (classified as SGEI) is split between a flat amount recognized over time (equally distributed over the four quarters) and a variable fee based upon the distributed volumes. This remuneration from the Belgian state is subject to an ex-post calculation based upon the evolution of the costs basis of bpost.

Secondly, bpostgroup (through its wholly-owned subsidiaries AMP and Aldipress) delivers these newspapers and periodicals to newsstand (reported as product line “Press”). In this situation, AMP and Aldipress act as an agent on behalf of the publishing company (“customer”) and is remunerated based on the number of delivered volumes and a commission on the retail price.

Certain activities of the distribution and transport services revenue stream (*e.g.*: transactional mail, cross-border,…) are considered as universal postal services as set out in the Belgian Postal Act. bpostgroup provides universal postal services in Belgium on the basis of a management contract concluded with the Belgian State. Certain postal services that are part of the universal postal service and are typically used by individuals and SMEs (known together as the Small User Basket, hereafter “SUB”) are subject to a price cap, as provided for in the Postal Act. Each year bpost submits its proposed price increase for the services that are part of the SUB to the Belgian postal regulator (BIPT) for prior approval, with the BIPT having to agree to the price increase if the price cap is complied with. More generally, all postal services that fall under the universal postal service are subject to a range of obligations in terms of quality (such as frequency, geographic coverage and continuity) and pricing (transparency, uniformity, affordability, non-discrimination and cost-orientation). For the non-universal postal services and services not defined as postal items bpostgroup has general sales conditions for smaller customers and contracts for larger customers with volume based pricing and discounts. The contracts with customers providing rebates, surcharges and penalties (volume or quality), that give rise to a variable consideration are accrued monthly and the best estimate of the outstanding position is reflected in the consolidated statement of financial position based on the expected value principle.

The consideration received by bpostgroup for stamps and franking machines for which the performance obligation has not yet been fulfilled are recorded as deferred revenue and disclosed as a contract liability until the delivery of the letter or parcel (domestic or international) is satisfied. The revenue relative to the stamp sale and franking machine activity is only recognized as an estimated revenue at the time the good is delivered. Therefore, bpostgroup has set up a revenue recognition model to recognize the predicted amount of revenues, based on historic data on the usage of stamps. The historical usage is than applied on the stamps sold during the reported period. Stamps not used after a considerate period are treated as a sale of a good.

The revenue relative to inbound (cross-border), a service to another postal operator to distribute mail and parcels in Belgium, is recognized as an estimated revenue at the time the service is performed. The consideration to which bpostgroup is entitled is later on negotiated and definitely agreed with the customer (other postal operator). Due to this process the amount of the transaction price is variable and bpostgroup estimates the amount of revenue using the expected value method based on historical data. At balance sheet date the best estimate of the outstanding position is reflected in the consolidated statement of financial position, however as the final settlements are based upon different assumptions (among which "items per kilo" and transaction price) final settlements might deviate from the initial assessment. The net outstanding positions of outbound and inbound flows per postal operator are recorded as a receivable or payable. The process applied by bpostgroup ensures that the variable consideration constrains of IFRS 15 is respected, i.e.: bpostgroup recognizes variable consideration for which it is highly probable that no significant revenue will be reversed once the uncertainties have gone away.

(ii) Logistic and fulfilment services

Service included in product line items: E-Logistics Eurasia and E-Logistics North America (fulfilment and logistics) and Cross-border (custom duties)

This class of services consists of e-commerce fulfilment, including warehousing and handling of goods, e-commerce logistics, including repair services, and e-commerce cross-border services, including custom duties service.

Logistic and fulfilment services consist of following performance obligations: receiving, storing, picking and packing, returning, repairing and clearing of goods. Revenue is recognized when the performance obligation, the promise to deliver a service to the customer, is satisfied at a point in time (*e.g.*: when the actual picking, packing has taken place) or in case of storage of goods over time. bpostgroup generally considers that it's the agent in logistic and fulfilment services. bpostgroup performs the service of processing returned goods on behalf of the customer, but bpostgroup does not take on any liability hence no liability for return is booked at bpostgroup.

Volume rebates which give rise to a variable consideration are accrued monthly and the best estimate of the outstanding position is reflected in the consolidated statement of financial position based on the expected value principle.

(iii) Back-office and proximity and convenience services

Service included in product line items: E-Logistics North America (call center and PT&F), Value added services and Proximity and convenience retail network (financial products, sale of goods…)

This class of services consist of:
- operational back-office services, including call center, payment and financial, Fraud and Tax, administrative and document management services; and
- proximity and convenience service, including the access to the network, over-the-counter service for different partners and sale of self-produced goods (mainly philately), retail products and goods of partners, including bpost bank products.

Back-office and proximity and convenience services consist of following performance obligations: access to network and point of sales, over-the-counter services, sale of goods and processing of transactions, documents or calls. Revenue is recognized when the performance obligation, the promise to deliver a service or a good to the customer, is satisfied at a point in time (*e.g.* over-the-counter service, processing of items or sale of a good) or over time (*e.g.* access to network). bpostgroup generally considers that it is the principle in back-office services and sale of retail and self-produced goods and that bpostgroup is the agent receiving a commission in case of bpost bank products and sale of partner products.

Part of the revenue of Proximity and convenience retail network (reported as SGEI revenue) consist out of Services of General Economic Interest (SGEI) carried out by bpost on behalf of the Belgian State. These services consist among others of the maintenance of an extensive retail network and services such as the payment at home of pensions and the execution of financial postal services. The compensation of SGEI is based on a net avoided cost ("NAC") methodology and is being equally distributed over the four quarters (recognized over time). This methodology provides that compensation shall be based upon the difference in the net cost between bearing or not the provision of SGEI. During the year calculations are made for the SGEI to ensure the remuneration is in line with the amounts recorded.

For Payment, Tax and Fraud (PT&F) services, management estimates a refund liability based upon the expected value method for potential payments related to the fraud services.

Other operating income

Gains on disposal of assets are determined by comparing the net proceeds received from the disposal of the asset with the assets carrying amount at the moment of the sale.
Rental income arising from operating leases or investment properties is accounted for on a straight line basis over the lease term.

Government grants and subsidies are recognized as a reduction of expenses and are offsetting the related expenses for which the grant is intended.

Derivative financial instruments

bpostgroup uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from its operational and financial activities. In accordance with its treasury policy, bpostgroup does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. Depending on whether hedge accounting (see below) is applied or not, any resulting gain or loss on the remeasurement of the derivative financial instrument is either recognized directly in other comprehensive income or in the income statement.

Hedge accounting

bpostgroup designates certain hedging instruments, which includes derivatives and non-derivatives in respect of foreign currency risk, as hedges of net investments in foreign operations and as cash flow hedges respectively.
At the beginning of the hedge relationship, bpostgroup documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the beginning of the hedge and on an ongoing basis, bpostgroup documents and assesses the effectiveness of the derivative instruments.

Cash flow hedges

The effective portion of changes in the fair value of derivatives designated and qualified as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

Hedge accounting is discontinued when bpostgroup revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

6.5 Business combinations

Acquisition of non-controlling interest of Active Ants

In August 2023 bpost NV/SA acquired the remaining 25% shares of Anthill B.V. and Active Ants International B.V. to reach the total of 100% shares for a price of 12.2 mEUR. 11.0 mEUR or 90% has been paid at the completion of the sale purchase agreement in August 2023 and – provided that bpostgroup has no outstanding claims against the sellers under the sale purchase agreement – a deferred payment of 1.2m or 10% is foreseen within one year from completion of the sale purchase agreement. This transaction has no impact on the originally calculated goodwill as at the time of the execution of the sale purchase agreement bpostgroup had a discounted outstanding liability for the purchase of the remaining shares of Active Ants of 18.3 mEUR. In line with the accounting policies, bpostgroup has recognized a financial gain of 6.0 mEUR for the difference between the price of the sale purchase agreement and the outstanding liability.

Acquisition of 95% of b2boost

In 2022 bpost NV/SA took a minority stake (5% of the shares for 0.1 mEUR) in b2boost.com BV, a Belgian company specialized in digitizing B2B data processes. This investment was recognized under shares in equity as they were not held for a purpose of trading but acquired with a long-term strategic view. The share purchase and shareholders' agreement furthermore foresaw for bpost NV/SA the option to buy the remaining 95% of the shares through a call option or sell back the 5% shares through a put option. On November 30, 2023 bpost NV/SA bought the remaining 95% of the shares. The goal of this acquisition is to be – together with Speos - a specialized partner of B2B customers for the digitization of financial and administrative processes. In this context, bpostgroup also wants to support their customers who have an obligation to switch to electronic invoicing by January 1, 2026. b2boost was consolidated in the Belgium operating segment using the full-integration method as of December 1, 2023. Considering the acquisition date, there has been no impact on the income statement for 2023. The fair value of assets and liabilities at acquisition date has not been assessed yet. The initial purchase price for 100% of the shares amounted to 1.9 mEUR. The limited transaction costs related to this acquisition are included in the operating expenses of 2023.

The calculated preliminary goodwill is presented as follows:

IN MILLION EUR	2023
FAIR VALUE OF THE ASSETS ACQUIRED AND LIABILITIES ASSUMED IN THE ACQUIRED ENTITY	
NON-CURRENT ASSETS	**0.3**
Property, plant and equipment	0.0
Intangible assets	0.3
CURRENT ASSETS	**0.6**
Trade and other receivables	0.5
Cash and cash equivalents	0.1
CURRENT LIABILITIES	**(0.3)**
Trade and other payables	(0.3)
FAIR VALUE OF NET ASSETS ACQUIRED	**0.6**
Goodwill arising on acquisition	1.4
PURCHASE CONSIDERATION TRANSFERRED	**1.9**
of which:	
- Cash paid in 2023	1.8
- Cash paid in 2022	0.1
- Contingent consideration	0.0

ANALYSIS OF CASH FLOWS ON ACQUISITION	
Net cash acquired with the subsidiary	0.1
Cash paid in 2023	(1.8)
NET CASH OUTFLOW	**(1.7)**

The fair value of the current and non-current trade receivables amounted to 0.5 mEUR and it is expected that the full contractual amounts can be collected.

In 2023 b2boost did not contribute yet to bpostgroup. EAT for b2boost for the full year 2022 amounted to 0.1 mEUR.

The preliminary goodwill of 1.4 mEUR – goodwill will be finalized in 2024 – derives from future growth and expected synergies within Belgium activities. None of the goodwill is expected to be deductible for income tax purposes.

6.6 Segment information

bpostgroup operates through three business units and support units providing services to these business units:

- The business unit **Belgium** oversees the commercial activities related to Transactional, Advertising mail, Press and Parcels and the operational activities of collecting, transporting, sorting and distributing of addressed and non-addressed mail, printed documents, newspapers, periodicals and parcels mainly in Belgium. Furthermore Belgium offers Value added services including document management and related activities and offers proximity and convenience retail through its retail network in Belgium composed out of post offices and postal points. It also sells banking and financial products, as part of the Proximity and convenience retail network, under an agency agreement with bpost bank and AG Insurance. The business unit also carries out Services of General Economic Interest on behalf of the Belgian State.

- The business unit **E-Logistics Eurasia** oversees the commercial and operational activities related to e-commerce logistics (fulfillment, handling, distribution and return management) and cross-border (inbound, outbound and import services) for parcels in Europe & Asia and for international mail worldwide. The business unit runs several operations centers across Europe. DynaGroup, Radial, Active Ants, Leen Menken and Landmark Global entities in Europe & Asia are part of this business unit.
- The business unit **E-Logistics North America** is in charge of the commercial and operational activities related to e-commerce logistics (fulfillment, handling and distribution, return management, customer service and value-added technology services) in North America and Australia and cross-border parcels and international mail in North America. Radial North-America and Landmark Global entities in North America are part of this business unit.

Corporate and Support units ("**Corporate**") consist out of the 3 support units and the corporate unit. The support units offer as a sole provider business solutions to the 3 business units and to Corporate and includes Finance & Accounting, Human Resources & Service Operations, IT & Digital. The Corporate unit includes Strategy, M&A, Legal, Regulatory and Corporate Secretary. The EBIT generated by the support units is recharged to the 3 business units as opex while the depreciation remains in Corporate. Revenues generated by the Support Units, including sales building are disclosed in Corporate.

As bpostgroup identifies its CEO as the chief operating decision maker ("CODM"), the operating segments are based on the information provided to the CEO. bpostgroup computes its profit from operating activities (EBIT) at the segment level and is measured consistently with the financial statements' accounting guidelines (IFRS). Assets and liabilities are not reported per segment to the CODM.

No operating segments have been aggregated to form the above reportable operating segments.

Services and products offered between legal entities are at arm's length whereas the service and products offered between business units of the same legal entity are generally based on incremental costs. Services provided by support units to business units of the same legal entity are based on full cost.

As corporate treasury, associates, joint ventures and tax are centrally managed for the group the net financial result, income tax and share of profit of associates and joint ventures are only disclosed at the level of the group.

The following tables present an overview of the segment results:

For the year ended 31 December

	BELGIUM		E-LOGISTICS EURASIA		E-LOGISTICS NORTH AMERICA		CORPORATE		ELIMINATIONS		GROUP	
IN MILLION EUR	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
TOTAL OPERATING INCOME	**2,265.7**	**2,193.3**	**668.3**	**614.1**	**1,438.4**	**1,661.6**	**437.8**	**404.2**	**(538.1)**	**(475.6)**	**4,272.2**	**4,397.5**
Operating expenses	2,070.5	1,914.5	597.4	561.5	1,270.0	1,481.5	394.5	363.0	(538.1)	(475.6)	3,794.4	3,844.9
Depreciation, amortization	87.6	81.0	36.5	28.3	111.9	104.7	81.0	75.2	0.0	0.0	317.0	289.3
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT)	**107.6**	**197.8**	**34.4**	**24.3**	**56.5**	**75.4**	**(37.7)**	**(34.1)**	**0.0**	**0.0**	**160.8**	**263.3**
Share of results of associates and joint ventures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Remeasurement of assets held for sale at fair value less costs to sell	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	(1.2)
Financial results	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(41.6)	30.3
Income tax expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	54.5	60.8
PROFIT/(LOSS) OF THE PERIOD (EAT)	**107.6**	**196.7**	**34.4**	**24.3**	**56.5**	**75.4**	**(37.7)**	**(34.3)**	**0.0**	**0.0**	**64.8**	**231.7**

The table presented below provides the disaggregation of bpost's revenue from contracts with customers.

For the year ended 31 December

	EXTERNAL OPERATING INCOME			REVENUE		
IN MILLION EUR	2023	2022	CHANGE %	2023	2022	CHANGE %
BELGIUM	**2,194.3**	**2,140.6**	**2.5%**	**2,189.4**	**2,132.5**	**2.7%**
Transactional mail	747.1	731.5	2.1%	747.1	731.1	2.2%
Advertising mail	179.0	187.1	-4.3%	179.0	187.1	-4.3%
Press	349.6	345.9	1.1%	349.6	339.3	3.0%
Parcels Belgium	499.1	449.1	11.1%	499.1	449.1	11.1%
Proximity and convenience retail network	292.1	302.0	-3.3%	292.1	301.3	-3.1%
Value added services	132.5	124.9	6.0%	132.5	124.5	6.4%
Other	(5.1)	0.0	-	(10.0)	0.0	-
E-LOGISTICS EURASIA	**640.8**	**590.5**	**8.5%**	**639.9**	**589.0**	**8.6%**
E-commerce logistics	291.1	273.0	6.6%	290.4	271.6	6.9%
Cross-border	349.5	317.5	10.1%	349.5	317.4	10.1%
Other	0.3	0.0	-	0.0	0.0	-
E-LOGISTICS NORTH AMERICA	**1,430.0**	**1,655.9**	**-13.6%**	**1,428.3**	**1,650.6**	**-13.5%**
E-commerce logistics	1,428.3	1,655.9	-13.7%	1,428.3	1,650.6	-13.5%
Other	1.8	0.0	-	0.0	0.0	-
CORPORATE	**7.0**	**10.5**	**-33.3%**	**0.0**	**0.0**	**0.0%**
TOTAL	**4,272.2**	**4,397.5**	**-2.9%**	**4,257.5**	**4,372.0**	**-2.6%**

The geographical split of total operating income (excluded intersegment operating income) and the non-current assets is attributed to Belgium, rest of Europe, United States of America and the rest of the world. The allocation per geographical location is based on the location of the entity generating the income or holding the net asset.

			EVOLUTION
IN MILLION EUR	2023	2022	2023 – 2022
Belgium	903.4	933.4	-3.2%
Rest of Europe	272.6	257.2	6.0%
US	966.3	1,043.3	-7.4%
Rest of world	75.7	57.1	32.6%
TOTAL NON-CURRENT ASSETS	**2,218.0**	**2,291.0**	**-3.2%**
Belgium	2,443.4	2,373.4	2.9%
Rest of Europe	328.4	340.0	-3.4%
US	1,370.9	1,589.1	-13.7%
Rest of world	129.5	95.0	36.3%
TOTAL OPERATING INCOME	**4,272.2**	**4,397.5**	**-2.9%**

Total non-current assets consist out of property, plant and equipment, intangible assets, investment properties and trade and other receivables (> 1 year).

Excluding the compensation received from the Belgian federal government to provide the services as described in the management contract and press concessions, included in the Belgium segment, no single external customer exceeded 5% of bpostgroup's operating income.

6.7 Revenue

For the year ended 31 December

IN MILLION EUR	2023	2022
Revenue excluding the SGEI remuneration	3,945.7	4,069.5
SGEI remuneration	311.9	302.6
TOTAL	**4,257.5**	**4,372.0**

Compared to last year, revenue decreased by 114.5 mEUR or -2.6% to 4,257.5 mEUR. The revenue decrease excluding the SGEI remuneration was mainly driven by the revenue decrease (222.3 mEUR) in E-Logistics North America, reflecting lower volumes at Radial and Landmark US (Amazon Insourcing). This decrease was partially offset by the increase of Belgium (56.9 mEUR), driven by the parcels volume increase of +6.3% and price/mix impact of +4.8%. Furthermore the underlying mail volume decline of -8.4% was offset by the positive price/mix impact. Revenues of E-Logistics Eurasia increased (50.8 mEUR) driven by the continued expansion of Radial Europe and Active Ants (+15.1%), higher Cross-Border sales mainly reflecting growth from existing and new customers in Asia.

SGEI remuneration is disclosed under Press and Proximity and convenience retail network in the Belgium segment and increased compared to last year mainly driven by indexation.

6.8 Other operating income

For the year ended 31 December

IN MILLION EUR	2023	2022
Gain on disposal of property, plant and equipment	3.4	6.5
Rental income of investment property	0.7	0.5
Third party cost recovery	5.0	9.7
Other Retail income	0.0	0.6
Other	5.6	8.3
TOTAL	**14.7**	**25.5**

Gains on disposal of property, plant and equipment decreased by -3.0 mEUR due to lower revenues on the sales of buildings in 2023 compared to 2022.

The third party cost recovery mainly relates to reimbursements by third parties of non-core services and sales realized by bpost's restaurants.

Other Retail income mainly consisted of non-specific product income in the retail channel which is not part of the ordinary activity of bpostgroup, the decrease was mainly explained by the sale of Ubiway Retail end of February 2022.

6.9 Other operating expenses

For the year ended 31 December

IN MILLION EUR	2023	2022
Provisions	73.3	0.9
Local, real estate and other taxes	34.4	15.2
Impairment on trade receivables and charge backs payment services	5.8	19.4
Losses on disposals of property, plant and equipment	0.3	4.5
Other	2.5	(0.1)
TOTAL	**116.3**	**39.9**

Other operating expenses increased by 76.4 mEUR, this increase was mainly due to the provision of 75.0 mEUR for overcompensation.

In 2023 bpostgroup had voluntary launched 3 compliance reviews concerning the processing of traffic fines, the management of 679 accounts, and the delivery/cancellation of licence plates and concluded an in-dept legal and economic assessment regarding the remuneration paid by the Belgian State for these 3 services. As part of bpostgroup's commitment to repay any overcompensation, a provision of 75.0 mEUR has been recorded related to the period before 2023. The provision, as is customary concerning the repayment of State Aid, is already net of corporate income taxes paid on the incompatible aid principal amount. For more detail see note 6.27 provisions.

The increase of local, real estate and other taxes by 19.2 mEUR was mainly due to the lower VAT recuperation in 2023 at the time of the yearly VAT revision and higher local and insurances taxes.

The decrease of impairments on trade receivables was mainly explained by some disputes in 2022 with terminated customers at Radial North America and the impairment on the receivable related to the sale of the Mail Group in 2022. In 2021 bpost US Holdings sold the Mail Group to Architect Equity, as part of the transaction bpost US Holdings issued a subordinated seller note of 2.5 mUSD. As in 2022 a part of the due amount was not redeemed, the total seller note of 2.5 mUSD was fully reserved for.

The decrease of losses on disposals of property, plant and equipment by 4.1 mEUR was mainly explained by some warehouses closed down at Radial North America in 2022.

6.10 Material costs

Compared to last year, material costs decreased by 14.5 mEUR or 14.6%. This decrease was mainly explained by the deconsolidation of Ubiway Retail as of March 1, 2022 given the sale of Ubiway Retail.

6.11 Services and other goods

The cost of goods and services decreased by 148.4 mEUR to 1,851.6 mEUR. This decrease was mainly driven by the lower transport costs (109.7 mEUR) and lower interim employees (41.1 mEUR), in turn in line with the revenue development of E-Logistics North America.

For the year ended 31 December

			EVOLUTION
IN MILLION EUR	2023	2022	2023 – 2022
Rent and rental costs	104.6	104.3	0.3%
Maintenance and repairs	111.3	103.5	7.6%
Energy delivery	77.0	63.2	21.8%
Other goods	31.9	50.4	-36.7%
Postal and telecom costs	11.7	12.4	-6.3%
Insurance costs	31.6	28.2	12.1%
Transport costs	801.1	910.9	-12.0%
Publicity and advertising	24.9	21.2	17.3%
Consultancy	26.3	27.4	-4.0%
Interim employees	326.3	367.4	-11.2%
Third party remuneration, fees	203.5	198.2	2.7%
Other services	101.4	112.8	-10.1%
TOTAL	**1,851.6**	**1,999.9**	**-7.4%**

- Energy delivery increased by 13.8 mEUR mainly due to higher energy prices (gas, fuel and electricity).
- Transport costs amounted to 801.1 mEUR and decreased by 109.7 mEUR, mainly explained by the revenue development at E-Logistics North America.

- Cost of interim employees decreased by 41.1 mEUR driven by the lower average number of interims (6.542 in 2023 compared to 7.668 in 2022), partly compensated by the higher costs per FTE due to inflation. The lower number of interims is due to the revenue development at E-Logistics North America (variable labor management) and productivity gains. Note that the interim costs should be viewed together with the evolution of the payroll costs, see note 6.12.
- Other services relate to costs for payment processing, HR services, training costs and administration costs. The decrease by 11.4 mEUR was mainly due to lower payments processed by Radial US in line with the revenue evolution.

6.12 Payroll costs

For the year ended 31 December

IN MILLION EUR	2023	2022
Wages and salaries	1,448.0	1,412.2
Social security costs	275.0	264.3
Pension costs (note 6.25)	9.3	8.8
Termination benefits, Other long-term benefits and Post-employment benefits other than Pension (note 6.25)	9.4	20.5
TOTAL	**1,741.7**	**1,705.8**

As at December 31, 2023, the headcount of bpostgroup amounted to 35,035 (2022: 34,509) and was composed as follows:
- Statutory personnel : 6,210 (2022: 6,840);
- Contractual personnel : 28,825 (2022: 27,669).

The average FTE for 2023 was 31,240 (2022: 31,617).

The average FTE and interims for 2023 was 37,782 (2022: 39,285).

Payroll costs (1,741.7 mEUR) and interim costs (326.3 mEUR) in 2023 amounted to 2,068.1 mEUR (2,073.2 mEUR in 2022). Payroll and interim costs decreased by 5.1 mEUR (interim costs decreased by 41.1 mEUR while payroll costs increased by 36.0 mEUR) compared to last year.

The decrease in payroll and interim costs is attributed to several factors. Firstly, the decrease in FTE, facilitated by a strong variable labor management, higher productivity and continued execution of dedicated management actions leading together to 74.0 mEUR lower costs. Secondly a positive mix effect of 2.9 mEUR, amongst other driven by a decrease of statutory, baremic contractual and interim postmen and a slight increase of logistic and postal workers. The effects mentioned above were partly compensated by the higher costs per FTE (in Belgium 7 salary indexations in the period 2022-2023), unfavorable exchange rate evolution, the effects of Collective Labor Agreements (“CLA”) 2023-2024 and merit increases, which led to a negative price impact of 71.8 mEUR.

6.13 Financial income and financial costs

The following amounts have been included in the income statement for the reporting periods presented:

For the year ended 31 December

IN MILLION EUR	2023	2022
Financial income	33.2	79.6
Financial costs	(74.8)	(49.3)
TOTAL	**(41.6)**	**30.3**

Net financial result (i.e. net of financial income and financial costs) of 2023 amounted to -41.6 mEUR and decreased by 71.9 mEUR compared to 2022. This decrease was mainly due to the evolution of the discount rates, which last year significantly increased whereas 2023 experienced a slight decrease in rates. The first triggered one-off non-cash positive financial income related to IAS 19 employee benefits in 2022 (45.2 mEUR), whereas the latter triggered non-cash negative financial costs related to IAS 19 employee benefits in 2023 (20.6 mEUR). Hence the year-over-year impact of the evolution of discount rates on IAS 19 employee benefits amounted to -65.6 mEUR (see also note 6. 25).

Financial income

For the year ended 31 December

IN MILLION EUR	2023	2022
Financial income on cash and cash equivalents	23.9	2.2
Gain from exchange differences	2.1	17.3
Contingent consideration: changes related to purchase of minority interests	6.0	14.3
Financial income on defined benefit obligations (IAS 19)	0.0	45.2
Other	1.2	0.6
TOTAL	33.2	79.6

The year-over-year increase in financial income on cash and cash equivalents is in line with the increased market interest rates.

In 2022 bpostgroup reassessed the variable exercise price for the remaining shares of Anthill B.V. (25%) and Active Ants International B.V. (25%). Whereas in the past the variable exercise price had been determined upon the put for the remaining shares and corresponded to the maximum amount foreseen in the contract, in 2022 bpostgroup had reassessed that bpostgroup would exercise earlier on the call for the remaining shares i.e. in 2025 upon 2024 EBITDA. As a result a decrease of the contingent liability (14.3 mEUR) was recognized in financial income.

In 2023 bpostgroup bought the remaining shares for a price of 12.2 mEUR, hence bpostgroup recognized in 2023 a financial gain of 6.0 mEUR for the difference between the price of the sales purchase agreement and the outstanding liability of 18.3 mEUR at that time.

The gain from exchange differences should be reviewed together with the loss from exchange differences.

Financial costs

For the year ended 31 December

IN MILLION EUR	2023	2022
Financial costs on defined benefit obligations (IAS 19)	20.6	0.2
Lease interest expenses (IFRS 16)	15.7	12.0
Interest on loans	9.7	4.6
Interest and costs related to long-term bond	9.3	9.3
Unwinding of pre-hedge interest swap	2.5	2.5
Loss from exchange differences	9.6	15.1
Contingent consideration: unwinding of discount, effect of changes in discount rate and change in ownership interests in controlled entities	4.3	0.6
Other finance costs	3.2	5.0
TOTAL	74.8	49.3

The increase of interest on loans in 2023 was mainly explained by the evolution of the interest rates which impacted the USD term loan which had a floating interest rate.

In 2023 bpostgroup reassessed the variable exercise price for the remaining shares of Marceau 1 (IMX), in line with the performance of IMX. As a result an increase of the contingent liability (4.1 mEUR) was recognized in financial costs. The outstanding discounted liability for the remaining shares of Marceau per December 31, 2023 amounts to 9.7 mEUR.

6.14 Income tax/Deferred tax

Breakdown of Income tax expense recognized in the income statement

The income tax expense recognized in the income statement for 2023 amounted to 54.5 mEUR and breaks down as follows:

As at 31 December

IN MILLION EUR	2023	2022
TAX EXPENSE INCLUDED		
Current tax expenses	60.4	55.1
Adjustment recognized in the current year in relation to the current tax of prior year	0.1	(10.9)
Deferred tax expenses	(6.0)	16.6
TOTAL INCOME TAX EXPENSE RECOGNIZED IN INCOME STATEMENT	**54.5**	**60.8**

Reconciliation of theoretical income tax expense with income tax expense recognized in the income statement

A reconciliation of theoretical tax expense with income tax expense recognized in the income statement can be detailed as follows:

IN MILLION EUR	2023	2022
Profit before tax (A)	119.2	292.5
Statutory tax rate of the parent company (B)	25.0%	25.0%
THEORETICAL INCOME TAX EXPENSES (C) = (A) X (B)	**29.8**	**73.1**
RECONCILING ITEMS BETWEEN STATUTORY AND EFFECTIVE INCOME TAX EXPENSE		
Tax effect of non tax deductible expenses	5.8	7.0
Tax effects prior year	0.1	(10.9)
Tax effect of internal compliance review	20.1	0.0
Tax effect of the remeasurement of assets held for sale at fair value less costs to sell	0.0	0.0
Tax effect of tax losses utilized by subsidiaries for which no deferred tax asset or no full deferred tax asset was recognized	0.0	(0.5)
Subsidiaries in loss situation for which no deferred tax asset or no full deferred tax asset was recognize on their tax losses	1.8	2.3
Associates (equity method)	(0.0)	(0.0)
OTHER:		
Tax effect of subsidiaries liquidation	0.0	(6.8)
Tax effect of the changes in tax rates	0.2	0.1
Other differences	(3.3)	(3.5)
TOTAL	**54.5**	**60.8**
Tax using effective rate (current period)	(54.5)	(60.8)
Profit before income tax	119.2	292.5
Effective tax rate	45.7%	20.8%

The provision for compliance review is not tax deductible at the time of its recognition hence contributed to an increase in the effective tax rate in 2023.

Deferred tax presented in the statement of financial position

Net balances of deferred taxes are calculated based upon the tax position of each company and are disclosed in the statement of financial position for their net amount by legal entity.

As of December 31, 2023 bpost recognized a net deferred income tax asset of 12.7 mEUR. This net deferred income tax asset is composed as follows:

IN MILLION EUR	2022	IMPACT ON RESULT OF THE YEAR	IMPACT ON OTHER COMPRE-HENSIVE INCOME	IMPACT OF BUSINESS COMBINATIONS	EXCHANGE RATE DIFFERENCE	2023
DEFERRED TAX ASSETS						
Employee benefits	4.7	2.7	0.2	0.0	0.0	7.7
Provisions	1.6	(0.2)	0.0	0.0	(0.1)	1.3
Tax losses carried forward	50.8	4.0	0.0	0.0	(1.0)	53.8
Property plant and equipment	(49.1)	0.3	0.0	0.0	(0.5)	(49.3)
Intangible assets	(33.1)	3.1	0.0	0.0	0.8	(29.2)
Leases	9.4	(1.2)	0.0	0.0	(0.1)	8.1
Other	23.1	(2.7)	(0.6)	0.0	0.4	20.2
NET DEFERRED TAX ASSETS / (LIABILITIES)	**7.4**	**6.0**	**(0.4)**	**0.0**	**(0.4)**	**12.7**

The increased deferred tax asset on employee benefits is mainly explained by the lower discount rates.

In line with previous years, the deferred tax assets related to tax losses carried forward are mainly composed of the recognition of a deferred tax asset for Radial US (40.9 mEUR). These US tax losses carried forward for which a deferred tax asset has been recognized have an expiration date ranging between 2024 and 2037 (20.8 mEUR) and the tax losses incurred as from 2018 can be carried forward indefinitely (20.0 mEUR).

The drop in deferred tax liability related to intangible assets is in line with the evolution of the intangible assets following purchase price allocation of acquired entities.

Recognized and unrecognized deferred taxes on tax attributes

Deferred tax assets on the tax attributes (mainly tax losses carried forward) are only recognized to the extent it is likely that those tax attributes are expected to offset a taxable profit in the foreseeable future.

Further to this assessment, deferred tax assets have been recognized for 214.2 mEUR of carried forward tax losses. These recognized tax losses relate to entities located in the United States (163.4 mEUR), Belgium (15.3 mEUR), the United Kingdom (14.7 mEUR), the Netherlands (12.6 mEUR), Germany (6.0 mEUR), Singapore (1.4 mEUR) and Italy (0.8 mEUR). However, no deferred tax asset has been recognized for 99.1 mEUR of carried forward tax losses. These unrecognized tax losses relate to entities located in Germany (40.5 mEUR), Luxembourg (21.1 mEUR), Belgium (7.9 mEUR), the United Kingdom (7.1 mEUR) and the Netherlands (4.9 mEUR). In Belgium, Germany, Netherlands (since 2022) and the United Kingdom, tax losses may be carried forward indefinitely. In Luxembourg, losses incurred before January 1, 2017 can be carried forward without a time limitation while the use of losses incurred afterwards is limited to 17 years.

The unrecognized tax credits in the United States amounts to 17.7 mEUR.

6.15 Earnings per share

In accordance with IAS 33, the basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts have to be calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

In case of bpostgroup, no effects of dilution affect the net profit/(loss) attributable to ordinary equity holders and the weighted average number of ordinary shares.

The table below reflects the income and share data used in the basic and diluted earnings per share computations:

For the year ended 31 December

IN MILLION EUR	2023	2022
Net profit/(loss) attributable to ordinary equity holders of the parent for basic earnings	65.7	232.5
Adjustments for the effect of dilution		
Net profit/(loss) attributable to ordinary equity holders of the parent adjusted for the effect of dillution	65.7	232.5
IN MILLION SHARES		
Weighted average number of ordinary shares for basic earnings per share	200.0	200.0
Effect of dilution		
Weighted average number of ordinary shares adjusted for the effect of dilution	200.0	200.0
IN EUR		
Basic, profit/(loss) per share attributable to ordinary equity holders of the parent	0.33	1.16
Diluted, profit/(loss) per share attributable to ordinary equity holders of the parent	0.33	1.16

6.16 Property, plant and equipment

IN MILLION EUR	LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND VEHICLES	FIXTURES AND FIT-TINGS	OTHER PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT (EXCL. ROU)	RIGHT-OF-USE (ROU)	TOTAL
COST								
BALANCE AT 1 JANUARY 2022	**579.3**	**442.8**	**526.4**	**275.8**	**38.2**	**1,862.4**	**830.3**	**2,692.7**
Acquisitions	1.0	34.4	41.7	28.7	40.3	146.1	163.4	309.5
Acquisitions through business combinations	20.5	12.2	2.7	0.0	0.1	35.5	0.0	35.5
Reassessement	0.0	0.0	0.0	0.0	0.0	0.0	67.8	67.8
Disposals	(20.0)	(36.0)	(37.5)	(4.6)	0.0	(98.2)	(57.7)	(155.8)
Disposals via business combinations	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0
Assets classified as held for sale or investment property	(11.4)	0.2	0.0	0.0	0.0	(11.2)	0.0	(11.2)
Exchange rate difference	0.1	(0.2)	13.8	1.2	1.2	16.0	15.7	31.8
Other movements	26.2	2.0	1.3	(6.7)	(19.6)	3.1	(0.7)	2.4
BALANCE AT 31 DECEMBER 2022	**595.6**	**455.3**	**548.5**	**294.3**	**60.1**	**1,953.8**	**1,018.8**	**2,972.6**
BALANCE AT 1 JANUARY 2023	**595.6**	**455.3**	**548.5**	**294.3**	**60.1**	**1,953.8**	**1,018.8**	**2,972.6**
Acquisitions	33.4	26.4	26.2	26.8	28.0	140.8	98.9	239.7
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reassessement	0.0	0.0	0.0	0.0	0.0	0.0	56.0	56.0
Disposals	0.0	(8.3)	(12.2)	(5.7)	(0.0)	(26.2)	(86.0)	(112.2)
Disposals via business combinations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets classified as held for sale or investment property	(5.0)	0.0	0.0	0.0	0.0	(5.0)	0.0	(5.0)
Exchange rate difference	(1.0)	(0.0)	(10.4)	(0.7)	(0.1)	(12.2)	(12.1)	(24.2)
Other movements	21.2	8.0	51.3	(11.1)	(73.2)	(3.9)	(2.4)	(6.3)
BALANCE AT 31 DECEMBER 2023	**644.1**	**481.4**	**603.5**	**303.6**	**14.8**	**2,047.5**	**1,073.2**	**3,120.7**

The other movements from other property, plant and equipment (-73.2 mEUR) was mainly explained by the putting into use in 2023 of a number of warehouses and projects (mainly in Radial US), this triggered a transfer from assets under construction (part of other property, plant and equipment) to the other categories.

The other movements on fixture and fittings are related to their remapping to land and buildings category without impact on total cost of property, plant and equipment and total depreciation and impairment losses.

IN MILLION EUR	LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND VEHICLES	FIXTURES AND FIT-TINGS	OTHER PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT (EXCL. ROU)	RIGHT-OF-USE (ROU)	TOTAL
REVALUATION								
BALANCE AT 1 JANUARY 2022	0.0	0.0	0.0	0.0	7.4	7.4	0.0	7.4
Assets classified as held for sale or investment property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exchange rate difference	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE AT 31 DECEMBER 2022	**0.0**	**0.0**	**0.0**	**0.0**	**7.4**	**7.4**	**0.0**	**7.4**
BALANCE AT 1 JANUARY 2023	**0.0**	**0.0**	**0.0**	**0.0**	**7.4**	**7.4**	**0.0**	**7.4**
Assets classified as held for sale or investment property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exchange rate difference	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE AT 31 DECEMBER 2023	**0.0**	**0.0**	**0.0**	**0.0**	**7.4**	**7.4**	**0.0**	**7.4**

IN MILLION EUR	LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND VEHICLES	FIXTURES AND FIT-TINGS	OTHER PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT (EXCL. ROU)	RIGHT-OF-USE (ROU)	TOTAL
DEPRECIATION AND IMPAIRMENT LOSSES								
BALANCE AT 1 JANUARY 2022	**(350.8)**	**(308.8)**	**(332.3)**	**(152.6)**	**(3.8)**	**(1,148.3)**	**(288.4)**	**(1,436.6)**
Depreciations through business combinations	(20.5)	(11.7)	(2.2)	0.0	0.0	(34.4)	0.0	(34.4)
Disposals	20.0	36.0	33.6	4.1	0.0	93.7	45.2	138.9
Disposals through business combinations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and impairment losses	(11.5)	(26.2)	(46.2)	(24.3)	0.0	(108.2)	(138.2)	(246.4)
Assets classified as held for sale or investment property	9.7	0.1	0.0	(0.4)	0.0	9.5	0.9	10.3
Exchange rate difference	(0.0)	0.0	(5.7)	(0.2)	0.0	(6.0)	(4.5)	(10.5)
Other movements	(7.0)	(1.6)	(0.0)	5.8	0.0	(2.8)	0.4	(2.4)
BALANCE AT 31 DECEMBER 2022	**(360.2)**	**(312.1)**	**(352.9)**	**(167.5)**	**(3.8)**	**(1,196.5)**	**(384.6)**	**(1,581.1)**
BALANCE AT 1 JANUARY 2023	**(360.2)**	**(312.1)**	**(352.9)**	**(167.5)**	**(3.8)**	**(1,196.5)**	**(384.6)**	**(1,581.1)**
Depreciations through business combinations	0.0	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0	(0.0)
Disposals	0.0	7.9	11.7	5.0	0.0	24.6	58.9	83.5
Disposals through business combinations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and impairment losses	(14.6)	(26.8)	(55.1)	(25.6)	0.0	(122.0)	(151.9)	(273.9)
Assets classified as held for sale or investment property	5.0	0.0	0.0	0.0	0.0	5.0	0.0	5.0
Exchange rate difference	0.0	0.2	4.6	0.2	(0.0)	5.0	5.5	10.5
Other movements	(9.2)	(6.0)	5.0	6.2	3.8	(0.2)	0.1	(0.1)
BALANCE AT 31 DECEMBER 2023	**(378.9)**	**(336.9)**	**(386.7)**	**(181.7)**	**0.0**	**(1,284.2)**	**(471.9)**	**(1,756.1)**

IN MILLION EUR	LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND VEHICLES	FIXTURES AND FIT-TINGS	OTHER PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT (EXCL. ROU)	RIGHT-OF-USE (ROU)	TOTAL
CARRYING AMOUNT								
At 31 December 2022	235.5	143.2	195.6	126.8	63.8	764.8	634.2	1,398.9
At 31 December 2023	265.2	144.6	216.8	121.8	22.3	770.7	601.3	1,372.0

Amortization and depreciation charges related to property, plant and equipment amounted to 273.9 mEUR and increased by 27.5 mEUR as compared to last year. This increase was mainly explained by increased depreciation of leases well as furniture and vehicles, which respectively increased by 13.6 mEUR and 8.9 mEUR.

6.16.1 Property, plant and equipment (excluding right-of-use assets)

Property, plant and equipment increased by 6.0 mEUR from 764.8 mEUR to 770.7 mEUR. This increase was mainly explained by:

- Acquisitions for 140.8 mEUR (146.1 mEUR in 2022), was mainly spent on international e-commerce logistics – including logistics real estate for Radial US instead of leasing – and on domestic fleet, operational infrastructure and parcels capacity; partially compensated by;
- Depreciation 121.7 mEUR and 0.4 mEUR impairment (108.2 mEUR in 2022);
- Exchange rate impact of 7.1 mEUR (increase of 10.1 mEUR in 2022).

All amortization and depreciation charges are included in the section “Depreciation, amortization and impairment” of the income statement.

6.16.2 Right-of-use assets and leases

The right-of-use assets decreased by 32.9 mEUR and amounted to 601.3 mEUR. This decrease was mainly explained by:

- Depreciations amounting to 151.9 mEUR (121.5 mEUR for buildings, 28.5 mEUR for vehicles and 1.8 mEUR for others leases);
- Disposals amounting to 27.1 mEUR;
- 6.6 mEUR of exchange rate differences;
  partially compensated by
- 98.9 mEUR additions (163.4 mEUR in 2022), mainly related additional warehouse leases and additional vehicles for distribution amongst other due to less short term leases compared to last year and higher lease cost for electric vans;
- 56.0 mEUR reassessments (67.8 mEUR in 2022) mainly explained by extension of lease duration and indexation.

bpost has lease contracts mainly for buildings (warehouses and post offices), vehicles, machinery and other equipment used in its operations. Lease terms and carrying amounts are detailed in the table hereunder:

IN MILLION EUR	USEFUL LIVES	CARRYING AMOUNT DEC 31, 2023	CARRYING AMOUNT DEC 31, 2022
Land and Buildings	3 to 25 years	531.9	572.3
Vehicles	4 or 5 years (8 years for trucks)	67.3	57.8
Machinery and other equipment	1 to 15 years	2.1	4.1
TOTAL		**601.3**	**634.2**

The carrying amounts and movements (including cash outflows) of the lease liabilities (under interest-bearing loans and borrowings) are being disclosed in note 6.25, whereas the maturity analysis is available in note 6.30.

bpostgroup has leases for vehicles with lease terms of 12 months or less (2023: 1.4 mEUR, 2022: 2.2 mEUR), disclosed under rent and rental costs, within operating expenses. There are no (material) leases with variable rent costs, nor material low value leases.

There are several lease contracts that include extensions and termination options. The major lease contract relates to Brussels X (NBX), the term of this lease contract is 15 years (until 2031) with 3 possible extensions of 5 years each. These extensions are currently not included into the lease term as it is not reasonable certain that these will be exercised. The impact per extension of 5 years is estimated to increase the overall lease liability by 5%.

The significant lease contracts that have not yet commenced are disclosed in 6.32 rights and commitments.

All amortization and depreciation charges are included in the section “depreciation, amortization and impairment” of the income statement.

bpostgroup as a lessor

bpostgroup has entered into operating leases on its investment property and some subleases related to certain office buildings and e-commerce fulfillment centers.

Future minimum rentals receivable under non-cancellable operating leases as at December 31 are, as follows:

For the year ended 31 December

IN MILLION EUR	2023	2022
Less than one year	2.3	1.1
Between one year and five years	6.7	3.0
More than five years	1.5	1.7
TOTAL	**10.5**	**5.7**

The increase of future minimum rental receivables as compared to last year was mainly explained by the sublease of the e-commerce fulfilment center of Active Ants UK singed in 2023.

The lease income related to leases in property is recognized in the section “Other operating income” (0.7 mEUR in 2023), whereas the income for subleases goes in deduction of the depreciation of the right-of-use assets.

6.17 Investment property

IN MILLION EUR	LAND AND BUILDINGS
ACQUISITION COST	
BALANCE AT 1 JANUARY 2022	**13.0**
Acquisitions	0.0
Transfer from/(to) other asset categories	(1.5)
BALANCE AT 31 DECEMBER 2022	**11.5**
BALANCE AT 1 JANUARY 2023	**11.5**
Acquisitions	0.0
Transfer from/(to) other asset categories	0.1
BALANCE AT 31 DECEMBER 2023	11.6
DEPRECIATION AND IMPAIRMENT LOSSES	
BALANCE AT 1 JANUARY 2022	**(8.8)**
Depreciations	0.0
Transfer from/(to) other asset categories	0.7
BALANCE AT 31 DECEMBER 2022	**(8.1)**
BALANCE AT 1 JANUARY 2023	**(8.1)**
Depreciations	0.0
Transfer from/(to) other asset categories	(0.1)
BALANCE AT 31 DECEMBER 2023	**(8.2)**
CARRYING AMOUNT	
At 31 December 2022	3.4
At 31 December 2023	3.4

Investment property mainly relates to apartments located in buildings used as post offices.

Investment properties are carried at acquisition cost less any accumulated depreciation and less any impairment loss. The depreciation amount is allocated on a systematic basis over useful life (in general 40 years).

The rental income of the investment property amounted to 0.7 mEUR (2022: 0.5 mEUR). The estimated fair value of the investment property is stable around 3.4 mEUR.

6.18 Assets held for sale

As at 31 December

IN MILLION EUR	2023	2022
ASSETS		
Property, plant and equipment	0.6	1.0
ASSETS HELD FOR SALE	**0.6**	**1.0**

Property, plant and equipment

The number of buildings recognized in assets held for sale amounted to 4 at the end of 2022 versus 8 at the end of 2023. These assets are retail outlets, offices or mail centers which are vacant as a consequence of the optimization of the post offices and mail center network.

Profits on disposal of 3.4 mEUR (2022: 6.5 mEUR) were accounted for in the income statement in the section 6.9 Other Operating Income.

6.19 Intangible assets

IN MILLION EUR	GOODWILL	DEVELOPMENT	SOFTWARE	CUSTOMER RELA-TIONSHIP	TRADENAME	TOTAL
COST						
BALANCE AT 1 JANUARY 2022	**652.2**	**177.8**	**205.8**	**121.4**	**47.5**	**1,204.7**
Acquisitions	0.0	6.2	12.2	(0.1)	0.0	18.3
Acquisitions and additions through business combinations	42.5	0.0	1.0	0.0	4.7	48.2
Disposals	(5.4)	(17.6)	(0.5)	(0.0)	0.0	(23.4)
Disposals via business combinations	(0.0)	0.0	0.0	0.0	0.0	(0.0)
Assets classified as held for sale or investment property	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Exchange rate difference	29.3	0.0	3.9	4.6	1.8	39.7
Other movements	(0.1)	0.4	(0.5)	0.1	0.0	0.0
BALANCE AT 31 DECEMBER 2022	**718.6**	**166.8**	**222.0**	**126.0**	**54.0**	**1,287.3**
BALANCE AT 1 JANUARY 2023	**718.6**	**166.8**	**222.0**	**126.0**	**54.0**	**1,287.3**
Acquisitions	0.0	6.7	7.1	0.0	0.0	13.9
Acquisitions and additions through business combinations	1.4	3.3	(0.0)	0.0	0.0	4.6
Disposals	0.0	0.0	(5.6)	0.0	0.0	(5.6)
Disposals via business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Assets classified as held for sale or investment property	0.0	0.0	0.0	0.0	0.0	0.0
Exchange rate difference	(18.0)	(0.2)	(2.6)	(2.8)	(1.1)	(24.7)
Other movements	0.0	6.8	(8.0)	3.6	(0.8)	1.6
BALANCE AT 31 DECEMBER 2023	**702.0**	**183.3**	**212.9**	**126.7**	**52.1**	**1,277.1**

IN MILLION EUR	GOODWILL	DEVELOPMENT	SOFTWARE	CUSTOMER RELA-TIONSHIP	TRADENAME	TOTAL
REVALUATION						
BALANCE AT 1 JANUARY 2022	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Assets classified as held for sale or investment property	0.0	0.0	0.0	0.0	0.0	0.0
Exchange rate difference	0.0	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE AT 31 DECEMBER 2022	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
BALANCE AT 1 JANUARY 2023	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Assets classified as held for sale or investment property	0.0	0.0	0.0	0.0	0.0	0.0
Exchange rate difference	0.0	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE AT 31 DECEMBER 2023	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

IN MILLION EUR	GOODWILL	DEVELOPMENT	SOFTWARE	CUSTOMER RELA-TIONSHIP	TRADENAME	TOTAL
AMORTIZATION AND IMPAIRMENT LOSSES						
BALANCE AT 1 JANUARY 2022	**(32.4)**	**(134.2)**	**(168.5)**	**(52.1)**	**(20.5)**	**(407.8)**
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	5.4	17.6	0.5	0.0	0.0	23.4
Disposals via business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	(15.3)	(15.3)	(7.6)	(4.6)	(42.7)
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
Assets classified as held for sale or investment property	0.0	0.0	0.1	(0.0)	0.0	0.1
Exchange rate difference	0.0	0.0	(2.6)	(1.3)	(0.7)	(4.6)
Other movements	0.1	(0.2)	(0.0)	0.1	(0.0)	(0.0)
BALANCE AT 31 DECEMBER 2022	**(27.0)**	**(132.0)**	**(185.9)**	**(60.9)**	**(25.8)**	**(431.6)**
BALANCE AT 1 JANUARY 2023	**(27.0)**	**(132.0)**	**(185.9)**	**(60.9)**	**(25.8)**	**(431.6)**
Acquisitions through business combinations	0.0	(2.9)	0.0	0.0	0.0	(2.9)
Disposals	0.0	0.0	5.6	0.0	0.0	5.6
Disposals via business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	(15.2)	(13.8)	(7.8)	(4.7)	(41.5)
Impairment losses	0.0	(0.0)	(0.0)	0.0	0.0	(0.0)
Assets classified as held for sale or investment property	0.0	0.0	0.0	0.0	0.0	0.0
Exchange rate difference	(0.1)	0.2	2.0	1.2	0.6	3.8
Other movements	0.0	(5.5)	8.3	(1.7)	(0.8)	0.4
BALANCE AT 31 DECEMBER 2023	**(27.1)**	**(155.5)**	**(183.8)**	**(69.2)**	**(30.6)**	**(466.2)**

IN MILLION EUR	GOODWILL	DEVELOPMENT	SOFTWARE	CUSTOMER RELA-TIONSHIP	TRADENAME	TOTAL
CARRYING AMOUNT						
At 31 December 2022	691.6	34.8	36.1	65.1	28.2	855.8
At 31 December 2023	674.9	27.9	29.1	57.5	21.5	810.9

Depreciation and impairment charges amounted to 41.5 mEUR in 2023 and are in line with last year (42.7 mEUR).

All amortization and depreciation charges are included in the section "Depreciation, amortization" of the income statement.

Intangible assets decreased by 44.9 mEUR, mainly due to:

- depreciation and impairment amounting to 41.5 mEUR;
- the evolution of the exchange rate (-20.9 mEUR), mainly related to the evolution of the goodwill in USD;
- partially compensated by increase in goodwill by 1.4 mEUR due to the acquisition of b2boost;
- acquisitions of 13.9 mEUR mainly related to ICT development costs capitalized and software.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquired entity.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) in accordance with IAS 36 Impairment of assets.

IN MILLION EUR	BELGIUM LAST MILE	PERSO-NALISED LOGISTICS	RADIAL EUROPE	ACTIVE ANTS	CROSS BORDER	E-LOGISTICS NORTH AMERICA	OTHER	TOTAL
BALANCE AT 1 JANUARY 2022	**54.7**	**20.0**	**13.4**	**29.9**	**0.0**	**501.2**	**0.7**	**619.7**
Acquisitions	22.3	0.0	0.0	0.0	20.2	0.0	0.0	42.5
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer	0.0	(2.0)	0.0	0.0	2.7	0.0	(0.6)	0.0
Exchange rate difference	0.0	0.0	(0.1)	0.0	(0.0)	29.4	0.0	29.3
BALANCE AT 31 DECEMBER 2022	**77.0**	**17.9**	**13.3**	**29.9**	**22.9**	**530.6**	**0.0**	**691.6**

IN MILLION EUR	BELGIUM LAST MILE	PERSO-NALISED LOGISTICS	RADIAL EUROPE	ACTIVE ANTS	CROSS BORDER	E-LOGISTICS NORTH AMERICA	OTHER	TOTAL
BALANCE AT 1 JANUARY 2023	**77.0**	**17.9**	**13.3**	**29.9**	**22.9**	**530.6**	**0.0**	**691.6**
Acquisitions	1.4	0.0	0.0	0.0	0.0	0.0	0.0	1.4
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exchange rate difference	0.0	0.0	0.2	0.0	0.0	(18.3)	0.0	(18.1)
BALANCE AT 31 DECEMBER 2023	**78.3**	**17.9**	**13.5**	**29.9**	**22.9**	**512.3**	**0.0**	**674.9**

The decrease of the goodwill from 691.6 mEUR to 674.9 mEUR is due to the evolution of the exchange rate partially compensated by the goodwill recognized from the acquisition of b2boost.

The goodwill related to the acquisition of b2boost in 2023 was allocated to the CGU Belgium Last Mile.

Goodwill is not amortized but is tested for impairment on an annual basis (December). For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) in accordance with IAS 36 Impairment of assets. The test consists of comparing the carrying amount of the assets (or group) of the CGUs with their recoverable amount.

The recoverable amounts are based on the value in use. The latter equals the present value of the future cash flows expected to be derived from each CGU or group of CGUs and is determined using the following inputs:

- most recent business plan and budgets, including detailed planning for EBITDA, net working capital and investment planning via capital expenditure or leasing, which covers a five year period. These business plans and budgets include the impact of bpostgroup's sustainability strategy to reduce Greenhouse Gas emissions.
- consideration of a terminal value determined from the cash flows obtained by extrapolating the cash flows of the last year of the business plan referred to above, affected by a long-term growth rate deemed appropriate for the activity and the location of the assets;
- discounting of expected cash flows at a rate determined using the weighted average cost of capital formula.

The assumption for which the recoverable amounts is the most sensitive for all CGU's tested is the EBITDA. The key assumption (EBITDA) in the budgets is based on past developments adapted for changing market conditions. The EBITDA is the result of volume evolutions, price evolution and cost improvement projects along with new value added services following the judgement and estimates made by management in developing the budgets and forecasts for the coming years.

The discount rate is estimated based on an extensive benchmarking with peers, so as to reflect the return investors would require if they were to choose an investment in the underlying assets. The peer group was divided into mail-related peers and parcels-related peers. Besides this, the different economic environment was also factored in the determination of the weighted average cost of capital (WACC). Driven by an increase of costs of debt, discount rates are above the ones applied during last year's testing.

The long-term growth rate was set at 0% for mail activities, 1% for last mile delivery and 2% for parcels activities and e-commerce logistics. The growth rates were determined based on internal expectations (same assumptions as for EBITDA evolution) and external sources and are consistent with real growth figures and expectations for the relevant sectors in which the CGUs operate and take into consideration the long-term inflation for Europe and United States.

The discount rates and the growth rates for the CGUs with material goodwill are shown in the following table:

	DISCOUNT RATES		GROWTH RATES	
	2023	2022	2023	2022
Belgium Last mile	7.8%	6.6%	1%	1%
Personalised logistics	9.2%	8.3%	2%	2%
Radial Europe	9.2%	8.3%	2%	2%
Active Ants	9.2%	8.3%	2%	2%
Cross Border	9.2%	8.3%	1%	1%
E-logistics North America	9.9%	9.9%	2%	2%

The impairment tests performed at CGU level did not lead to any impairment of assets, as the recoverable amounts of the CGUs were higher than their carrying amounts. The difference between the CGUs' carrying amount and their value in use (headroom) represents for Belgium Last Mile, Cross-Border and Active Ants at least more than 100% of their carrying amount. For Radial North America the headroom is around 50% and for Radial Europe and Personalized Logistics above 15%. As such, a reasonable change in a key assumption on which the recoverable amount of the CGUs is based would not result in an impairment loss for the related CGUs, except if the EBITDA would decrease significantly for Radial Europe and Personalized Logistics (see sensitivity analysis hereunder).

In this respect, for e-Logistics North America and Belgium Last Mile which are 2 CGU's with material goodwill and which represent 88% of the total amount of goodwill, the worst case sensitivity analysis below still leads to enough headroom. The sensitivity of the recoverable amount to changes in the key assumption, long-term growth rate and discount rate is shown in the following table:

	E-LOGISTICS NORTH AMERICA	BELGIUM LAST MILE	CROSS BORDER	ACTIVE ANTS	PERSONALISED LOGISTICS	RADIAL EUROPE
Sensitivity to long-term growth rate -1%	-8.6%	-9.5%	-7.4%	-10.2%	-10.1%	-11.7%
Sensitivity to long-term growth rate +1%	11.1%	12.7%	9.4%	13.4%	13.4%	15.5%
Sensitivity to discount rate -0.5 %	7.2%	7.8%	6.2%	8.4%	8.3%	9.4%

	E-LOGISTICS NORTH AMERICA	BELGIUM LAST MILE	CROSS BORDER	ACTIVE ANTS	PERSONALISED LOGISTICS	RADIAL EUROPE
Sensitivity to discount rate +0.5 %	-6.3%	-6.8%	-5.5%	-7.3%	-7.2%	-8.2%
Sensitivity to EBITDA margin -1.0 %	-12.3%	-14.4%	-11.5%	-10.8%	-27.4%	-31.2%
Sensitivity to EBITDA margin +1.0 %	12.3%	14.4%	11.5%	10.8%	27.4%	31.2%

6.20 Investment in associates and joint ventures

IN MILLION EUR	2023	2022
BALANCE AT 1 JANUARY	0.1	0.0
Share of results	0.0	0.0
BALANCE AT 31 DECEMBER	0.1	0.1

Investment in associates and joint ventures relates to the joint venture Jofico CV.

6.21 Trade and other receivables

As at 31 December

IN MILLION EUR	2023	2022
Contract costs - assets recognized to obtain or fulfil a contract	7.8	8.9
Receivable related to the sale of Ubiway Retail	0.0	2.0
Long-term guarantees	12.1	10.3
Subleases	6.8	5.6
Other receivables	4.9	6.2
NON-CURRENT TRADE AND OTHER RECEIVABLES	31.7	33.0

In 2022 bpostgroup sold Ubiway Retail, at the time of the sale bpostgroup emitted a 2.0 mEUR loan which has been transferred end of 2023 to current receivables.

As at 31 December

IN MILLION EUR	2023	2022
Trade receivables	668.8	656.9
Terminal dues	222.2	214.0
Tax receivables, other than income tax	5.8	6.6
Contract costs – assets recognized to obtain or fulfil a contract	4.1	3.5
Other receivables	68.6	60.3
CURRENT TRADE AND OTHER RECEIVABLES	969.5	941.3

As at 31 December

IN MILLION EUR	2023	2022
Accrued income	13.0	7.2
Deferred charges	40.9	41.3
Other receivables	14.7	11.8
CURRENT - OTHER RECEIVABLES	68.6	60.3

Current trade and other receivables increased by 28.2 mEUR to 969.5 mEUR (2022: 941.3 mEUR), mainly due to the increase of trade receivables by 11.8 mEUR, terminal dues 8.2 mEUR and accrued income by 5.8mEUR. The increase of the latter is in line with the increased financial income.

Tax receivables relate to the outstanding VAT amounts to be received.

Trade and other receivables are mainly short-term. The carrying amounts are considered to be a reasonable approximation of the fair value.

In terms of risk management, bpostgroup applies a simplified approach in calculating ECL's for trade and terminal dues receivables. Therefore, bpostgroup recognizes a loss allowance based on lifetime ECLs at each reporting date and has established a provision matrix that is based on its historical credit loss experience. The loss allowance amounted to 27.2 mEUR in 2023 compared to 29.0 mEUR in 2022. See note 6.29 Financial instruments and financial risk management.

6.22 Inventories

As at 31 December

IN MILLION EUR	2023	2022
Raw materials	11.0	5.4
Finished products	3.5	3.9
Goods purchased for resale	11.7	16.3
Reductions in value	(0.7)	(1.1)
INVENTORIES	**25.4**	**24.5**

Raw materials include consumables, i.e. materials used for printing purposes. Finished products are stamps available for sale. Goods purchased for resale mainly include post cards, supplies for resale and press distribution inventory.

6.23 Cash and cash equivalents

As at 31 December

IN MILLION EUR	2023	2022
Cash in postal network	122.5	143.9
Transit accounts	79.1	65.8
Cash payment transactions under execution	(28.5)	(24.0)
Bank current accounts	447.0	680.6
Cash equivalents	250.6	184.7
CASH AND CASH EQUIVALENTS	**870.6**	**1,051.0**

Cash and cash equivalents decreased by 180.4 mEUR, mainly due to the financing activities (-428.7 mEUR) which outpaced the free cash flow (+223.8 mEUR). The financing activities were mainly impacted by the reimbursement in the fourth quarter of the maturing 185.0 mUSD term loan, the payment of dividends (80.3 mEUR) and furthermore mainly consist of payments related to lease liabilities.

Cash equivalents consists of deposit accounts, term deposits, commercial papers and money market funds predominantly made by bpost SA/NV. These very short-term investments are readily convertible into a known amount of cash and usually mature within three months or less of the investment date.

Note furthermore that bpost also has two undrawn revolving credit facilities for a total amount of 375.0 mEUR, see note 6.31 "rights and commitments".

6.24 Interest-bearing loans and borrowings

As at 31 December 2022

			NON-CASH FLOW CHANGES								
IN MILLION EUR	2021	CASH FLOWS	FOREIGN EXCHANGE MOVEMENT	ADDITION	REASSESSMENT	DISPOSAL	DISPOSAL THROUGH BUSINESS COMBINATIONS	TRANSFER	TRANSFER TO AHFS	OTHER	2022
Bank loans	163.3	0.0	10.1	0.0	0.0	0.0	0.0	(173.4)	0.0	0.0	0.0
Long-term bond	644.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	646.0
Other loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Current Lease liabilities	453.1	0.0	10.2	161.4	68.1	(12.8)	3.6	(160.8)	0.0	12.0	534.9
NON CURRENT INTEREST-BEARING LOANS AND BORROWINGS	**1,261.2**	**0.0**	**20.3**	**161.4**	**68.1**	**(12.8)**	**3.6**	**(334.3)**	**0.0**	**13.2**	**1,180.9**

			NON-CASH FLOW CHANGES								
IN MILLION EUR	2021	CASH FLOWS	FOREIGN EXCHANGE MOVEMENT	ADDITION	REASSESSMENT	DISPOSAL	DISPOSAL THROUGH BUSINESS COMBINATIONS	TRANSFER	TRANSFER TO AHFS	OTHER	2022
Bank loans	9.1	(13.1)	0.0	0.0	0.0	0.0	4.0	173.4	0.0	0.0	173.4
Commercial papers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)
Current Lease liabilities	107.3	(137.0)	1.9	0.5	0.0	(0.1)	0.3	160.8	0.0	0.1	134.1
CURRENT INTEREST-BEARING LOANS AND BORROWINGS	**116.4**	**(150.1)**	**1.9**	**0.5**	**0.0**	**(0.1)**	**4.3**	**334.3**	**0.0**	**0.1**	**307.3**

As at 31 December 2023

			NON-CASH FLOW CHANGES								
IN MILLION EUR	2022	CASH FLOWS	FOREIGN EXCHANGE MOVEMENT	ADDITION	REASSESSMENT	DISPOSAL	DISPOSAL THROUGH BUSINESS COMBINATIONS	TRANSFER	TRANSFER TO AHFS	OTHER	2023
Bank loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term bond	646.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	647.1
Other loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Current Lease liabilities	534.9	0.0	(5.6)	98.9	56.1	(27.6)	0.0	(167.5)	0.0	15.7	504.9
NON CURRENT INTEREST-BEARING LOANS AND BORROWINGS	**1,180.9**	**0.0**	**(5.6)**	**98.9**	**56.1**	**(27.6)**	**0.0**	**(167.5)**	**0.0**	**16.8**	**1,152.0**

Non-current interest-bearing loans and borrowings slightly decreased by 29.0 mEUR to 1,152.0 mEUR, this decrease was mainly explained by the decrease of the lease liabilities. All movements related to additions and lease details are explained in note 6.16.

			NON-CASH FLOW CHANGES								
IN MILLION EUR	2022	CASH FLOWS	FOREIGN EXCHANGE MOVEMENT	ADDITION	REASSESSMENT	DISPOSAL	DISPOSAL THROUGH BUSINESS COMBINATIONS	TRANSFER	TRANSFER TO AHFS	OTHER	2023
Bank loans	173.4	(170.0)	(14.6)	0.0	0.0	0.0	0.0	0.0	0.0	11.2	0.0
Commercial papers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other loans	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Current Lease liabilities	134.1	(160.7)	(1.9)	0.0	0.0	0.0	0.0	167.5	0.0	0.0	139.0
CURRENT INTEREST-BEARING LOANS AND BORROWINGS	**307.3**	**(330.7)**	**(16.5)**	**0.0**	**0.0**	**0.0**	**0.0**	**167.5**	**0.0**	**11.4**	**139.0**

Current interest-bearing loans and borrowings decreased by 168.3 mEUR to 139.0 mEUR, mainly explained by the reimbursement of the maturing 185.0 mUSD term loan.

Note that the total of the columns “cash flow” mentioned in the table above amounted to -330.7 mEUR and can be found in the cash flow statement disclosed as payments related to borrowings and related to lease liabilities. Interests related to borrowings (-17.5 mEUR) within the cash flow are related to the interests on the term loan and the yield of bond booked on the trade and other payable accounts, hence are not being disclosed in this note.

Note furthermore that bpost also has two undrawn revolving credit facilities for a total amount of 375.0 mEUR, see note 6.31 “rights and commitments”.

There are no convenants on the loans.

6.25 Employee benefits

bpostgroup grants its active and retired personnel post-employment benefits, other long term benefits and termination benefits. These benefit plans have been valued in conformity with IAS 19. Some of them originate from measures negotiated in the framework of Collective Labor Agreements (“CLA”). The benefits granted under these plans differ depending on the categories of bpostgroup’s employees: civil servants (also known as statutory employees) and contractual employees. It should also be mentioned that bpost NV/SA has 3 types of contractual employees: pay scale contractual employees, non-pay scale contractual employees and logistic and postal workers.

The employee benefits are as follows:

As at 31 December

IN MILLION EUR	2023	2022
Post-employment benefits (note 6.25.1)	14.9	17.3
Other long-term benefits (note 6.25.2)	225.8	217.7
Termination benefits (note 6.25.3)	9.1	9.2
TOTAL	**249.8**	**244.2**

Net of the deferred tax assets related to them, employee benefits amount to 242.8 mEUR (2022: 240.1 mEUR).

As at 31 December

IN MILLION EUR	2023	2022
Employee benefits	249.8	244.2
Deferred tax assets impact	(7.0)	(4.1)
EMPLOYEE BENEFITS NET OF DEFERRED TAX	**242.8**	**240.1**

The net liability for employee benefits comprises the following:

As at 31 December

IN MILLION EUR	2023	2022
Present value of total obligations	319.7	305.7
Fair value of plan assets	(69.9)	(61.5)
Present value of net obligations	249.8	244.2
NET LIABILITY	**249.8**	**244.2**
Employee benefits amounts in the statement of financial position		
Liabilities	249.8	244.2
NET LIABILITY	**249.8**	**244.2**

The changes in the present value of the obligations are as follows:

IN MILLION EUR	2023	2022
Present value at 1 January	305.7	384.7
Service cost	24.5	29.0
-Current service cost	26.3	29.0
-Past service cost	(1.7)	0.0
Net interest	10.6	3.1
Benefits paid	(32.9)	(33.8)
Remeasurement (gains)/losses in P&L	8.4	(45.4)
-Actuarial (gains)/losses	8.4	(45.4)
Remeasurement (gains)/losses in OCI	3.3	(32.0)
-Actuarial (gains)/losses	3.3	(32.0)
DEFINED BENEFIT OBLIGATION AT 31 DECEMBER	**319.7**	**305.7**

The fair value of the plan assets can be reconciled as follows:

IN MILLION EUR	2023	2022
Fair value of plan assets at 1 January	(61.5)	(86.5)
Contributions by employer	(34.5)	(32.9)
Contributions by employee	(1.9)	(1.6)
Benefits paid	32.9	33.8
Interest (income)/cost on assets (P&L item)	(2.4)	(0.9)
Actuarial (gain)/loss on assets (OCI item)	(2.5)	26.7
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	**(69.9)**	**(61.5)**

The plan assets relate to the group insurance's benefit in accordance with IAS 19. These plan assets are held by a third party insurance company, and are composed of the reserves accumulated from the employer and employee contributions (insured contracts with a guaranteed return).

2023 changes in the defined benefit obligation and fair value of plan assets:

IN MILLION EUR	DEFINED BENEFIT OBLIGATION	FAIR VALUE OF PLAN ASSETS	NET LIABILITY
1 JANUARY 2023	**305.7**	**(61.5)**	**244.2**
Service cost	24.5	0.0	24.5
Contributions by employee	0.0	(1.9)	(1.9)
Actuarial (gains)/losses reported as operating	(4.0)	0.0	(4.0)
Subtotal included in Payroll P&L (note 6.12)	**20.5**	**(1.9)**	**18.7**
Interest cost	10.6	0.0	10.6
Interest (income)/cost on assets (P&L item)	0.0	(2.4)	(2.4)
Actuarial (gains)/losses reported as financial	12.4	0.0	12.4
Subtotal included in Financial P&L (note 6.13)	**23.0**	**(2.4)**	**20.6**
Benefits paid	(32.9)	32.9	0.0
Contributions by employer	0.0	(34.5)	(34.5)
SUBTOTAL CASH FLOWS STATEMENT	**10.7**	**(5.9)**	**4.8**
Remeasurement (gains)/losses in OCI	3.3	(2.5)	0.8
31 DECEMBER 2023	**319.7**	**(69.9)**	**249.8**

The expense recognized in the income statement is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Service cost	22.7	27.4
-Current service cost	24.4	27.4
-Past service cost	(1.7)	0.0
Net interest	8.2	2.2
Remeasurement (gains)/losses	8.4	(45.4)
- Actuarial (gains)/losses reported as financial	12.4	(47.2)
- Actuarial (gains)/losses reported as operating	(4.0)	1.9
NET EXPENSE	**39.3**	**(15.8)**

As regards to post-employment benefits, actuarial gains and losses (both financial and operating) are recognized in other comprehensive income. While, actuarial gains and losses (both financial and operating) on other long-term benefits and termination benefits are recognized immediately in the income statement. Net interest and financial actuarial gains and losses are presented in financial costs. Service cost and operating actuarial gains and losses are presented in payroll costs.

The impact on payroll costs and financial costs in the income statement is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Payroll costs	18.7	29.3
Financial costs	20.6	(45.0)
NET EXPENSE	**39.3**	**(15.8)**

The increase of the financial costs was mainly due to the evolution of the discount rates, which last year significantly increased whereas in 2023 there was a slight decrease in rates. The first triggered one-off non-cash positive financial income related to IAS 19 employee benefits in 2022, whereas the latter triggered non-cash negative financial costs related to IAS 19 employee benefits in 2023.

The expense recognized in the other comprehensive income is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Remeasurement gains/(losses)	0.8	(5.3)
- Actuarial (gains)/losses	0.8	(5.3)
NET EXPENSE	**0.8**	**(5.3)**

The main assumptions used in computing the benefit obligations at the statement of financial position date are the following:

	2023	2022
Rate of inflation	First year: 4% Years after: 2.5%	First year: 6% Years after: 2.5%
Future salary increase	< 40 yo: Inflation + 1.5% Merit [40-50] yo: Inflation +1.0% Merit > 50 yo: Inflation + 0.5% Merit"	< 40 yo: Inflation + 1.5% Merit [40-50] yo: Inflation +1.0% Merit > 50 yo: Inflation + 0.5% Merit"
Medical cost trend rate	5.0%	5.0%
Mortality tables	MR/FR-2	MR/FR-2

The discount rates have been determined by reference to market yields at the statement of financial position date. The discount rates used in 2023 range from 3.20% to 3.95% (2022: 3.25% to 3.90%):

		DISCOUNT RATE		NET LIABILITY
BENEFIT	DURATION	2023	2022	2023
Family allowances	5.4	3.25%	3.85%	10.4
Funeral expense	6.4	3.25%	3.85%	1.9
Gratification	from 9.5 to 10.4	3.25%	from 3.85% to 3.90%	1.3
Group insurance	from 8.4 to 14.2	3.20%	from 3.75% to 3.85%	1.2
Accumulated compensated absences	2.8	3.20%	3.65%	14.3
Workers compensation in case of accidents	10.3	3.20%	3.75%	100.8
Medical expenses in case of accidents	13.8	3.20%	3.75%	6.8
Pension saving days	8.1	3.25%	3.85%	84.3
Jubilee Premiums	from 4.1 to 6.3	3.25%	from 3.80% to 3.90%	0.9
DSPR/DVVP for Job Mobility Center	6.9	3.25%	3.90%	13.6
Part-time regime (54+)	from 0.5 to 4.7	3.20%	3.60%	4.9
Early retirement scheme	from 0.4 to 1.9	from 3.20% to 3.95%	from 3.25% to 3.45%	9.1

The average duration of the defined benefit plan obligation at the end of 2023 is 9.2 years (2022: 9.0 years).

A quantitative sensitivity analysis for significant assumptions at December 31, 2023 has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

This sensitivity analysis is outlined here below:

	DISCOUNT RATE		MORTALITY TABLE MR/FR	MEDICAL TREND RATE
IN MILLION EUR	50 BP INCREASE	50 BP DECREASE	DECREASE BY 1 YEAR	100 BP INCREASE
Impact on defined benefit obligation (decrease)/increase	(13.7)	14.8	4.2	1.0

The following are the expected payments or contributions to the defined benefit plan in future years:

IN MILLION EUR	2023
Within the next 12 months	21.6
Between 2 and 5 years	88.5
Between 5 and 10 years	106.1
Beyond 10 years	223.3
TOTAL EXPECTED PAYMENTS	**439.5**

6.25.1 Post-employment

Post-employment benefits include family allowances, funerary costs, retirement gifts and Belgian group insurances.

Family allowances

bpost NV/SA civil servants (both active and retired) with dependents (youngsters and disabled) receive a family allowance from Office National d'Allocations Familiales pour Travailleurs Salariés (ONAFTS) – Rijksdienst voor Kinderbijslag voor Werknemers (RKW). The financing methodology of family allowances for civil servants has changed due to a law change (law of 19 December 2014). As a consequence, bpost as a public institution pays a contribution that is defined by a program law. The amount is adapted each year proportionally to the number of civil servants (full time equivalents) and is subject to inflation.

Bank

bpost NV/SA civil servants and contractual employees (both active and retired) could benefit from a reduction of the fees charged on the current account as well as favorable interest rates and/or reductions on savings certificates, investment funds, insurances and loans. In January 2024, bpost bank will be definitively integrated into BNP Paribas Fortis followings bpost's sale of its participation in bpost bank. This integration will have as a consequence that it will no longer be possible to grant advantages on banking products for bpost employees, active and retired. As a result, the underlying liability was extinguished on December 31, 2023 and a past service cost of 1.7 mEUR has been recognized.

Group Insurance

bpostgroup offers to its active contractual employees (under certain conditions such as the function level) a pension plan (lump sum benefit at retirement), insured with an insurance company in which contributions are defined in the plan rules (DC plan under Belgian legislation). Since the introduction of the WAP/LPC legislation in Belgium these plans have the characteristics of a defined benefit plan under IAS 19.

The employer is legally required to guarantee a certain return on the plan assets. Before the change in the WAP/LPC law end of 2015, bpost had to provide the legal minimum return of 3.25% on employer contributions (after costs on premiums) and 3.75% on employee contributions. The legal minimum return on employer contributions is a "career average" return and not a year-by-year return where the legal minimum on the employee contributions should be granted on a year-by-year basis. With the change in the WAP/LPC law end of December 2015, as from 2016, the minimum return for future contributions is equal to the average past 24 months return on 10-year linear bonds with a minimum of 1.75% p.a. and a maximum of 3.75% p.a. Part of this return is guaranteed by the insurance company (contractual interest guarantee).

bpost uses the PUC methodology but without projection of future contributions and salaries as the plans are not backloaded (contributions do not increase with age). The only reason why contributions may materially increase at a later stage of a career is linked to salary increases being higher than indexations in step rate plans. bpost applies paragraph 115 of IAS 19 for determining the asset value. The assets and liabilities are determined taking into account contractual interest guarantees on mathematical reserves, guaranteed by the insurance company. Applying paragraph 115 may result in higher assets than the reserves when guaranteed interest rates are higher than the discount rates, resulting in a lower net liability (and vice versa). Currently, discount rates are higher than the guaranteed interest rates by the insurance company, resulting in lower assets.

The net liability for employee post-employment benefits comprises the following:

As at 31 December

IN MILLION EUR	2023	2022
Present value of total obligations	84.8	78.8
Fair value of plan assets	(69.9)	(61.5)
Present value of net obligations	14.9	17.3
NET LIABILITY	**14.9**	**17.3**
Employee benefits amounts in the statement of financial position		
Liabilities	14.9	17.3
NET LIABILITY	**14.9**	**17.3**

The changes in the present value of the obligations are as follows:

IN MILLION EUR	2023	2022
Present value at 1 January	78.8	109.8
Service cost	10.0	11.1
- Current service cost	11.7	11.1
- Past service cost	(1.7)	0.0
Net interest	2.8	1.1
Benefits paid	(10.1)	(11.2)
Remeasurement (gains)/losses in P&L	0.0	0.0
- Actuarial (gains)/losses	0.0	0.0
Remeasurement (gains)/losses in OCI	3.3	(32.0)
- Actuarial (gains)/losses	3.3	(32.0)
DEFINED BENEFIT OBLIGATION AT 31 DECEMBER	**84.8**	**78.8**

The fair value of the plan assets is presented as follows:

IN MILLION EUR	2023	2022
Fair value of plan assets at 1 January	(61.5)	(86.5)
Contributions by employer	(11.7)	(10.3)
Contributions by employee	(1.9)	(1.6)
Benefits paid	10.1	11.2
Interest (income)/cost on assets (P&L item)	(2.4)	(0.9)
Actuarial (gain)/loss on assets (OCI item)	(2.5)	26.7
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	**(69.9)**	**(61.5)**

The expense recognized in the income statement is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Service cost	8.1	9.5
- Current service cost	9.9	9.5
- Past service cost	(1.7)	0.0
Net interest	0.4	0.1
Remeasurement (gains)/losses	0.0	0.0
- Actuarial (gains)/losses reported as financial	0.0	0.0
- Actuarial (gains)/losses reported as operating	0.0	0.0
NET EXPENSE	**8.5**	**9.6**

The impact on payroll costs and financial costs is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Payroll costs	8.1	9.5
Financial costs	0.4	0.1
NET EXPENSE	**8.5**	**9.6**

The expense recognized in other comprehensive income is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Remeasurement (gains)/losses	0.8	(5.3)
- Actuarial (gains)/losses	0.8	(5.3)
NET EXPENSE	**0.8**	**(5.3)**

6.25.2 Other long-term employee benefits

Other long-term employee benefits include accumulated compensated absences, pension saving days, part-time benefits, worker compensation in case of accident, medical expenses in case of accident, jubilee premiums and DSPR/DVVP for Job Mobility Center.

Accumulated Compensated Absences

bpost NV/SA civil servants are entitled to 21 sick-days per year. During these 21 days and if they have received the appropriate note from a doctor, they receive 100% of their salary. If in any given year, a civil servant is absent less than 21 days, the balance of the unused sickness days is carried over to the following years up to a maximum of 63 days (see section Pension saving days hereinafter). Employees who are ill for more than 21 days during a year will first use up the year's allotment and then use the days carried over from previous years as per their individual account. During this period, they will receive their full salary. Once the allotment of the year and the days carried over are used up, they receive reduced payments.

Both the full salary paid under the “sick-days” scheme and the reduced payments beyond that are costs incurred by bpost.

There was no modification to the calculation methodology compared to 2022. The valuation is based on the future “projected payments / cash outflows”. The cash outflows are calculated for the totality of the population considered, based on a certain consumption pattern, derived from the statistics over the 12 months of 2023. The individual notional accounts are projected for the future and decreased by the actual number of days of illness.

The annual payment is the number of days used (and limited by the number of days in the savings account) multiplied by the difference between the projected salary (increased with social charges) at 100% and the reduced payments. The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

Pension saving days

bpost NV/SA civil servants have the possibility to convert the unused sick days above the 63 days in their “notional” account (see above “Accumulated Compensated Absences“ benefit) in pension saving days (7 sick days per 1 pension saving day) and to convert each year a maximum of 3 days of extra-legal holidays. bpost NV/SA pay scale contractual employees with a permanent contract are entitled to a maximum of 2 pension saving days per year and have the possibility to convert each year a maximum of 3 days of extra-legal holidays. The pension saving days are accumulated year over year and can be used as from the age of 50.

The methodology of valuation is based on the same approach as the benefit “Accumulated Compensated Absences“. The valuation is based on the future “projected payments / cash outflows”. These are calculated for the totality of the population considered, based on a certain “consumption” pattern, derived from the statistics over the 12 months of 2023, as provided by the human resources department. The individual “pension saving days” accounts are projected per person and decreased by the actual number of used pension saving days.

The annual payment is the number of pension saving days used multiplied by the projected daily salary (increased with social charges, holiday pay, end of year premium, management and integration premium). The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

Part-time regime (54+)

The regulatory framework regarding part-time regime for bpost NV/SA employees (plans accessible to civil servants and pay scale contractual employees only) is as follows:

- Framework Agreement of December 20, 2012: partial (50%) career interruption is accessible to the distributors aged 54 and older. bpost NV/SA makes contributions equal to 7.5% of the gross annual salary for a maximum period of 72 months.
- Framework Agreement of May 22, 2014: the plan approved in 2012 and accessible to the distributors is extended to the employees working during night, the plan is accessible as from 55 years old. bpost NV/SA makes contributions equal to 7.5% of the gross annual salary for a maximum period of 72 months.
- Framework Agreement of June 2, 2016 : the plan approved in 2012 for distributors and extended in 2014 to employees working during night is also applicable for collect agents. bpost NV/SA makes contributions equal to 7.5% of the gross annual salary for a maximum period of 72 months. The plan is valid until December 2016.
- Framework Agreement of September 30, 2016: (i) for the distributors, collect agents and the employees working during night, the plan is accessible as from 55 years old and (ii) for the other employees, the minimum age required is 57 years old. bpost NV/SA makes contributions equal to 7.5% of the gross annual salary for a maximum period of 72 months for the night workers, distributors and collect agents and 48 months for the other beneficiaries of the plan. This plan is extended until December 2022 following the Framework Agreement of June 17, 2021.
- Framework Agreement of May 25, 2023: (i) for the distributors, collect agents and the employees working during night, the plan is accessible as from 55 years old and (ii) for the other employees, the minimum age required is 57 years old. bpost NV/SA makes contributions equal to 7.5% of the gross annual salary for a maximum period of 72 months for the night workers, distributors and collect agents and 48 months for the other beneficiaries of the plan. This plan is open until December 2024.

Workers Compensation in case of Accident

Until October 1, 2000, bpost NV/SA was self-insured for injuries at the workplace and on the way to and from the workplace. As a result, all compensations to workers for accidents which occurred before October 1, 2000 are incurred and financed by bpost itself.

Since October 1, 2000, bpost NV/SA has contracted insurance policies to cover such risk.

DSPR/DVVP for Job Mobility Center

The Framework Agreement of September 30, 2016 defined a Dispense Précédant la Retraite/ Dienstvrijstelling voorafgaand aan de Pensionering (“DSPR/DVVP”) plan for the Job Mobility Center. This plan foresees for an indefinite duration that bpost NV/SA civil servants aged as from 61 years old who are attached to the Job Mobility Center and who are still attached to it after a period of one year will be released from service. bpost NV/SA continues to pay to the beneficiaries 70% of their salary at departure and until they reach retirement age, with a maximum of 5 years.

The net liability for other long-term benefits comprises the following:

As at 31 December

IN MILLION EUR	2023	2022
Present value of total obligations	225.8	217.7
Fair value of plan assets	0.0	0.0
Present value of net obligations	225.8	217.7
NET LIABILITY	**225.8**	**217.7**
Employee benefits amounts in the statement of financial position		
Liabilities	225.8	217.7
NET LIABILITY	**225.8**	**217.7**

The changes in the present value of the obligations are as follows:

IN MILLION EUR	2023	2022
Present value at 1 January	217.7	266.2
Service cost	12.1	12.7
- Current service cost	12.1	12.7
Net interest	7.6	2.1
Benefits paid	(18.2)	(18.3)
Remeasurement (gains)/losses in P&L	6.5	(45.1)
- Actuarial (gains)/losses	6.5	(45.1)
Remeasurement (gains)/losses in OCI	0.0	0.0
- Actuarial (gains)/losses	0.0	0.0
DEFINED BENEFIT OBLIGATION AT 31 DECEMBER	**225.7**	**217.7**

The expense recognized in the income statement is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Service cost	12.1	12.7
- Current service cost	12.1	12.7
Net interest	7.6	2.1
Remeasurement (gains)/losses	6.5	(45.1)
- Actuarial (gains)/losses reported as financial	12.3	(47.1)
- Actuarial (gains)/losses reported as operating	(5.8)	1.9
NET EXPENSE	**26.3**	**(30.3)**

The impact on payroll costs and financial costs is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Payroll costs	6.3	14.7
Financial costs	19.9	(45.0)
NET EXPENSE	**26.3**	**(30.3)**

6.25.3 Termination benefits

Early Retirement scheme

The bpost NV/SA early retirement plan is covered by the Framework Agreement of September 30, 2016 and accessible to civil servants under certain conditions of age, seniority and service organization. bpost NV/SA continues to pay to the beneficiaries 75% of their salary at departure and until they reach retirement age, with a maximum of 5 years. This plan has an indefinite duration.

The AMP retirement plans are as follows :

- In 2011, a first plan of early retirement had been announced in the framework of a restructuring under the procedure Renault. The plan was accessible for people with a minimum age of 55 year and will end in 2021. AMP pays on monthly base an indemnity till the moment of the legal retirement. The payment corresponds to 80% of the difference between : (the last net salary * 14.92) /12 and the social allowance. The plan was presented to the Works Council on September 22, 2011 and was open until September 22, 2013.
- A second plan of early retirement had been announced in 2014 in the framework of a restructuring under the procedure Renault. The plan was accessible for people with a minimum age of 55 year and will end in 2024. AMP pays on monthly base an indemnity till the moment of the legal retirement. The payment corresponds to 80% of the difference between : (the last net salary * 14.92) /12 and the social allowance. The plan was presented to the Works Council on May 22, 2014 and was open until September 09, 2016.
- Given the economic and financial challenges, a concept of soft exit for employees with a financial incentive has been put in place. Employees older than 55 year could opt for a part-time career interruption in combination with early legal retirement or early legal retirement. During the career interruption, the employee receives a monthly additional premium and a one-off premium when they reach the early retirement age (24,000 EUR for day workers and 38,000 EUR for night workers). Employees above 59 years, opting for early legal retirement receive the one-off premium as well. The plan was presented to the Works Council on September 16, 2020 and was open until December 31, 2020. A second plan was presented to the Works Council in 2022 and was open until June 2023.

The employee benefit related to the early retirement schemes gives rise to a liability because (i) the employment is terminated before the normal retirement age and (ii) it is the employee’s decision to accept the offer made by the company in exchange.

The net liability for termination benefits comprises the following:

As at 31 December

IN MILLION EUR	2023	2022
Present value of total obligations	9.1	9.2
Fair value of plan assets	0.0	0.0
Present value of net obligations	9.1	9.2
NET LIABILITY	**9.1**	**9.2**
Employee benefits amounts in the statement of financial position		
Liabilities	9.1	9.2
NET LIABILITY	**9.1**	**9.2**

The changes in the present value of the obligations are as follows:

IN MILLION EUR	2023	2022
Present value at 1 January	9.2	8.7
Service cost	2.4	5.2
- Current service cost	2.4	5.2
Net interest	0.2	(0.0)
Benefits paid	(4.6)	(4.4)
Remeasurement (gains)/losses in P&L	1.9	(0.2)
- Actuarial (gains)/losses	1.9	(0.2)
Remeasurement (gains)/losses in OCI	0.0	0.0
- Actuarial (gains)/losses	0.0	0.0
DEFINED BENEFIT OBLIGATION AT 31 DECEMBER	**9.2**	**9.2**

The expense recognized in the income statement is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Service cost	2.4	5.2
- Current service cost	2.4	5.2
Net interest	0.2	(0.0)
Remeasurement (gains)/losses	1.9	(0.2)
- Actuarial (gains)/losses reported as financial	0.1	(0.2)
- Actuarial (gains)/losses reported as operating	1.8	(0.1)
NET EXPENSE	**4.5**	**4.9**

The impact on payroll costs and financial costs is presented hereafter:

As at 31 December

IN MILLION EUR	2023	2022
Payroll costs	4.2	5.1
Financial costs	0.3	(0.2)
NET EXPENSE	**4.5**	**4.9**

6.26 Trade and other payables

As at 31 December

IN MILLION EUR	2023	2022
Trade payables	2.4	2.2
Other payables	0.0	23.7
NON-CURRENT TRADE AND OTHER PAYABLES	**2.4**	**25.9**

Last year’s non-current other payables were related to the purchase of the minority shares of Active Ants International, Anthill and Marceau (IMX). The decrease compared to last year was explained by the transfer of the liability for the minority shares of Marceau (IMX) to current payables as at reporting date the call and put for the remaining shares can be exercised within the year. Furthermore in 2023 bpostgroup bought the remaining shares of Anthill BV and Active Ants International, see note business combinations.

As at 31 December

IN MILLION EUR	2023	2022
Trade payables	337.3	387.5
Collected proceeds due to clients	66.4	65.5
Terminal dues	273.3	298.4
Payroll and social security payables	399.1	421.6
Tax payable other than income tax	11.6	10.0
Transit account franking machines	12.0	10.3
Working capital provided for postal financial services	18.8	18.8
Cash guarantees received	10.6	11.5
Accruals (excluding terminal dues)	189.9	181.8
Deferred income	58.7	73.6
Contingent considerations	11.0	0.0
Other payables	41.5	15.5
CURRENT TRADE AND OTHER PAYABLES	**1,430.1**	**1,494.4**

The carrying amounts are considered to be a reasonable approximation of the fair value.

The decrease of current trade and other payables by 64.3 mEUR to 1,430.1 mEUR was mainly explained by:
- the decrease of the outstanding payroll and social security payables (22.5 mEUR), mainly due to the unwinding of the deferred payment of withholding taxes on payroll end 2022 (30.6 mEUR) - a measure granted by the Belgian government in the context of the energy crisis – in the first half of 2023, and;
- the decrease trade payables and terminal dues from postal operators by 75.3 mEUR.

Contract liabilities

As at 31 December

IN MILLION EUR	2023	2022
Stamps sold not yet used and credit on franking machine	39.9	53.1
Other contract liabilities	18.7	18.5
CONTRACT LIABILITIES	**58.6**	**71.6**

The considerations paid already by customers that have been allocated to the remaining performance obligation that are (partially) unsatisfied at reporting date amounted to 39.9 mEUR and are mainly related to stamps and credits on franking machine sold but not yet used by customers at balance sheet date. At year end the performance obligation for the SGEI has been satisfied and no contract liabilities are recorded.

6.27 Provisions

IN MILLION EUR	LITIGATION	ENVIRONMENT	ONEROUS CONTRACT	RESTRUCTURING & OTHER	TOTAL
BALANCE AT 1 JANUARY 2022	**17.2**	**0.5**	**1.4**	**6.7**	**25.8**
Additional provisions recognized	3.3	0.0	1.2	6.2	10.6
Provisions used	(0.6)	0.0	(1.2)	(2.7)	(4.5)
Provisions reversed	(2.4)	0.0	0.0	(2.8)	(5.2)
Exchange rate difference	(0.0)	0.0	0.0	0.0	0.0
BALANCE AT 31 DECEMBER 2022	**17.3**	**0.5**	**1.4**	**7.4**	**26.7**
Non current balance at end of year	14.1	0.5	0.5	0.1	15.2
Current balance at end of year	3.3	0.0	0.9	7.3	11.5
	17.3	**0.5**	**1.4**	**7.4**	**26.7**
BALANCE AT 1 JANUARY 2023	**17.3**	**0.5**	**1.4**	**7.4**	**26.7**
Additional provisions recognized	88.0	0.3	(0.0)	3.9	92.2
Provisions used	(1.5)	0.0	(1.2)	(4.1)	(6.8)
Provisions reversed	(4.0)	(0.4)	(0.3)	(1.3)	(6.0)
Exchange rate difference	(0.0)	0.0	(0.0)	0.0	(0.0)
Other movements	0.0	0.0	0.0	0.0	0.0
BALANCE AT 31 DECEMBER 2023	**99.8**	**0.4**	**0.0**	**5.9**	**106.0**
Non current balance at end of year	10.9	0.4	0.0	0.3	11.5
Current balance at end of year	88.9	0.0	0.0	5.7	94.5
	99.8	**0.4**	**0.0**	**5.9**	**106.0**

The provision for **litigation**, representing the expected financial outflow relating to different (actual or imminent) litigations between bpost and third parties, amounted to 99.8 mEUR as per December 31, 2023 and increased by 82.4 mEUR compared to December 2022 mainly driven by the provision related to compliance reviews (82.5 mEUR). The period anticipated for the cash outflows pertaining thereto is dependent on developments in the length of the underlying proceedings for which the timing remains uncertain.

At the start of 2023, bpost has voluntarily launched 3 compliance reviews, following the compliance review conducted in 2022 with regard to (the tender for) the concession for the delivery of newspapers and magazines in Belgium. These compliance reviews specifically concerned the processing of traffic fines, the management of 679 accounts, and the delivery/cancellation of licence plates.

A thorough investigation was carried out, using external experts and forensic investigative methods. The main findings have been shared in the meanwhile with the relevant public services, in a spirit of close cooperation and resolution.

Certain compliance reviews revealed that a limited number of people inside and outside the company acted against the Code of Conduct of bpostgroup and potentially applicable laws and regulation. Within this context, bpostgroup took disciplinary action, including in certain cases termination of collaboration.

Traffic fines (Cross Border Fines – CBF)

<u>Background</u>

Since 2006, bpost has been managing the administrative and financial processes for handling traffic fines on behalf of the Federal Public Service of Justice (FPS Justice), initially focusing solely on national fines, and since 2015, extending its services to international fines. These services comprise the sending of fines, the business process outsourcing tasks (including amongst others a call center, back office operations, and returns handling) as well as the management of the IT platform and further IT developments. The provision of these services has significantly contributed to modernizing and professionalizing the management of traffic fines.

These services were initially included in the fourth Management Contract, and continued to be part of the following Management Contracts. The compensation of these services was subsequently set out in Deepening Conventions[4] and various other agreements.

<u>Main findings</u>

The compensation received by bpost may in part constitute unlawful State aid. The CBF services were set out in Management Contracts, but their compensation was set in separate agreements and were not covered by State aid decisions declaring the compensation for the relevant Management Contracts compatible.

The investigation also reveals that various other services were included in the Deepening Conventions that are strictly speaking separate from the services for the collection of traffic fines. The majority of these services are linked to the maintenance of the ICT platform, as well as the recruitment of consultants. These services were not tendered.

<u>Next steps</u>

bpost engaged with the FPS Justice to mutually determine necessary remedial measures in light of the above-referenced findings. bpost will refund any compensation received which would be in excess of applicable State aid rules. The compensation for the period until a new tender for CBF services is awarded will also be reviewed. Within these discussions, bpost and FPS Justice will need to delineate in detail the nature and scope of the CBF services to be provided, the level of compensation bpost is entitled to receive and the way in which the continuity of the services can be secured.

679 accounts

<u>Background</u>

Since 1912, bpost has managed the bank accounts for the government and more than 200 public agencies (such as VAT payments).

The FPS Finance entrusted this historical service to bpost on the basis of contracts without initiating a tender procedure. A tender procedure is currently ongoing and on March 31, 2023, the bpost/speos consortium was one of the three candidates selected to participate.

<u>Main findings</u>

The compensation received by bpost was never notified to the European Commission and may be partly considered to be unlawful State aid.

<u>Next steps</u>

bpost engaged with the FPS Finance to mutually determine necessary remedial measures in light of the above-referenced findings. bpost will refund any compensation received which would be in excess of applicable State aid rules. The existing compensation will also be revised for the period up to the award of the new contract for the management of 679 accounts.

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4 *Deepening conventions are agreements between the Belgian State and bpost which are based on the Management Contract and further elaborate on specific services covered in the Management Contract ("Deepening Conventions").*

Licence plates (European Licence Plates – ELP)

Background

The ELP services encompass the production and the delivery of license plates and the related registration certificate for new and used cars in Belgium. The ELP services also involve the cancellation of license plates and the collection of payment for relevant services.

The bpost/speos consortium won the contract for these services in two successive tenders, launched by DIV (Vehicle Registration Department of the Ministry of Mobility) in 2010 and 2019.

Main findings

There were no findings of infringements of competition laws with regard to the framework of the two tenders under which the concession was awarded. The tender resulted in competitive pricing which is also confirmed by a pricing benchmark conducted by bpost.

Next steps

bpost engaged with the FPS Mobility to establish the validity of the concession conditions (including the compensation) in light of the above-referenced findings.

Financial considerations

Besides the finalization of the internal compliance reviews, bpost, supported by independent economists and legal experts, has concluded an in-depth legal and economic assessment regarding the remuneration paid by the Belgian State for the above-referenced three services. This does not cover the press concession, for which reference is made in the note contingent liabilities and contingent assets.

The next phase, involving resolution efforts with the relevant ministries, is now ongoing. The timing of the outcome of this process is highly uncertain and depends on various elements that are outside bpost's control. Awaiting full resolution on the relevant files, bpost currently deems a cash outflow probable, leading to the following financial considerations:

- As part of its commitment to repay any overcompensation, bpost recorded a provision of 75 mEUR in the third quarter of 2023. The provision, as is customary concerning the repayment of State aid, is already net of corporate income taxes paid on the incompatible aid principal amount. As a result, this amount is not tax deductible at the moment of its recognition. As a one-off exceeding the threshold of 20 mEUR (as defined in bpost's Alternative Performance Measures), this provision is excluded through the Adjusted Financials. Based on its in-depth legal and economic assessment, bpost believes that such number constitutes the best available estimate of overcompensation to be repaid to the Belgian State for the years up to 2022 for the three contracts. Such number remains preliminary, as it does not yet reflect the views of the Belgian State. bpost will provide an update if and as soon as it would become apparent that the conclusion of the resolution efforts would result in a materially different amount to be repaid as overcompensation.

- In anticipation of the required repricing for the above-referenced services to the three ministries, an annualized negative EBIT impact in 2023 of 10 mEUR has been recognized based on bpost's own in-depth legal and economic assessment. Such number remains preliminary as it does not yet reflect the views of the Belgian State. The final repricing impact will depend on the conclusion of the remedial efforts engaged between bpost and the Belgian authorities. As no conclusion on the repricing was reached before December 31, 2023, the 10 mEUR recognized in the quarterly 2023 interim financial statement in decrease of revenues has been recognized for 7.5 mEUR – 10 mEUR net of corporate income taxes (2.5 mEUR) customary concerning the repayment of State aid – as provision in the December 31, 2023 consolidated statement of financial position

- Hence the total provision recorded in the consolidated statement of financial position related to potential overcompensation amounts to 82.5 mEUR end of December 2023.

Apart from these compliance reviews, bpost is currently involved in the following legal proceedings initiated by intermediaries:

- A claim for damages in an alleged (provisional) amount of approximately 21.1 mEUR (exclusive of late payment interest) in the context of legal proceedings initiated by Publimail NV/SA. The Brussels commercial court rejected Publimail's claim on May 3, 2016. Publimail appealed this decision on December 16, 2016. The case was due to be pleaded in April 2021 but the judge decided to postpone the hearing pending the decision of the European Court of Justice ("ECJ") in the case between bpost and the Belgian Competition Authority. The case will now to be ruled by the Brussels Court of Markets, taking into account the preliminary ruling of the ECJ. The procedure will likely resume in 2024. A judgement is not expected before end of 2024.
- A claim for damages in an alleged (provisional) amount of approximately 28.0 mEUR (exclusive of late payment interest) in the context of legal proceedings initiated by Link2Biz International NV/SA and pending before the Brussels commercial court. Certain aspects of the contractual relationship between Link2Biz and bpost are also the subject of a cease and desist order (adopted on June 21, 2010), which bpost has appealed in August 2010 and which is currently pending before the Brussels Court of Appeal. Although it was expected that the Courts would remove this matter from the Courts' general roll in the course of 2023 following the closure of Link2Biz bankruptcy proceedings in 2020, the removal has not been confirmed. bpost will re-assess its position in 2024.

All claims and allegations are contested by bpost.

Finally, on December 10, 2012, the Belgian Competition Authority concluded that certain aspects of bpost's pricing policy over the January 2010-July 2011 period infringed Belgian and European competition law and imposed a fine of approximately 37.4 mEUR. While bpost paid the fine in 2013, it contested the Belgian Competition Authority's findings and appealed the decision before the Brussels Court of Appeal. On November 10, 2016, the Brussels Court of Appeal annulled the Authority's decision. The Belgian Competition Authority appealed this judgment before the Supreme Court on points of law. On November 22, 2018, the Supreme Court annulled the judgment and referred the case to the Brussels Court of Appeal for retrial. By a judgement dated February 19, 2020, the Brussels Court of Appeal decided to refer 2 questions to the EU Court of Justice for a preliminary ruling. On March 22, 2022, ECJ issued a preliminary ruling on the 2 questions raised by the Brussels Court of Appeal. The Court of Appeal will now have to decide in the light of the answers given by the ECJ. A final decision is not expected before the end of 2024.

The provision related to **environment** issues amounted to 0.4 mEUR. It covers soil sanitation.

Other provisions include expected costs related to obligations for repairs and legal obligations among others. As at December 31, 2023 other provisions amounted to 5.9 mEUR.

6.28 Financial assets and financial liabilities

The following tables provides the fair value measurement hierarchy of bpost's financial assets and financial liabilities:

As of 31 December 2022

		FAIR VALUE CATEGORIZED		
IN MILLION EUR	**CARRYING AMOUNT**	**QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1)**	**SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)**	**SIGNIFICANT UNOBSERVABLE INPUT (LEVEL 3)**
FINANCIAL ASSETS MEASURED AT AMORTIZED COST				
NON-CURRENT				
Financial assets	19.9	0.0	19.9	0.0
Shares in equity	0.1	0.0	0.0	0.1
CURRENT				
Financial assets	1,988.8	0.0	1,988.8	0.0
TOTAL FINANCIAL ASSETS	**2,008.9**	**0.0**	**2,008.8**	**0.1**
FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST (EXCEPT FOR DERIVATIVES)				
NON-CURRENT				
Long-term bond	646.0	626.0	0.0	0.0
Financial liabilities	560.8	0.0	560.8	0.0
CURRENT				
Derivatives instruments – forex swap	(0.3)	0.0	(0.3)	0.0
Financial liabilities	1,801.8	0.0	1,801.8	0.0
TOTAL FINANCIAL LIABILITIES	**3,008.2**	**626.0**	**2,362.2**	**0.0**

5 *The ECJ hands down its decision to the referring court, which is then obliged to implement the ruling.*

As of 31 December 2023

IN MILLION EUR	CARRYING AMOUNT	FAIR VALUE CATEGORIZED QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUT (LEVEL 3)
FINANCIAL ASSETS MEASURED AT AMORTIZED COST				
NON-CURRENT				
Financial assets	23.8	0.0	23.8	0.0
CURRENT				
Financial assets	1,836.1	0.0	1,836.1	0.0
TOTAL FINANCIAL ASSETS	**1,859.9**	**0.0**	**1,859.9**	**0.0**
FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST (EXCEPT FOR DERIVATIVES)				
NON-CURRENT				
Long-term bond	647.1	639.7	0.0	0.0
Financial liabilities	507.3	0.0	507.3	0.0
CURRENT				
Derivatives instruments - forex swap	0.2	0.0	0.2	0.0
Financial liabilities	1,569.2	0.0	1,569.2	0.0
TOTAL FINANCIAL LIABILITIES	**2,723.7**	**639.7**	**2,076.6**	**0.0**

The fair value of the non-current and current financial assets measured at amortized cost and the non-current and current financial liabilities measured at amortized cost, approximate their carrying amounts. As they are not measured at fair value in the statement of financial position their fair value should not be disclosed.

During the period there was no transfer between fair value hierarchy levels and there were no changes in the valuation techniques and inputs applied.

Non-current financial assets consist of the non-current trade and other receivables, excluding the non-current contract costs – assets recognized to obtain or fulfil a contract.

Current financial assets consist of cash and cash equivalents and current trade and other receivables, excluding the current contract costs – assets recognized to obtain or fulfil a contract.

Financial liabilities measured at amortized cost – non-current

At the end of 2023, the non-current financial liabilities consisted of:
- 650.0 mEUR bond. The 8-year bond has been issued in July 2018 with a coupon of 1.25%. In anticipation of this issuance, in February 2018 bpost entered into a forward interest rate swap for 10 years with a nominal amount of 600.0 mEUR to hedge the interest risk of the bond.
- Liabilities related to leases: 504.9 mEUR (2022 534.9 mEUR).

Derivative instruments

bpostgroup is exposed to certain risks relating to its daily business operations. The primary risk is the foreign currency risk and is managed using derivative instruments. bpostgroup uses foreign forward and foreign exchange swap contracts to manage some of its exposures in foreign currencies. Those contracts have been underwritten in order to hedge the exchange rate risks linked to the intercompany loans granted by bpost to its subsidiaries. At year end 2023 the impact of the fair value of the forward contracts and foreign exchange swap contracts amounted to an increase of the liabilities by 0.2 mEUR.

Financial liabilities measured at amortized cost – current

In 2023 the 185.0 mUSD unsecured, maturing term loan (floating interest rate with initial start date 2018) has been repaid.

The outstanding balance of liabilities related to leases amounted to 139.0 mEUR end of 2023 (2022 134.1 mEUR).

6.29 Financial instruments and financial risk management

bpostgroup is exposed to market risks from movements in foreign exchange rates, interest rates and other market prices (utility prices). Furthermore bpostgroup is also exposed to credit risks and liquidity risks.

Foreign exchange rate risks

In its operational and financial activities, bpostgroup is exposed to foreign exchange rate fluctuations which impact the balance sheet and the income statement.

These exchange rate risks consist of (i) transaction risk related to operational activities with cash flows in foreign currency and (ii) translation risk related to the consolidation in Euro of subsidiaries whose functional currency is not the Euro (bpost's functional currency). The main exposure to the foreign exchange rate risk corresponds to the translation risk of the USD (per December 31, 2022 1 EUR = 1.0666 USD compared to December 31, 2023 1 EUR = 1.105 USD and yearly average – i.e. monthly average divided by 12 - for 2023 1 EUR = 1.08 USD compared to 2022 1 EUR = 1.05 USD), there are no material monetary items.

Hedging instruments are used to mitigate these impacts.

bpostgroup uses foreign exchange forward contracts and foreign exchange swap contracts to manage some of its exposures in foreign currencies. Those contracts have been underwritten in order to hedge the exchange rate risks linked to the intercompany loans granted by bpost to its subsidiaries.

Furthermore in 2018 bpost entered into a USD term loan, with a maturity of 3 years with two possible extensions of one year each. To refinance the 2017 acquisition of Radial Holdings, LP, bpost, with EUR as its functional currency, borrowed along with the issuance of the bond in USD to mitigate the risk on foreign exchange rate differences on the foreign operations. Hence bpost performed a net investment hedge, the notional amount of the hedging amounted to 143.0 mUSD. End 2023 the maturing USD term loan was repaid and the difference between the carrying amount converted into Euro (129.4m EUR) and the value at inception (122.0 mEUR) has been recognized in the equity (7.4 mEUR), whereas in 2023 4.7m EUR (delta between carrying amount end of December 2022 and carrying amount at the time of repayment, respectively 134.1 mEUR and 129.4 mEUR) has been recognized in other comprehensive income.

The following table demonstrates the sensitivity to a reasonable possible change in the USD exchange rate, with all other variables held constant. The translation risk is represented by the impact of the variation of the USD value on the EBIT and the equity of the group for 2023. bpostgroup's exposure to foreign currency changes for all other currencies is not material.

As at 31 December

IN MILLION EUR	+5% USD VS EUR	-5% USD VS EUR
Effect on EBIT	(4.3)	4.8
Effect on bpostgroup equity	(36.6)	40.5

Interest rate risks

bpostgroup is directly exposed to interest rate fluctuations through its external financing. However, bpostgroup mitigates this risk by achieving a balance between fixed and variable rates. This balance currently only consists of fixed rates but may evolve according to market situation.

In order to manage the interest rate structure of its debt, bpostgroup may use hedging instruments such as interest rate swaps. Any substantial change in the rate structure requires prior validation from the Executive Committee.

At the end of 2023, the external financing consisted of 650.0 mEUR bond. The 8-year bond has been issued in July 2018 with a coupon of 1.25%. In anticipation of this issuance, in February 2018 bpost entered into a forward interest rate swap for 10 years with a nominal amount of 600.0 mEUR. The transaction was contracted in order to hedge the interest rate risk on the contemplated issuance of a long-term bond to refinance the acquisition bridge loan entered into in November 2017 for the acquisition of Radial. In July 2018, bpost issued a 650.0 mEUR 8-year bond. At that time, the interest rate swap was unwound and settled via a payment of 21.5 mEUR split between an effective part of 20.0 mEUR and an ineffective part of 1.5 mEUR. The ineffective part was booked in the income statement. The effective part of the cash-flow hedge (20.0 mEUR) has been recognized in other comprehensive income (amount net of tax is 14.8 mEUR) as cash-flow hedge reserve. This cash-flow hedge is reclassified to profit or loss during the same periods as the long-term bonds' cash-flows will affect profit or loss over 8 years as from its issuance date. In 2023 a net amount of 1.9 mEUR has been reclassified to the income statement.

Financial results of bpostgroup are also influenced by the evolution of the discount rates, used to calculate the employee benefits obligation. At December 31, 2023, an increase of 50 bp of the average discount rates, would generate a decrease of financial charge of 13.7 mEUR. A decrease of 50 bp of the average discount rates, would increase financial charges by 14.8 mEUR. For further detail, see note 6.25 employee benefits.

Other market risks

The risk of a potential prolonged interruption of operations due to extreme natural events (*e.g.*, fire, flood, storm, pandemic, and increase in employees' health issues due to pollution) has increased. bpostgroup seeks to prevent damage to buildings and interruptions to operations as much as possible through prevention and contingency programs. The detrimental consequences of these risks are covered by insurance policies. bpostgroup has performed a physical climate risk assessment as part of the EU taxonomy requirements on its Belgian operations to assess the chronic and acute extreme weather events as a result of climate change. bpostgroup has in place mitigation plans for the risks that are most likely to increase in likelihood in the next 20-30 years due to climate change according to the Business As Usual scenario ("Worst Case" IPCC scenario), including heat waves, wildfires, heavy precipitation, coastal- and Fluvial floods and landslides. In addition, bpostgroup's sustainability strategy includes ambitious targets to reduce bpostgroup's Greenhouse Gas ("GhG") emissions. bpostgroup commits to be one of the greenest players in the countries bpostgroup operates with the target to reach net-zero emissions by 2040 and reduce 55% emissions by 2030 compared to 2019 in bpostgroup's own operations (in line with the SBTi 1.5-degree Celsius pathway and climate targets of the Paris Agreement). bpostgroup estimates that these various green initiatives will contribute to the global effort to reduce climate change and the occurrence of extreme natural events.

Next to the rise of natural disasters and health issues associated to climate change and which could affect our operations, carbon taxes, emissions trading schemes and fuel taxes are also expected to feature prominently in the coming regulations and significant increase in the EU ETS price since the fall of 2021. Average carbon prices will potentially increase up to 100-120 EUR per metric ton by 2030. In addition, the EU is also planning to include the transport industry into the EU ETS, more directly impacting our costs, especially with regards to fuel as of 2027.

The effects of rising carbon prices on companies will be both dynamic and complex:
- Companies' costs will rise in proportion to the total emissions generated by themselves and possibly their suppliers.
- Selling prices are likely to rise to compensate cost increases at an industry level.
- Demand could fall reflecting the price sensitivity of customers in each market affected, shrinking companies' sales and costs.

bpostgroup monitors the carbon price risk and takes measures to reduce its carbon footprint within the framework of its group sustainability strategy. By adopting carbon pricing forecasts and estimated internal carbon prices, bpostgroup is able to outpace the cost of intensifying carbon regulations and adapt to business in a low-carbon economy. Next to the forecasting of carbon pricing, bpostgroup is also working at effectively reducing its emissions. Aware of the ecological impact of the growing parcels distribution, bpostgroup has drawn up a CO_2 reduction objective aimed at reducing emissions from our own operations of the entire bpostgroup to reduce 55% emissions by 2030. To achieve this goal, bpostgroup will, among others, switch to 100% zero emission last-mile deliveries by 2030.

In 2023, we launched a new Enterprise Risk Management (ERM) strategy for bpostgroup. As the implementation of the ERM strategy continues to roll out in 2024, a key priority will be to assess the actual and potential impacts of climate-related risks and opportunities and taking into consideration different climate-related scenarios.

Credit risks

bpostgroup is exposed to credit risks through its operational activities, in the investment and management of its liquidities (banks).

As at 31 December

IN MILLION EUR	2023	2022
Cash and Cash equivalents	870.6	1,051.0
Trade receivables (current and non-current)	891.0	871.0
Other receivables exposed at credit risk	49.5	41.4
CREDIT RISK CLASSES OF FINANCIAL ASSETS	**1,811.2**	**1,963.3**

Operational activities

The credit risk by definition only concerns that portion of bpostgroup's activities that are not paid upfront in cash. bpostgroup actively manages its exposure to credit risk by investigating the solvency of its customers. This translates into a credit rating and a credit limit.

bpostgroup recognizes on all of its trade receivables an allowance for expected credit losses based on the lifetime expected credit losses (ECL) model. As the trade receivables do not contain a significant financing component bpost opted to apply the simplified approach to calculate the expected credit loss rate with the use of a provision matrix, based on the historical default rates adapted for current and forward looking information.

The following table summarizes the movement in the provision for expected credit losses:

IN MILLION EUR	2023	2022
AT 1 JANUARY	37.7	22.0
Impairments: Additions through business combinations	0.0	0.8
Impairments: Additions	2.6	18.9
Impairments: Utilization	(2.2)	(1.0)
Impairments: Reversal	(10.4)	(2.7)
Impairments: Translation differences	(0.5)	(0.3)
AT 31 DECEMBER	27.2	37.7

The ageing analysis of the trade receivables and the credit risk exposure following the provision matrix is as follows:

		DAYS PAST DUE			
IN MILLION EUR	CURRENT	< 60 DAYS	60 -120 DAYS	> 120 DAYS	TOTAL
AS AT 31 DECEMBER 2022					
Estimated total gross carrying amount at default	830.0	48.8	4.8	16.4	900.0
Expected credit loss rate	0.0%	21.6%	43.8%	99.9%	
Allowance for expected credit losses	0.0	(10.6)	(2.1)	(16.4)	(29.0)
TRADE RECEIVABLES AND TERMINAL DUES	830.0	38.2	2.7	0.0	871.0
AS AT 31 DECEMBER 2023					
Estimated total gross carrying amount at default	772.7	121.2	5.8	18.4	918.2
Expected credit loss rate	0.0%	3.7%	72.4%	100.0%	
Allowance for expected credit losses	0.0	(4.5)	(4.2)	(18.4)	(27.2)
TRADE RECEIVABLES AND TERMINAL DUES	772.7	116.7	1.6	0.0	891.0

Allowance for expected credit losses includes Covid and energy crisis overlay based on customer credit rating provided by an external credit rating agency.

Investment of liquidities

Regarding bpostgroup's investment of its liquidities, which includes cash and cash equivalents and investment securities, the exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risks

bpostgroup's current liquidity risk is limited due to the high level of cash at hand and due to the fact that a significant portion of its revenues is paid for by its customers prior to bpostgroup performing the service.

The maturity of the liabilities are presented as follow:

IN MILLION EUR	CURRENT	NON CURRENT		TOTAL
	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	LATER THAN 5 YEARS	
31 DECEMBER 2022				
Lease obligations	156.5	405.1	179.8	741.4
Trade and other payables	1,494.4	25.9	0.0	1,520.3
Long term bond	8.1	670.5	0.0	678.6
Commercial papers	0.0	0.0	0.0	0.0
Derivative instruments	(0.3)	0.0	0.0	(0.3)
Bank overdraft	0.4	0.0	0.0	0.4
Bank loan	176.9	0.0	0.0	176.9
Other loans	(0.2)	0.0	0.0	(0.2)
TOTAL FINANCIAL LIABILITIES	1,835.9	1,101.5	179.8	3,117.2

IN MILLION EUR	CURRENT	NON CURRENT		TOTAL
	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	LATER THAN 5 YEARS	
31 DECEMBER 2023				
Lease obligations	166.1	382.7	168.7	717.4
Trade and other payables	1,430.1	2.4	0.0	1,432.5
Long term bond	8.1	662.4	0.0	670.5
Commercial papers	0.0	0.0	0.0	0.0
Derivative instruments	0.2	0.0	0.0	0.2
Bank overdraft	0.0	0.0	0.0	0.0
Bank loan	0.0	0.0	0.0	0.0
Other loans	0.1	0.0	0.0	0.1
TOTAL FINANCIAL LIABILITIES	**1,604.6**	**1,047.5**	**168.7**	**2,820.7**

The above contractual maturities are based on the contractual undiscounted payments, which may differ from the carrying values of the liabilities at the statement of financials position date.

The liquidity risk is further mitigated by committed credit lines scaled according to the magnitude of bpostgroup operations.

6.30 Contingent liabilities and contingent assets

As described under note 6.27, the Brussels Court of Appeal annulled the Belgian Competition Authority's decision imposing a fine of 37.4 mEUR on November 10, 2016. The Belgian Competition Authority appealed this judgment before the Supreme Court on points of law. On November 22, 2018, the Supreme Court annulled the judgment and referred the case to the Brussels Court of Appeal for retrial. By a judgement dated February 19, 2020, the Brussels Court of Appeal decided to refer 2 questions to the ECJ[6] for a preliminary ruling. On March 22, 2022, ECJ issued a preliminary ruling on the 2 questions asked by the Brussels Court of Appeal. The Court of Appeal will now have to decide in the light of the answers given by the ECJ. A final decision is not expected before end of 2024. The foregoing constitutes a contingent asset as, should the Court of Appeal annul the Belgian Competition Authority's decision, bpost may recover the fine of 37.4 mEUR (excluding interests) unless the Supreme Court would again annul the judgement of the Court of Appeal.

Furthermore, on August 10, 2022, the Chair of the bpost Board of Directors requested the Head of Compliance & Data Protection of bpost, with the support of the Head of Corporate Audit of bpost, to conduct an internal compliance review regarding the then ongoing public tender of the Belgian State for the distribution of recognized newspapers and periodicals in Belgium[6].

The compliance review started on August 28, 2022, focusing on the governance principles set forth in the Code of Conduct of bpostgroup and the specific compliance guidelines relating to this tender and was based, in terms of fact finding, (1) on questionnaires and interviews of the most relevant and senior persons working for bpost; and (2) on relevant documents requested from the interviewees during their interviews. The preliminary results of the review on September 27, 2022 did not reveal elements that indicated potential violations of applicable laws.

Early October 2022, new facts emerged that had not been disclosed to the compliance review team during the initial compliance review. This led the Chair of the Board of Directors, on October 7, 2022, to extend the initial compliance review and to proceed with a more extensive and intrusive review. A forensic search with an external forensic investigation firm was launched immediately thereafter.

Based on the initial results of the forensic search, new interviews were held, and the scope of the forensic search was extended to other employees with a particular focus on any illegal information exchange or concerted practices.

The Board of Directors was informed of the results of the extended compliance review, revealing elements that indicated potential violations of bpostgroup's codes, policies and applicable laws. On October 24, 2022, the Board of Directors and the bpostgroup CEO mutually agreed that the bpostgroup CEO would temporarily step aside pending the review.

6 *The Belgian State organized a tendering procedure with respect to the distribution of recognized newspapers and periodicals in Belgium, following which the service concessions were awarded to bpost on October 16, 2015 to provide the services from January 1, 2016 until December 31, 2020. In December 2019, the Belgian government decided to extend the service concessions until December 31, 2022. In November 2022, the Belgian government decided to extend the service concessions until December 31, 2023, at the conditions that apply for 2022, as specified in the current concessions. On February 23, 2023 the Belgian government published the new press concessions tender. However, on December 12, 2023, the Belgian government decided to not award the tender and to extend the service concessions until June 30, 2024. The notification process of the 2023 and 2024 extensions to the European Commission for approval under State aid rules is ongoing.*

As the compliance review continued, it revealed non-compliance with the bpostgroup's codes and policies as well as indications of non-compliance with applicable laws. The compliance review was also extended to the current concession for the distribution of newspapers and periodicals in Belgium and revealed elements that may indicate potential violations of applicable laws as well.

On December 9, 2022, the Board of Directors and the bpostgroup CEO decided to mutually terminate their collaboration. The internal compliance review of the press concession is finalized. The external investigations which were triggered as a result of the internal compliance review are still ongoing.

Throughout the process, bpost was assisted by external legal counsels and has actively cooperated with the competent authorities in order to preserve its interests.

Potential impact

Based on the information currently at its disposal and discussions with its legal advisors, bpost has the following view on the potential impact of results of the compliance review:

(i) bpost understands that the Belgian Competition Authority ("BCA") has opened an investigation and has conducted inspections at the premises of a company active in the press distribution sector and of a press publisher, which are independent of the bpostgroup. bpost has cooperated, and continues to fully cooperate with the ongoing investigation of the BCA. The progress made on the ongoing investigation of the BCA did not change bpost's assessment of the risk of a fine, which remains possible but not probable.
(ii) The Belgian Government is conducting an audit on the compensation for the current press concession (2016-2020), which runs until mid-2024, and has announced its intention to re-claim any overcompensation. The costs associated with the service were reviewed and scrutinized on an ex-ante basis in the context of the European Commission's State aid review and on an ex-post basis by the College of Auditors (College des Commissaires) as part of the annual approval of the financial accounts and such reviews did not give rise to any finding of overcompensation. bpost is currently unable to assess the risks associated with this ongoing external audit and its potential findings considering that it is still ongoing. bpost has offered its cooperation to the Belgian State with respect to this ongoing audit.
(iii) Considering the self-cleaning measures taken by bpost, it is probable that contracting authorities will consider that bpost has demonstrated its reliability and will therefore allow bpost to participate in ongoing and future tendering procedures. Furthermore, consistent with past practice for similar matters, bpost considers the possibility that contracting authorities would reverse previous award decisions and terminate current contracts or concessions because of the results of the compliance review to be remote, without prejudice to the potential claims for over-compensation resulting from the Governmental audit.
(iv) bpost has also taken measures of cooperation with the public prosecutor so as to reduce any risk of criminal enforcement.

Considering the various elements as explained in items i to iv above, bpost, supported by external legal counsel, currently continues to deem the exposure of a cash outflow related to the (public tender for) the concession for the distribution of recognized newspapers and periodicals in Belgium possible but not probable. Given the ongoing nature of the external investigations, and notwithstanding the possible but not probable risk assessment, bpost is unable to provide any estimates of cash outflows, should they occur, at this stage.

6.31 Rights and commitments

Lease contracts signed but not started yet

Two significant new lease contracts have been signed for which the start date is after the statement of financial position date, with a duration of 5 and 10 years and with a right of use asset estimated at 18.4 mEUR.

Guarantees received

At 31 December 2023, bpostgroup benefits from bank guarantees amounting to 27.3 mEUR, issued by banks on behalf of bpostgroup's customers. These guarantees can be called in and paid against in the event of non-payment or bankruptcy. They therefore offer bpostgroup financial certainty during the period of contractual relations with the customer.

Goods for resale on consignment

At 31 December 2023, merchandise representing a sales value of 2.1 mEUR had been consigned by partners for the purpose of sale through the postal network.

Revolving credit facilities

bpost NV/SA has two undrawn revolving credit facilities for a total amount of 375.0 mEUR. The syndicated facility amounts to 300.0 mEUR, which expires in October 2024 whereas the bilateral facility of 75.0 mEUR, which expires in June 2025 and allows for EUR and USD drawdowns. The interest rate of 300.0 mEUR revolving credit facility changes according to bpostgroup's sustainability rating as determined by an external party.

Guarantees given

bpost NV/SA has an agreement with BNP Paribas Fortis, Belfius, ING, KBC and Société Générale according to which they agree to provide for up to 100.4 mEUR in guarantees for bpost upon simple request. Furthermore, bpostgroup has provided for an amount of 18.3 mEUR of guarantees to third parties.

Funds of the State

bpost NV/SA settles and liquidates the financial transactions of government institutions (taxes, VAT, etc.) on behalf of the State. The funds of the State constitute transactions "on behalf of" and are not included in the statement of financial position.

6.32 Related party transactions

a) Relations with the shareholders

The Belgian State as a shareholder

The Belgian State, directly and through the Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij ("**SFPI/FPIM**"), is the majority shareholder of bpost NV/SA and holds 51.04% of bpost NV/SA. Accordingly, it has the power to control any decision at the Shareholders' Meeting requiring a simple majority vote.

The rights of the Belgian State as bpost's shareholder are defined in the corporate governance policies (publicly available on bpost website).

The Belgian State as public authority

The Belgian State is, together with the European Union, the main legislator in the postal sector. The Belgian Institute for Postal services and Telecommunications ("BIPT"), the national regulatory authority, is the principal regulator of the postal sector in Belgium.

The Belgian State as a customer

The Belgian State is one of bpost's largest customers. Including the remuneration for the SGEIs, 12.0% of bpostgroup's total operating income in 2023 was attributable to the Belgian State and State related entities. Excluding the SGEI remuneration, the services provided to State related customers do not exceed 5% of bpostgroup's total operating income.

bpost provides postal delivery services to a number of public administrations, both on commercial terms and pursuant to the provisions of the management contract.

bpost provides universal postal services and SGEIs entrusted to it by the Belgian State, covering postal, financial, and other public services. The Law of 1991, the Postal Law of January 26, 2018, the universal postal service obligations ("USO") management contract, the 7th SGEI management contract as well as the press concession agreements set out the rules and conditions for carrying out the obligations that bpost assumes in execution of its universal postal services and SGEIs, and, where applicable, the financial compensation paid by the Belgian State.

The SGEIs entrusted to bpost under the 7th management contract are aimed at satisfying certain objectives related to the public interest. These SGEIs include the maintenance of the retail network: in order to ensure territorial and social cohesion, bpost must maintain a retail network consisting of at least 1,300 postal service points. At least 650 of these postal service points must be post offices. bpost must also install at least 350 ATMs on the territory and at least one in the municipalities where no other operator has installed it. The provision of day-to-day SGEIs consists in "cash at counter" services and home delivery of pensions and social allowances. Finally ad hoc SGEIs include the social role of the postman, especially in relation to persons who live alone or are the least privileged, the "Please Postman" service, the distribution of information to the public at the request of the authorities and to support large-scale information campaigns by the authorities in case of a major crisis, cooperation with regard to the delivery of voting paper packages, the delivery of addressed and unaddressed election printed items, the delivery at a special price of postal items sent by associations, the delivery of letter post items falling within the freepost system, support to initiatives to 'bridge the digital divide' and facilitate access to e-government services via the post offices, the financial and administrative processing of fines, the sale of public or shared transportation tickets, at the request of the public or shared transportation companies and the sale of post stamps.

Tariffs and other terms for the provision of certain of the services provided under the 7th management contract are determined in implementing agreements between bpost, the Belgian State and, where relevant, the other parties or institutions concerned.

bpost furthermore continues to provide the SGEIs of early delivery of newspapers and distribution of periodicals. Until December 31, 2015, these services were provided under the 5th management contract. In accordance with the Belgian State's commitment to the European Commission, a competitive, transparent and non-discriminatory market consultation procedure with respect to these services was organized, following which the provision of the services was awarded to bpost in October 2015. Consequently, since January 1, 2016, the services of distribution of newspapers and periodicals are delivered in accordance with the concession agreements executed between bpost and the Belgian State in November 2015.

On June 3, 2016, the European Commission approved both the 6th management contract and the concession agreements on distribution of newspapers and periodicals under the state aid rules[7].

In December 2019 the Belgian Federal Council of Ministers decided to extend the current press concessions with bpost for a period of two years (2021-2022) at the conditions that apply for 2020, as specified in the current concessions. This decision was approved by the European Commission on September 2, 2021. In November 2022, the government decided to extend the concession once again at the conditions that apply for 2020, this time for one year until end 2023. In December 2023, following its decision not to award any new press concession and to

7 *In October 2016, the Flemish Federation of Press Vendors ("Vlaamse Federatie van Persverkopers") sought the annulment of the European Commission's clearance decision before the General Court on procedural grounds. In February 2019, the General Court has removed the case from the register following the request by VFP to discontinue the proceedings.*

replace it by a tax measure for the press publishers, the Belgian government decided to extent the concession for an additional six months period. These two extensions are being notified to the European Commission.

In December 2020, the Belgian government decided to extend the 6th management contract until December 31, 2021. The extension was approved by the European Commission on July 27, 2021. On September 14, 2021, the Belgian government and bpost signed the 7th management contract covering the period until December 31, 2026. This contract has been notified to the European Commission and was approved on July 19, 2022. As a consequence of this approval, the contract entered into force.

bpost also provides cash account management services to the Belgian State and certain other public entities pursuant to the Royal Decree of January 12, 1970 regulating the postal service as amended pursuant to the Royal Decree of April 30, 2007 regulating postal financial services and the Royal Decree of April 14, 2013 amending the Royal Decree of January 12, 1970 regulating the postal service.

The compensation granted to bpost in respect of the SGEIs is being disclosed in note 6.7 of the annual report and amounted to 311.9 mEUR for 2023 (302.6 mEUR in 2022).

The compensation of SGEIs is based on a net avoided cost ("NAC") methodology. This methodology provides that compensation shall be based on the difference between (i) the net cost for the provider of operating with the SGEI obligation and (ii) the net cost for the same provider of operating without that obligation.

The compensation for the distribution of newspapers and periodicals consists of a flat amount and a variable fee based upon distributed volumes. This compensation is subject to further ex-post verifications and must be NAC compliant.

The outstanding amount owed by the Belgian State for the SGEI remuneration on December 31, 2023 amounted to 74.6 mEUR (77.7 mEUR on December 31, 2022).

b) Consolidated companies

A list of all subsidiaries (and equity-accounted companies), together with a brief description of their business activities, is provided in note 6.33 of this annual report.

Balances and transactions between bpost and its subsidiaries, which are related parties of bpost, have been eliminated within the consolidated financial statements and are not disclosed in this note.

c) Relations with associates and joint ventures

Jofico

On November 4, 2019, bpost NV/SA, AXA Bank Belgium NV/SA, Crelan NV/SA, Argenta Spaarbank NV/SA and vdk bank NV/SA incorporated the joint venture "Jofico CV". This joint venture in which each shareholder has an equal part, aims at implementing an ATM-as-a-service model according to which the participating companies will combine forces for the purchase and maintenance of their respective ATM network.

d) Compensation of key management

Key management personnel are those persons with authority and responsibility for the strategic orientation of the bpostgroup. For bpostgroup, key management personnel is composed of all members of the Board of Directors, including the CEO, and Executive Committee.

As described in the Remuneration Report, the Remuneration Policy setting out the remuneration principles of the non-executive members of the Board of Directors, the CEO and the other members of the Executive Committee was first approved by the General Shareholders' Meeting on May 12, 2021 and has been applicable since January 1, 2021. Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors has prepared a revised version of the Remuneration Policy, mainly to introduce a long-term incentive plan. The revised Remuneration Policy was approved by the Special General Shareholders' Meeting of November 23, 2023. The revised Remuneration Policy has been applicable since November 23, 2023.

The Board of Directors' members, with exception of the CEO, are entitled to (i) a monthly fixed remuneration and (ii) an attendance fee for each Advisory Committee meeting attended.

In 2023, the total remuneration paid to the Board of Directors' members (excluding the CEO) amounted to 0.6 mEUR (2022: 0.5 mEUR).

The remuneration package of the CEO[8] and the other members of the Executive Committee consists of (i) a fixed base remuneration, (ii) a variable short-term incentive, (iii) a variable long-term incentive, (iv) pension contributions and (v) various other benefits. During the financial year 2023, a variable long-term incentive was only available for the member(s) of the Executive Committee located in the United States.

For the year ended on December 31, 2023, a total remuneration of 5.5 mEUR (2022: 5.4 mEUR) excluding the variable remuneration was paid to CEO and the members of the Executive Committee, and can be broken down as follows:

- base remuneration: 3,654,981.34 EUR (2022: 4,342,070.71 EUR);
- pension contribution : 593,570.26 EUR (2022: 718,549.51 EUR);
- other benefits : 1,201,789.03 EUR (2022: 325,583.39 EUR).

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8 *On November 9, 2022, the Board of Directors unanimously decided to appoint Philippe Dartienne as CEO ad interim with immediate effect. His mandate of CEO ad interim ended on November 5, 2023 (midnight). Philippe Dartienne continued to be remunerated as a member of the Executive Committee throughout his term of office as CEO ad interim, except for an indemnity to cover the period where he was CEO ad interim. His remuneration is therefore included in the global remuneration of the Executive Committee members. Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors unanimously decided on September 6, 2023 to appoint Chris Peeters as CEO of the Company for a term of six years with effect from a mutually agreed date between Chris Peeters and the Company. This date was set at November 1, 2023. Chris Peeters has been remunerated as CEO as from November 1, 2023. The Special General Shareholders' Meeting of November 23, 2023 decided to appoint Chris Peeters as member of the Board of Directors for a term ending after 6 years as from November 1, 2023. For the purposes of this section "Compensation of key management", the term "CEO" refers to Chris Peeters and not to Philippe Dartienne.*

In addition, the other members of the Executive Committee (excluding the CEO[9]) received in 2023 a global variable remuneration of 893,101.44 EUR (2022: 1,378,351.49 EUR). The members of the Executive Committee (excluding the CEO) received a global variable short-term remuneration of 765,458.53 EUR in 2023 based on the achievement of the collective objectives and the individual performance targets for the year 2022. The member(s) of the Executive Committee eligible for the Landmark Global, Inc. Long Term Incentive Plan received in 2023 variable long-term remuneration of 127,642.91 EUR for the achievement of the performance targets over the financial years 2020, 2021 and 2022.

No shares, stock options or other rights to acquire shares (or other share-based remuneration) were granted to or exercised by the CEO or the other members of the Executive Committee or have expired in 2023. No options under previous stock option plans were still outstanding for the financial year 2023.

A more detailed overview of the compensation of key management of bpost and (the application in 2023 of) bpost's remuneration policy is included in the remuneration report.

6.33 Group companies

The business activities of the main subsidiaries can be described as follows:

- Aldipress is active on the Dutch market as a distributor of magazines, comics, novels and puzzle books.
- Active Ants' business activities consist of cross-border e-fulfilment for webshops, including product storing, picking, packing, transport and shipping and returns handling.
- AMP is a prominent player in the Belgian press distribution market with a large number of points of sale serviced and a large number of titles distributed.
- Apple Express Courier (Miami) and Apple Express Courier (Canada) are logistics and supply chain companies specializing in premium expedited and dedicated transportation, value-added forward and reverse warehousing services and end-mile delivery services in Canada.
- b2boost is specialized in the automation and digitization of B2B data interchanges with the aim of improving efficiency and cashflow at its customers. b2boost has created a platform that guarantees the highest standards of robustness, legal compliance in 60 countries, flexibility and a high degree of specialisation in B2B data process digitization.
- bpost Singapore and bpost Hong-Kong provide a full range of delivery and logistics solutions, including cross-border mail and parcels and e-commerce fulfilment. Both entities are mainly focused on directly collecting parcels from overseas e-commerce companies and businesses for delivery in Europe and other regions. bpost International Logistics (Beijing) Co. is a company affiliated to bpost Hong Kong and is established in Beijing (China). It offers a full range of cross-border parcel distribution services to the Chinese e-tailers and consolidators, with a strong focus on delivery of parcels to European and other global buyers. It is primarily active in Beijing, Shanghai and Shenzhen.
- DynaGroup offers a range of specialized logistics services and software, including the repair of electronics (from smartphones and drones to coffee machines), the personalized e-commerce delivery services, for both small products (such as smartphones) and large consumer products (such as the delivery and installation of large televisions, washing machines and furniture), as well as the preventive and corrective maintenance, cleaning, repair and reuse of medical devices. DynaGroup also provides safe and reliable services for governments and financial institutions, such as the delivery of passports and the finalizing of contracts at the customer's home.
- Euro-Sprinters is a courier service offering express deliveries of any size 7 days a week, 24 hours per day, within Belgium as well as internationally.
- Freight 4U Logistics is a ground handler based in Brussels and Liège airports areas with services including freight breakdown, sorting and processing of freight, import and export customs activities and freight forwarding.
- Freight Distribution Management Systems and FDM Warehousing are specialized in providing a personalized customer service for warehousing, fulfilment and distributing products in Australia and New Zealand. Its businesses consist of third party logistics (3PL) warehousing, transport & distribution.
- IMX is Paris-based international delivery provider that offers a full range of delivery services worldwide. Thanks to its partners and agreements with 200+ leaders in last mile delivery, IMX offers a wide variety of delivery services (parcels, letters, press publications, tracked shipments, delivery with signature, return goods, etc.) at optimized cost from the very first shipment.
- Landmark Global and Landmark Trade Services are leading international parcels consolidators respectively based in the US and Canada. They are mainly focused on the distribution of e-commerce parcels from US-based e-tailers into Canada, Europe, Australia and Latin America. They also offer various logistics solutions and fulfilment services in locations in the United States and Canada for their e-commerce customers.
- Landmark Global (UK) is a UK based mail, parcel and transport company providing global logistics solutions to the market in UK. Based near to Heathrow airport, Landmark Global (UK) has a customs bonded facility enabling to offer customs clearance services and x-ray security screening services. Landmark Global (UK) acts as an inbound and outbound gateway for other bpost entities around the world.
- Landmark Trade Services (UK) provides import services for goods entering the UK. Its location right next to London Heathrow makes it ideally suited to service US to UK airlift imports.
- Leen Menken Foodservice Logistics is a logistic operator for the storage, logistics and distribution of refrigerated and frozen products for e-commerce.
- Radial Netherlands provides import services for US customers looking to sell their products in Europe. This includes customs clearance services, warehousing, pick & pack and last mile delivery. Landmark Trade Services (Netherlands) focuses on advising new US customers on how to enter their products into Europe. This includes both advice on customs/VAT set-up and on product registration in the various European countries.
- Radial Poland provides fulfilment, logistics and distribution activities. It operates as logistics and distribution partner for direct selling companies across Western, Central and Eastern Europe.
- Radial's American and other European entities market a range of services all along the e-commerce logistics chain. Radial's technical, powerful omnichannel solutions connect supply and demand through efficient fulfilment and delivery options, intelligent fraud protection and payment processing and personalized customer care services, allowing brands to simplify their post click experience and improve their customer service.
- Speos Belgium manages outgoing document flows for its customers, specializing in the outsourcing of financial and administrative documents, such as invoices, bank statements and salary slips. Services include document generation, printing and enclosing, electronic distribution and archiving.

9 *The current CEO, Chris Peeters, did not receive a variable remuneration in 2023 for the previous financial years as he was appointed in the course of 2023.*

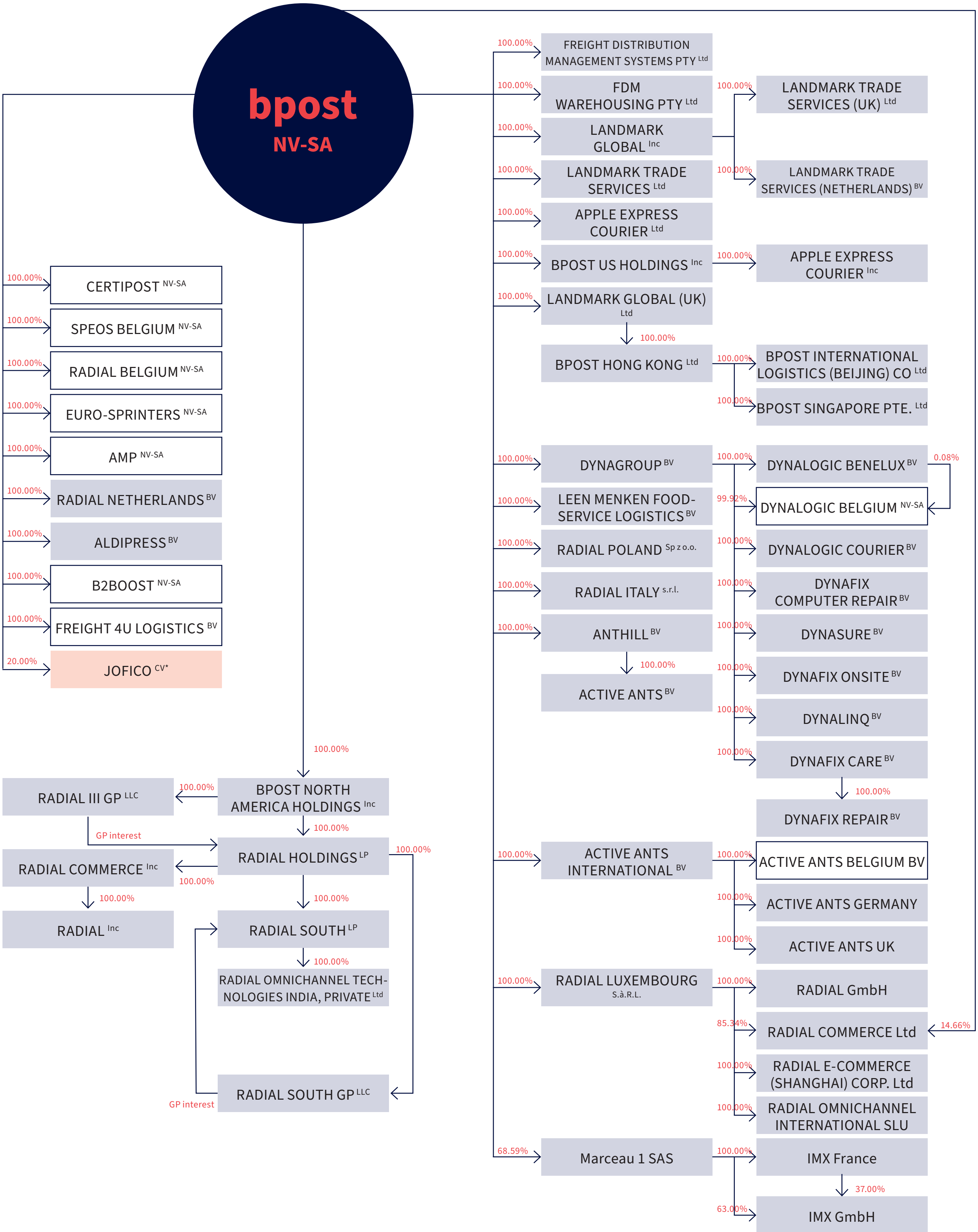
NAME	SHARE OF VOTING RIGHTS IN % TERMS 2023	2022	COUNTRY OF INCORPORATION
Jofico CV	20%	20%	Belgium
Alteris NV-SA [(1)]	-	100.0%	Belgium
Certipost NV-SA	100.0%	100.0%	Belgium
Euro-Sprinters NV-SA	100.0%	100.0%	Belgium
Radial Poland Sp z o.o.	100.0%	100.0%	Poland
Speos Belgium NV-SA	100.0%	100.0%	Belgium
Landmark Global (UK) Ltd	100.0%	100.0%	UK
bpost Hong Kong Ltd	100.0%	100.0%	Hong Kong
bpost Singapore Pte. Ltd	100.0%	100.0%	Singapore
bpost International Logistics (Beijing) CO Ltd	100.0%	100.0%	China
bpost US Holdings, Inc	100.0%	100.0%	USA
Landmark Global, Inc	100.0%	100.0%	USA
Landmark Trade Services, Ltd	100.0%	100.0%	Canada
Radial Netherlands B.V.	100.0%	100.0%	Netherlands
Landmark Trade Services (Netherlands) BV	100.0%	100.0%	Netherlands
Landmark Trade Services (UK) Ltd	100.0%	100.0%	UK
Apple Express Courier, Inc	100.0%	100.0%	USA
Apple Express Courier, Ltd	100.0%	100.0%	Canada
Freight Distribution Management Systems PTY, Ltd	100.0%	100.0%	Australia
FDM Warehousing PTY, Ltd	100.0%	100.0%	Australia
AMP NV-SA	100.0%	100.0%	Belgium
Radial Belgium NV-SA	100.0%	100.0%	Belgium
DynaGroup BV	100.0%	100.0%	Netherlands
Dynafix Repair BV	100.0%	100.0%	Netherlands
Dynalogic Benelux BV	100.0%	100.0%	Netherlands
Dynafix Care BV	100.0%	100.0%	Netherlands
Dynalogic Courier BV	100.0%	100.0%	Netherlands
Dynafix Computer Repair BV	100.0%	100.0%	Netherlands
Dynasure BV	100.0%	100.0%	Netherlands
Dynafix OnSite BV	100.0%	100.0%	Netherlands
DynaLinq BV	100.0%	100.0%	Netherlands
Dynalogic Belgium NV	100.0%	100.0%	Belgium
Radial Holdings, LP	100.0%	100.0%	USA
Radial Commerce, Inc	100.0%	100.0%	USA
Radial South, LP	100.0%	100.0%	USA
Radial, Inc	100.0%	100.0%	USA
Radial Luxembourg S.à.R.l.	100.0%	100.0%	Luxembourg
Radial Omnichannel Technologies India, Private Ltd	100.0%	100.0%	India
Radial Omnichannel International, SL	100.0%	100.0%	Spain
Radial GmbH	100.0%	100.0%	Germany
Radial Commerce Ltd	100.0%	100.0%	UK
Radial E-commerce (Shanghai) Corp. Ltd	100.0%	100.0%	China

	SHARE OF VOTING RIGHTS IN % TERMS		COUNTRY OF INCORPORATION
NAME	2023	2022	
bpost North America Holdings, Inc	100.0%	100.0%	USA
Radial III GP, LLC	100.0%	100.0%	USA
Radial South GP, LLC	100.0%	100.0%	USA
Radial Italy s.r.l.	100.0%	100.0%	Italy
Leen Menken Foodservice Logistics BV	100.0%	100.0%	Netherlands
Active Ants BV	100.0%	75.0%	Netherlands
Anthill BV	100.0%	75.0%	Netherlands
Freight 4U Logistics BV	100.0%	100.0%	Belgium
Active Ants International BV	100.0%	75.0%	Netherlands
Active Ants Belgium BV	100.0%	75.0%	Belgium
Active Ants Germany GmbH	100.0%	75.0%	Germany
Active Ants UK Ltd	100.0%	75.0%	UK
Marceau 1 SAS	68.6%	68.6%	France
IMX France	68.6%	68.6%	France
IMX GmbH	68.6%	68.6%	Germany
Aldipress BV	100.0%	100.0%	Netherlands
b2boost NV-SA	100.0%	5.0%	Belgium

(1) Merged into bpost NV/SA in 2023.

bpostgroup structure

As per 31 December 2023



6.35 Events after the statement of financial position date

No significant events impacting financial position of bpostgroup have been observed after the statement of financial position date.

7. Summary financial statements of bpost NV/SA

This section contains a summary version of the statutory (non-consolidated) annual accounts of bpost NV/SA under BGAAP. The statutory auditor issued an unqualified opinion on the statutory accounts of bpost NV/SA as of and for the year 2023.

The full version of the annual accounts is filed with the National Bank of Belgium and is also available free of charge on the website of bpostgroup.

Balance sheet of bpost NV/SA (summary)

As at 31 December

IN MILLION EUR	2023	2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets (including formation expenses)	29.5	34.4
Tangible assets	442.7	298.8
Financial assets	1,209.9	1,325.0
Trade and other receivables	0.0	2.0
	1,682.1	**1,660.3**
CURRENT ASSETS		
Inventories	8.9	8.4
Trade and other receivables	626.5	661.2
Cash and cash equivalents	757.9	838.3
Deferred charges and accrued income	38.0	35.2
	1,431.2	1,543.1
TOTAL ASSETS	**3,113.4**	**3,203.4**
EQUITY AND LIABILITIES		
EQUITY		
Issued capital	364.0	364.0
Reevaluation surpluses	0.1	0.1
Reserves	67.9	71.9
Retained earnings	456.2	370.7
	888.2	**806.7**
PROVISIONS		
Pension related provisions	28.7	26.4
Provision for repairs and maintenance	0.5	0.4
Other liabilities and charges	208.7	137.3
Deferred taxes	5.7	7.0

As at 31 December

IN MILLION EUR	2023	2022
	243.5	**171.1**
NON-CURRENT LIABILITIES		
Long term debts	648.1	652.4
	648.1	**652.4**
CURRENT LIABILITIES		
Trade and other payables	314.1	342.6
Short term debts	58.8	173.4
Social debts payable	418.6	409.7
Tax payable	16.1	45.0
Other debts	359.6	429.2
Accrued charges and deferred income	166.3	173.2
	1,333.5	**1,573.2**
TOTAL LIABILITIES	**3,113.4**	**3,203.4**

Income statement of bpost NV/SA (summary)

For the year ended 31 December

IN MILLION EUR	2023	2022
Revenue	2,349.5	2,256.8
Other operating income	37.6	45.1
Non-recurring operating income	0.0	0.0
TOTAL OPERATING INCOME	**2,387.0**	**2,301.9**
Material costs	7.4	6.4
Payroll costs	1,300.3	1,270.1
Services and other goods	780.5	757.7
Other operating expenses	36.8	21.4
Provisions	(8.8)	(0.9)
Depreciation and amortization	85.8	62.9
Non-recurring operating expenses	3.1	94.2
TOTAL OPERATING EXPENSES	**2,205.1**	**2,211.7**
PROFIT FROM OPERATING ACTIVITIES	**181.9**	**90.2**
Financial gains/(losses)	57.2	(9.8)
Non-recurring financial gains/(losses)	(84.9)	69.1
PROFIT FOR THE PERIOD BEFORE TAXES	**154.1**	**149.5**
Transfer from postponed taxes	(1.4)	(1.4)
Income taxes	48.0	30.6
NET PROFIT FOR THE PERIOD	**107.5**	**120.2**
Transfer to/(from) untaxed reserves	(4.1)	(4.1)
NET PROFIT FOR THE PERIOD AVAILABLE FOR APPROPRIATION	**111.5**	**124.3**

9. Management responsibility statement and Report of the Joint Auditors

Chris Peeters, Chief Executive Officer and Philippe Dartienne, Chief Financial Officer, declare in title and for the entity that to the best of their knowledge:

- the consolidated financial statements for the financial years 2022 and 2023, prepared in accordance with “International Financial Reporting Standards” (IFRS) as accepted by the European Union up until December 31, 2023, give a true and fair view of the net assets, the financial position and the results of bpost NV/SA and the entities included in the consolidation scope; and
- the management report related to the consolidated financial statements give a true and fair view of the development and the result of bpost’s activities, as well as the position of bpost NV/SA and the entities that are included in the consolidation scope, together with a description of the main risks and uncertainties that bpost faces.

Chris Peeters
Chief Executive Officer

Philippe Dartienne
Chief Financial Officer

Independent joint auditors’ report to the general meeting of bpost SA de droit public/ bpost NV van publiek recht for the year ended 31 December 2023

In the context of the statutory audit of the Consolidated Financial Statements of bpost SA de droit public/ bpost NV van publiek recht (the “Company”) and its subsidiaries (together the “Group”), we report to you as statutory joint auditors. This report includes our opinion on the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of change in equity and the consolidated statement of cash flows for the year ended 31 December 2023, and the disclosures including the material accounting policy information (all elements together the “Consolidated Financial Statements”) as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory joint auditors by the shareholders’ meeting of 12 May 2021, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers’ council. Our mandate expires at the shareholders’ meeting that will deliberate on the Consolidated Financial Statements for the year ended 31 December 2023. We performed the audit of the Consolidated Financial Statements of the Group during 15 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the consolidated Financial Statements of bpost SA de droit public/ bpost NV van publiek recht, that include of the consolidated statement of financial position on 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of change in equity and the consolidated statement of cash flows of the year, and the disclosures, including the material accounting policy information, which show a consolidated balance sheet total of € 4,118.8 million and of which the consolidated income statement shows a profit for the year of € 64.8 million.

In our opinion, the consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2023, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”) and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (“ISA’s”) applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board (“IAASB”) that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the “Our responsibilities for the audit of the Consolidated Financial Statements” section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Contingent Liabilities

Without qualifying our opinion, we would like to draw the attention to Note 6.30 “Contingent liabilities” of the Consolidated Annual Accounts, which describes the ongoing investigations related to the award of the press concession as well as management’s risk assessment on the potential impacts.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Provisions for certain public contracts

Description of the key audit matter

During financial year 2023, the Company recorded provisions for a total amount of € 82.5 million for potential overcompensation received from the Belgian State, relating to contracts for (i) Cross Border Fines, (ii) the 679 accounts and (iii) European License Plates.

The Note 6.27 "Provisions" to the Consolidated Financial Statements provides background, findings, and next steps on these specific services between the Company and the Belgian State, including management's risk assessment on the potential impacts and the resulting provisions recorded.

bpost, conducted and finalized an in-depth legal and economic assessment regarding the remuneration paid by the Belgian State for the three services. Based on this assessment, bpost concluded that potential overcompensation constitutes a probable risk for a cash-out flow as per IAS 37 (Provisions).

Due to the magnitude of the amounts concerned, the required involvement of external specialists engaged by the Company, the complexity of the underlying estimations and calculations (which include elements of uncertainty), we consider this as a key audit matter.

Summary of the procedures performed:

- We have assessed the design of the internal controls relating to Management's estimation process with respect to these contracts.
- We have evaluated the objectivity and competence of the Company's external advisors with respect to the subject matter to which the provisions relate.
- We have obtained and read legal confirmations from all external legal advisors that were engaged by bpost on the subject matter and considered their risk assessment.
- We have obtained and assessed the results of the independent economists that were engaged by bpost and who assisted bpost with the calculation of the potential impact.
- With the help of our internal specialists, we have challenged management's calculations by performing:
  - an assessment of the assumptions used in the calculations of management.
  - verifications of the mathematical accuracy of the calculation.
  - reconciliations of the source data with underlying evidence (invoices, payroll details, timesheets, contracts, etc.) for a sample.
- We performed an assessment of the exposure with the Company's legal counsel, management and Board of Directors.
- We have read the minutes of the Audit Committee, ad hoc Committee and Board of Directors, to assess the completeness and appropriateness of information used in determining the risk assessment and the related calculations for the provisions.
- We have assessed the adequacy and completeness of the disclosures on Provisions in the Consolidated Financial Statements based on the requirements of IAS 37 (Provisions).

Long term employee benefits

Description of the key audit matter

Provisions for long term employee benefits amount to € 249.8 million as of 31 December 2023 and are disclosed in note 6.25 to the Consolidated Financial Statements. This area is important to our audit because of the magnitude of the amounts, the judgments involved concerning the key actuarial assumption (discount rates) and the technical expertise required to evaluate these provisions and to properly reflect the impacts in the Consolidated Financial Statements in accordance with IAS 19 (Employee Benefits).

Summary of the procedures performed

- We have assessed the design and implementation of the processes and controls established by the Company to manage the underlying participant data and to ensure that the amendments to the plans are properly and timely reflected in the Consolidated Financial Statements.
- We have performed an assessment of the actuarial report prepared by the external actuary engaged by the Company to ensure that all characteristics of the plans have been properly considered in the actuarial calculations.
- We have assessed the expertise, independence and integrity of the external actuary engaged by the Company.
- We have compared the input data used for the calculation of the provisions by the external actuary (such as population, age, years of service, wage, …) with source information of the human resources department of the Company.
- We have assessed the appropriateness of the key actuarial assumption (discount rates) with the assistance of our internal actuarial specialists.
- We have audited that the actuarial calculations are properly reflected in the provisions recorded in the Consolidated Financial Statements and ensured that impacts are correctly recorded in accordance with IAS19.
- We have audited the roll-forward of the provisions to understand the changes in the valuation of the provisions compared to last year.
- We have assessed the adequacy and completeness of the disclosures presented in the note 6.25 of the Consolidated Financial Statement based on the requirements of IAS19 (Employee Benefits).

Impairment of goodwill

Description of the key audit matter

As at 31 December 2023, the Consolidated Financial Statements include goodwill for a total amount of € 674.9 million.

As described in note 6.19, relating to impairment testing on goodwill, the Company reviews the carrying amounts of its cash generating units ("CGU") annually or more frequently if impairment indicators are present. The impairment assessment involves a comparison of the estimated value in use of the CGU to its carrying amount. The assessment is a judgmental process which requires estimates concerning the projected future cash flows associated with the CGU, the weighted average cost of capital ("WACC") and the growth rate of revenue and costs to be applied in determining the value in use.

This area is important to our audit because of the magnitude of the amounts, the judgments and the technical expertise required to perform the impairment testing on goodwill.

Summary of the procedures performed

- We have assessed the design and implementation of the internal controls relating to Management's impairment testing of goodwill.
- We evaluated and challenged management determination of CGU's and allocation of goodwill to those CGUs for the purpose of impairment testing.
- We have tested the accuracy of the underlying model to assess whether the processes are applied to the correct input data.
- We have challenged each of the key assumptions employed in the annual impairment test. These key assumptions include the WACC, the growth rates and projected cash flows. We have involved our internal valuation specialists to assess and benchmark those assumptions to comparable independent data. We have tested the reasonableness of projected cash flows in the light of the Group's historic forecasting accuracy and compared these projections with the long term plan as presented to the Board of Directors.
- We have assessed Management's sensitivity analyses and the appropriateness and completeness of the sensitivity disclosures.
- We have assessed the appropriateness and completeness of the disclosures in accordance with IAS36 (Impairment of Assets) as included in note 6.19 to the Consolidated Financial Statements.

Revenue Recognition relating to Radial US, terminal dues and financial compensation for Services of General Economic Interest ("SGEI")

Description of the key audit matter

Revenue recognition is a key audit matter in our audit considering the amounts involved (€ 4,272.2 million of total operating income for 2023) and the complexity and assumptions used to estimate several revenue streams at year-end in accordance with IFRS 15 (Revenues from Contracts with Customers). The main risk areas relate to:

- Revenue relating to the financial compensation for Services of General Economic Interest ("SGEI") and for the distribution of press and periodicals that are estimated at year-end based on complex calculations included in contractual agreements and which amounts to € 311.9 million for 2023 as disclosed in note 6.7 to the Consolidated Financial Statements. These contracts include various calculation models for the determination of the annual financial compensation for which the lowest compensation is granted and thus taken into consideration for the revenue recognition. These calculation models are based on various input data (such as actual volumes, quality targets, incurred costs relating to the concerned services,…) and involves management estimates.
- Revenue of December 2023 for Radial US (€ 143 million) that is estimated at year-end and will be billed to customers in January of the next year. Radial is providing E-commerce outsourcing services (Technology services, payment processing services, shipping and handling services, 24/7 customer services related to the webstores, order management and fulfillment) and other professional services to its customers. The estimation of the December 2023 revenue in accordance with IFRS 15 is complex considering the various input data used in the calculations, the volume of transactions and the specific contractual conditions agreed with customers.
- Revenue with other postal operators ("terminal dues") (€ 58.7 million) that is estimated based on complex calculations involving various input data. The estimation of these revenues is based on volumes exchanged (in kilogram's and per item), the prices agreed with the foreign postal operators and also other contractual conditions (e.g. quality of service of the mail distribution).

Summary of the procedures performed

- We have gained an understanding of the internal control environment relating to the revenue processes, performed walkthroughs of the significant revenue classes of transactions mentioned in the description of the key audit matter and evaluated the design and operating effectiveness of key internal controls.
- We have also evaluated the design and operating effectiveness of the IT general controls and key IT application controls supporting the revenue processes with assistance of our internal IT experts.
- We have assessed the Management's estimation process and challenged their calculations by performing:
  - an assessment and comparison of the key inputs and assumptions in the calculation models with the contractual agreements,
  - a validation on whether the transfer of risks and rewards are properly reflected based on the contractual agreements; and
  - a reconciliation of the key underlying data used in the revenue calculation models (e.g. volumes, prices,…) with underlying IT systems, contracts and other documents provided by external parties.
- We have performed analytical procedures on the important revenue streams to detect unusual trends or transactions by comparing revenue with last year and performing an analysis of revenue on a disaggregated basis.
- We have performed subsequent events procedures by reviewing significant transactions recorded during 2024 and comparing these transactions with estimates recorded at year-end.
- We have assessed the adequacy and completeness of the disclosures on revenue in the Consolidated Financial Statements based on the IFRS 15 requirements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors.
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern.
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements.

Responsibilities of the Joint Auditors

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Overview of key figures
- Key events of the year

contains any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on Global Reporting Initiatives standards ("GRI"). However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with Global Reporting Initiatives standards ("GRI").

Independence matters

We and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of bpost SA de droit public/ bpost NV van publiek recht per 31 December 2023 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 21 March 2024

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Han Wevers *
Partner
*Acting on behalf of a BV/SRL

PVMD Réviseurs d'entreprises CV/SC
Statutory auditor
Represented by

Alain Chaerels
Partner*
*Acting on behalf of a BV/SRL

10. Appendices

10.1 Glossary

Abbreviations

- **1991 Law:** the Law of March 21, 1991 on the reform of certain economic public companies, as amended from time to time
- **APM:** Alternative Performance Measures
- **BCCA:** Belgian Code of Companies and Associations
- **Belgium:** Mail, Parcels and Retail business unit Belgium
- **BIPT:** Belgian Institute for Postal services and Telecommunications
- **bpost Belgium:** bpost NV/SA, Freight4U, speos, Brucargo and Radial Belgium
- **bpostgroup:** bpost NV/SA and subsidiaries
- **bpost NV/SA or the Company:** b, a public-law public limited company incorporated and existing under Belgian law, having its registered office at Boulevard Anspach 1, box 1, 1000 Brussels (Belgium) and registered with the Crossroads Bank for Enterprises under number 0214.596.464 (RLE Brussels)
- **BU:** Business Unit
- **B2B:** Business to Business
- **B2C:** Business to Consumer
- **Capex:** total amount invested in fixed assets
- **CEO:** Chief Executive Officer (for ease of reference, references to the "CEO" in this report should be understood as CEO or CEO *ad interim*, unless specified otherwise)
- **Corporate Governance Code:** 2020 Belgian Code on Corporate Governance
- **CSRD:** Corporate Sustainability Reporting Directive
- **CSDDD:** Corporate Sustainability Due Diligence DirectiveD&A**:** Depreciation and amortization
- **EAT:** Earnings After Taxes
- **EBIT:** Earnings Before Interests and Taxes
- **EBITDA:** Earnings Before Interests, Taxes, Depreciation and Amortization
- **E-Logistics Eurasia:** E-Logistics Europe & Asia
- **E-Logistics N. Am.:** E-Logistics North America
- **ECL:** Expected Credit Losses
- **ERM:** Enterprise Risk Management
- **ERP:** Enterprise Resource Planning
- **ESRS:** European Sustainability Reporting Standards
- **EUR:** Euro
- **EY:** EY Réviseurs d'Entreprises–Bedrijfsrevisoren SRL/BV
- **FTE:** full time equivalents
- **GhG:** Greenhouse Gas
- **GRI:** Global Reporting Initiative
- **ICT:** Information and Communication Technology
- **IFRS:** International Financial reporting Standards
- **LTIP:** long-term incentive plan
- **NAC:** Net avoided cost
- **NPS:** Net Promotor Score
- **Opex:** Operating expenses
- **PUC:** Projected Unit Credit
- **PUDO:** Pick-up and Drop-off point
- **PVMD :** PVMD Réviseurs d'Entreprises- Bedrijfsrevisoren SC/CV
- **Remuneration Policy :** bpost remuneration policy approved by the General Shareholders' Meeting of the Company
- **SBTi:** Science Based Targets initiative
- **SFPI/FPIM:** Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij
- **SGEI:** Services of General Economic Interest
- **TCV:** Total Contract Value
- **USO:** universal postal service obligations
- **WACC:** Weighted Average Cost of Capital

Definitions

Absenteeism

Absenteeism is the rate of unplanned absence of own employees due to due to work-related occupational accidents or illness during the reporting period. This is calculated by dividing the total number of days where employees were absent in the reporting year out of the number of days worked in the reporting year times 100.

Carbon emissions offset

A carbon offset is a reduction or removal of emissions of carbon dioxide or other greenhouse gases made in order to compensate for emissions made elsewhere. Offsets are measured in tonnes of carbon dioxide-equivalent (CO_2e). bpost has been offsetting the carbon emissions generated by our mail handling activities since 2020. With South Pole, we raise financing for Gold Standard certified climate projects to cut greenhouse emissions in emerging countries. For each of these projects, we also contribute to key UN SDGs, such as climate action, life on land, sustainable communities, no poverty, or good health.

CO_2 equivalent emissions

bpostgroup uses the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (Revised Edition) as well as the joint methodology of UPU (universal postal union), PostEurope and IPC (international postal corporation) – "GHG Inventory standard for the postal sector last version 2010 standard" to collect activity data and calculate emissions. bpostgroup reports CO_2 emissions only. HFCs emissions from on-site refrigeration or air-conditioning are negligibly small. Emissions from NH4, N2O, PFCs or SF6 are negligible and not relevant for bpost's activities. Therefore, the IPC GHG program has not included these emissions in the scope of emissions to be monitored. The majority of the conversion factors used are derived from IPC or provided directly by the relevant supplier.

bpostgroup reports on

- Scope 1: Emissions directly from our activities mainly emissions from our fleet (truck, vans, company cars,…) and heating our buildings (natural gas and heating oil)
- Scope 2: Emissions from purchased electricity and heat
- Scope 3: includes emissions from employee commuting, subcontracted transport, purchased goods and services, waste, business travel, upstream emissions from purchased fuel

Constant Exchange Rate

The reported figures in local currency of the prior comparable period are converted with the exchange rates applied for the current reported period.

Customer satisfaction

Customer satisfaction is an indicator of customer opinion towards the services we provided in the reporting period. At bpostgroup we measure our customer experience and loyalty through the Net Promoter Score (NPS) on a scale of -100 to 100. The NPS scores for B2B clients and B2C clients are disclosed separately. There is also a separate customer satisfaction survey conducted by bpost Belgium which includes both residential and business customers.

Effective tax rate

Income tax expense/profit before tax

Employee engagement

Employee engagement is determined by an independent third party via an employee engagement survey. Employee engagement is the degree to which employees get inspiration from their work. Engaged employees gain energy from their work, are proud of the work they do, and experience their work as meaningful.

Employee turnover

The number of own employees (in headcount) that left the entity during the reporting period. The leaving employee has left the entity and is not on the entity's payroll anymore. This is calculated by dividing the total number of employees that left the entity during the reporting period (year X), divided by the average number of employees in year X and year X-1, multiplied by 100.

Energy consumption

The total energy consumed in KWh by the buildings and by the activities within the buildings, excluding energy consumption for transportation and logistics purposes, during the reporting period. This consists of electricity, natural gas, heating oil, district heating, fuel oil consumed for generators and diesel for lift trucks.

Frequency rate

An injury frequency rate is the number of work-related occupational accidents that happened in the reporting year per 1 000 000 employee-hours worked. It is an indicator of the state of health and safety at a workplace. This is calculated by dividing the number of work-related occupational accidents that happened in the reporting year, out of the total number of hours worked in the reporting year, multiplied by 1,000,000 hours worked.

Health and safety training hours

Health and safety training is formal training to raise awareness and prevent any health and safety hazard (aimed at implementing health and safety procedures), and to provide instructions that will help guarantee the safety and well-being of all employees or temporary staff. Safety training covers topics such as accident prevention and safety promotion, safety compliance, use of personal protective equipment, chemical and hazardous materials safety, and workplace emergency response procedures. At bpostgroup, this is applied to the total hours of health and safety training received by employees or temporary staff during the reporting period.

Last mile green delivery

At bpostgroup, last mile green delivery refers to the packages that have been delivered by a zero-emission last mile delivery method - on foot, by bike, e-bike, e-vans or parcel lockers.

Lost days

Lost days refers to the number of working days employees did not come to work, due to occupational accidents involving employees, not counting any days on which the employee would not have worked (so excluding *e.g.* weekends, holidays, part-time days, etc.).

New hires

The total number of new employee hires is the total headcount of own employees of the reporting year.

Occupational work accidents

Total number of occupational accidents leading to a lost-time injury or a work-related fatality during the reporting period.

Total training hours

The total number of training hours received by the entity's own employees or temporary staff during the reporting period. These include planned trainings, instruction and/or education for employees or temporary staff, paid by the entity, during and outside working hours for the reporting period. Formal trainings are organised in collaboration with an (internal or external) educator or educational institution. The trainings are directly or indirectly linked to the work activity and can be within company buildings or off-site.

Voluntary employee turnover

Voluntary employee turnover refers to the number of own employees (in headcount) that left the entity voluntarily during the reporting period. The leaving employee has left the entity and is not on the entity's payroll anymore. The reported number includes all own employees leaving voluntarily, by their own choice to leave the organization, *e.g.* resignation or early pension/retirement. This is calculated by dividing the total number of employees that left the entity voluntarily during the reporting period (year X), divided by the average number of employees in year X and year X-1, multiplied by 100.

Women in management

The headcount of own employees on December 31 in any management position of the entity. This includes executive level positions, top management positions, middle management positions and junior management positions.

Severity rate

Severity rate is a safety metric used to measure how critical or serious the injuries and illnesses sustained in a period of time are by using the number of lost days per accident as a proxy for severity. This is calculated by dividing the total lost days in the reporting year out of the number of hours worked in the reporting year times 1,000 hours worked.

Significant tier 1 suppliers

Significant tier 1 suppliers are the suppliers that make up minimum 80% of the procurement spent during the reporting period.

10.2 Awards and Recognitions

bpostgroup's sustainability efforts have been rewarded with following distinctions:

bpostgroup is one of the 20 constituents of the BEL ESG, part of the BEL index family. Euronext launches the BEL® ESG, a new index identifying and tracking the companies within the BEL® 20 and the BEL® Mid indices that have demonstrated the best ESG practices.

bpost has been awarded the CO_2-Neutral® label. This is a guarantee that bpost calculates, reduces and offsets its local and global climate impacts. Serious efforts on behalf of the climate are needed to secure this label, which is managed by Vinçotte, an independent international accreditation body.

Sustainalytics provides environment, social and governance (ESG) research, ratings and data to institutional investors and companies. bpost is rated 'low risk' which puts it 37 out of 398 in the industry ranking.

The EcoVadis methodology is used to assess how well companies incorporate sustainability/social responsibility in their activities and management system. The 2023 EcoVadis silver medal (67/100) was awarded to bpostgroup, placing us in the 90th percentile.

bpostgroup is part of the Ethibel Sustainability Index (ESI) Excellence Europe. ESI Excellence Europe comprises the shares of 200 European companies with the best social and environmental responsibility performance. This register is made available to investors who wish to create sustainable investment funds. Forum Ethibel regularly performs a deep-dive analysis of each company in the register, on which basis it updates the rating.

MSCI is a leading provider of tools and services to help the global investor community make investment decisions. bpost is rated A.

The Carbon Disclosure Project (CDP) manages the global disclosure system to help investors, companies, cities, states and regions manage their environmental impact. bpostgroup was awarded a B rating for climate change in 2022, above the industry average C for Intermodal transport & logistics sector.

10.3 About our non-financial consolidated statements

The non-financial consolidated statements of this report is structured based on our material topics. bpostgroup has reported the information cited in this GRI content index for the period January 1, 2023 to December 31, 2023 in accordance to the GRI Standards. The GRI Content Index can be found on in the appendix: GRI content index.

Scope and boundaries

The information disclosed the non-financial consolidated statements was collected from our global business units and is based on information available through internal reporting. The information refers to the 2023 calendar year and covers all of bpost's activities, including those of its subsidiaries, unless specifically stated otherwise.

The complete list of bpost's subsidiaries can be found in bpost's Financial Consolidated Statements. We define a subsidiary as an entity in which bpost owns more than 50% of the shares and that is significant in terms of turnover and employees. Subsidiaries included for our reported data are listed below.

BPOST ENTITIES	OWNERSHIP	SCOPE
bpost SA/NV	100%	Yes
Eurosprinters	100%	Yes
AMP	100%	Yes
Freight4U	100%	Yes
SPEOS	100%	Yes
DynaGroup (including Leen Menken)	100%	Yes
Landmark Global Inc. North America (including Landmark Trade Services)	100%	Yes
Landmark Global UK	100%	Yes
Landmark Global APAC	100%	Yes
Radial North America	100%	Yes
Radial Europe (Belgium, Germany, Italy, Poland, Netherlands, UK)	100%	Yes
Active Ants	100%	Yes
Apple Express	100%	Yes
FDM Warehousing	100%	Yes
IMX France	68,6%	Yes
Aldipress	100%	Yes

The subsidiaries in scope are included as of the date of acquisition. If the subsidiary was acquired or sold in 2023, the data only covers the period after/before the date of acquisition/sale.

External verification

DNV, an external body, verifies the quality of bpostgroup's CO_2 emissions data according to the ISO 14064 Standards. Also, bpost has obtained ISO 14001 certification for its strategic sites in Belgium from AIB Vincotte. bpost Is working to further formalise the data reporting process and tool of bpost subsidiaries before submitting the Sustainability report for external verification.

For more information related to our Sustainability governance and awards and partnerships, we refer to our website.

Reference to external documents

For our Sustainability Governance, we refer to the following section on our website.

To read about how we engage with our stakeholders, we refer to the following section on our website.

The bpostgroup's Integrated Annual Report 2023 has been prepared in accordance to the GRI Standards. Our materiality analysis and GRI content index for this report can be found in the appendix: GRI content index and appendix: materiality and stakeholder dialogue sections of this report, as well as on our website.

An overview of bpost's awards and partnerships, we refer to the appendix: Awards and Recognitions, and in the following section on our website.

10.4 Double Materiality assessment and Stakeholder engagement

Driven by increasing attention from authorities, capital markets, clients, consumers, and employees economic, social, and ecologic sustainability is an important imperative for bpostgroup. We strive to create value for all stakeholders and aspire to understand and act upon material topics for our business and our stakeholders.

The CSRD requires companies to disclose sustainability information based on ESRS and a double materiality analysis. This analysis assesses both ways the impacts of their operations on people and the environment as well as on how sustainability matters affect them.

This independent double materiality assessment was undertaken in 2023. The outcome has shaped our corporate strategy and reporting in response to topics considered as most material.

The identification of those ESG topics was done through a robust and structured stakeholder engagement process with key internal and external stakeholders and subject matter experts. Seven topics were selected, encompassing bpostgroup's most significant impacts on ESG as well as the most significant risks and opportunities for bpostgroup.

The double materiality assessment was conducted in accordance with the European Sustainability Reporting Standards ESRS 1. It also drew inspiration from the Global Reporting Initiative (GRI 2021) guidelines and the Sustainability Accounting Standards Board (SASB) that enable organizations to provide industry-based sustainability disclosures about risks and opportunities that affect enterprise value.

In 2023, the double materiality assessment covered the value chains of BU Belgium, E-Logistics Eurasia and E-Logistics North America. The sustainability team, internal and external stakeholders provided opinions on the double materiality assessment, amounting to a list of 15 topics, classified in order of relevance. These opinions and expectations were then presented for discussion during the Board of Directors' meeting where the threshold was set following a series of considerations.

Seven topics were selected:

Environmental	Social	Governance
Carbon Footprint	Health, safety and well-being	Due Diligence in the value chain
Waste	Diversity, Equity and Inclusion	Business Conduct and Ethics
		Data Privacy and security

This process was very important in guiding bpostgroup to determine the most effective approach to improve the company's ESG performance while embedding them in the business. The outcomes of this double materiality assessment were vital in shaping the objectives outlined in the Corporate Strategic Plan. These seven topics will equally structure a roadmap to guide action across the Group.

A structured five-step process was followed to identify bpostgroup's material topics

Step 1: Mapping the bpostgroup value chain: The analysis of the business value chain consisted of 3 scopes:

1. Upstream (materials and suppliers)
2. Own operations (including business partners and subcontractors),
3. Downstream (customers and end clients)

The goal was to map the value chain based on four key areas: 1) which entities 2) perform which type of activities 3) at which stage of the value chain, 4) affecting which type of stakeholders. By visualising precisely what occurs at each step, we were able to ensure the materiality analysis of the ESG topics, including the impacts, risks and opportunities extends to the right scope in step 2.

bpostgroup has five distinct value chains across three geographical business units:

1. E-commerce and Logistics (cross-border logistics, fulfilment and last mile distribution)
2. Distribution and Media
3. Retail services
4. Government services
5. Document flow management

Step 2 : Identifying Impacts, Risks and Opportunities (IRO): A comprehensive list of IRO's was created based on the information gathered during step one, and the list of sustainability matters covered in the topical ESRS 1 categorised by topics, sub-topics and sub-sub-topics.

The list of IRO's was classified into three groups: Environmental, Social and Governance topics. These topics were then placed all along the value chain to show where IROs are likely to arise, based on the nature of the activities, business relationships, geographies or other factors concerned.

Step 3: Identifying and Engaging bpostgroup's key stakeholders:

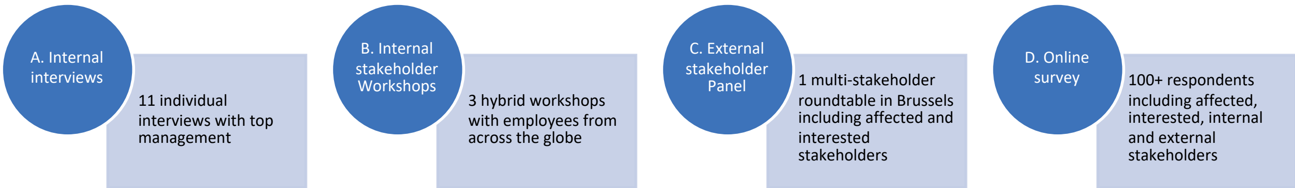
A. Stakeholder Identification

To identify the **affected** stakeholders, bpostgroup sustainability team and internal stakeholders considered the IRO's along the value chain: each impact was matched with the corresponding affected stakeholder category, a proxy or a representative.

To identify **information users** fitting with the financial risks and opportunities, the categories listed in the ESRS 1 were used and the corresponding organisations were added to the list of stakeholders to engage.

B. Stakeholder Engagement:

Affected stakeholders and information users were engaged through qualitative and quantitative means of consultation. A sequence of four parallel techniques were mobilised to gain internal and external stakeholders insights on the list of ESG topics and IRO's and increase incrementally the level of accuracy of the topics selected:



The bpostgroup stakeholder policy was set up following this exercise, with a structured process to engaging with bpostgroup stakeholders going forward.

Step 4: Setting the threshold: Based on the results of the stakeholder consultations and a thorough analysis of their input, a prioritised list of ESG topics was presented to the Board of Directors, with a suggestion of criteria to select the most material among them for strategy and reporting. Through this detailed process, bpostgroup gained a comprehensive understanding of the importance, interdependence and implications of these topics within the context of their operations.

The following considerations were taken into account to set the threshold:

- Selecting topics in line with the business strategy
- Addressing negative impacts first
- Being ambitious yet pragmatic
- Searching for a balance between Environment, Social and Governance

Seven topics passed the threshold. The criteria for prioritization of the key topics considered both time horizon perspective (short/medium/long term) and geographical perspective.

Step 5: Integration with bpostgroup's strategy

To reconcile the selection of the seven material ESG topics with the corporate strategy, a roadmap was established. It represents the first step of a future strategy and action plan that will enable bpostgroup to reach its 2030 and 2040 ESG commitments.

bpostgroup ambition is to be a reference in sustainability in all countries we operate in

BPOSTGROUP IS FIRMLY COMMITTED TO FURTHER STEP UP SUSTAINABILITY EFFORTS

bpostgroup's ambition is to be a reference in sustainability in all markets we operate in, with a focus on seven material areas where bpostgroup can have a significant impact:

Social

- Health & Safety of our people first
- Champion Diversity, Equity & Inclusion across the group

Environment

- Decarbonize the e-commerce supply chain
- Re-use and re-cycle packaging as part of a circular economy

Governance

- Strengthen Due Diligence in the value chain
- Uphold responsible Business Conduct and Ethics in the workplace
- Ensure Data privacy and security of our clients and workforce

The group sustainability team is working at group level to shape and integrate the ESG ambitions further and support the businesses in execution against their targets.

10.5 Non-financial Consolidated Statements

Governance

Ethics

METRIC	Unit	2019	2020	2021	2022	2023
Number of registered complaints on unethical workplace behaviour	Number	47	44	50	53	117
Number of registered cases of corruption and bribery	Number	1	0	0	0	0
Monetary amount of legal and regulatory fines and settlements above 10,000 USD linked to data breaches, corruption or environment damage	Euros	0	0	0	0	0

Customer and citizen value

Customer Satisfaction

METRIC	UNIT	2019	2020	2021	2022	2023
Customer Satisfaction - bpost Belgium	%	82	84	83	84.5	84
Total number of PUDO points (including parcel lockers)	Number	2,088	2,303	2,500	2,760	3108
Total number of parcel lockers	Number	150	365	501	692	901

Social dialogue

METRIC	UNIT	2019	2020	2021	2022	2023
Average number of strike action days	strike days per 1,000 employees	1.1	2.7	6.8	8.7	1.1
Share of own employees covered by a CBA	%	76.1	75.3	75.9	76.8	76.4

Community engagement

METRIC	UNIT	2019	2020	2021	2022	2023
Total donations	1,000 Euros	288,449	613,769	535,527	342,296	327,965

Social value

Health & Safety of our people first

METRIC	UNIT	BPOST BELGIUM 2019	2020	2021	2022	2023	BPOSTGROUP[1] 2022	2023
HEALTH AND SAFETY OF OWN EMPLOYEES								
KPI - Absenteeism of employees due to illness	%	7.96	8.36	8.33	9.51	9.09	n/a – new metric[2]	8.02
Absenteeism of employees due to work-related injuries	%	n/a – new metric	n/a – new metric	n/a – new metric	n/a – new metric	0.54	n/a – new metric[3]	0.07
KPI - Frequency rate of own employees	Accidents per 1,000,000 hours worked	27.14	22.8	27.59	24.65	23.8	21.49	15.22
Severity rate of own employees	Lost days per 1,000 hours worked	0.84	0.93	0.89	0.77	0.7	0.58	0,31
Lost days of own employees	Days	29,205	34,669	31,200	27,641	23,608	29,002	24,434.5
Occupational accidents of own employees	Number	949	848	1,054	890	788	1,120	946
Total number of work-related fatalities of own employees	Number	2	3	1	2	0	2	0
HEALTH AND SAFETY OF TEMPORARY STAFF								
Frequency rate of temporary staff	Accidents per 1,000,000 hours worked	17.4	18.6	21.0	15.3	28.6	15.4	16.7
Severity rate of temporary staff	Lost days per 1,000 hours worked	0.13	0.1	0.27	0.13	0.1	0.07	0,04
Lost days of temporary staff	Days	245	283	478	289	276	502	547
Occupational accidents of temporary staff	Number	32	49	38	35	64	101	179
Total number of work-related fatalities temporary staff	Number	0	0	0	0	0	0	0

1 *For the second time in 2023, we aligned the health and safety figures across bpostgroup. For reference we have included historical figures for bpost Belgium as well.*
2 *For the first time in 2023, we reported the rate of absenteeism split by (1) illness and (2) work-related injuries separately. In the past our definition was the rate of unplanned absence of own employees due to work-related occupational accidents or illness during the reporting period.*
3 *For the first time in 2023, we reported the rate of absenteeism split by (1) illness and (2) work-related injuries separately. In the past our definition was the rate of unplanned absence of own employees due to work-related occupational accidents or illness during the reporting period.*

Be a career lifter for our employees

Employee turnover and new hires

METRIC	UNIT	2019	2020	2021	2022	2023
KPI - Employee engagement[4]	%	n/a	n/a	n/a	39.5	41.1
EMPLOYEE TURNOVER						
Total Employee Turnover of own employees	%	15.7	16.7	18.9	16.0	19.7
Employee Turnover Male of own employees	%	14.9	15.9	17.8	14.8	18.8
Employee Turnover Female of own employees	%	17.2	18.2	20.9	17.6	21.3
Voluntary Employee Turnover of own employees	%	4.5	11.5	10.4	10.0	11.7
NEW HIRES						
Total number new employee hires	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	4,319	6,967
Total number male new employee hires	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	2,608	4,163
Total number female new employee hires	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	1,651	2,744
Total number new non-binary/ undisclosed new employee hires	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	60	60
Total new employee hires ≤ 30 years old	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	1,964	3,463
Total own new employee hires within the age group 31-50	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	1,767	2,686
Total new employee hires within the age group 50+	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	587	817

Employee training and development

METRIC(1)	UNIT	2019	2020	2021	2022	2023(2)
KPI – Total training hours per FTE (employees and temporary staff)	Training hours per FTE	34.0	31.3	15.0	39.1	44.0
Total training hours per own employees	Training hours per FTE	26.3	18.2	28.2	25.0	31.3
Total training hours per temporary staff	Training hours per FTE	88.8	94.9	76.3	97.1	104.5

(1) Historical figures have been updated to total training hours per FTE (average).
(2) Total training hours per FTE (average).

4 *For historical data on employee engagement, scores are available for bpost Belgium in the 2021 annual report. In 2022, we aligned the “My Voice” employee engagement survey across bpostgroup for the first time.*

Champion Diversity, Equity & Inclusion across the group

Diversity of employees

METRIC	UNIT	2019	2020	2021	2022	2023
Total own employees	Headcount	33,986	36,087	35,688	34,087	33,864
Total male own employees	Headcount	21,845	23,317	23,228	22,215	21,898
Total female own employees	Headcount	12,141	12,770	12,460	11,763	11,854
Total non-binary/undisclosed headcount own employees	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	109	112
Total FTE	FTE	30,885.9	32,685.2	32,258.7	30,722.9	30,646.5
Total male FTE	FTE	20,262.9	21,549.2	21,384.3	20,344.6	19,927.1
Total female FTE	FTE	10,627.5	11,136	10,873.4	10,269.8	10,607.5
Total non-binary/undisclosed FTE	FTE	n/a – new metric	n/a – new metric	n/a – new metric	108.5	112
EMPLOYEE DIVERSITY						
KPI - Share of women in management positions[5]	%	37.8	40.8	38.5	37	38.3
Share of women at group executive level 6	%	28.6	25	16.7	28.6	14.3
Share of female (own employees)	%	35.7	35.4	34.9	34.5	35
HEADCOUNT BY AGE GROUP						
Total own employees ≤ 30 years old	Headcount	6,587	7,963	7,468	6,447	6,465
Total own employees within the age group 31-50	Headcount	16,223	15,776	15,521	15,118	15,014
Total own employees within the age group 50+	Headcount	11,176	12,348	12,538	12,522	12,385
HEADCOUNT BY TYPE OF CONTRACT						
Total own employees with fixed term contracts	Headcount	915	2,465	2,112	1,632	1,991
Total male own employees with fixed term contracts	Headcount	558	1,569	1,251	1,013	1,316
Total female own employees with fixed term contracts	Headcount	357	896	769	619	675
Total non-binary/undisclosed with fixed term contracts[6]	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	0	0
Total own employees with open-ended contracts	Headcount	33,070	33,622	33,670	32,456	32,082
Total male own employees with open-ended contracts	Headcount	21,346	21,748	21,975	21,212	20,868
Total female own employees with open-ended contracts	Headcount	11,725	11,874	1,689	11,135	11,102
Total non-binary/undisclosed with open-ended contracts[6]	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	109	112

5 *The historical data for women in management and women at group executive level has been corrected. In the past, the share of women at executive level was representative of "top management" at each subsidiary level. In order to avoid any confusion the Executive level has now been defined as the group Executive Committee (ExCo) as indicated in our leadership governance.*

6 *New metric*

METRIC	UNIT	2019	2020	2021	2022	2023
HEADCOUNT BY FULL-TIME/PART-TIME						
Total own employees contracted on a full-time basis	Headcount	26,906	28,620	27,306	32,241	32,639
Total male own employees contracted on a full-time basis	Headcount	18,289	19,501	18,782	21,494	21,623
Total female own employees contracted on a full-time basis	Headcount	8,617	9,119	8,524	10,639	10,904
Total non-binary/undisclosed contracted on a full-time basis[6]	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	108	112
Total own employees contracted on a part-time basis	Headcount	7,080	7,465	8,382	1,848	1,560
Total male own employees contracted on a part-time basis	Headcount	3,603	3,816	4,434	719	614
Total female own employees contracted on a part-time basis	Headcount	3,477	3,649	3,948	1,128	946
Total non-binary/undisclosed contracted on a part-time basis[6]	Headcount	n/a – new metric	n/a – new metric	n/a – new metric	1	0

Environmental value

Decarbonize the e-commerce supply chain

Carbon footprint

	UNIT	2019	2020	2021	2022	2023	TREND
SCOPE 1	**t CO_2e**	**88,996**	**84,835**	**95,083**	**90,143**	**78,043**	↘
Fuel fleet[7]	t CO_2e	67,983	65,518	72,993	69,107	60,004	↘
Natural gas & heating oil	t CO_2e	20,986	19,289	22,065	21,020	18,025	↘
Oil for generators	t CO_2e	28	28	26	16	14	↘
SCOPE 2	**t CO_2e**	**30,266**	**32,554**	**32,837**	**28,620**	**27,904**	↘
Electricity (market-based)[8]	t CO_2e	29,794	32,054	32,384	28,348	27,840	↘
District Heating	t CO_2e	472	500	453	272	64	↘
SCOPE 1 & 2	**t CO_2e**	**119,262**	**117,389**	**127,921**	**118,763**	**105,947**	↘
SCOPE 3	**t CO2e**	**322,562**	**337,222**	**349,322**	**307,002**	**285,570**	↘
Subcontracted road transport	t CO_2e	113,440	128,772	118,902	89,663	78,710	↘
Business travel	t CO_2e	1,374	510	513	731	1,157	↗
Employee commuting	t CO_2e	32,977	31,782	31,091	27,011	26,614	↘
Waste	t CO_2e	3,932	4,652	3,287	4,690	4,768	↗
Subcontracted air transport BE	t CO_2e	37,597	13,870	16,096	19,133	18,743	↘
Subcontracted air transport Subsidiaries	t CO_2e	34,733	40,176	39,039	42,029	38,684	↘
Fuel & energy related activities not included in scope 1 or 2	t CO_2e	22,248	21,577	23,818	22,304	20,323	↘
Purchased goods & services	t CO_2e	76,260	95,883	116,576	101,441	96,569	↘
TOTAL CO_2 EMISSIONS (SCOPE 1+2+3)	**t CO_2e**	**441,824**	**454,611**	**477,243**	**425,765**	**391,517**	↘

7 *A new emission factor has been used for Fuels – Diesel (Scope 1) in 2023, following the recommendation by DNV Assurance. Previously, the emission factor for fossil diesel was used for diesel, while diesel B7 is used in EU countries with a slightly lower emission factor.*

8 *The market-based method reflects bpost's choices in terms of electricity supply, such as the purchase of electricity from renewable energy sources. This is set out in detail in contracts between bpost and its energy suppliers.*

Green fleet

METRIC	UNIT	2019	2020	2021	2022	2023
Share of EURO 5 and EURO 6 standard	%	98	99	99	99	99
Average van fuel use	l/km	10	9	9	9	8
Average truck fuel use	l/km	27	24	27	28	31
Share of last mile alternative fuel vehicles	%	31.6	30.5	32.9	33.4	36.1
KPI - Share of emission-free last mile delivery[9]	%	n/a – new metric	n/a – new metric	8.5	15.3	22
Total number of emission-free ecozones[9]	Number	n/a – new metric	n/a – new metric	1	9	14
Share of new company cars zero-emission[9]	%	n/a – new metric	n/a – new metric	0%	7	16.5

Green buildings

METRIC	UNIT	2019	2020	2021	2022	2023
Total energy consumption per employee	MWh/ unit(s)	7.8	7.1	7.6	7.5	6.9
Total energy consumption	kWh	268,028,666	256,789,292	272,431,809	257,321,218	232,066,226
Total renewable/green electricity consumed	kWh	74,322,490	72,856,827	68,026,619	65,519,865	58,473,110
Share of renewable electricity	%	49	46	41	43	41
Total non-renewable/grey electricity consumed	kWh	77,991,882	86,773,932	97,268,650	87,871,048	86,235,526
Share of non-renewable electricity	%	51	54	59	57	59
Total natural gas consumed	kWh	87,983,267	80,962,648	94,167,905	94,622,844	78,868,731
Total heating oil consumed	kWh	24,593,356.84	9,026,551.05	10,225,193.00	7,561,488	7,069,106
Total district heating consumed	kWh	2,680,653	2,894,043	2,654,016	1,594,832	360,094
Total fuel oil consumed for generators	kWh	457,018	96,588	89,426	56,310	48,963
Share of renewable electricity produced	%	3	3	4	5	6
Total renewable energy capacity installed	kWp	4,830	6,610	7,451	8,238	9,038
Total surface of solar electricity capacity installed	m^2	45,890	54,485	57,304	66,042	67,063
Total water consumption	m^3	357,125,206	323,027,674	280,556	229,238	192,387

Waste management

METRIC	UNIT	2019	2020	2021	2022	2023
Total waste generated	t	62,241	70,378	64,127	79,907	46,660
Total non-hazardous waste generated	t	62,127	70,248	64,055	78,181	44,465
Recycled waste	t	54,379	60,185	51,878	70,313	36,168
Share of recycled waste	%	87	86	81	88	78

9 *New metric relevant for bpost Belgium only.*

Residual waste incinerated for energy recovery	t	3,246	2,644	7,938	2,886	2,927
Residual incinerated without energy recovery or land-filled	t	4,499	7,419	4,240	4,981	5,370
Total Hazardous waste generated	t	114	130	71	1,726	2,195

Carbon offsetting

METRIC	UNIT	2019	2020	2021	2022	2023
Amount of letters for which the customers have offset their mail carbon emissions	Million letters	164	850	824	797	612
Total carbon emissions offset for customers	CO_2 teq.	2,000	8,000	7,880	32,307	48,269

Sustainable Procurement[10]

METRIC	UNIT	2019	2020	2021	2022	2023
Share of significant tier 1 suppliers covered by the Supplier Code of Conduct	%	35	31	34	49	45
Share of procurement spent on significant tier 1 suppliers screened on CSR by Ecovadis	%	39	38	57	65	66
Share of suppliers with SBTi approved targets	%	n/a – new metric	n/a – new metric	n/a – new metric	15	17

Re-use and re-cycle packaging as part of a circular economy

Recycled packaging[10]

METRIC	UNIT	2019	2020	2021	2022	2023
KPI - Share of recyclable or re-usable packaging	%	n/a – new metric	n/a – new metric	n/a – new metric	86.3	85.2
KPI - Share of recycled content in packaging	%	n/a – new metric	n/a – new metric	n/a – new metric	80.9	81.9

10 These indicators are new metrics in reference to bpost Belgium only.

10.6 GRI content index

STATEMENT OF USE	bpostgroup has reported the information cited in this GRI content index for the period January 1, 2023 to December 31, 2023 in accordance to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2022	2-1 Organizational details	Chapter Financial Consolidated Statements (bpostgroup structure)
	2-2 Entities included in the organization's sustainability reporting	Appendix – Data coverage
	2-3 Reporting period, frequency and contact point	Appendix – Data coverage
	2-4 Restatements of information	Appendix – Non-financial consolidated statements
	2-5 External assurance	Appendix – Data coverage, Chapter Management Responsibility Statement and Report of the Joint Auditors
	2-6 Activities, value chain and other business relationships	Chapter Shared Value Creation (Profile)
	2-7 Employees	Chapter Shared Value Creation (Profile)
	2-8 Workers who are not employees	Chapter Social Value, Chapter Non-financial Consolidated Statements
	2-9 Governance structure and composition	Chapter Governance – Governance Structure, Chapter Shared Value Creation
	2-10 Nomination and selection of the highest governance body	Chapter Corporate Governance Statement
	2-11 Chair of the highest governance body	Chapter Corporate Governance Statement
	2-12 Role of the highest governance body in overseeing the management of impacts	Chapter Corporate Governance Statement
	2-13 Delegation of responsibility for managing impacts	Chapter Corporate Governance Statement
	2-14 Role of the highest governance body in sustainability reporting	Chapter Corporate Governance Statement (ESG Committee)
	2-15 Conflicts of interest	Chapter Corporate Governance Statement
	2-16 Communication of critical concerns	Chapter Corporate Governance Statement
	2-17 Collective knowledge of the highest governance body	Chapter Corporate Governance Statement
	2-18 Evaluation of the performance of the highest governance body	Chapter Corporate Governance Statement
	2-19 Remuneration policies	Chapter Corporate Governance Statement
	2-20 Process to determine remuneration	Chapter Corporate Governance Statement
	2-21 Annual total compensation ratio	Chapter Corporate Governance Statement
	2-22 Statement on sustainable development strategy	Appendix – Materiality Assessment and Stakeholder Dialogue
	2-23 Policy commitments	Appendix – Materiality Assessment and Stakeholder Dialogue
	2-24 Embedding policy commitments	Appendix – Materiality Assessment and Stakeholder Dialogue, Chapter Environmental value, Chapter Social Value
	2-25 Processes to remediate negative impacts	Chapter Environmental value, Chapter Social Value
	2-26 Mechanisms for seeking advice and raising concerns	Appendix – Materiality Assessment and Stakeholder Dialogue
	2-27 Compliance with laws and regulations	Chapter Corporate Governance Statement
	2-28 Membership associations	Chapter Awards and Recognitions
	2-29 Approach to stakeholder engagement	Appendix – Materiality Assessment and Stakeholder Dialogue Stakeholder Policy
	2-30 Collective bargaining agreements	Code of Conduct

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: MATERIAL TOPICS 2022	3-1 Process to determine material topics	Appendix – Materiality Assessment and Stakeholder Dialogue
	3-2 List of material topics	Appendix – Materiality Assessment and Stakeholder Dialogue
	3-3 Management of material topics	Appendix – Materiality Assessment and Stakeholder Dialogue, Chapter Social Value, Chapter Environmental value
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	Chapter Financial Review
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter Corporate Governance, Chapter EU Taxonomy. Chapter Environmental value
	201-3 Defined benefit plan obligations and other retirement plans	Chapter Corporate Governance
	201-4 Financial assistance received from government	Chapter Corporate Governance
GRI 202: MARKET PRESENCE 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Chapter Corporate Governance
	202-2 Proportion of senior management hired from the local community	Chapter Corporate Governance
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	Chapter Financial Consolidated Statements, Chapter Risk Management, Chapter EU Taxonomy, Chapter Environmental Value
	203-2 Significant indirect economic impacts	Chapter Financial Consolidated Statements, Chapter Risk Management, Chapter EU Taxonomy, Chapter Environmental Value
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	Chapter Environmental value (Sustainable Procurement), Chapter Non-financial Consolidated Statements
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	Code of Conduct Chapter Corporate Governance
	205-2 Communication and training about anti-corruption policies and procedures	Chapter Corporate Governance Code of Conduct
	205-3 Confirmed incidents of corruption and actions taken	Chapter Corporate Governance, Chapter Non-financial Consolidated Statements Code of Conduct
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Chapter Risk Management
GRI 207: TAX 2019	207-1 Approach to tax	Chapter Financial Consolidated Statements
	207-2 Tax governance, control, and risk management	Chapter Financial Consolidated Statements
	207-3 Stakeholder engagement and management of concerns related to tax	Chapter Financial Consolidated Statements
	207-4 Country-by-country reporting	Chapter Financial Consolidated Statements
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	Chapter Environmental value (Carbon Footprint, Sustainable Packaging), Chapter Non-financial Consolidated Statements
	301-2 Recycled input materials used	Chapter Environmental value (Carbon Footprint, Sustainable Packaging), Chapter Non-financial Consolidated Statements
	301-3 Reclaimed products and their packaging materials	Chapter Environmental value (Carbon Footprint, Sustainable Packaging), Chapter Non-financial Consolidated Statements
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Chapter Environmental value (Green buildings), Chapter Non-financial Consolidated Statements
	302-2 Energy consumption outside of the organization	Chapter Environmental value (Green buildings), Chapter Non-financial Consolidated Statements
	302-3 Energy intensity	Chapter Environmental value (Green buildings), Chapter Non-financial Consolidated Statements
	302-4 Reduction of energy consumption	Chapter Environmental value (Green buildings), Chapter Non-financial Consolidated Statements
	302-5 Reductions in energy requirements of products and services	Chapter Environmental value (Green buildings), Chapter Non-financial Consolidated Statements

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Chapter Environmental value (Carbon Footprint), Chapter Non-financial Consolidated Statements
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter Environmental value (Carbon Footprint), Chapter Non-financial Consolidated Statements
	305-3 Other indirect (Scope 3) GHG emissions	Chapter Environmental value (Carbon Footprint), Chapter Non-financial Consolidated Statements
	305-4 GHG emissions intensity	Chapter Environmental value (Carbon Footprint), Chapter Non-financial Consolidated Statements
	305-5 Reduction of GHG emissions	Chapter Environmental value (Carbon Footprint), Chapter Non-financial Consolidated Statements
	305-6 Emissions of ozone-depleting substances (ODS)	Chapter Environmental value (Carbon Footprint), Chapter Non-financial Consolidated Statements
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Chapter Environmental value (Carbon Footprint), Chapter Non-financial Consolidated Statements
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Chapter Environmental value (Carbon Footprint, Sustainable Packaging), Chapter Non-financial Consolidated Statements
	306-2 Management of significant waste-related impacts	Chapter Environmental value (Carbon Footprint, Sustainable Packaging), Chapter Non-financial Consolidated Statements
	306-3 Waste generated	Chapter Environmental value (Carbon Footprint, Sustainable Packaging), Chapter Non-financial Consolidated Statements
	306-4 Waste diverted from disposal	Chapter Environmental value (Carbon Footprint, Sustainable Packaging), Chapter Non-financial Consolidated Statements
	306-5 Waste directed to disposal	Chapter Environmental value (Carbon Footprint, Sustainable Packaging), Chapter Non-financial Consolidated Statements
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	Chapter Environmental value (Sustainable Procurement), Chapter Non-financial Consolidated Statements
	308-2 Negative environmental impacts in the supply chain and actions taken	Chapter Environmental value (Sustainable Procurement), Chapter Non-financial Consolidated Statements
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Chapter Social Value (Be a career lifter for our employees), Chapter Non-financial Consolidated Statements
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter Corporate Governance Statement
	401-3 Parental leave	Chapter Corporate Governance Statement
GRI 402: LABOR/MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	Chapter Corporate Governance Statement
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
	403-3 Occupational health services	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
	403-5 Worker training on occupational health and safety	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
	403-6 Promotion of worker health	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements

GRI STANDARD	DISCLOSURE	LOCATION
	403-8 Workers covered by an occupational health and safety management system	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
	403-9 Work-related injuries	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
	403-10 Work-related ill health	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Chapter Social Value (Be a career lifter for our employees), Chapter Non-financial Consolidated Statements
	404-2 Programs for upgrading employee skills and transition assistance programs	Chapter Social Value (Be a career lifter for our employees), Chapter Non-financial Consolidated Statements
	404-3 Percentage of employees receiving regular performance and career development reviews	Chapter Non-financial Consolidated Statements
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Chapter Corporate Governance Statement
	405-2 Ratio of basic salary and remuneration of women to men	Chapter Corporate Governance Statement
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Chapter Corporate Governance Statement (Ethics)
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Code of Conduct Human Rights Policy Supplier Code of Conduct
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Code of Conduct Human Rights Policy
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supplier Code of Conduct
GRI 410: SECURITY PRACTICES 2016	410-1 Security personnel trained in human rights policies or procedures	Human Rights Policy
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	411-1 Incidents of violations involving rights of indigenous peoples	Human Rights Policy
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs 413-2 Operations with significant actual and potential negative impacts on local communities	Stakeholder Policy
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	Supplier Code of Conduct
	414-2 Negative social impacts in the supply chain and actions taken	Supplier Code of Conduct
GRI 415: PUBLIC POLICY 2016	415-1 Political contributions	Chapter Corporate Governance Statement
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter Social Value (Health and Safety of our People First), Chapter Non-financial Consolidated Statements
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	bpost privacy policy

10.7 UN Global Compact reference table

GLOBAL COMPACT PRINCIPLES	REFERENCE
HUMAN RIGHTS	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Chapter Corporate Governance Statement Code of Conduct Human Rights Policy
Principle 2: make sure that they are not complicit in human rights abuses.	Chapter Corporate Governance Statement Code of Conduct Human Rights Policy
LABOUR	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour	Code of Conduct Human Rights Policy
ENVIRONMENT	
Principle 7: Businesses should support a precautionary approach to environmental challenges Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Chapter Environmental value, Chapter Risk Assessment
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Code of Conduct Human Rights Policy

10.8 TCFD Reference Table

TCFD RECOMMENDED DISCLOSURES		LINK TO DISCLOSURES
GOVERNANCE Disclose the organization's governance around climate-related issues and opportunities	a. Describe the board's oversight of climate-related risks and opportunities	Chapter Corporate Governance Statement
	b. Describe the management's role in assessing and managing climate-related risks and opportunities	Chapter Corporate Governance Statement
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organization has faced over the short, medium and long term	Chapter Environmental value, Chapter EU Taxonomy, Chapter Risk Management
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Impact of climate-related opportunities: Chapter Risk Management, Chapter Environmental Value , Chapter EU Taxonomy Impact on business and strategy: Chapter Shared Value Creation Impact of climate change risks Chapter Risk Management, Chapter EU Taxonomy
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Chapter Risk Management, Chapter Governance Statement
RISK MANAGEMENT Disclose how the organization identifies, assesses, and manages climate-related risks.	a. Describe the organization's processes for identifying and assessing climate-related risks.	Chapter Risk Management, Chapter EU Taxonomy
	b. Describe the organization's processes for managing climate-related risks.	bpostgroup has performed a physical climate risk assessment as part of the EU taxonomy requirements on its Belgian operations to assess the chronic and acute extreme weather events as a result of climate change. In 2023, we launched a new Enterprise Risk Management (ERM) strategy for bpostgroup. As the implementation of the ERM strategy continues to roll out in 2024, a key priority will be to assess the actual and potential impacts of climate-related risks and opportunities and taking into consideration different climate-related scenarios.
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Chapter Environmental Value, Appendix: Non-financial Consolidated Statements
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	