Annual Report

2022

bpostgroup

You make us move.

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1. Overview of Key figures

Adjusted for the year ended 31 December

IN MILLION EUR	2022	2021	EVOLUTION 2022-2021
Total Operating Income [1]	4,397.5	4,333.7	1.5%
Result from operating activities (EBIT) [2]	278.5	349.3	-20.3%
Result of the year (consolidated – IFRS) [3]	245.0	246.6	-0.7%
Operating free cash flow [4]	397.4	290.5	36.8%

Reported for the year ended 31 December

IN MILLION EUR	2022	2021	EVOLUTION 2022-2021
ECONOMIC VALUE			
Total Operating Income	4,397.5	4,335.1	1.4%
Result from operating activities (EBIT)	263.3	338.0	-22.1%
Result of the year (consolidated – IFRS)	231.7	250.2	-7.4%
bpost NV/SA net profit (unconsolidated – Belgian GAAP)	124.3	161.4	-23.0%
Operating free cash flow [5]	403.2	253.2	59.2%
Net debt/(Net cash) [6]	437.8	470.3	-6.9%
Basic earnings per share, in EUR	1.16	1.25	-7.3%
Dividend per share, in EUR	0.40	0.49	-18.4%
SOCIAL VALUE			
Number of employees (at year end)	34,509	36,272	-4.9%
Number of FTE (average)	31,617	32,429	-2.5%
Number of FTE and interim (average)	39,285	40,339	-2.6%
Employee Engagement score	39.5	-	-
Total training hours per FTE	38.5	32.7	17.9%
ENVIRONMENTAL VALUE			
Share of emission-free last mile delivery	15.3	8.5	80.0%
CO_2 footprint (tCO_2e)	425,765	477,243	-10.8%
CUSTOMER VALUE			
Customer satisfaction score – bpost Belgium	84.5	83.0	1.8%

(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

2022: bpostgroup's underlying strength and its strategy for the future confirmed

Despite a complicated economic context and unexpected changes in its leadership, bpostgroup stayed its course in 2022, reconfirming its operational robustness and the relevance of its strategic plan. Its President, Audrey Hanard, and its interim CEO, Philippe Dartienne, were thus able to speak with confidence about the future and the challenges to be overcome.

Audrey Hanard

"We want all our employees to feel good at all levels, including the teams out in the field who reflect the diversity of our population."

Resilience. A quality often associated with the business world at the height of the health crisis. And one that yet again characterized the course of bpostgroup in 2022, as summarized by Audrey Hanard and Philippe Dartienne.

The President confirms that bpostgroup proved that it is a company with stable and solid foundations: "Even if these are set to be further strengthened, our governance processes worked well. The Board of Directors and the Executive Committee demonstrated that we know how to take appropriate steps very quickly together, enabling the company to continue to perform even in the event of disruptions."

Philippe Dartienne, for his part, saw 2022 as a year of confirmation that the strategy, focused on volume and service growth in e-commerce and logistics in Belgium, North America, Europe and Asia, was right and was producing results. He applied the word "resilience" to all the teams that made it through the crucial end-of-year period without a hitch, using this opportunity to thank all bpostgroup staff who lived the company's values day in, day out. "We want to be a social ladder for our employees", he emphasized, recalling in passing the priority given to well-being at work.

The President highlighted diversity and inclusion as values that she wanted to see spread throughout the company. "We want all our employees to feel good at all levels, including the teams out in the field who reflect the diversity of our population."

Audrey Hanard

“We are following with interest the government’s announcements aimed at better regulating the sector and hope a solution can be put in place to avoid abuse.”

What can you say about the last 12 months?

Audrey Hanard: “We had envisaged 2022 as being a period of stability. The end of the year was marked by major changes in leadership roles. Though unexpected, the resulting shock waves gave us the chance to clearly reaffirm the company’s values. bpost was able to stay focused on its operational challenges, which it overcame successfully. I would like to take this opportunity to thank all our staff and their representatives as well as the management teams: it’s because of them that bpost was able to demonstrate its resilience in 2022.”

Philippe Dartienne: “I can testify in concrete terms to this resilience that Audrey referred to. This year again, despite all the difficulties, we successfully navigated the crucial year-end peak in all the sectors in which we operate, in Belgium, Europe and the United States. Singles Day, Black Friday, Cyber Monday, Christmas, the end of the year... The peak period is tending to start earlier and last longer. Volumes are difficult to anticipate and require a very high level of responsiveness. The latter can be ascribed to our great operational efficiency, to the optimal use of our resources, but above all to the unfailing commitment of our staff, on whom we were able to count during this complicated period.”

1.4%

Despite a difficult market, sales increased by 1.4% to 4.4 mEUR

Your business environment remains very competitive…

Philippe Dartienne: “Here again, bpost demonstrated its resilience. At the end of 2021, the repositioning or insourcing of logistics in Belgium by one of the largest e-commerce players could have been extremely damaging. Together, our teams responded to develop and implement our own business plan, with the latter already delivering excellent results in 2022. Ultimately, despite relatively weak demand, inflation and a general rise in costs, our performance turned out to be quite satisfactory, and even better than most of our competitors. We can be proud of that.”

What about the social dimension?

Philippe Dartienne: “In Belgium, bpost initiated five rounds of wage indexation in 2022. Distinguishing us from other logistics players, these progressive and consecutive wage adjustments enabled us to protect our staff from inflation throughout the year. Moreover, bpost’s business model is based on employees being hired on permanent employment contracts. This makes all the difference in a sector – delivery services – often decried for its precarious working conditions. At bpost, it is the exception for us to resort to subcontractors to deliver parcels. They are rigorously selected and regularly controlled.

Audrey Hanard: “In this respect, we are following with interest the government’s announcements aimed at better regulating the sector and hope a solution can be put in place to avoid abuse. Develop your skills and career and build a life: this philosophy is reflected in our human resources policy, but also in the actions we take. For instance, bpost played a crucial role in providing support and a social link during the 2021 floods. In 2022, for the first time, we made our local network available to citizens who wanted to donate to the Ukrainian population. We worked with our Ukrainian counterparts to get these goods to the war zones. Recently, we repeated this type of action for the victims of the earthquakes in Turkey and Syria. We again collected donations in our network and then transported them with the help of our Turkish colleagues to the affected areas. At the same time, we asked citizens to support the victims through recognized organizations.”

Philippe Dartienne

“This year again, despite all the difficulties, we successfully navigated the crucial year-end peak in all the sectors in which we operate.”

Looking at your Belgian activities, how do you see business developing in 2023?

Philippe Dartienne: “On the parcel side, the business plan will continue to bear fruit. We are gaining new customers every day. Of course, the sector is in constant motion, with a few clouds – in particular inflation, energy costs, problems in China – hanging over the growth of e-commerce. It’s up to us to stay effective and to convince all players to work with us. Opportunities for growth are still there! Our first argument is our Net Promoter Score, which measures parcel recipients’ satisfaction with the quality of our services. It is very high, which differentiates us from our competitors. Platforms are very sensitive to this, meaning that none of them, even the largest, perform 100% of their deliveries themselves. They therefore remain our partners.”

Audrey Hanard: “Our network wants to provide further services to Belgian citizens, public authorities and SMEs who are developing their e-commerce activities in Belgium and abroad. That’s another strategic focus and we’ll be working on new offerings in this area.”

What about letters?

Philippe Dartienne: “The irreversible decline in volumes continues, but at a slower pace than we might have imagined, particularly after the COVID-19 years. Mail has already been digitalized in those areas with the greatest leverage. That said, in a context of inflation and more expensive financing, players have, for the time being, deferred several digitalization programs and investment projects.

Have bpostgroup’s international ambitions changed? Where is the group today?

Audrey Hanard: “Anchored in Belgium – it’s not for nothing that we have a Royal Warrant of Appointment – we would also like to become a global player in e-commerce. We have developed a lot of skills and experience in our country. And we want to acquire and develop these abroad, particularly in the most dynamic markets, allowing the whole company to benefit from them, both in Belgium and elsewhere. The challenge is to perform wherever we have a presence.”

“Despite relatively weak demand, inflation and a general rise in costs, our performance turned out to be quite satisfactory, and even better than most of our competitors. We can be proud of that.”

Philippe Dartienne

Philippe Dartienne: “As for the overall market situation, a decline in e-commerce volumes led to overcapacity, which exacerbates the competition. However, since our market share abroad is much smaller than in Belgium, the growth potential is greater there, provided we remain true to our quality of service and are able to offer attractive prices.”

Are you planning any acquisitions to support your growth?

Philippe Dartienne: “While we have the capacities to grow organically in the US, we remain open to acquisitions to develop new services or support our customers in their geographic

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city centers where bpost delivers mail and parcels in Belgium without emissions

expansion. In Europe, acquisitions are also on our roadmap. Our acquisition of IMX in France in 2022 is a perfect example of this. The goal here is to reach a critical size in order to serve customers in several territories in Europe. Our conception of logistics is not limited to transporting a parcel from A to B: it includes value-added services, as seen with Active Ants and its high-performance e-fulfilment centers for e-commerce."

The environmental crisis is starting to hit us all. Where does bpostgroup stand on this point?

Audrey Hanard: "This is a subject close to my heart. Our carbon footprint reduction targets have been validated by the Science Based Targets initiative (SBTi). In short, this confirms that our ambitions and the resources we are mobilizing are realistic. We recently joined the index of Bel 20 and Bel Mid companies recognized by ESG Analytics for their good environmental practices. In 2022, our Ecozone concept won the BeCommerce Innovation Award, the BeCommerce Logistics Award and the BeCommerce Special Jury Award – three splendid recognitions of the efforts undertaken by our teams for a sustainable approach to our business."

Philippe Dartienne: "We need to be at the forefront of this fight, which is an important differentiating factor in our markets. Our ambitious goals are set to be achieved mainly by using less energy, by using renewable energy sources and by working on the design of packaging and the packaging materials used – Active Ants is a pioneer in this area. All this represents a long-term effort, but we are maintaining a sustained dialogue with our suppliers and customers. And we're making real progress!"

3. Shared Value Creation

3.1 Who we are

To many, bpostgroup is the human link to a digital world. We are the bridge between the digital and the physical; we connect people and help our customers succeed.

For almost two centuries, bpost has served Belgian citizens, businesses and public institutions. Over the past decade, bpost has engaged in a strong diversification path. Whilst we sustain our essential activity in the postal business, we have also capitalized on the globally emerging e-commerce market.

Today, bpost covers international operations ranging from state-of-the-art fulfilment and warehousing solutions to cross-border transportation and deliveries and offers several specialized services such as product life-cycle solutions. In other words, bpostgroup has clearly and confidently established itself as a global service provider in e-commerce and omnichannel logistics.

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

Belgium

- Last mile parcels delivery (549k parcels per day on average in Belgium and the Netherlands)
- Mail and press distribution (5.57 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

Digital services relentlessly continue to replace physical ones. Whilst this corresponds to declining postal mail volumes, we are also seeing a growth in e-commerce-related activity and value-added services. We persist in our journey to innovate and adapt our business to meet the changing needs of our customers in the contemporary world. In this context of increasing digital interfaces, our role as the human face becomes ever more relevant.

Evolving globalization patterns

Year after year, global trade is faced with new challenges, ranging from supply chain disruption to geopolitical tensions. Our customers require solutions and responsiveness. At bpost, we scrutinize and act quickly on opportunities that arise. Our broad area of e-logistic activities, spread out over 4 continents, allows us to provide resilient logistic solutions where our customers need them most.

Inflation

Surging costs are hitting millions of families and businesses across the globe. We find it important to strike the right balance, keeping our costs low, paying our employees with salaries that allow them to deal with inflation, and limit price increases to support our customers too, whilst continuing to provide a high quality service.

Climate Change

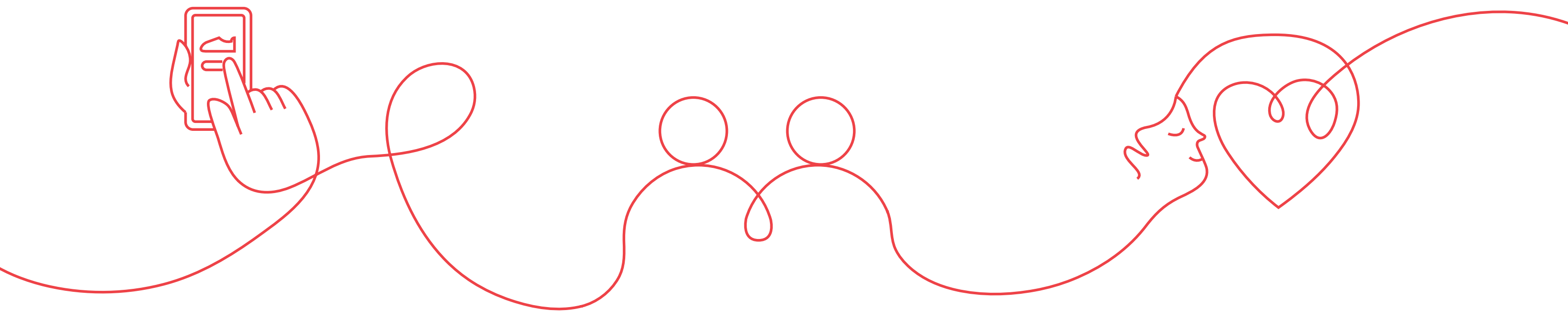
The challenges our planet is facing cannot be ignored. To bend the trajectory of climate change and reduce the impact on the environment, we believe industry actors need to contribute to reaching the objectives set by the 2015 Paris Agreement. bpostgroup is committed to leading the way to reduce carbon emissions.

Technology and Innovation

We are engaged in technological innovation. With our bpost app, and with the technology supporting our operations, we ensure that our customers' experience is enhanced. Across our activities, we make use of state-of-the-art robotics and automation technologies. Those also account for improving our employees' safety and wellbeing. Innovative packaging materials, as well as electric vehicles, contribute to our action to reduce our environmental footprint.

3.3 Our Ambition

In 2030, bpost will celebrate 200 years of success. Our objective is 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

We will execute 9 strategic programs to achieve our 2023-2027 targets on our 3 strategic ambitions.

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. 6. **Build, develop & acquire** new activities, for citizens, institutions and businesses, focused on e-commerce, digitization and 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 a career lifter** 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. Its value creation is tangible and omnipresent:

OUR STRATEGIC VALUES	OUR STRATEGIC AMBITION	OUR KEY PERFORMANCE INDICATORS	OUR SDG IMPACT
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 84.5%	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.
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 15.3% CO_2 footprint 425,765 tCO_2e	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.
Social Value	Be a **reference in social sustainability** in all markets we operate in. • Create an environment promoting Health & Safety of our people • Be a career lifter for our employees • Champion Diversity, Equity & Inclusion across the group	Employee engagement score 39.5% Employee training and development hours per FTE 38.5	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.
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: 4,397.5mEUR EBIT adjusted 278.5mEUR	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.

At bpostgroup, we are proud of the diverse array of value we generate for our extended set of stakeholders. Our efforts and results are widely recognized. We have obtained many ESG certificates and we're delighted to have been admitted recently to the BEL ESG index by Euronext . For a full list of our ESG awards and recognitions, please refer to the Appendix.

4. Governance

4.1 Corporate Governance Statement

Reference Code and introduction

In this Corporate Governance Statement, bpost 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.

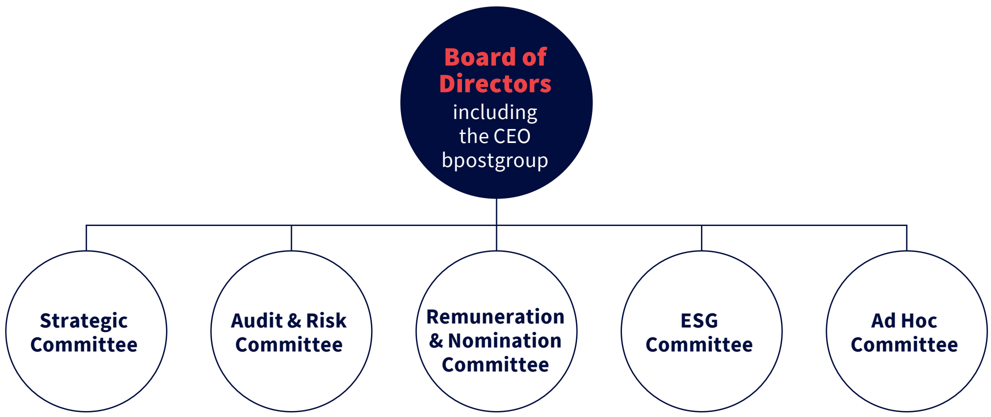
As a limited liability company under public law, bpost is governed by the BCCA, unless otherwise stipulated in the 1991 Law or other Belgian laws or regulations.

Articles of Association

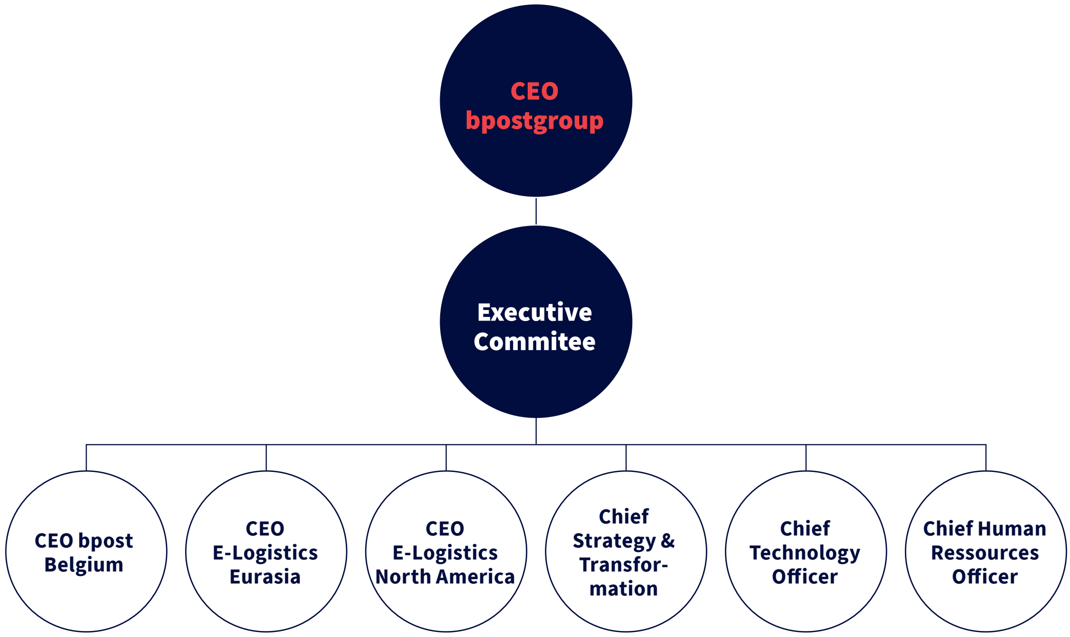
The latest version of bpost's Articles of Association was adopted at the Shareholders' Meeting of May 13, 2020 and was approved by the Royal Decree of December 6, 2020[2].

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

- The **Board of Directors** sets bpost's general policy and strategy and oversees operational management;
- The Board of Directors has set up a **Strategic Committee**, an **Audit & Risk Committee**, a **Remuneration & 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.



1 *Dated March 23, 2019. This Code was published in the Belgian State Gazette on April 4, 2019.*
2 *This Royal Decree was published in the Belgian State Gazette on December 29, 2020. In accordance with article 41, §4 of the 1991 Law, any amendment to bpost'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 & 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. For ease of reference, references to the "CEO" in this report should be understood as CEO or CEO ad interim.*



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 August 4, 2022.

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

The Corporate Governance Charter contains rules with respect to:

- the corporate governance structure: bpost 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 bpost[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 2022, bpost 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 Dirk Tirez was appointed at the Shareholders' Meeting of September 15, 2021 as director for a term ending after 6 years as from July 1, 2021. 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 bpost's long-term objectives[5];

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

5 *On December 9, 2022, the Board of Directors and Dirk Tirez mutually decided to terminate their collaboration: as a consequence, Dirk Tirez resigned with immediate effect as member of the Board of Directorsr and CEO.*

- 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. bpost 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, bpost 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, 2022, 4 of the 10 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, bpost 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 no part of their remuneration is deferred. This decision is in line with the majority shareholder's expectation and bpost considers it to be justified as the Board of Directors is convinced that the current remuneration package of executives already contributes to achieving the objectives of promoting sustainable value creation and strategic objectives, as well as attracting and retaining talents. To further align bpost's remuneration policy with the Corporate Governance Code, the Board of Directors is evaluating the introduction of a long-term incentive plan ("**LTIP**") based on a balance between the individual and the Group performances, similar to the LTIP implemented by another Belgian stated-owned listed company. The members of the Executive Committee would be incentivized to align their interests with the sustainable value-creation objectives of the company through an LTIP based on the satisfaction of performance criteria and paid in cash after a vesting period;
- the Corporate Governance Code (provision 7.12) provides that contracts with executives should include claw-back provisions. However, no specific provisions on early termination (including on recovery of or withholding of payment of variable remuneration) are inserted in the contracts with executives. 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 claw-back 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 claw-back is very limited, as grants of variable remuneration will be based on audited financial information.

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 Shareholders at a Shareholders' Meeting, on proposal by the Board of Directors and from candidates nominated by the Remuneration & 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 bpost's shares has the right to nominate directors for appointment pro rata its shareholding ("nomination right"). Directors nominated by a shareholder may 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 Article 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 Article 3.5 of the Corporate Governance Code and article 4.2.6 of the Corporate Governance Charter. The bpost Corporate Governance Charter further provides that at least half of the directors must at all times meet the independence criteria as set out in Article 3.5 of the Corporate Governance Code;
- any director can be removed by decision of the Shareholders at a 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.

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.*

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 148*bis*/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, bpost 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, 2022, composed of the following 10 members:

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

NAME	POSITION	FIRST APPOINTMENT AS DIRECTOR	TERM
Audrey Hanard (1) (2)	Chair of the Board and Non-Executive Director	2021	2025
Mohssin El Ghabri (1)	Non-Executive Director	2021	2025
Laurent Levaux (4)	Non-Executive Director	2012 (5)	2023
Caroline Ven (4)	Non-Executive Director	2012 (5)	2023

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

NAME	POSITION	FIRST APPOINTMENT AS DIRECTOR	TERM
David Cunningham (6)	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 bpost 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 bpost 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 bpost held on May 8, 2019.
(5) First appointment as Director dates from 2012, but not in office from May 9, 2018 until May 8, 2019.
(6) Appointed by the General Meeting of Shareholders of bpost held on May 11, 2022.

Changes in the composition of the Board of Directors

The following changes occurred in the composition of the Board of Directors in 2022:

- at the annual Shareholders' Meeting of May 11, 2022, the mandate of (i) Michael Stone (ii) Ray Stewart expired. The Shareholders decided to (i) renew the mandate of Michael Stone and (ii) appoint David Cunningham as independent directors for a term of 4 years;
- on October 14, 2022, following his appointment as member of the Executive Committee, Jos Donvil resigned as non-executive director upon proposal by the Belgian State, with effect as from October 31, 2022;
- on October 24, 2022, following a compliance review relating to the concession for the distribution of newspapers in Belgium, the Board of Directors and Dirk Tirez (CEO) mutually agreed that Dirk Tirez temporarily stepped aside pending the review. During that period, the powers of daily management were entrusted to Henri de Romrée with effect as from October 24, 2022. On November 9, 2022, upon recommendation of the Remuneration & Nomination Committee, the Board of Directors unanimously decided (i) that Henri de Romrée returns to his function of CEO of e-Logistics North-America, (ii) to appoint Philippe Dartienne as CEO *ad interim* with immediate effect;
- on December 9, 2022, the Board of Directors and Dirk Tirez mutually decided to terminate their collaboration: as a consequence, Dirk Tirez resigned with immediate effect as member of the Board of Directors and CEO. In addition, upon proposal of the Belgian State in accordance with its nomination right and upon recommendation of the Remuneration & Nomination Committee, the Board of Directors unanimously decided to appoint, by means of cooptation, Ann Caluwaerts as non-executive director replacing Jos Donvil, with effect as from January 1, 2023[7].

7 In accordance with Article 7:88 of the BCCA and Article 17 of the Articles of Association, the next general meeting of shareholders will be entitled to confirm (or refuse) the cooptation of Ann Caluwaerts.

In addition to the foregoing, at the Shareholders' Meeting of May 10, 2023, the mandate of Laurent Levaux and Caroline Ven, appointed as non-executive directors upon proposal by the Belgian State, will expire. The Board of Directors intends to recommend candidates, nominated by the Remuneration & Nomination Committee and upon proposal of the Belgian State in accordance with its nomination right, for appointment by the Shareholders at the annual Shareholders' Meeting of May 10, 2023 to replace the directors whose mandate will expire.

Newly elected directors can choose to participate in an induction program aimed at acquainting them with bpost'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 bpost's purpose, except for those actions that are specifically reserved by law or the Articles of Association to the 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 bpost and its subsidiaries;
- deciding all major strategic, financial and operational matters of bpost and its subsidiaries;
- ensuring that the bpost'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 bpost'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. In principle, the Board of Directors meets seven times a year and in any event not less than five times a year. In 2022, the Board of Directors met 19 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 bpost 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 are being prepared to ensure that the functioning of the Board of Directors and the Board Committees always continues to improve. Implementation of these initiatives, will occur during 2023.

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

Transactions between bpost, its Board members and executive managers

A general policy on conflicts of interest applies within bpost 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 bpostgroup.

In accordance with Article 7:96 of the BCCA, the below directors declared to the Board of Directors to have a personal conflict of interest of patrimonial nature in connection with agenda items. They did not to participate in the deliberation or voting on this item.

The relevant Board of Directors' minutes are the following:

1. Dirk Tirez during the Board of Directors' meeting of February 24, 2022:

"Prior to turning to the 2021 performance evaluation for the CEO, the CEO declared to have a personal conflict of interest of a patrimonial nature aimed at by Article 7:96 of the Belgian Code of Companies and Association in respect of the agenda item relating to his 2021 performance. The CEO left the meeting room and did not participate in the deliberation, nor the decision. The CEO will instruct the Joint Auditors of his conflict of interest in accordance with Article 7:96 of the Belgian Code of Companies and Association.

In the absence of the CEO who declared to have a conflict of interest and did not participate in the deliberation and decision of his performance, the Chair reported on the recommendation of the Remuneration & Nomination Committee for the 2021 performance rating for the CEO. The Board of Directors proceeded with the annual performance review of the CEO for 2021.

Decision: After deliberation and upon recommendation from the Remuneration & Nominations Committee, the Board approved the proposal for the 2021 performance rating for the CEO.".

2. Dirk Tirez during the Board of Directors' meeting of October 24, 2022:

"The Board of Directors (the "Board") was re-convened at the request of the Chair in order to (i) continue to deliberate about an internal review (the "Cleopatra Compliance Review") conducted at the direction of the Chair into the compliance with the company's internal policies (including the Code of Conduct and requirements in the company's internal policies to comply with applicable laws and regulations) in connection with the company's pursuit of the tender for the upcoming press concession (in particular, the newspapers lot) (such pursuit, "Project Cleopatra") and (ii) consider further actions to be taken in light of findings revealed from the Cleopatra Compliance Review since previous meetings of the Board.

Mr. Dirk Tirez was declared to have a personal conflict of interest within the meaning of article 7:96 of the Code of Companies and Associations with regard to the decisions to be considered by the Board during today's meeting with respect to the position of Mr. Tirez. Accordingly, Mr. Tirez did not participate in the meeting, except for delivering a statement. Mr. Tirez was duly informed about the purpose of the meeting and was given the opportunity to give his views. After delivering a statement, Mr. Tirez was excused from the meeting. […]

External legal counsel provided the Board with a detailed update on the Cleopatra Compliance Review.

[…] Decision: Following deliberation on the matter, the Board unanimously decided the following:

In mutual agreement with Mr. Tirez, Mr. Tirez temporarily steps aside from his mandate as bpost CEO (administrateur délégué gedelegeerd bestuurder) (hereinafter "Group CEO") with immediate effect and until completion of the Cleopatra Compliance Review. For the avoidance of doubt, such leave also includes Mr. Tirez' any other executive roles in other entities within the group That said, the Board decided to maintain the payment of Mr. Tirez' remuneration during this period of temporary leave. This temporarily stepping aside will allow Mr. Tirez' to follow-up on the request of the Chair to contribute to the smooth running of the Cleopatra Compliance Review. […]

It is noted that the Renumeration and Nomination Committee of the Board was, given the urgency, not able to meet in advance of today's meeting of the Board, but all members of the Renumeration and Nomination Committee were present for today's meeting of the Board and expressed their views regarding the above matters and decisions to be taken."

3. Dirk Tirez during the Board of Directors' meeting of December 9, 2022:

"The Board of Directors (the "Board") was convened at the request of the Chair as a matter of urgency in order to (i) continue to deliberate about an internal review (the "Cleopatra Compliance Review") conducted at the direction of the Chair into the compliance with the company's internal policies (including the Code of Conduct and requirements in the company's internal policies to comply with applicable laws and regulations) in connection with the company's pursuit of the tender for the upcoming press concession (in particular, the newspapers lot) (such pursuit, "Project Cleopatra") and (ii) consider further actions to be taken in light of findings revealed from the Cleopatra Compliance Review since previous meetings of the Board.

Mr. Dirk Tirez was declared to have a personal conflict of interest within the meaning of article 7:96 of the Code of Companies and Associations with regard to the decisions to be considered by the Board during today's meeting with respect to the position of Mr. Tirez. Accordingly, Mr. Tirez did not participate in the meeting. Mr. Tirez was duly informed about the purpose of the meeting and was given the opportunity to give his views.

The Chair introduced a discussion on the Cleopatra Compliance Review and recalled the findings of the review. […]

The Chair made a proposal for the company to enter into the separation and cooperation agreement with Mr. Tirez, which includes the following key terms: cooperation commitments by Mr. Tirez, confidentiality and communication commitments by Mr. Tirez and the company, mutual release of claims by Mr. Tirez and the Board, waiver by Mr. Tirez of his rights to bonuses, no non-compete obligation for Mr. Tirez (which means that the company does not have to pay any non-compete indemnity), and no remuneration by the company to Mr. Tirez in connection with Mr. Tirez' termination or cooperation (the "Tirez Separation & Cooperation Agreement"). […]

Decision: Following deliberation on the above-referenced matters, and in the best interest of the Company, the Board unanimously decided the following:

- *Approves the Tirez Separation & Cooperation Agreement, providing a mandate to the Chair, with the power of substitution, to finalize, execute, submit and perform, in the name and for the account of the company, the Tirez Separation & Cooperation Agreement.*
- *Accordingly, pursuant to the terms of the Tirez Separation & Cooperation Agreement, the Board acknowledges and agrees that (i) the company terminates its collaboration with Mr. Tirez with effect from December 9, 2022, (ii) Mr. Tirez resigns his position as director and managing director of the company with effect from December 9, 2022, and (iii) Mr. Philippe Dartienne continues as bpostgroup "CEO ad interim" (délégué à la gestion journalière ad interim persoon belast met het dagelijks bestuur ad interim) until the placement of a permanent bpostgroup CEO. […]*

It is noted that the Renumeration and Nomination Committee of the Board was not able to meet in advance of today's meeting of the Board with regard to the above decisions, but all members of the Renumeration and Nomination Committee were present for today's meeting of the Board and expressed their views regarding the above matters and decisions to be taken."

Transactions between bpost and its majority shareholder or other related parties

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

In 2022, bpost applied the aforementioned procedure in the context of the extension of the concession agreements for the distribution of newspapers and periodicals and the relationship agreement entered into with the Belgian State. The announcement regarding the transactions is publicly available on bpost 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 Committee (in accordance with Article 7:99 of the BCCA), (iii) the Remuneration & 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 and strategic decision-making remains the responsibility of the Board of Directors as a whole.

8 https://press.bpost.be/

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 bpost 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 the elaboration of strategic options and scenarios; definition of vision, mission & strategies; definition of value propositions; elaboration of strategic canvas to monitor execution of the long term strategy through strategic objectives, milestone plans and targets; business, and implementation planning files in general;
- 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 recommends 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.

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, 2022, composed of the following 5 members:

NAME	POSITION
Lionel Desclée (Chair)	Independent Director
Michael Stone	Independent Director
Jules Noten	Independent Director
Caroline Ven	Non-Executive Director

The Strategic Committee met 6 times in 2022.

Audit & Risk Committee

The Audit & Risk Committee advises the Board of Directors on accounting, audit, and internal control matters, and shall in particular be in charge of:

- monitoring the integrity of bpost's financial statements and bpost's accounting and financial reporting processes and financial statements audits as well as bpost's budget;
- monitoring and overseeing the effectiveness of bpost'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 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 Executive;
- addressing risk management and governance within bpost, notably in light of the Company's strategy and fostering an appropriate risk culture;
- approving and reviewing the bpost 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 bpost 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.

The Audit & Risk Committee consists of maximum 5 non-executive directors, with at least 1 independent director. The Audit & Risk Committee's Chair is designated by the Audit & Risk Committee's members.

Collectively, the Audit & Risk 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 and auditing, as evidenced by her experience in the financial sector, including as CEO of Lloyds and CFO of AXA Belgium. Today she is active as a director of Kinepolis Group NV, Matexi NV, Belgian Finance Club, and more recently as Chairman of the Board of Directors of Pinnacle Pet Group (Jab Holding Company). The other members of the Audit & Risk Committee hold or have held several board or executive mandates in top-tier companies or organizations.

The Audit & Risk Committee was, as of December 31, 2022, composed of the following 3 members:

NAME	POSITION
Sonja Rottiers (Chair)	Independent Director
Lionel Desclée	Independent Director
David Cunningham	Independent Director

The Audit & Risk Committee met 5 times in 2022.

Remuneration & Nomination Committee

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

- identify and nominate Board of Directors candidates to fill vacancies as they arise, thereby considering proposals made by relevant parties, including shareholders;
- nominate 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;
- 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;
- establish performance targets and conduct performance reviews for the CEO and other members of the Executive Committee;
- advise the Board of Directors on the remuneration of the Board of Directors members;
- advise the Board of Directors on talent management and diversity & inclusiveness policy;
- 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 bpost, 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;
- explain the remuneration report at the annual Shareholders' Meeting.

The Remuneration & Nomination Committee consists of minimum 3 and maximum 5 non-executive directors, with at all times a majority of independent directors. Collectively, Remuneration & Nomination Committee's members have sufficient relevant expertise with regard to remuneration policies to fulfil their roles effectively.

The Remuneration & Nomination Committee was, per December 31, 2022, composed of the following 4 members:

NAME	POSITION
Audrey Hanard (Chair)	Chair of the Board[9] and Non-executive Director
Jules Noten	Independent Director
Michael Stone	Independent Director
Sonja Willems	Independent Director

The Remuneration & Nomination Committee met 6 times in 2022.

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 temporarily replaces 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 bpost ESG strategy and activities, including the preparation and implementation of ESG initiatives and supporting the bpostgroup in developing a position as a global leader in ESG performance. The ESG Squad Leaders and Target Owners manage their initiatives with their respective teams, and together with the group sustainability team, meet on a monthly basis to share progress of their initiatives, including challenges and opportunities. The Chief Strategy and Transformation Officer, supported by the Group Sustainability Team reports 3 to 4 times a year to the ESG Committee on the overall progress on the ESG roadmap. During these sessions risks and opportunities are discussed, including a deep dive on selected topics and steering on the ESG strategy. The ESG governance framework of bpostgroup is depicted below:

Board of Directors, assisted by the ESG Committee

As the company's ultimate decision-making body, the Board has oversight of all ESG responsibilities, including approval of ESG strategies and review of ESG performance. The ESG Committee is chaired by the President of the Board.

Chief Strategy and Transformation Officer, assisted by the Group Sustainability team

Responsible for execution and management of all ESG matters, including identifying ESG risks and opportunities and coordination of sustainability initiatives throughout the group.

ESG Squad Leaders and Target Owners

Embedded across the business and responsible for coordination, implementation and reporting of ESG matters and initiatives relevant to business units

The ESG Committee shall in particular:

- advise the Board of Directors on the group's global sustainability strategy and reviews on a regular basis the evolution and impact of such strategy;
- make recommendations to the Board of Directors with respect to matters affecting ESG responsibilities and related corporate conduct consistent with the group's sustainability strategy;
- assist the management in executing the sustainability strategy and implementing the group ESG program and initiatives;
- coordinate and advise on ESG sustainability initiatives and commitments throughout the group and encourage integration of ESG matters into overall business strategy;
- monitor and advise on ESG trends in public policy, regulation and legislation as well as on emerging ESG matters, and advise the Board of Directors on additional actions in response to such trends and/or issues;
- identify the ESG risks and opportunities that may impact the group's ability to create long term value and affect its business, operations, performance and/or reputation;
- advise the Board of Directors on the inclusion of ESG risks and opportunities into the group's long term strategy and development;
- submit the sustainability-related information in the integrated report to the Board of Directors;
- assist the bpost Board of Directors, management and communication teams with regard to bpost non-financial disclosure and reporting obligations;
- assist communication teams regarding group's key ESG messages with regard to strategy and long-term value creation and ensure that ESG is properly reflected in financial disclosures and other market communications.

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, 2022, composed of the following 5 members:

NAME	POSITION
Laurent Levaux (Chair)	Non-Executive Director
Mohssin El Ghabri	Non-Executive Director
Audrey Hanard	Non-Executive Director
Caroline Ven	Non-Executive Director
Sonja Willems	Independent Director

The ESG Committee met 3 times in 2022.

Executive Management

CEO

The current CEO *ad interim*, Philippe Dartienne, was appointed on November 9, 2022 by the Board of Directors, pending the appointment of a new CEO. For ease of reference, references to the "CEO" in this report should be understood as CEO or CEO *ad interim*.

The CEO is vested with (i) the day-to-day management of bpost 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/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

bpost's operational management is ensured by the Executive Committee and is led by 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, following a recommendation by the CEO and advice of the Remuneration & Nomination Committee.

The Executive Committee convenes regularly at the invitation of the CEO. The Executive Committee is assisted by the Executive Committee 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 delegate to one or more members of bpost's staff special and limited powers. The Executive Committee members may allow sub-delegation of these powers.

The Executive Committee prepares, under direction of the CEO, a business plan assessing bpost's medium-term purposes and strategy. This business plan is submitted to the Board of Directors for approval.

The Executive Committee was, as of December 31, 2022, composed of the following members:

NAME	FUNCTION
Philippe Dartienne	CEO *ad interim*
Mark Michiels	Chief Human Resources Officer
Anette Böhm	Chief Human Resources Officer Group
Jos Donvil	CEO bpost Belgium
Kathleen Van Beveren	CEO E-Logistics Eurasia
Henri de Romrée	CEO E-Logistics North America
Nicolas Baise	Chief Strategy & Transformation Officer
James Edge	Chief Technology Officer

Pursuant to his retirement, Mark Michiels terminated his function as Chief Human Resources Officer as of December 31, 2022.

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, 2022, composed of the CEO, who chairs the Committee, and two other members (one Dutch-speaking member and one French-speaking member): Mark Michiels and Catherine Delvaux.

Company Secretary

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

Joint Auditors

The Joint Auditors audit bpost's financial condition as well as consolidated and unconsolidated financial statements. There are four bpost Joint Auditors: (i) two Auditors appointed by the 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 Shareholders' Meeting determines the remuneration of the Joint Auditors.

bpost's Joint Auditors were, as of December 31, 2022:

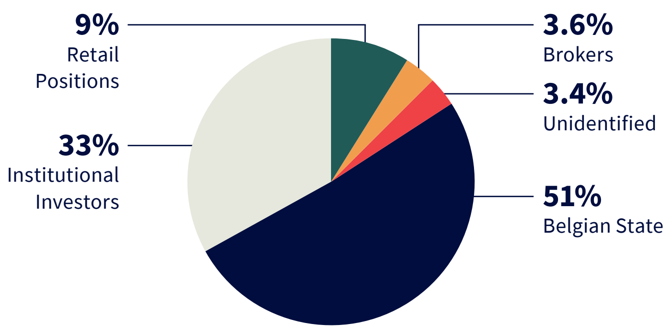
- EY Réviseurs d'Entreprises–Bedrijfsrevisoren SRL/BV ("**EY**"), represented by Mr. Han Wevers (member of the *Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*), De Kleetlaan 2, 1831 Diegem, Belgium (its mandate was renewed by the annual Shareholders' Meeting on May 12, 2021, and will expire after the annual Shareholders' Meeting to be held in 2024);
- PVMD Réviseurs d'Entreprises- Bedrijfsrevisoren SC/CV ("**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 Shareholders' Meeting on May 12, 2021, and will expire after the annual Shareholders' Meeting to be held in 2024);
- Mr. Philippe Roland, First President of the Court of Audit (*Rekenhof/Cour des Comptes*), Rue de la Régence 2, 1000 Brussels, Belgium (his mandate was renewed by the Court of Audit on October 1, 2022 until September 30, 2025); and
- Mrs. Hilde François, 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 bpost's consolidated financial statements. For the year ended December 31, 2022, EY and PVMD received 1,300,897 EUR (excluding value added tax) in fees for the audit of financial statements of bpost and its subsidiaries and 64,160 EUR (excluding value-added tax) in fees for non-audit services. The two auditors appointed by the Court of Audit received 85,661 EUR in remuneration for their services in connection with the audit of bpost's non-consolidated financial statements for the year ended December 31, 2022.

Shareholding structure and shareholders rights

bpost's shares are registered or dematerialized. On December 31, 2022, bpost'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%) bpost shares in their possession on December 31, 2022, the Belgian State and the SFPI/FPIM together hold 102,075,649 (51.04%) of bpost issued voting shares. The remaining 97,925,295 shares are held by individual shareholders and European and international institutional shareholders.



STRUCTURE OVERVIEW BY TYPE (IN %) ON DECEMBER 31, 2022

In 2022, bpost 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 bpost's website at http://corporate.bpost.be/investors/share-information/transparency-declarations.

The Company's shares are freely transferable, provided that, according to Article 147bis 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, 2022, bpost 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 bpost.

Remuneration Report

bpost's[10] remuneration report (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.

bpost 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 2022. 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, bpost 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 prepared by the Board of Directors, upon recommendation of the Remuneration & Nomination Committee, and approved by the Shareholders' Meeting on May 12, 2021[11]. The Remuneration Policy, together with the results of the Shareholders vote, are available on bpost's website[12]. Any material change to this Remuneration Policy has to be approved by the Shareholders' Meeting, upon recommendation of the Board of Directors and the Remuneration & Nomination Committee. In any case, the Remuneration Policy must be approved by the Shareholders' Meeting at least every four years. The Remuneration Policy has been applicable since January 1, 2021, and bpost did not deviate from it during financial year 2022.

bpost 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 members of the Executive Committee.

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

The Remuneration & Nomination Committee regularly examines the Remuneration Policy's principles and their application and will continue to do so. The Board of Directors and the Remuneration & Nomination Committee also continued analyzing the possibility and feasibility of introducing a long-term incentive plan. The purpose of this plan would be to better align the actions and initiatives of management with bpost's long-term performance as set out further in this report **(see Section 3 below)**.

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*10 A public-law public limited company incorporated and existing under Belgian law, having its registered office at Boulevard Anspach 1, 1000 Brussels (Belgium) and registered with the Crossroads Bank for Enterprises under number 214,596,464 (RLE Brussels) (the "**Company**" or "**bpost**").*
This report does not include bpost's Belgian subsidiaries, the remuneration policy of which is in line with the national reference market, or bpost's foreign subsidiaries, whose remuneration policies are in line with local reference markets of relevant companies and aim to attract and retain qualified and experienced directors and managers. In that regard, it should be noted that (i) all directors' mandates in Belgian subsidiaries are unpaid and (ii) the Radial Group has its own incentive plan, in accordance with US market practices.
All amounts mentionned in this report are gross amounts.

11 https://corporate.bpost.be/investors/shareholders-meetings/2021?sc_lang=en: the Remuneration Policy was approved by the Shareholders' Meeting in May 2021 with a majority of 91,73% votes in favour and 8,27% votes against.

12 https://bpostgroup.com/sites/default/files/2021-07/8-bpost-remuneration-policy-en.pdf

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[13] 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.

Monthly fixed fee

During the financial year 2022, the members of the Board of Directors (with the exception of the CEO) received the following monthly fixed fee:
- 3,859.52 EUR for the Board of Directors' Chair, who also chairs bpost's Joint Industrial Committee (*Paritair Comité Commission Paritaire*), as indexed on March 1, 2022;
- 1,929.76 EUR for each other directors (with the exception of the CEO) as indexed on March 1, 2022.

Attendance fees

The members of the Board of Directors (with the exception of the CEO) also received an attendance fee of 1,929.76 EUR per attended Advisory Committee meeting.

Overall remuneration

For the financial year 2022, the overall remuneration paid to all the members of the Board of Directors (with the exception of the CEO) totaled 455,604.47 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 & NOMINATION COMMITTEE		AUDIT & RISK 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 (as from January 1, 2023)		NA		NA		NA		NA		NA		NA	
DAVID CUNNINGHAM (as from May 11, 2022)	14,824.12	13/13		NA		NA	1,929.76	1/2		NA	1,929.76	1/2	18,683.64
LIONEL DESCLÉE	22,885.78	19/19	11,442.89	6/6		NA	9,513.13	5/5		NA	9,513.13	5/5	53,354.93
JOS DONVIL (until October 31, 2022)	19,026.26	9/14	7,583.37	4/4		NA	1,929.76	1/1		NA		NA	28,539.39
MOSSHIN EL GHABRI	22,885.78	16/19		NA		NA		NA	5,789.28	3/3		NA	28,675.06
AUDREY HANARD (Chair until December 15, 2022) (**)	44,898.57	19/19		NA	11,307.22	6/6		NA	3,859.52	2/2		NA	60,065.31
LAURENT LEVAUX	22,885.78	8/19		NA	1,929.76	1/3		NA	1,929.76	1/3		NA	26,745.30

13 *The Advisory Committees include the Strategic Committee, the Remuneration & Nomination Committee, the Audit & Risk Committee, the ESG Committee and Ad Hoc Committee.*

BOARD OF DIRECTORS' MEMBERS	BOARD OF DIRECTORS		STRATEGIC COMMITTEE		REMUNERATION & NOMINATION COMMITTEE		AUDIT & RISK 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 (*)	
JULES NOTEN	22,885.78	17/19	11,442.89	6/6	11,307.22	6/6		NA		NA		NA	45,635.89
SONJA ROTTIERS (Chair as from December 16, 2022) (**)	23,896.61	18/19		NA		NA	9,513.13	5/5		NA	9,513.13	5/5	42,922.87
RAY STEWART (until May 11, 2022)	8,149.46	5/5		NA	7,447.70	4/4	5,653.61	3/3		NA	1,794.09	1/1	23,044.86
MICHAEL STONE	22,885.78	17/19	11,442.89	6/6	1,929.76	1/2	5,653.61	3/3		NA	7,719.04	4/4	49,631.08
CAROLINE VEN	22,885.78	16/19	9,648.80	5/6		NA		NA	5,789.28	3/3		NA	38,323.86
SONJA WILLEMS	22,885.78	19/19		NA	11,307.22	6/6		NA	5,789.28	3/3		NA	39,982.28
TOTAL	**270,995.48**		**51,560.84**		**45,228,88**		**34,193.00**		**23,157.12**		**30,469.15**		**455,604.47**

(*) 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 Director or of an Advisory Committee.

(**) As Audrey Hanard went on maternity leave as from December 16, 2022, the Board of Directors decided that Sonja Rottiers temporarily replaces her as Chair of the Board of Directors during her absence.

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

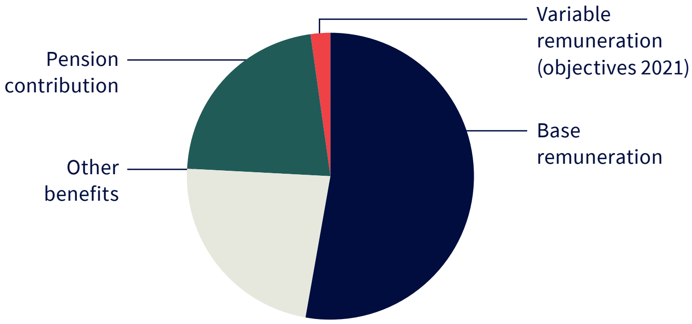
In accordance with the Remuneration Policy, the remuneration package of the CEO and the other members of Executive Committee consisted in 2022 of:

- a fixed base remuneration;
- a variable short-term remuneration[14];
- 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 2022. No options under previous stock option plans were outstanding for the financial year 2022.

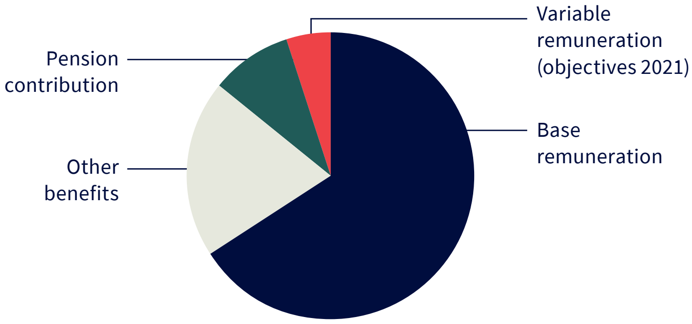
No substantial changes were made to the remuneration of the CEO and the other Executive Committee members compared to the previous financial year.

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 (2022)

14 A variable long-term incentive is available but only for the member of the Executive Committee located in the United States. See the Remuneration Policy for more information in this respect.



RELATIVE IMPORTANCE OF THE VARIOUS ELEMENTS OF THE GLOBAL REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE (2022)

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 bpost's results:

- the CEO's total base remuneration for the financial year 2022 amounted to 515,995.90 EUR (as indexed on February 1, April 1, June 1, September 1 and December 1, 2022)[15]. The CEO did not receive any remuneration for his mandate as a member of the Board of Directors;
- the global base remuneration granted to other members of the Executive Committee for the financial year 2022 amounted to 3,826,074.81 EUR (as indexed on February 1, April 1, June 1, September 1 and December 1, 2022). The amount of their individual base remuneration reflects the responsibilities and characteristics of the position, the level of experience and the performance of the members of the Executive Committee during the past year.

The base remuneration of the CEO was paid monthly, in twelve equal instalments. The other members of the Executive Committee were paid in accordance with local law.

The base remuneration is revised annually based on a benchmark study that covers large Belgian companies so as to offer a total remuneration in accordance with the median on the reference market.

Variable short-term remuneration

The short-term incentive consists of a variable remuneration paid in cash. In 2022, the CEO and the other members of the Executive Committee in Belgium had variable short-term remuneration with regard to the performance during financial year 2021 of 30% (at target) of their annual fixed base remuneration. In the case of over-performance, the variable short-term remuneration could exceed 30% and potentially reach a maximum at 60% of their annual fixed base remuneration.

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 2021. 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.

- The **collective objectives** (70% of the total potential variable short-term remuneration at target[16]) relate to performance against Key Performance Indicators (KPI's) set by the Board of Directors upon recommendation of the Remuneration & Nomination Committee. These KPI's 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 2021 was between 136.1% and 153.2%.
  - *Customer Loyalty Index* (15%): reflects the loyalty of bpost's customers. The pay-out for this criterion is equal to the results for the given year. The Customer Loyalty Index for 2021 is composed of three metrics. The results for 2021 reached a pay-out factor of 123%.
  - *Short-term Absenteeism Index* (5%): reflects the wellbeing or engagement, respectively, of bpost's staff. The pay-out for these criteria is equal to the results for the given year. The Short-term Absenteeism Index, measured on a quarterly base and specific to the Business unit and Group for 2021 reached a payout of between 16.9% and 140% for this criterion in 2021, depending on the area of responsibilities.

  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 to be paid in 2023), the Customer Loyalty Index weighs 20% and the Short-term Absenteeism Index is no longer taken into account.

15 On December 9, 2022, the Board of Directors and Dirk Tirez mutually agreed to terminate their collaboration: as a consequence, Dirk Tirez resigned as (i) member of the Board of Directors and (ii) CEO with immediate effect. Dirk Tirez was remunerated as CEO until December 9, 2022.

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

- The **individual performance targets** (30% of the total potential variable short-term remuneration at target[17]) 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.

  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 & 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 CEO over financial year 2021 were the following:

  - achieving specific financial results set by the Board of Directors;
  - creating stability, strengthening the management team, and promoting a new culture and values to achieve the Board of Directors' sustainability strategy;
  - securing the long-term sustainability strategy, including (i) developing an ambitious new strategic plan, including strategic alignment with the Board of Directors and management and (ii) engaging in the transformation set by the long-term sustainability strategy;
  - improving overall employee engagement, quality of utility contract performance, and customer satisfaction.

  The main individual performance targets to be achieved by the other members of the Executive Committee over financial year 2021 were the following:

  - specific business achievements and development, including (i) developing the future operating and workforce model, (ii) implementing the EU omni-commerce plan, (iii) ensuring value generation during the year end peak in parcels in Belgium and (iv) continuing the digital transformation of the group;
  - execution of the transformation plan both abroad and in Belgium, including (i) the acceleration of Radial US transformation and (ii) assisting in transformation set by the long-term sustainability strategy;
  - team leadership, employee engagement and customer focus.

In 2021, the individual performance targets reached a pay-out of between 105 % and 150 % for the members of the Executive Committee.

The CEO received a variable short-term remuneration of 218,406 EUR[18] in 2022 based on the achievement of the collective objectives and the individual performance targets for the year 2021.

The members of the Executive Committee received a global variable short-term remuneration of 1,159,945.49 EUR in 2022 based on the achievement of the collective objectives and the individual performance targets for the year 2021.

The variable short-term remuneration for the achievement of the collective objectives and individual performance targets during the financial year 2022, if any, will be determined and paid in May 2023, after the performance assessment of each member of the Executive Committee and disclosed in the remuneration report to be published in 2024.

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 2022 amounted to 214,030.84 EUR;
- the Executive Committee's global pension contribution for the financial year 2022 amounted to 504,518.67 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 (except for the CEO), representation fees and a company car. These benefits are benchmarked regularly and adapted according to standard practices. The amount of the other benefit amount is set out in the table below.

Overall remuneration

The **total remuneration** paid to the CEO in 2022 amounts to 968,373.62 EUR (compared to 620,659.39 EUR in 2021) and can be broken down as illustrated in the table below.

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

18 As the variable remuneration of the CEO amounts to less than one fourth of his annual remuneration, the spreading in time of the criteria for variable remuneration as laid down in Article 7:91, par. 2 of the Belgian Code of Companies and Associations does not apply.

The **total remuneration** paid to the members of the Executive Committee (other than the CEO) in 2022 amounts to 5,796,181.98 EUR (compared to 3,898,218.66 EUR in 2021) and can be broken down as illustrated in the table below:

TOTAL REMUNERATION OF THE CEO AND OTHER MEMBERS OF THE EXECUTIVE COMMITTEE IN 2022						
NAME AND POSITION	FIXED REMUNERATION (EUR)			VARIABLE REMUNERATION (EUR)	TOTAL REMUNERATION (EUR)	PROPORTION OF FIXED AND VARIABLE REMUNERATION[19]
	BASE REMUNERATION	OTHER BENEFITS	PENSION CONTRIBUTION			
Dirk Tirez (remunerated as CEO until December 9, 2022)	515,995.9	19,940.88[20]	214,030.84	218,406	968,373.62	Fixed: 77.45 % Variable: 22.55 %
Other Executive Committee members	3,826,074.81[21]	305,643.01[22]	504,518.67	1,159,945.49	5,796,181.98	Fixed: 79.99 % Variable: 20.01 %

C. Use of clawback provisions

There are no specific contractual clawback provisions in favor of bpost for the variable remuneration paid out to the CEO and the other members of the Executive Committee.

D. Changes to the composition of bpost's Executive Committee – severance pay

The following changes in the composition of the Executive Committee occurred in 2022:

- on November 9, 2021, upon recommendation of the Remuneration & Nomination Committee, the Board of Directors decided to appoint (i) Jean Muls as **CEO bpost Belgium** and member of the Executive Committee and (ii) Nicolas Baise as **Chief Strategy & Transformation Officer** and member of the Executive Committee, both with effect as from January 10, 2022;
- on December 1, 2021, upon recommendation of the Remuneration & Nomination Committee, the Board of Directors decided to appoint James Edge as **Chief Technology Officer** and member of the Executive Committee with effect as from January 15, 2022;
- on January 28, 2022, upon recommendation of the Remuneration & Nomination Committee, the Board of Directors decided to appoint
  - Henri de Romrée as **CEO E-Logistics North America** and member of the Executive Committee with effect as from March 7, 2022;
  - Anette Böhm as **Chief Human Resources Officer Group** and member of the Executive Committee with effect as from June 1, 2022;
- on February 15, 2022, upon recommendation of the Remuneration & Nomination Committee, the Board of Directors decided to Philippe Dartienne as **Chief Financial Officer** and member of the Executive Committee with effect as from June 1, 2022;
- on October 3, 2022, upon recommendation of the Remuneration & Nomination Committee, the Board of Directors decided to:
  - terminate with immediate effect the collaboration with Jean Muls as **CEO bpost Belgium** and member of the Executive Committee: a severance pay of 619,461.53 EUR was paid pursuant to the dismissal in accordance with the terms and conditions of the employment agreement. No non-compete remuneration was paid.
  - appoint Jos Donvil as **CEO bpost Belgium** and member of the Executive Committee with effect as from October 31, 2022 – following his appointment as member of the Executive Committee, Jos Donvil resigned as member of the Board of Directors with effect as from October 31, 2022;
- on October 24, 2022, following a compliance review relating to the concession for the distribution of newspapers in Belgium, the Board of Directors and Dirk Tirez (CEO) mutually agreed that Dirk Tirez temporarily stepped aside pending the review. During that period, the powers of **daily management** were entrusted to Henri de Romrée (CEO of E-Logistics North America) with effect as from October 24, 2022. Henri de Romrée continued to be remunerated as a member of the Executive Committee;
- on November 9, 2022, the Board of Directors unanimously decided (i) that Henri de Romrée returns to his function of CEO of E-Logistics North America and (ii) to appoint Philippe Dartienne (CFO) as **CEO *ad interim*** with immediate effect. Philippe Dartienne continued to be remunerated as a member of the Executive Committee;
- on November 14, 2022, a special proxy was granted to Koen Aelterman as **Chief Financial Officer *ad interim*** (in accordance with the bpost delegations of authorities), pending the appointment of a new CEO;
- on December 9, 2022, the Board of Directors and Dirk Tirez mutually decided to terminate their collaboration: as a consequence, Dirk Tirez resigned with immediate effect as (i) member of the Board of Directors and (ii) CEO. Dirk Tirez was remunerated as CEO until December 9, 2022. No severance pay, non-compete remuneration or variable remuneration for the achievement of collective and individual objectives for the year ended on December 31, 2022 were due;
- on December 31, 2022, Mark Michiels retired as **CHRO**.

19 Fixed remuneration comprises the base remuneration, the other benefits and the pension contributions. Variable remuneration comprises the variable short-term remuneration.

20 Other benefits of the CEO include: (i) representation fees (3,300.00 EUR) and (ii) leasing costs for company car (16,640.88 EUR).

21 The base remuneration of the other Executive Committee members include end-year bonuses and holiday pay, as well as the severance pay of 619,461.53 EUR paid to Jean Muls following the end of the collaboration with him.

22 Other benefits of the other members of the Executive Committee include: (i) representation fees and meal vouchers (23,819.64 EUR); (ii) leasing costs for company car (88,019.56 EUR); (iii) relocation and travel reimbursement (158,258.57 EUR) and (iv) My Benefit My Choice (35,545.24 EUR).

3. Compliance with bpost's Remuneration Policy, long-term objectives and sustainability

The total amount of remuneration paid out during the financial year 2022 is in line with the principles of the Remuneration Policy approved by the Shareholders' Meeting of May 12, 2021.

The objective of the bpost's Remuneration Policy is to attract, motivate, and retain the best qualified talents needed to achieve bpost's short- and long-term goals within a coherent framework. The Remuneration Policy is structured in a way that aligns the interests of the bpost'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 bpost Group could always rely on a professional and experienced management, even in more difficult times, such as the Covid-19 crisis;
- the payment of the variable short-term remuneration ensures the realization of both financial and non-financial performance criteria that translate the strategy of bpost.

4. Remuneration of employees

bpost 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 bpost. 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 34,509 experienced and talented employees, who are committed to serving bpost's clients and communities. bpost is dedicated to continuing to improve working conditions to promote a collaborative, inclusive and healthy workplace. bpost is convinced that this will help the Company to attract, develop and retain the best talent and capabilities to drive bpost'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 2022 was 32.

5. Information on shareholder vote

The Shareholders' Meeting of May 11, 2022 approved the remuneration report of 2021 with a majority of 87,92% (compared to 79.82% in 2021) (with 12,08% against compared to 19,80% in 2021).

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

One concern raised about the bpost 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 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 2022 and to be determined (and paid) in May 2023, 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 2024.

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 bpost's employees (on a full-time equivalent basis) and of bpost'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 of the Executive Committee. The table further displays this evolution in the broader context of the average remuneration of bpost'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 2018 (EUR OR %)	% CHANGE VS FY 2018	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 %)
BOARD OF DIRECTORS AND MANAGEMENT REMUNERATION (1)									
Board of Directors' members' global remuneration	331,510.77	17%	388,123.43	-17.8% (2)	319,138.05	53.59%(7)	490,161.55	-7.05%	455,604.47
CEO's global remuneration	902,123.95	-18%	736,325.66	-15.4%	623,285.02	-0.42%	620,659.39	56.02%	968,373.62(10)
Other Executive Committee members' global remuneration	4,363,457.84	4%	4,277,964.94	10.7%	4,791,691.71(3)	- 18.65% (8)	3,898,218.66	48.69%	5,796,181.98(11)
COMPANY PERFORMANCE									
Financial metric (adjusted EBIT)	424,261,989.47	-27%	310,805,491.40	-9.7%	280,573,881.37	24.51%	349,346,004.54	-20%	278,498,240.70
Total operating income (adjusted)	3,850,200,000.00	-0.3%	3,837,800,000.00	8.3%	4,154,600,000.00	4.31%	4,333,721,258.15	1.47%	4,397,525,430.98
Customer Loyalty Index	57.95%	73% (4)	100.17%	-8.2%	91.95%	34%(9)	123.19%	-3.36%	119.05%
Short-term Absenteeism Index	4.37%	3%	4.52%	9.7%	4.96% (5)	2.41%	5.08%	11.02%	5.64%
Employee Engagement Index							72.4%	-1.24%	71.5%
AVERAGE REMUNERATION ON A FULL-TIME EQUIVALENT BASIS OF EMPLOYEES (6)									
Employees of the Company	46,256.00	2%	47,259.00	1.8%	48,118.00	0.1%	48,182.21	5.2%	50,704.15

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 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 increase in the Customer Loyalty Index in 2019 is explained by the good progress of operational indicators linked to mail & parcels delivery as well as by the positive result of the NPS Parcels, an additional criterion taken into account in the determination of the Customer Loyalty Index as from 2019.

(5) 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%.

(6) The average remuneration of employees of bpost excludes directors, members of the Executive Committee and the CEO who would have entered into an employment agreement with the Company.

(7) 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 & Nomination Committee meetings in 2021 as a result of the replacement of the CEO and other directors whose mandate terminated.

(8) 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.

(9) 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.

(10) 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.

(11) 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.

Risk Management & Compliance

Risk Management

bpost's Enterprise Risk Management ("**ERM**") framework assists bpost in managing risks effectively and in implementing the necessary controls to pursue its objectives. The ERM framework covers: (i) risk management, allowing bpost 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 bpost'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 bpost'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 Group companies 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. bpost 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.

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 Executive Committee conducts a thorough quarterly review of the different Business Units' performance.

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 Group 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 Committee, and (iii) approval by bpost's Board of Directors.

Monitoring

Commitment to corporate governance fostering accountability

The Board of Directors supervises the Company's operational management. The Audit & Risk Committee advises the Board of Directors on accounting, audit, risk management and internal control matters. Without prejudice to the monitoring role of the Board of Directors, the Executive Committee establishes risk 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 & Compliance, Regulatory, Data Protection, Safety & Prevention, Security or Integrity, provide expert support to the first line operational management. All second line functions report at least annually to the Executive Committee on the risk evolution in their respective domains;
- finally, Corporate Audit, responsible for the internal audits of bpostgroup, constitutes the third line of defense. The Corporate Audit Director reports to the Audit & Risk Committee's Chair and CEO.

Corporate Audit (internal) and Joint Auditors (external)

bpost 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 Committee and Board of Directors

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

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

- all relevant financial information to enable the Audit & Risk 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's semi-annual status report on the follow-up of audit recommendations and annual activity report;
- the Executive Committee's annual conclusion on the effective execution of bpost's risk 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 Committee's review, and takes the necessary measures to ensure the integrity of the financial statements. A procedure is in place to convene bpost'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 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 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 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 Chief Legal Officer and CEO of bpostgroup.

Commitment to integrity and ethical values

METRIC	2021	2022
Number of registered complaints on unethical workplace behaviour	50	53
Number of registered cases of corruption and bribery	0	0
Monetary amount of legal and regulatory fines and settlements above 10,000 EUR linked to data breaches, corruption or environment damage	0	0

bpostgroup is committed to continuously working to improve its due diligence processes and awareness on integrity and ethical behavior across the group such as 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.In 2022 bpostgroup had no registered cases of corruption or bribery, nor any legal or regulatory fines, or settlements above 10,000 EUR linked to data breaches, corruption or environment damage. The number of registered complaints on unethical workplace behavior slightly increased, mainly in North America. To address this, Radial launched, amongst other things, a second Employee Resource Group dedicated to this subject in October 2022 by initiating a positive movement to speak up and reach out. Over the course of 2022, bpostgroup strengthened efforts to create an environment across the group where people feel safe and empowered to speak up, and updated its Code of Conduct (see below).

Code of conduct

The Board of Directors and Executive Committee have approved bpostgroup's Code of Conduct, which was first issued in 2007 and last updated in December 2022.

The Code – publicly available on https://bpostgroup.com/who-we-are/compliance – 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.

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 publicly available on https://bpostgroup.com/who-we-are/compliance. 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 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 bpost 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 bpost. To develop skills, bpost 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 bpost'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

bpost 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, bpost has designed a Diversity Policy aimed at creating diversity and inclusion awareness within the group. The purpose of this Diversity Policy is to support bpost 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

bpost 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.

bpost 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 & Nomination Committee takes into account balanced scorecards of such diversity criteria.

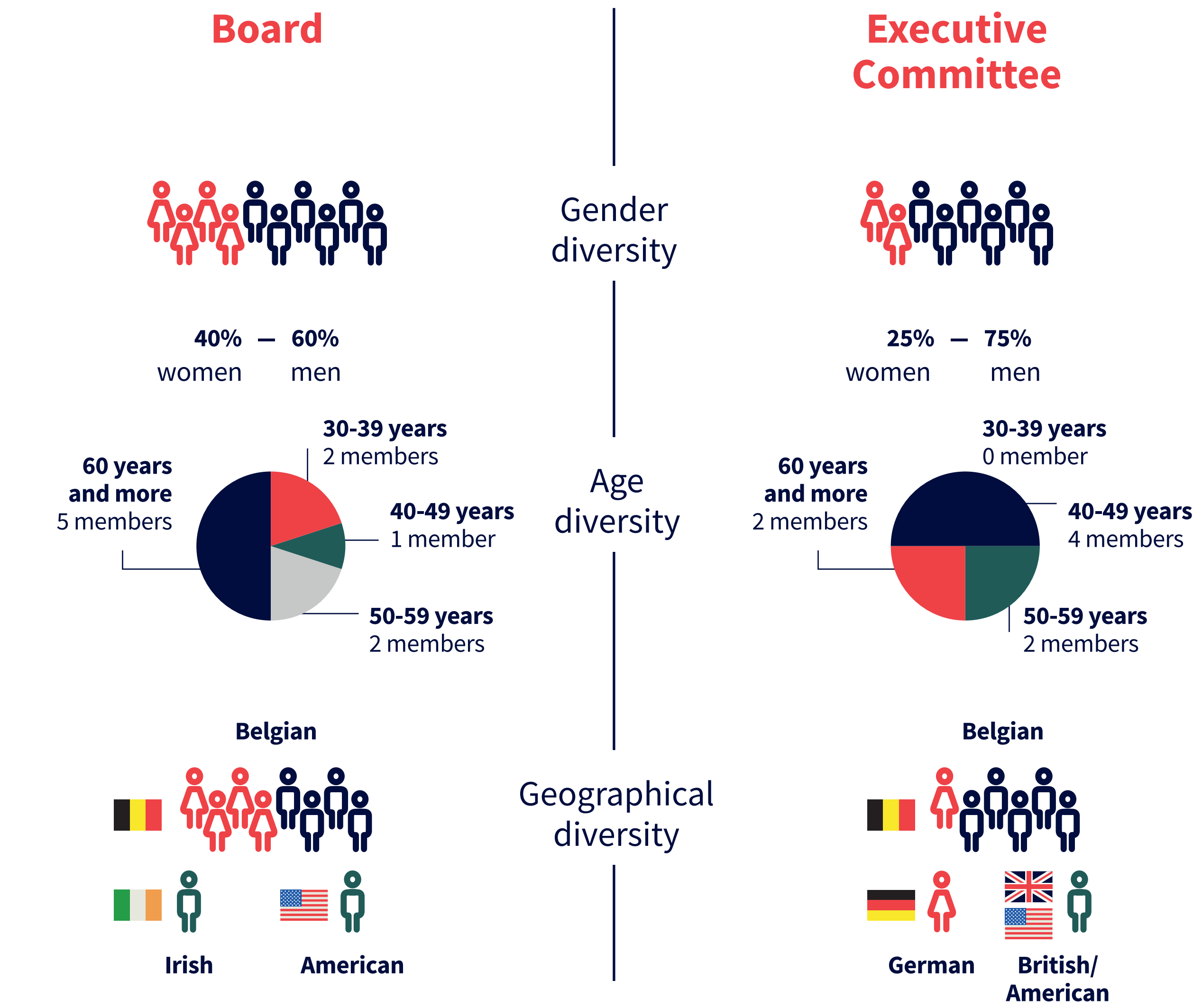
Diversity aspects that are taken into account in relation to the bpost Board of Directors and Executive Committee members are the following:

- **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, bpost 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, bpost 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, bpost must attract and retain talent with diverse professional backgrounds. Diversity of professional backgrounds provides bpost with a range of expertise and experience necessary to respond to the complex challenges it faces. To achieve professional background diversity within its management, bpost 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, bpost takes into account foreign elements in the profile and the path of its candidates.

The Board of Directors assesses annually whether diversity within the bpost management has improved.

Diversity aspects – Implementation & outcome

On December 31, 2022, the outcome of diversity aspects in relation to the bpost Board of Directors and Executive Committee members is the following:



Professional background

Board		Executive Committee
10%	Finance & Accounting, Risk Management, Audit	20%
20%	Transport & Logistics, Fullfilment, Warehousing, E-commerce	30%
20%	Postal & parcels services	15%
30%	Digital, Technology & Innovation	20%
20%	Human Resources Management & Talent Development	25%
20%	ESG	10%

4.2 Risk Management

Approach and methodology

bpostgroup has defined and implemented an Enterprise Risk Management ("**ERM**") framework to embed company-wide risk management processes in key management activities, such as the Executive Committee's revision of the strategy or quarterly reviews of the operations.

Risks are identified at different levels in the organization (including, *inter alia*, operational and financial management; corporate 2nd line functions, such as Legal & Compliance, Regulatory, Data Protection, Safety & Prevention, Security or Integrity; and the Executive Committee). It covers the entire business.

bpostgroup discloses the risks and uncertainties in three categories:

- *Regulatory/Legal risks:* regulatory evolutions and legal compliance issues that could impact the realization of bpostgroup's strategy.
- *External Business risks:* external events that may affect the growth strategy.
- *Operational risks:* mostly internally oriented risks or unforeseen disasters that may result in an impact on bpostgroup's results. These also include financial risks.

Based on formalized risk evaluation criteria, approved by the Board of Directors, bpostgroup prioritizes risks to allow appropriate communication of risks throughout the company (top-down and bottom-up). For the main risks in each category, bpostgroup defined a dedicated mitigation and monitoring approach. The Executive Committee, Audit & Risk Committee and Board of Directors review the application of this approach on a regular basis.

	Mitigation	Monitoring
Regulatory/ Legal risks	• Maintaining a constructive relationship with the authorities and Regulators	• Annual status reporting (Legal/regulatory) • Immediate reporting of important evolutions potentially impacting the strategy
External Business Risks	• Trackig of the events which influence the risk assessment • Networking and influencing (if deemed useful) • Definition of Plan B (if deemed useful)	• Annual status reporting as input for the Annual Report (end of year) • Immediate reporting of important evolutions potentially impacting the strategy
Operational Risks	• Action plans / Projects to mitigate the risks (part of the BU objectives and budget process)	• Brief status & Emerging risk evolutions are reported during the Quartely Review (QR) • Annual update on the risk evolution (Corporate Risk)

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, as described below, is meant to provide a high-level overview of potential and initiated action points in response to the risks and should not be interpreted as a comprehensive list of risk responses. In addition, the mitigation efforts described below are no guarantee that risks will not materialize. No risk management or internal control system can provide absolute safeguards against failure to achieve corporate objectives, fraud or breach of rules and regulations.

Regulatory/Legal Risks

Appropriate policies, processes and internal control procedures are implemented in order to limit the exposure to complex regulatory and legal requirements. In addition, 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 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 under the terms of the 5th management contract covering the period 2013 to 2015 ("**5th management contract**"). Although the European Commission's decisions on state aid provide bpost 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 for the period from 1992 through 2015, it cannot be excluded that bpost could be subject to further state aid allegations and investigations in respect of this period 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 (2015-2019), which is extended until end 2023 (or mid 2024 if a new tender is launched and attributed to another party than bpost). Reference is made to the Contingent liabilities section of this annual report concerning the possible scenarios as from 2024 as well as the factors influencing the potential financial impact of these scenarios.

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 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 compared to the 6th management contract.

bpost 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 unfavourable for bpost. In the event bpost 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 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 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. bpost may also be ordered by national courts to discontinue certain commercial practices or to pay damages to third parties.

bpost 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 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 was designated by the Belgian State as the USO provider for an eight-year term commencing in 2011. In the Postal Law, bpost 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 bpost bank

On January 3, 2022 the transaction whereby bpost sold its 50% stake in bpost bank to BNPPF was completed. bpost continues at least until December 31, 2028 to distribute – as a registered banking and insurance intermediary – banking and insurance products on behalf of bpost bank through its network of post offices.

bpost bank operates in a heavily regulated market. 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 bpost bank's business, financial condition, results of operations and prospects which could have an impact on bpost as agent of bpost bank.

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 bpost may present difficulties in interpretation and cause legal uncertainty. For instance, bpost is subject to certain specific risks in relation to employment matters deriving from the application of certain public law provisions and principles.

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's contractual employees could also challenge their employment status for being deprived of statutory employment protection and benefits.

Regulatory changes may (directly or indirectly) impact the attractiveness of mail as a way of communicating and hence bpost's turnover.

External Business Risks

The risks mentioned in the section below are considered in light of the long term strategy. bpostgroup assigned clear ownership for each of the risks. The owner monitors the risk, observes trends and initiates mitigating actions if and when needed. More details on the internal control and risk management system can be found in the Corporate Governance Statement.

The use of mail has declined in recent years, primarily as a result of the increased use of e-mail and the internet. bpost expects that the mail volumes will continue to decline. 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 may also affect the rate of decline in mail volumes. bpostgroup is taking the next steps in transforming into a future-proof full-fledged e-commerce logistics partner for customers, citizens and employees. In Belgium, bpost 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, bpostgroup will build a leadership position in e-commerce logistics by increasing its size; and in the US, bpostgroup will profit by maintaining a leadership position in e-commerce logistics with Radial US. However, the speed of the transformation change, the customers' and employees' reactions remain uncertain.

This new "digital" era also impacts the parcels industry in the sense that the e-commerce clients have a limited willingness to pay for the delivery while requesting additional services (e.g. same day delivery). This might put pressure on the margins and overall profitability in the parcels industry. As such external factors triggered by the industry, competition and clients (e.g. vertical integration of their last mile delivery, either by acquisition or organically) could challenge the growth in parcels (both in Belgium and abroad). In addition, a slowdown in the growth of the e-commerce market could also impact the growth in the parcels distribution and fulfilment business. Management has taken measures to ensure potential operational or financial impacts will be lowered to their minimum.

bpostgroup's activities may be also materially affected by many other external factors, such as uncertainty regarding the impacts of the post-pandemic parcel volume normalization, macroeconomic implications of the war in Ukraine (such as inflation, price increases, lower consumer spending due to recessionary fears impacting e-commerce) and labour market constraints (such as salary indexations, transport and energy costs). bpostgroup is monitoring these evolutions and will continue to assess further impacts going forward.

Operational Risks

bpostgroup faces some operational challenges that require an appropriate level of management attention. bpostgroup initiates mitigating action plans if and when needed. More details on the internal control and risk management system can be found in the Corporate Governance Statement.

Related to the agility and flexibility of the bpost network

Due to the relatively fixed nature of its cost base, a decline in mail volumes may translate into a significant decline in profit, unless bpost can reduce its costs. Accordingly and as stated earlier above, bpost has introduced and 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 exogenous factors e.g. the speed of the mail volume decline. Some of the critical elements for success are change management, project prioritization and stakeholder alignment.

Related to Information and Communication 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 loss of data, disclosure of data or significant disruption of bpostgroup's operations and that of its customers. In addition, in a world of constant connectivity and dependency on information that is processed and stored electronically, the lack of protection of confidential and/or sensitive information may result in inappropriate information sharing.

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.

Related to the integration of recent acquisitions

To pursue its growth ambitions, bpost 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 bpost's subsidiaries will actually realize the related business plans. bpost has strengthened its post-acquisition integration activities to mitigate this risk as much as possible.

Related to the ability to divest non-core activities

In order to implement its strategy, bpost may wish to divest certain non-core activities. Finding the right buyers willing to take over the activities at the right price may be challenging and depend on various factors and market circumstances, which could be beyond bpost's control.

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. In addition, 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 Acquisition function has been developed at bpostgroup level with the aim to develop future leaders in-house, on the basis of career paths and development routes.

Related to the business continuity

bpostgroup's ability to serve its customers highly depends on its network of operational centers. bpost operations mainly consists of sorting centers in Belgium. Radial operations consist of fulfilment centers located in North America and Europe. In Belgium, bpost operates six sorting centers, where it centralizes, sorts and prepares the mail and parcels for distribution. In North America, Radial operates 24 fulfilment centers and in Europe it operates 8 fulfilment centers, where they store, pick, pack and ship parcels for distribution. If one or more of these 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.

Related to "Force Majeure"

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 also 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. bpost 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, including heat waves, wildfires, heavy precipitation, coastal and fluvial floods and landslides.

In addition, bpostgroup's sustainability strategy includes ambitious targets to reduce its Greenhouse Gas ("GhG") emissions. bpost commits 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.

Financial Risks

bpostgroup faces different types of financial risk. These include:

- Market risks from movements in foreign exchange rates, interest rates and other market prices (see note 30 Financial instruments and financial risk management)
- Credit risk (see note 30 Financial instruments and financial risk management)
- Liquidity risk (see note 30 Financial instruments and financial risk management)

5. Customer and Citizen Value

84.5 %
customer satisfaction score Belgium

2,760
total number of PUDO points

3.3 million
registered consumer preferences

549 thousand
last-mile parcels delivery per day in Belgium

5.6 million
letters delivered per day

Day after day, we connect people, businesses and society. Whether it is our associates in our fulfilment centres, preparing client orders, our call center agents answering consumer questions, or our postwomen and men passing by every street in Belgium every day, always on the move.

With bpost's dense retail network, we have at least one post office in every municipality of Belgium, providing sending and receiving services, banking services, and an ATM when it is not offered by other banks. We play a prominent role in the social fabric of society. Our proximity and the trust our people enjoy also enable us to offer innovative solutions that bring citizens and authorities closer together. Simply put: we are a catalyst of social cohesion, today and in the future.

With a customer satisfaction of 84.5% across both residential and commercial clients, bpost proves every day it is a trusted partner in Belgium. bpost is the provider of Universal Postal Service in Belgium and formalized its commitments towards its proximity to Belgian citizens in the 7th management contract that was signed in 2021 and runs to the end of 2026.

As a national postal operator, bpost's history is closely intertwined with the history of Belgium, however in recent years we have transformed ourselves from a traditional postal company into a global parcels and e-commerce logistics provider. We are a global group headquartered in Belgium, comprising various entities around the world, each with their own strengths and services.

5.1 Customer Experience

KPI	UNIT	2019 BASELINE	2021	2022
Customer Satisfaction score – bpost Belgium	%	82	83	84.5
Total number of PUDO points (including parcel lockers)	Number	2,088	2,500	2,760
Total number of parcel lockers	Number	150	501	692

Customer Satisfaction

At 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 that is used by many of our customers. Their responses give us insight into their overall satisfaction level, including how willing they are to recommend bpostgroup products or services to others.

We track NPS at all of our subsidiaries and brands and separate between B2B and B2C customers as the nature and the respondents of these customer segments are very different. Each unit within the group uses the granular results to create specific action plans and to improve the NPS going forward.

bpost also conducts a separate customer satisfaction survey which includes both residential and business customers. Since 2019 our customer satisfaction score has steadily increased from 82% to 84.5%. A key achievement in 2022 is the increase in satisfaction of registered mail for both residentials and business. In addition we also note an increase in satisfaction on sending and receiving of parcels for residential costumers.

PUDO – convenient and sustainable

We provide customers with convenient and sustainable solutions, one of which is our Pick-Up Drop-Off (PUDO) network in Belgium. Consumers can choose to conveniently drop or ship their parcels at one of the 2,760 PUDO points including post offices, post points, parcel points and parcel lockers. New lockers have now been added at more than 200 locations, where they are available 24/7 using smartphone or e-mail code access. The lockers are conveniently located at high footfall places such as train stations and supermarkets.

The bpost PUDO network is already comprehensive, and by 2030 will be increased to 4,000 points across the whole of Belgium. The PUDO service not only offers convenience, but helps reduce CO_2 emissions by having fewer failed deliveries, and by consolidating volumes –another step towards achieving our sustainability targets.

Customer preferences

In order to be best in class for customer convenience, and to deliver a *first time* right service, bpost continues to invest in supporting customer preferences. For example a customer can choose a specific neighbor for a delivery if they are out, indicate a safe place to leave a package, or reroute to a pickup point. These solutions ensure that customers receive their parcel in a timely and convenient way, which helps increase customer satisfaction and Net Promoter Score (NPS) ratings. The added benefit is the positive impact on the environment, as all parcels are successfully delivered at the first attempt – a perfect example of how customer convenience and sustainability can go hand in hand. A similar service has recently been set up for registered letters, through a legal mandate granted to bpost. This allows the postal worker to simply deposit the registered letter in the mailbox if there is no-one to sign for it, instead of requesting the customer to pick it up a day later at a pick-up point. No less than 3.3 million parcel preferences and 200,000 mandates have been registered to date.

3.3 million

Belgians have given their parcel receiver preferences, and

200,000

have 'sign for me' activated.

“We chose bpost for several reasons: the quality of the service, the proximity and fair, competitive prices for Belgium. We count on bpost for the end of the year period, because we are now sending 30-40% more parcels to our private customers.”

Pierre-Yves Orban
Co-Founder, Javry

Parcel handover – logical and convenient

At the start of 2022 a bpost pilot project in eight Belgian municipalities, gave residential customers the option of handing over parcels they wanted to send, to the person delivering a parcel to them. After tremendous success the service was rolledout to the whole of Belgium by the end of the year. As a bonus, bpost also piloted the Recupel project nationwide. Customers can collect small used household goods such as hairdryers, toothbrushes, and old phones, package them up, attach a Recupel label and request the postal worker to take it whenever a parcel is delivered.

A commitment to SMEs

bpost commitment to SME’s has been there from the outset. During the Covid-period bpost pioneered with their “everybody online” program to help SME’s move online. In 2022 bpost launched a new SME initiative , with a new offer for companies sending less than 1,000 packages a year. SMEs can create a free, professional account, without a fixed contract, but with a market-consistent pricing policy. It’s a game changer for many smaller businesses in the e-commerce space, and it perfectly matches bpost’s mission to help companies grow.

Dynahealth helps healthcare providers focus on what’s truly important

Key trends, such as an aging population, elderly people’s desire to stay at home as long as possible, and rising costs in hospitals have led to DynaGroup look at solutions for the healthcare sector in the Netherlands and Belgium. With increasing needs for more in-house health solutions, and a market not yet able to fulfil these, the company puts it ‘Can deliver complex products, install equipment, and do repairs. Meet Dynahealth!’

Dynahealth provides the following solutions:
- Last-mile logistics services (next day or even same day solutions);
- Fulfilment services (central stock at a single location or spread over several locations);
- Installation services (such as wall-mounting a shower set, installing a hospital bed and smart home accessories for patient-related remote care);
- Technical specialists also provide preventive and corrective maintenance services both at the customer and at one of the Dynahealth sites, including product cleaning and refreshes;
- Asset management (a central administration system covering all products).

“Providing logistics, installation and repair services to the customer lightens their workload, so they can focus on what’s truly important: caring for patients. This end-to-end solution is also in line with our circularity philosophy of extending the life of products to make them much more sustainable.”

Stephan Van Mulken
CEO DynaGroup

5.2 Digital Innovation

With bpostgroup's mission being 'to connect the digital with the physical', digital innovation is clearly a vital part of delivering on that mission. In the last year there have been a number of initiatives which underscore this:

Robotics at Radial

Radial US deployed autonomous mobile robots (AMR) at their fulfillment center in Romeoville, IL in partnership with Locus Robotics. This innovative technology will support high-volume order fulfillment for SKIMS, a solutions-oriented retail brand creating the next generation of underwear, loungewear, and shapewear.

Locus's AMRs also help expedite the onboarding of new Radial employees and seasonal workers so they can be highly productive, faster. The solution includes integrated multi-language capabilities and an intuitive interface, without the need for long training times or added training and development resources.

In partnership with Advanced Handling Systems (AHS, LLC), a leading full-service integrator of automated fulfillment and distribution solutions, Radial implemented a new Exotec Skypod system for Gymshark a fitness community and apparel brand based in the United Kingdom.

"This new deployment expands Radial's ability to strategically scale to meet the growing needs of dynamic and growing customers like SKIMS."

Rick Faulk, CEO of Locus Robotics

The Exotec Skypod System is the first of its kind to use mobile robots that can move in three dimensions and reach heights of 40 feet to enable efficient, high-density inventory storage. The Exotec Skypod uses laser scanner navigation and robust software to increase warehouse throughput. The system is also designed to improve working conditions for the fulfillment associates and foster more sustainable warehouse productivity by reducing highly repetitive, physically intensive tasks like walking, lifting, and bending.

My bpost app

My bpost app is currently rated as the best productivity app in Belgium. We have now reached 2.6 million downloads of the app, which is the most complete track & trace app for smartphones. My bpost allows customers to track all barcoded shipments, from bpost and other carriers, and also to create labels for parcels. Users can also set their preferences for both parcels and registered letters, making use of our ecofriendly lean PUDO lockers, and use chatbot and live chat functionalities when help is needed. My bpost users updated on the arrival of their precious goods. In an ever more digitalized society, the My bpost app is an important asset in making our current services digitally accessible, and leveraging new opportunities in the future.

bpaid – the card that allows you to be yourself

bpost applies its inclusion policy to all of its products and services, and at the end of 2022, all customers were given the option to choose the first name they want to see on their prepaid bpaid card to reflect their own sense of identity. What's more, we also added a notch to the prepaid card to ensure that blind and partially sighted people can easily find it in their wallet.

The Connecting Smiles Project

The Connecting Smiles Project puts the customer at the center of everything we do, with a CRM transformation that give a 360° view of customer interactions. The goal is to create happy customers, happy employees, and improved efficiency and self-service through digital first. The integration of B2C and B2B customer care has been successfully launched in 2022.

Active Ants Multiwarehousing solutions across Europe and the UK

Active Ants is expanding across Europe, into Belgium and Germany in recent years, with the UK being the latest addition to the portfolio. With this expanding footprint, Active Ants is able to offer a multi-warehouse solution to customers across Europe, giving the ability to place stock as close as possible to their clients. Because its warehouses are located close to key ports (Schiphol/Amsterdam airport, Brussels Airport, the ports of Rotterdam and Antwerp), Active Ants can offer the best entry point into Europe and can onboard new products extremely quickly.

"Active Ants set itself apart from the other candidates due to some unique solutions, such as simple software integration with language recognition for orders, no-air packaging tailored to the product and affordable, flexible custom printing on boxes to improve brand recognition. The presence of Active Ants in Belgium, the Netherlands, Germany and the UK means we can accelerate our international growth without having to search for a new local partner."

Nicolas Bartholomeeusen
Founder, Imby Pet Food

5.3 Community engagement: our social projects across the globe

bpost doesn't operate in isolation, but within society at large. This society consists of different communities, for which we are grateful: they make our work interesting and worthwhile. As bpost grows, these communities grow with us: we started as a Belgian postal operator, but the business and communities have a more international character today. To stay close to our roots, we support a number of social projects across the globe.

Bridge the Digital Divide

Within the framework of the 7th management contract, bpost has committed to support the digital transformation of the Belgian State through the launch of pilot projects. In this way and via its post offices, bpost wants to act as a human and physical point of contact for the public sector's digital services, particularly for isolated, vulnerable or digitally impaired citizens.

The post offices may help the State to 'detect' these citizens and direct them to digital support solutions in partnership with local organizations. Post offices may also offer support to help these citizens with certain digital procedures (e.g., filling out a file, applying for a public transportation pass, or other types of procedures that require online identification), in partnership with the public services concerned and according to their requests.

bpost has launched pilot projects and is actively seeking partnerships with organizations and public authorities to continue to bring these projects to life.

The bpost Literacy Fund

In 1997, the bpost Literacy Fund was established to improve literacy rates by supporting new literacy projects run by various organizations. Managed by the King Baudouin Foundation, the bpost Literacy Fund was boosted in 2009, when we started donating part of the revenue of a Christmas stamp sale. Since then, the Fund has received about 1.4 mEUR, and in 2022 received 90,000 EUR worth of grants. Going forward the fund will expand its scope to areas of climate change, the circular economy, social integration, diversity and inclusion, and health and well-being.

bpostgroup initiatives to help Ukraine

During 2022 and into 2023 a number of initiatives were launched to fundraise for Ukrainian refugees, and to help those hardest hit by the crisis of the war in Ukraine:

bpost partners with Ukraine's national postal operator

bpost supports everyone affected by the humanitarian crisis in Ukraine, and we collected donations of vital supplies at our 657 post offices in March and April 2022. In response to the humanitarian crisis, bpost volunteers drove company trucks filled with the donations, all the way to the Ukrainian border. The cargo was then handed over to Ukrposhta, Ukraine's national postal operator, which ensured it reached the people most in need.

The GivingTrax campaign for Ukraine

Landmark Global US, along with their partner GivingTrax, launched a campaign to raise funds for charities working with those directly affected by the war in Ukraine. Employees were invited to donate to the International Rescue Committee, the Global Empowerment Mission, and the Save The Children Fund. Landmark matched all donated funds 100%, and the total impact with employee and company donations was 28,425 USD.

Radial EU and e-logistics Eurasia

Radial EU also teamed up with a local fundraiser in Poland,Europa Razem (Europe Together), to help Ukrainian refugees fleeing the war. Europa Razem provides the most needed humanitarian aid to refugees and others most affected by the events in Ukraine. They work in close contact with our colleagues from Radial Poland who supported Ukrainian refugees in 2022, and into 2023. Colleagues from all business units in Eurasia (Active Ants, Dynagroup and Landmark Global) have donated to Europa Razem, to support the actions in Poland, and Radial Poland as a company has also made donations.

The Oldham Foodbank charity

Since 2022 colleagues at Radial UK have donated pasta, long life milk, rice, tinned fruit and other long lasting food to the Oldham Foodbank. The charity provides three days of nutritionally balanced emergency food and support to local people, who are referred to them in crisis situations. The Oldham Foodbank is part of a nationwide network supported by The Trussell Trust, working to combat poverty and hunger across the UK. The Oldham Foodbank opened in 2012, and in 2022 supplied 8,048 three-day emergency packages.

Social2Gether Initiative

DynaGroup decided to donate to several charity initiatives each year, based on employee suggestions about which charity initiatives to support. It's a way of giving back to the local community, and society at large, with special Social2Gether award hand overs being arranged with recipients.

5.3 In summary: Customer and Citizen Value at bpostgroup

bpost is a dynamic organization, putting great value on its proximity to citizens and society. 2022 saw many initiatives at all levels of our business, ranging from new digital offerings which benefit society, moves towards ever greater inclusivity, and the support of those in need. Our commitment to sustainable practices runs deep, and we encourage our partners to also increasingly pay attention to this. Some of the programs mentioned here are 'big', others are smaller in their scope and intention, but be in no doubt, *they are all important* – to customers, citizens, and to bpost.

6. Environmental Value

-7%

reduction in CO_2 emissionsscope 1 and 2 vs. 2021

15%

emission-free last-mile delivery in Belgium

43%

renewable electricity consumed

80.9%

recycled content in sold packaging

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, generating a significant carbon footprint. Which is why we are determined to fight climate change and be a force for good in the countries where we operate.

In 2022, we set ambitious science-based targets for the group 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 our progress, we rolled out a new ESG strategy and governance structure, while also investing in sustainable policies to electrify the bpost fleet and company cars, roll out ecozones across Belgium, re-use and recycle packaging, use green electricity and reduce the carbon footprint of our buildings.

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

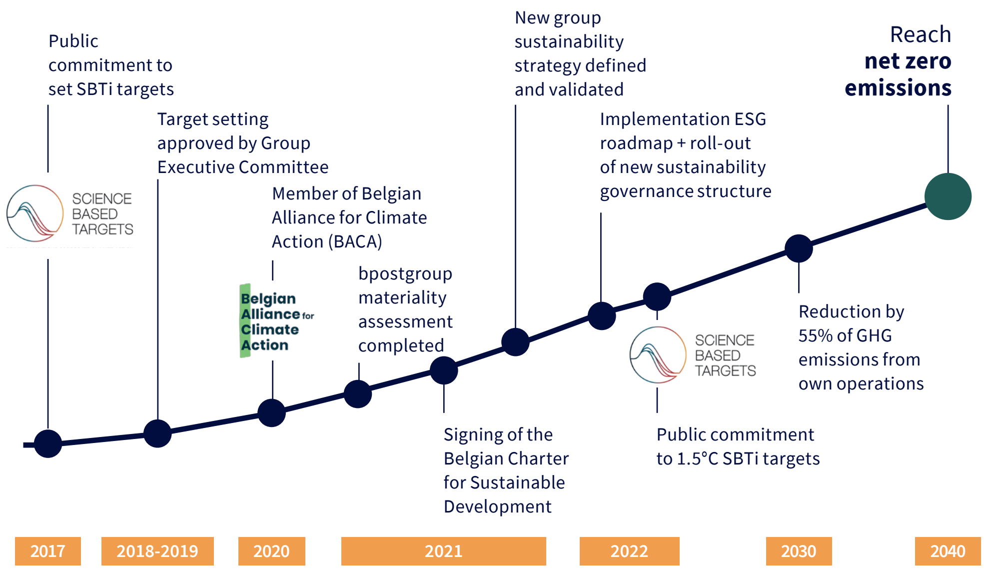
Our Net Zero Ambition

bpostgroup is committed to achieving net zero by 2040. This shared long-term ambition encourages us to accelerate our efforts to decarbonize the e-commerce supply chain and re-use and re-cycle 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 with 55% by 2030:

- 100% zero emission last-mile deliveries
- 100% green electricity
- 100% recyclable or re-usable packaging
- 100% of new company cars zero-emission

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	2022 PROGRESS TOWARDS TARGET	2022 ACHIEVEMENTS	LOOKING FORWARD
Reduce scope 1 and 2 emissions with 55% by 2030 and reach net zero by 2040.	• 100% zero emission last mile • 100% green electricity • 100% truck fleet on alternative fuels by 2030 • 100% of new company cars zero-emission	• 15% zero emission last mile delivery • 43% green electricity • 46 truck fleet on alternative fuels • 7% new company cars zero emission	• Expanded to 9 eco-zones in total • 615 electric vehicles • Collaborative Urban logistics pilot in Antwerp • Solar panels on 30+ buildings across the world • Moved in to BREEAM Excellent certified HQ in March 2022	• bpost continues to invest and aims to more than double its green fleet in 2023. • In 2023, we plan to test zero emission trucks and to continue to acquire double deck trailers for the first mile.

Carbon footprint

Performance Summary

		2019 BASELINE	2021	2022	TREND
SCOPE 1	**tCO_2e**	**88,997**	**95,084**	**90,143**	↘
Fuel fleet	tCO_2e	67,983	72,993	69,107	↘
Natural gas & heating oil	tCO_2e	20,986	22,065	21,020	↘
Oil for generators	tCO_2e	28	26	16	↘
SCOPE 2	**tCO_2e**	**30,266**	**32,837**	**28,620**	↘
Electricity (market-based)[1]	tCO_2e	29,794	32,384	28,348	↘
District Heating	tCO_2e	472	453	272	↘
SCOPE 1 & 2	**tCO_2e**	**119,263**	**127,921**	**118,763**	↘
Subcontracted road transport	tCO_2e	113,440	118,902	89,663	↘
Business travel	tCO_2e	1,374	513	731	↗
Employee commuting	tCO_2e	32,977	31,091	27,011	↘
Waste	tCO_2e	3,932	3,287	4,690	↗
Subcontracted air transport Belgium	tCO_2e	37,597	16,096	19,133	↗
TOTAL CO_2 EMISSIONS HISTORICAL (SCOPE 1+2+3)	**tCO_2e**	**308,583**	**297,810**	**259,991**	↘
Subcontracted air transport Subsidiaries[2]	tCO_2e	34,733	39,039	42,029	↗
Fuel & energy related activities not included in scope 1 or 2	tCO_2e	22,248	23,818	22,304	↘
Purchased goods & services	tCO_2e	76,260	116,576	101,441	↘
SCOPE 3	**tCO_2e**	**322,562**	**349,322**	**307,002**	↘
TOTAL CO_2 EMISSIONS (SCOPE 1+2+3)	**tCO_2e**	**441,824**	**477,243**	**425,765**	↘

In 2022 we expanded the perimeters of our carbon footprint reporting to comply with the SBTi standards. We added the emissions from Purchased goods & services and the upstream emissions, well-to-tank, of our fuel- and energy-related activities and the subcontracted air transport emissions from bpostgroup's subsidiaries. As a result of this adaptation, the total footprint increased. For the purposes of comparison we also included the historical perimeter.

In scope 1 we observe a 5.3% decrease in our fleet fuel consumption thanks to the continued efforts to decarbonize our last mile. Furthermore, our natural gas and heating oil consumption decreased despite the opening of several buildings, thanks to efforts to reduce energy usage in the wake of the energy crisis in Europe, more high-performance buildings and a warmer year.

In scope 2, electricity emissions have been falling thanks to increased production from solar panels and an increased share of green electricity.

In scope 3 we see that business travel has increased due to the lifting of Covid restrictions. In contrast, we see a decrease in employee commuting thanks to fewer worked days, more home working and more granular calculation methods. Waste emissions increased due to more hazardous waste generated by entities due to the disposal of specific equipment in our facilities. Subcontracted air transport has increased due to more air traffic. Also, Radial US, Apple Express, and Landmark NAM have been included for the first time in the subcontracted air transport.

1 *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.*

2 *As of 2022 we collect detailed subcontracted air transport data for the subsidiaries. We extrapolated 2019 – 2021 data for comparison purposes.*

Green fleet and delivery

Performance Summary

METRIC	UNIT	2019 BASELINE	2021	2022
KPI – Share of emission-free last-mile delivery[1]	%	-	8.5%	15.3%
Total number of emission-free ecozones	Number	-	1	9
Share of last mile alternative fuel vehicles [1]	%	31	33	40
Share of new company cars zero-emission [1]	%	0	0	7

(1) New metric since 2021

bpostgroup made a big leap forward in electrifying its fleet. It quadrupled its electric van fleet, ordered more than 1,000 additional electric vans and rolled out the Ecozone concept to 8 more cities.

2022 Key Initiatives

A growing fleet of electric vehicles

Reducing its reliance on fossil fuels is a key strategy for bpostgroup. That’s why, in 2022, bpostgroup made a huge leap forward in sustainable distribution by quadrupling the size of its electric fleet.

In a step-by-step process of fleet renewal, bpost procured:

- 46 new LPG trucks
- More than 500 new electric vans
- 275 new e-trailers, for use with electric bikes

In the neighbouring Netherlands, Dynagroup started a pilot project to decarbonize its distribution with the launch of two large full-electric vehicles in the field.

New charging infrastructure

By 2030 bpost aims to install more than 4,500 chargers. In 2022 more than 1,000 charging points were up and running, twice the number in 2021. Meanwhile, Radial North America launched its first electric car charging stations in the new Indiana facility. And during construction of the facility, infrastructure was also built to accommodate future electric truck charging stations.

Zero-emission company cars at bpost

Back in 2021 bpost updated its company car policy 2021 with the aim of encouraging the transition to electric vehicles. The impact of this proactive strategy of using financial incentives and support to install a charging point at employees’ homes continued into 2022.

The initial efforts have been supplemented:

(i) with an awareness campaign to select fully electric car when appropriate;
(ii) and (ii) by negotiating with our parking provider to propose solutions for battery charging at the headquarters in Brussels.

In 2023 the company car policy will undergo a further analysis with a view to accelerating the transition to zero emission ahead of the 2026 deadline.

New and greener models for urban logistics

Even more pick-up points across Belgium

In 2022 300 new pick-up points were added to the existing network. These included new parcel lockers at 200 locations. In total bpost offers 2,800 pick-up points (including post offices, post points, parcel points and parcel lockers). 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.

Ecozones

Ecozones are a dense network of collection points within city centers (post offices, post points and parcel points), parcel lockers and a fleet of 100% green vans and bikes, which aim to slash the number of car journeys made for the purposes of deliveries. This generates two major benefits for cities and city-dwellers: first, it improves the air that they breathe; and second, it makes their busy lives easier.

In 2019 bpost launched a pilot project in Mechelen, and since then several Belgian cities have been transformed to a bpost Ecozone. Namur, Leuven, Mons, Brussels, Kortrijk, Bruges, Ostend and Louvain-la-Neuve are all serviced with zero-emission vehicles.

According to researchers at Vrije Universiteit Brussels (VUB), bpost has reduced its carbon emissions by 90% in the Mechelen Ecozone on top of the achieved a significant reduction in noise and traffic. 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.

Route optimization

In the Netherlands, DynaGroup is also looking for ways to reduce travelled kilometers and CO_2 emissions. To achieve this aim, they have implemented a new route optimization software. This powerful cloud-based solution integrates with the existing Transport Management System, resulting in an almost 5% decrease in CO_2 emissions thanks to more efficient rounds with fewer kilometers.

CULT

bpost is a member of Collaborative Urban Logistics & Transport (CULT), a community of companies who share a vision on sustainable urban logistics. Since embracing this model, km-driven have been reduced by 25% and emissions by 90% through combined city deliveries in Antwerp. Danone, Delhaize, Jacobs Douwe Egberts, Pro-Duo, Proximus, Telenet and Schoenen Torfs combine their volumes to retail outlets and individuals in the city of Antwerp and have bpost to deliver them together. The smart bundling of goods on the outskirts of the city immediately translates into a 25% reduction in kilometers driven and 90% fewer emissions.

Green buildings

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2021	2022
Share of renewable electricity	%	49	41	43
Total renewable energy capacity installed	MWp	4,830	7,451	8,238
Total surface of solar electricity capacity installed	m²	45,890	57,304	66,042

bpostgroup increased its share of renewable electricity compared to 2021. In Belgium we have almost reached the 100% goal, while producing nearly 7% of the energy we consume. In the US we have increased our installed solar electricity capacity.

2022 Key Initiatives

Towards fossil-free at bpost

bpost is making investments to reduce the environmental impact of all its operations, buildings and facilities, all of which consume electricity, gas and water. In April 2022, almost 1,500 employees at bpostgroup central services moved to the new MULTI Tower in Brussels, which is the perfect showcase for bpostgroup's sustainability ambitions. It is the Belgian capital's first carbon-neutral, fossil fuel-free building, with 89% of the building materials recycled from other urban buildings. The building was also awarded 'BREEAM excellent' (Building Research Establishment Environmental Assessment Method) certification. What's more, the hives for 100,000 bees which were set up on the roofs of the MCM in partnership with cooperative Made in Abeilles, were also relocated to the roof of the MULTI Tower.

BREEAM certifications in the Netherlands

In the Netherlands, Dynagroup moved to BREEAM certified (very good) and fossil-free-fuel buildings in Bleiswijk and Amsterdam. Also Active Ants has achieved a BREAAM certification for its building in Roosendaal.

Towards 100% LED lighting

In an effort to decrease our energy consumption , bpost is improving the energy efficiency of our operations and facilities. In terms of electricity, we replaced the lighting in all our sorting centers, thereby halving consumption in more than 170,000m². An additional 1.6 million sq ft of LED lighting upgrades were completed in Radial facilities in 2022, so that over 70% of the general lighting in the Radial network is now composed of energy-efficient LED fixtures. In terms of natural gas consumption, and in line with the European and National target, we also reduced the temperatures in all of our buildings.

Green Power in the USA

Moving towards solar energy, Radial US launched its first rooftop solar array powering a 475,000 sq ft site in Rialto, California in June 2022. The 500kW set-up, constructed in partnership with the building owner, produces enough solar energy to provide 100% of the building's electricity requirement for most of the year, and up to 80% of the site's energy consumption at peak times. Radial is currently working on additional solar projects in the California market, as well as other North American geographies where conditions are favorable for sustaining solar power.

Carbon offsetting

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2021	2022
Total carbon emissions offset for the customers	$tCO_2eq.$	2,000	7,880	32,307

bpostgroup's priority is to reduce its emissions as much as possible. In the transition period we also offset part of our emissions in the group to accelerate this global journey towards a low-carbon economy.

bpost compensates CO_2 emissions that we cannot (yet) avoid for all parcels within Belgium and for all Clean Mail, Contract Letters and Direct Mail delivered in our (Hyper) MassPost Centers. In addition, the Dynagroup in the Netherlands also offers offsetting service for their Dynafix customers and for all of the Pieter Pot customers, a grocery retailer that strives for zero waste and carbon-neutral deliveries.

CO2 neutral delivery bpost

In 2022 bpost invested in the Gold Standard Ghana Cookstove project. By providing as many Ghanaians as possible with efficient cooking stoves that require up to 50% less wood and charcoal, we help reduce emissions and save Ghanaian forests. Learn more about this project.

Sustainable Procurement

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2021	2022
Share of significant tier 1 suppliers covered by the Supplier Code of Conduct	%	35	34	49
Share of procurement spent on significant tier 1 suppliers screened on CSR by Ecovadis	%	39	57	65
Share of tier 1 suppliers with SBTi approved targets [(1)]	%	-	-	15

(1) New metric

In 2022, bpost procurement department made great strides in adjusting its policies, processes and approach to purchasing so as to achieve greater responsibility and sustainability. As you can see in the table above, the implementation of the 'Sustainable procurement program' has had a real impact on the increase in indicators such as 'Share of significant tier 1 suppliers covered by the Supplier Code of Conduct' and 'Share of procurement spent on significant tier 1 suppliers screened on ESG by Ecovadis'.

Key Initiatives in 2022

Sustainable Procurement Program

The role of procurement is essential to the development of the corporate ESG ambitions, strategy and roadmap at bpostgroup. In 2022, the Sustainable Procurement Program was introduced to better match its policies, processes and purchase approach in this area.

The program addresses two levels: first, the interaction with suppliers and the supply chains; and second sourcing sustainable solutions for bpostgroup.

Sustainable Supply Chain

Driving sustainability throughout our supply chain is a key factor in adding value to bpostgroup. The way to achieve this is by building strong relationships with our key suppliers.

We aim to work with suppliers who demonstrate good and sustainable practices in the environments and communities where we, and they, operate. Our Supplier Code of Conduct guides our partners in appropriate governance of environmental, social and governance risks. Benchmarked and updated in 2022, the renewed bpost ambitions and targets in the supply chain, 14% reduction of CO_2 emissions by 2030 compared to 2019, were added. The Code specifically adheres to understanding & reducing these carbon emissions. Which is why key suppliers of new contracts are expected to report back on their carbon footprint and engage in emission reduction.

New processes and tools were also installed so that we could integrate the Code in our way of working. In a further development, bpost no longer engages in business with third parties that do not fully comply with these principles. This is laid down in our tender documents and in the general conditions of the contract.

Sourcing Sustainable Solutions

bpostgroup is committed to procuring sustainable products and solutions. This means that the minimum requirements of the Supplier Code of Conduct are imposed and tailored to a specific sourcing project. Understanding suppliers' solutions and how ESG can be an intrinsic part of the design, manufacture, use and end-of-life stage of a product or service is essential, and is translated to the tendering process.

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

Progress towards our targets

AMBITION	2030 TARGET	2022 PROGRESS TOWARDS TARGET	2022 ACHIEVEMENTS	LOOKING FORWARD
Offer sustainable solution for the e-commerce value chain through recyclable and re-usable packaging	Offer bpost packaging that is 100% recyclable and has at least 70% recycled content, by 2030	• 86.3% recyclable packaging • 80.9% recycled content	• New packaging contract with supplier consists of 100% recyclable and 100% recycled cardboard • Active Ants reducing package size and eliminating dunnage with a packaging machine that right sizes the box • Pilot Hipli with re-usable packages (up to 100 times)	• Roll-out the re-usable package solution of Hipli • Continue to pilot and add re-usable packaging solutions

Sustainable Packaging

Performance Summary

INDICATOR	UNIT	2019 BASELINE	2021	2022
Share of recyclable or re-usable sold packaging(1)	%	-	-	86.3
Share of recycled content in sold packaging (1)	%	-	-	80.9
Share of recycled waste	%	87	81	88

(1) New metric

At bpostgroup we are aware of the resources we use and the waste we produce, which is why we manage our waste streams responsibly. Compared to 2021, we see a high share of > 85% recycled waste. At all our locations we sort waste according to different streams and work together with a registered waste partner for recycling (paper, drink cartons, plastic bottles, metal) or disposal with energy recovery. In Belgium, 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 reach the same targets at all locations across the group.

In 2022, we added two new indicators on sustainable packaging: share of recyclable or re-usable sold packaging; and share of recycled content in solid packaging. bpost post offices sell packaging such as bubble envelopes, gift boxes, standard boxes and fashion bags. In 2021 we launched the first fully recyclable and recycled fashion bag, and in 2022 we were able to find a solution with our supplier to move all our packaging that is sold on our website and in our retail offices that are 100% recyclable and made out of close to 100% recycled fibers. Furthermore, all of our boxes can be re-used after being sent. As a result of these initiatives, we have already met the target we set for 2025.

2022 Key Initiatives

Three sustainable collaborations right on the doorstep

It started as a pilot in 8 municipalities but was so successful that bpost rolled it out to the whole of Belgium in late 2022: Residents can hand over a parcel, to be sent or returned, to the postal worker when they come to deliver another parcel. Users have reported their satisfaction, with convenience, sustainability but also more personal contact with postal workers being the most important factors.

In another collaboration, bpost teamed up with Nespresso, another company that is concerned about the environmental impact of its operations. Coffee lovers can hand over their used capsules in a green recycling bag provided by Nespresso to bpost postal workers or drop them off at a nearby post office.

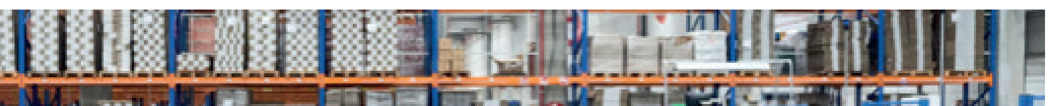
And finally, bpost and Recupel have partnered up so that residents can hand over small electrical items, from hairdryers to laptops, due for recycling to postal workers when they come to the door to deliver a parcel. Recupel supplies the recycling bags and labels to users upon request. This sustainable pilot project will run till at least the end of February 2023.

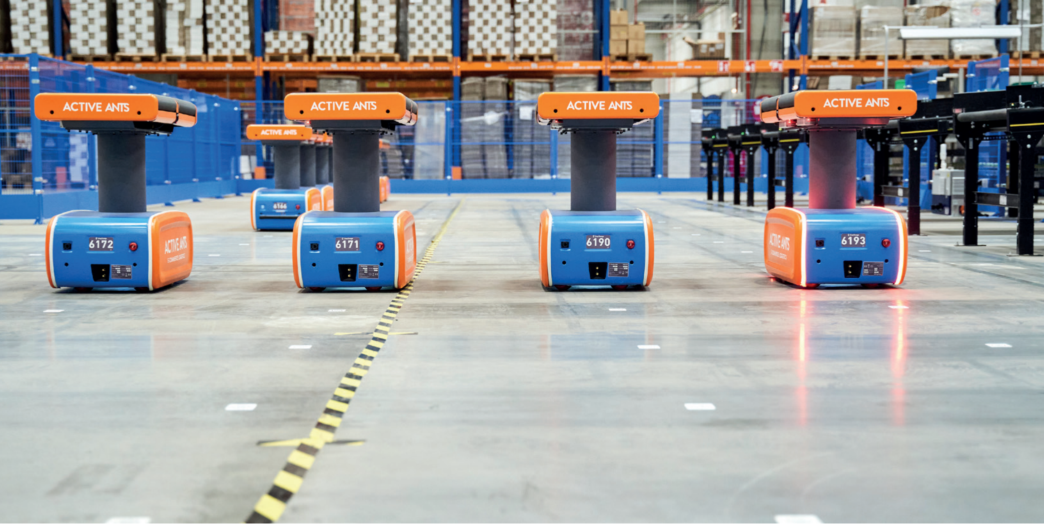
Hipli: Parcel packaging that can be reused 100 times

In 2022 bpost launched an innovative, sustainable pilot project with Hipli. The French company's reusable mailing bags were tested in partnership with Torfs, A.S. Adventure and Juttu. After delivery, the customers popped the empty bags into a bpost red mailbox. bpost then grouped the empty returns and sent them in a bundle to a Belgian sheltered workforce for cleaning and reconditioning. The pilot was successful and has resulted in a commercial offer for interested e-shops & other packaging suppliers (e.g. Re-Zip, …). It is our ambition to extend this project, and therefore a second pilot will be set up during 2023 to test returns of re-usable packaging via our retail network for larger empty packages and parcel returns. This project received the "Packaging innovation of the year" award at the Parcel and Postal Technology Awards in Frankfurt.

Robotics for optimizing sustainable packaging

The bpostgroup subsidiary Active Ants is expanding its first Belgian fulfilment center in Willebroek. At this site, storage, order picking, packing and sorting are all fully automated. As well as providing the best working conditions for employees, robotization also reduces the environmental impact of the activities. The various packaging machines are able to adapt the box size to the content, weigh them and affix a shipping label. This means filler is no longer needed to prevent the contents moving around in the box. Storage is also optimized, because the robots are able to store on average six times the volume in every square meter as well as re-use their own energy, which substantially reduces power consumption in the complex.





Increasing recycled content in packaging

In support of one of Radial's largest clients, a cosmetic company with a portfolio of high-end brands, we sourced increased recycled content corrugate. Standard corrugate contains a limited recycled content (30-70%). We transitioned the two highest volume shippers used for the client to 100% recycled corrugate and sourced FSC certified materials for specifically targeted brands within the clients' portfolio.

In a decisive step forward, Radial US eliminated non-recyclable materials after investigating alternative mailbag material options with a higher recycled and/or recyclable content for the cosmetic company. A paper-based mailbag that is curbside recyclable was chosen by the client and deployed prior to our end-of-year peak season. As a result, approximately 1,292 kilograms of material were diverted from the waste stream during the peak season alone.

Dynalogic in partnership with Pieter Pot

Dynalogic gained a new Benelux customer called Pieter Pot. This company makes daily grocery deliveries in reusable glass jars. The value-added services from Dynalogic ensure that all the jars are delivered correctly and that the delivery registration is performed properly. Dynalogic has the target to make all shipments carbon neutral and therefore compensates all last-mile CO_2 emissions that are released during delivery.

Improving waste management with Greenwaste

DynaGroup started a cooperation with Greenwaste to further investigate how best to treat current waste streams. In other words, where to optimize and opt for reuse or recycling instead of landfill. This initiative helps us improve our waste management.

Les Petits Riens

As part of its ISO 14001 certification, bpost has set up a sustainable project with the charity 'Les Petits Riens' in its NBX sorting center (Brussels). Last year, bpost sent nearly 90,000 kg of unclaimed goods to Les Petits Riens for those people it helps, and the project consists of replacing the cardboard boxes for delivery with reusable bbox pallets. Each bbox pallet can hold up to 100 kg, which saves up to 900 kg of cardboard. For bpost the impact is social, environmental and economic. For Les Petits Riens, bpost plays a substantial role in delivering donations to nearly 1,500 people in need.

6.3 EU Taxonomy

6.3.1 Introduction

This section reports on the key performance indicators required under Regulation EU 2020/852[3] and the related Delegated Acts[4] (the EU Taxonomy Regulation). The EU Taxonomy was enacted by the European Commission to support the objective of directing capital flows towards a more sustainable economy. Reaching this objective is essential to meet the European Union (EU) ambition of becoming climate neutral by 2050.

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3 *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.*

4 *The Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021) and the Disclosure Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021).*

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” (detailed in section 6.3.2);
- Meets the Technical Screening criteria to prove substantial contribution to one or more environmental objectives (detailed in section 6.3.3);
- Does Not Significantly Harm any of the other environmental objectives (detailed in section 6.3.3);
- Complies with Minimum Social Safeguards[5], related mainly to human rights due diligence, anti-corruption and anti-bribery, taxation and fair competition (detailed in section 6.3.3).

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:
- 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, we strive to reduce our impact on the environment on several levels. We refer to chapter 6 Environmental Value of this report to inform our stakeholders where we stand in our sustainable journey. In this section we look at our contribution through the EU Taxonomy lens, which is new legislation, being introduced progressively over a number of years and for which no common interpretation of the legislation exists yet in the sector. bpostgroup has chosen to apply a prudent approach to assess eligibility and alignment.

For the financial year 2022, bpostgroup is required to report its contribution, in terms of 'eligible' and 'aligned' activities, for two of the six environmental objectives: climate change mitigation and climate change adaptation. In the coming years, bpostgroup will be required to report on its contribution to the other four environmental objectives[6] as well.

EU Taxonomy eligibility and alignment must be reported in financial terms, as percentages of a company's total revenue, capex additions and opex (detailed in section 6.4).

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 can be considered environmentally sustainable (i.e. 'aligned') if it additionally meets additional criteria (see section 4.3) 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 corresponding activity based on bpostgroup’s main NACE Code (H53.10 - Postal activities under universal service obligation). This identified activity 6.6 Freight transport services by road.
b. Reviewing the description of Taxonomy activities referring to a bpostgroup NACE Code[7].
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:
    v. Operation of personal mobility devices, cycle logistics
    vi. 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
    vii. 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 exercise detailed above.

At this stage the company considers that, consistent with 2021 reporting, E-Logistics North America and a major part of the activities of E-Logistics Eurasia are not in explicit scope of the EU Taxonomy. Therefore, adopting a prudent approach, bpost considers the activities of all of our e-commerce fulfillment centers an non-eligible. However there’s little guidance from the EU on the interpretation of what is included or excluded in a specific activity. This analysis has been made based on our best interpretation efforts while maintaining the prudent approach mentioned above.

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5 *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.*

6 *The criteria for the other four environmental objectives are expected to be officially approved by the end of 2023.*

7 *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 and the Minimum Safeguards. Such an economic activity is considered environmentally sustainable ('aligned').

The evaluation of our 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 Social Safeguards.

a) 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 are 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 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 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 gCO2/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'[8] 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.

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) 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.

b) 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.

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

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 conducted by bpostgroup can be found in the chapter Governance (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. Although bpost has invested over the years in electric vans, the rigorous interpretation of the Do Not Significant Harm requirements by bpost make that only more or less 7% of these investments will be aligned.

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 also 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 because only 7% of the vans meet the stringent requirements for the tires used.

c) 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 (please refer to footnote 3):

- 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 due diligence, 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 FY2022 Annual Report, and Human Rights Policy.

6.4 EU Taxonomy KPIs

6.4.1 Turnover

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)										
ECONOMIC ACTIVITES	CODE	ABSOLUTE TUROVER	PROPORTION OF TURNOVER	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER AND MARINE RESOURCES	CIRCULAR ECONOMY	POLLUTION	BIODIVERSITY AND ECOSYSTEMS	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTION	WATER AND MARINE RESOURCES	CIRCULAR ECONOMY	POLLUTION	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS	TAXONOMY ALIGNED PROPORTION OF TURNOVER, YEAR N	TAXONOMY ALIGNED PROPORTION OF TURNOVER, YEAR N-1 [19]	CATEGORY (ENABLING ACTIVITY OR) [20]	CATEGORY (TRANSITIONAL ACTIVITY) [21]
		MILLION EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 ENVIRONMENTAL SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
Operation of personal mobility devices, cycle logistics	6.4	18.2	0,4%	100,0%	0%	0%	0%	0%	0%	n.a.	Y	n.a.	Y	n.a.	n.a.	Y	0,4%	n.a.		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	8.8	0,2%	100,0%	0%	0%	0%	0%	0%	n.a.	Y	n.a.	Y	Y	n.a.	Y	0,2%	n.a.		
Infrastructure enabling low-carbon road transport and public transport	6.15	714.5	16,2%	100,0%	0%	0%	0%	0%	0%	n.a.	Y	Y	Y	Y	Y	Y	16,2%	n.a.	E	
TURNOVER OF ENVIRONMENTAL SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED (A.1)		**741.4**	**16,9%**	**100,0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**16,9%**	**N.A.**		
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTAL SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	1,004.1	22,8%																	
Freight transport services by road	6.6	200.4	4,6%																	
TURNOVER OF TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES) (A.2)		**1,204.5**	**27,4%**																	
TOTAL (A.1 + A.2)		**1,945.9**	**44,3%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		2,451.6	55,7%																	
TOTAL (A + B)		**4,397.5**	**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.

We avoided double counting by following our 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 our 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 bpost of the EU legislation.

Denominator

The denominator is the total net turnover for the financial year 2022, as seen in the consolidated income statement included in the financial consolidated statements.

6.4.2 CAPEX

ECONOMIC ACTIVITES	CODE	ABSOLUTE TUROVER	PROPORTION OF TURNOVER	SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)										
				CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER AND MARINE RESOURCES	CIRCULAR ECONOMY	POLLUTION	BIODIVERSITY AND ECOSYSTEMS	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTION	WATER AND MARINE RESOURCES	CIRCULAR ECONOMY	POLLUTION	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS	TAXONOMY ALIGNED PROPORTION OF TURNOVER, YEAR N	TAXONOMY ALIGNED PROPORTION OF TURNOVER, YEAR N-1 [19]	CATEGORY (ENABLING ACTIVITY OR) [20]	CATEGORY (TRANSITIONAL ACTIVITY) [21]
		MILLION EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 ENVIRONMENTAL SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
Operation of personal mobility devices, cycle logistics	6.4	2.3	0.7%	100,0%	0%	0%	0%	0%	0%	n.a.	Y	n.a.	Y	n.a.	n.a.	Y	0.7%	n.a.		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.2	0.1%	100,0%	0%	0%	0%	0%	0%	n.a.	Y	n.a.	Y	Y	n.a.	Y	0.1%	n.a.		
Infrastructure enabling low-carbon road transport and public transport	6.15	22.2	6.7%	100,0%	0%	0%	0%	0%	0%	n.a.	Y	Y	Y	Y	Y	Y	6.7%	n.a.	E	
CAPEX OF ENVIRONMENTAL SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED (A.1)		**24.8**	**7.5%**	**100,0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**7.5%**	**N.A.**		
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTAL SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	26.9	8.2%																	
Freight transport services by road	6.6	9.9	3.0%																	
CAPEX OF TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES) (A.2)		**36.8**	**11.2%**																	
TOTAL (A.1 + A.2)		**61.6**	**18.7%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		268.0	81.3%																	
TOTAL (A + B)		**329.7**	**100,0%**																	

Numerator

The numerator includes: (i) capex and additions of right-of-use assets linked to the taxonomy-eligible and taxonomy-aligned activities listed in Section 4.3 above and (ii) capex and additions of right-of-use assets linked to expenses related to other taxonomy-eligible and taxonomy-aligned economic activities, following Section 1.1.2.2 of Annex I of the Disclosure 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 2022) and additions of right-of-use assets , as seen in the consolidated income statement included in the financial consolidated statements.

6.4.3 OPEX

ECONOMIC ACTIVITES [1]	CODE	ABSOLUTE TUROVER	PROPORTION OF TURNOVER	SUBSTANTIAL CONTRIBUTION CRITERIA: CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER AND MARINE RESOURCES	CIRCULAR ECONOMY	POLLUTION	BIODIVERSITY AND ECOSYSTEMS	DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM): CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTION	WATER AND MARINE RESOURCES	CIRCULAR ECONOMY	POLLUTION	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS	TAXONOMY ALIGNED PROPORTION OF TURNOVER, YEAR N	TAXONOMY ALIGNED PROPORTION OF TURNOVER, YEAR N-1 [19]	CATEGORY (ENABLING ACTIVITY OR) [20]	CATEGORY (TRANSITIONAL ACTIVITY)
		MILLION EUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 ENVIRONMENTAL SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
Operation of personal mobility devices, cycle logistics	6.4	1.1	0,5%	100%	0%	0%	0%	0%	0%	n.a.	Y	n.a.	Y	n.a.	n.a.	Y	0,5%	n.a.		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.3	0.2%	100%	0%	0%	0%	0%	0%	n.a.	Y	n.a.	Y	Y	n.a.	Y	0.2%	n.a.		
Infrastructure enabling low-carbon road transport and public transport	6.15	1.1	0.5%	100%	0%	0%	0%	0%	0%	n.a	Y	Y	Y	Y	Y	Y	0.5%	n.a.	E	
OPEX OF ENVIRONMENTAL SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED (A.1)		**2.5**	**1.2%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**1.2%**	**N.A.**		
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTAL SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																				
Operation of personal mobility devices, cycle logistics	6.4	0.0	0,0%																	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	37.7	18.4%																	
Freight transport services by road	6.6	1.4	0.7%																	
OPEX OF TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES) (A.2)		**39.0**	**19.1%**																	
TOTAL (A.1 + A.2)		**41.6**	**20.3%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		163.2	79.7%																	
TOTAL (A + B)		**204.8**	**100,0%**																	

Numerator

The numerator includes: (i) opex linked to the taxonomy-eligible activities and taxonomy-aligned listed in Section 4.3 above and (ii) opex linked to expenses related to other Taxonomy-eligible and taxonomy-aligned economic activities, following Section 1.1.3.2 of Annex I of the Disclosure Delegated Act.

We should note however that the opex concept under the EU Taxonomy follows a limited definition of the regular financial notion of opex. According to Section 1.1.3.1 of Annex I of the Disclosure Delegated Act, the expenses allowed 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.

Out of those concepts, bpost was able to identify short-term leases and maintenance and repair expenses (under the bpost accounts ‘rent and rental costs’ and ‘maintenance and repairs’, respectively).

The total taxonomy-eligible and taxonomy-aligned ‘limited’ opex is mainly calculated from the following economic activities that meet the reduced definition stated above:
- 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 the opex for the financial year 2022 exclusively linked to the total category amounts for ‘rental and rental costs’ and ‘maintenance and repairs’.

7. Social Value

34,509
number of employees

37%
women in management

117
nationalities represented across group

8.9%
decrease in accident rate

>600
People with large distance to the labour market trained to a job through bpost boost

At bpost, we believe it is essential to engage every employee in our mission to be a major part of our customers' daily lives. We value the wide array of skills, competences, and loyalty of our employees, and recognize that people are key to the success of bpostgroup.

2022 was the third year in a row where the COVID-19 pandemic had a major impact on wellbeing, and operational activities, with the first quarter being particularly impacted. Fortunately, the rest of the year was less affected, and we took the opportunity to get back on track with a more normalized wellbeing policy.

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 achieve this by taking various actions within the different countries, businesses, and business units to strengthen and anchor this culture-shaping process. We regard every employee as part of the extended bpostgroup family, which encompasses more than 34,000 people across the globe, from very diverse backgrounds.

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

Our Ambition

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

- **Health & Safety of our people first:** Become an employer of choice by creating an environment promoting physical safety and mental well-being
- **Be a career lifter for our employees:** Be a career lifter, especially for short-schooled labor, by offering high quality employment and up-skilling and re-skilling programs, creating career paths within or even outside bpost
- **Champion Diversity, Equity and Inclusion across the group:** Be an employer of inclusion and equal opportunity, where all people of every ethnicity, social background, religion, gender, age, and ability or disability – visible or invisible – feel welcomed and valued

7.1 Health & Safety of our people first

Progress towards our targets

AMBITION	2025 TARGET[1]	2022 PROGRESS TOWARDS TARGET	2022 ACHIEVEMENTS	LOOKING FORWARD
Become an employer of choice by creating an environment promoting physical safety and mental well-being	• Reduction in number of accidents by 14%. • Reduce absenteeism to 6.9%.	• 8.9% reduction in accidents compared to 2019 baseline. • Absenteeism is increasing due to COVID-19 and a general rising trend in the market.	• Verbal aggression prevention program extended to mail operations • Data analytics exercise in the field of absenteeism • Further development of a safety performance barometer • Mental wellbeing program for operational managers	• Further strengthening safety culture through new way of working, train the trainer program and onboarding action plans • Roll-out mental wellbeing program

Performance Summary[2]

		BPOST			BPOSTGROUP[2]
METRIC	UNIT	2019	2021	2022	2022
KPI – Absenteeism of own employees	%	7.96	8.33	9.51	6.64
KPI – Frequency rate of own employees	Accidents per 1,000,000 hours worked	27.14	27.59	24.65	21.49
Severity rate of own employees	Lost days per 1,000 hours worked	0.84	0.89	0.77	0.58
Lost days of own employees	Days	29,205	31,200	27,641	29,002
Occupational accidents of own employees	Number	949	1,054	890	1,120
Total number of work-related fatalities of own employees	Number	2	1	2	2

Since 2020, absenteeism levels are on the rise, a trend that continued throughout 2022. COVID-19 continued to impact bpost's absenteeism levels, especially at the beginning of the year due to the Omicron peak. The year-end was marked by a particularly high number of viral infections and other season-related diseases, combined with a lower readiness for preventive vaccination campaigns including COVID-19 and flu.

1 *These targets are specific to bpost.*

2 *Group-wide health and safety figures are disclosed for the first time given the challenges of consolidating varying local health and safety definitions across our global operations. Historical figures for bpost can be found in the appendix 'non-financial consolidated statements'.*

Next to physical illness, research in Belgium indicates a rising trend in the number of employees combatting psychosocial difficulties, which is also reflected in the company data. In addition, the broader social framework plays an important role in the increase in absentee rates, as 2022 was marked by economic and social crises.

The relatively low intensity of the Covid pandemic allowed us to put much more focus back on safe working behavior. This resulted in remarkably better safety performance indicators, especially during the first three quarters of the year. The most prevalent safety incidents in our business are slipping, falling, tripping, or the improper use of vehicles. To limit the risk of accidents and health issues, we perform regular risk analyses. The identified risks are communicated within the organization together with clear measures to be taken.

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 for injury rate. Radial US integrated continuous improvement practices into safety programs and held safety-specific Kaizen events to improve practices and procedures across the network. Radial improved in all injury prevention leading indicator categories (Behavioral Based Safety observations, Safety Committee Attendance and Near Miss Reporting) compared to the previous year.

Key 2022 Initiatives

The Safety Register and Safety Performance Barometer

We implemented several successful health and safety initiatives. These included the use of a safety corner on the work floor, encouraging employees to report any type of safety incident, as well as safety communication campaigns. A Safety Register also helps to follow safety checks in a structured manner, and from this we can draw important lessons learned, which are then communicated to employees.

The 'Safety Performance Barometer' is an improved well-being instrument that measures safety performance and gives a strong focus on leading safety indicators. It works by consolidating existing safety performance indicators, through which we gain insight into the overall safety performance of a region. This allows prioritization of where, and what aspects, the need is greatest. The safety performance barometer is linked to the bpost Safety Register. First launched in 2019, it is now fully integrated into the management performance monitoring processes.

The Safety Games

In 2022 we trained our employees on safety using 'gamification': An application sends them two questions per day on issues related to any health and safety matter, to refresh their memory. There is a total of fifty questions, which vary depending on the season. For every correct answer the player wins ten stamps. As well as in Mail Distribution, the Safety Games concept is also now used in our Logistics unit.

Psychosocial wellbeing of our employees

At bpost, we want to make sure our employees remain healthy, including psychosocial as well as physical aspects. Our 'Health Surveillance' system provides mandatory medical check-ups for all bpost postal workers. To measure the psychosocial wellbeing of employees, we survey their level of engagement. In addition to our employee Assistance Program, external psychologists are available for more complicated individual problems. There is also a confidential line, which employees can call anytime – 24/24, 7/7. These tools will be implemented on a global scale in the near future.

Mental Health and Wellness Employee Resource Group (ERG)

In October 2022, in honor of Mental Health Awareness Month, Radial US launched a second Employee Resource Group dedicated to this subject. Mental health and wellness is for everyone, and Radial US' mission is to provide services that promote health and well-being, foster self-regulation, and remove the stigma around mental health – by initiating a positive movement to speak up and reach out.

7.2 Be a career lifter for our employees

Progress towards our targets

This progress towards targets is expressed across bpostgroup, as can be seen when comparing past achievements with ambitions going forward:

AMBITION	2025 TARGET[1]	2022 PROGRESS TOWARDS TARGET	2022 ACHIEVEMENTS	LOOKING FORWARD
Be a career lifter, especially for short schooled labor by offering high quality employment and up- and re-skilling programs, creating career paths within or even outside bpost	• Be recognized as a "great employer" • To reach "best-in-class" industry employee engagement • Develop up- and reskilling journeys for bpost employees to support internal mobility.	• Radial US and Landmark Global US score well above US benchmark in employee engagement • 17.8% increase in employee training hours per FTE, compared to 2019 baseline.	• For the first time, we aligned the "My Voice" employee engagement survey across bpostgroup • In 2022 bpost upskilled 80 employees to truck drivers • bpost boost will have trained and guided more than 600 unemployed to a job through nontraditional channels since the start • Dynagroup launched a Training Academy and Experience Center with a focus on soft skills required for customer trainings	• New Hire Orientation & Onboarding Program Pilot and expansion of employee resource groups to increase employee engagement and retention at Radial US. • Roll out of employee engagement action plan and e-learning program based on national results of My Voice survey across bpostgroup.

Performance Summary

METRIC	UNIT	2019 BASELINE	2021	2022
KPI – Employee engagement[4]	%	-	-	39.5
EMPLOYEE TRAINING AND DEVELOPMENT				
KPI – Total training hours per FTE	hours	32.8	29.8	38.5
EMPLOYEE TURNOVER				
Total Employee Turnover of own employees	%	15.7	19.0	16.3
Voluntary Employee Turnover of own employees	%	4.5	10.5	10.2
NEW EMPLOYEE HIRES				
Total new employee hires[5]	Number	-	-	4,319

At bpostgroup, the opinions and feedback of our employees are greatly valorized, as our employees are the drivers of the company. For the first time, we aligned the "My Voice" employee engagement survey across the group 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. Employee satisfaction scores vary across different regions and local teams work on development plans to reinforce our strengths and address our development opportunities.

Results show that overall, respondents are satisfied with their jobs and proud to work for bpostgroup. U.S. subsidiaries Radial and Landmark Global Inc., as well as Asian Landmark Global (APAC) score well above the regional benchmarks. Within European entities, respondents perceive their job as meaningful and feel secure about their job. Results also point to a low risk of retention. That said, there is room for improvement on European employee engagement scores which we address regularly during our pulse checks through scaling mobility programs, and increasing employee trainings.

We see a positive trend in employee turnover across bpostgroup which has decreased by 14% compared to last year. Over the course of 2022, efforts to increase employee engagement and retention through the roll out of action plans, mentorship programs and new hire orientation and onboarding programs, detailed in the key achievements below.

4 New group-wide KPI since 2022. For historical data on employee engagement, scores are available for bpost in the 2021 annual report.
5 New metric

Key Initiatives in 2022

Support engaged employees

Many employees do voluntary work for charities that provide a great service and generate high value for society. bpost is delighted to encourage this engagement through Star4U, a funding program that rewards initiatives that are in line with the group's values. A panel of judges comprising three bpost employees, assisted by three external experts, selects the candidate applications and decides what financial support will be given. Since launching Star4U in 2010, bpost has backed 1,158 projects, and donated more than 955,000 EUR. In 2022, Star4U donated nearly 85,000 EUR to more than 104 selected projects.

Belgium's biggest team

The skyrocketing success of e-commerce had a direct impact on parcel volumes, especially at the end-of-year peak. Between Black Friday and New Year's Eve, bpost delivered around 11 million parcels, including no fewer than 622,000 on 1st December alone. That was no problem, because bpost employees are all part of 'Belgium's biggest team'! To ensure we could handle these phenomenal volumes, 650 office-based colleagues rolled up their sleeves to help collect, input, sort, and deliver letters and parcels.

bpost boost

'bpost boost' was launched in 2020 with the objective of helping jobseekers into the labor market, to realize their potential and develop the skills needed to start their career. The first focus is to help them get started at bpost, but the company takes its societal role seriously and recognizes that it's important to teach general skills that can also be used outside of bpost.

The first projects in bpost boost were Dual Learning, Formation en Alternance (FALT) and IBO, and in 2022, 89 candidates started in one of these programs:

- **Dual Learning /FALT** is a program for unemployed people with low opportunities in the labor market because of a lack of skills and training. The program allows participants to combine classroom learning to earn their high school degree, driving lessons to obtain their driver's license, and an internship at bpost in Sorting and Distribution. After a successful track, candidates receive a contract as a mail person at bpost.
- **IBO (Individuele Beroeps Opleiding in Flanders) or PFI (Plan Formation-Insertion in Wallonia)** are training programs for jobseekers registered at VDAB or Le Forem. During the IBO, which usually takes between 4 to 13 weeks, they get on-the-job training to be a mail person or truck driver, following which they receive a contract. IBO programs are also available for candidates with only a basic level of Dutch, who are offered assistance from a language coach during the IBO period.

FutureMe

Since 2012, bpost has been running the FutureMe program. This gives employees who do not yet have a high school degree the opportunity to obtain it via bpost. Having a degree can open doors for employees, and the possibility of applying for a new job, for example in Retail. Some pursue further studies and above all, it increases their self-confidence. bpost organizes the training in close cooperation with centers for adult education (CVO), pays for the training, and provides support with an option for career coaching after graduation. The program combines a limited number of classroom sessions with distance learning via an online platform, ensuring that students can organize their time flexibly. In 2022, fifty employees started the journey to their future selves.

Language Factory

We need language to communicate with clients and colleagues, to understand safety briefings and work instructions, and to give and receive feedback and evaluations. A good understanding of the local language opens doors, but for some populations, language is also one of the biggest barriers. With Language Factory, bpost boost tackles the language needs of employees and new candidates by offering language courses and coaching. Simplifying documents in order to make them understandable for employees with a limited knowledge of the local language is also part of Language Factory, which provides all kinds of tools to support employees and management.

DynaGroup Training Academy and Experience Centers

In 2022 DynaGroup invested in the further development of training facilities, upgrading them to Experience Centers. Every Dynalogic Depot can now make use of these state-of-the art training facilities. The focus is both on the soft skills required for a perfect customer experience, as well as hard skills such as installing a washing machine, or assembling a hospital bed at a customer site.

The TalentWheel development program

TalentWheel is the overarching training and talent development program within DynaGroup. Every employee has their own talent, and Dyna has a passion to make fans of our employees: "We believe strongly that out employees make the difference, every day! Creating this framework helps us developing our Dyna Values and providing our people with the necessary programs to grow continuously in their career within Dyna."

Young bpost

As a bottom-up, cross-functional and independent initiative, Young bpost aims to be a voice of empowerment for the youngest generation at our company. We support attracting and retaining young people and facilitate transversal network building, all while expanding our members' horizons on topics within and outside of bpost.

7.3 Champion Diversity, Equity & Inclusion across the group

Progress towards our targets

Diversity, Equity and Inclusion are core values across the bpostgroup and progress continues towards our immediate targets and beyond into the near future.

AMBITION	2025 TARGET	2022 PROGRESS TOWARDS TARGET	2022 ACHIEVEMENTS	LOOKING FORWARD
Be an employer of inclusion and equal opportunity, where all people of every ethnicity, social background, religion, gender, age or disability – visible or invisible – feel welcomed and valued	Increase women representation in management to 45% by 2025	• 6.2% increase of women in management at bpost • Overall group women in management is at 37%.	• Rolled out "100% respect" campaign across the group (in 19 languages) • Implemented DE&I trainings for management • Events and communities to promote female representation (XandY, WIN) • Published a new group policy on DEI "zero tolerance for inappropriate behaviour"	• bpost to become a member of the open@ work inter-company network • Mentorship program at Radial US: Learning & Development team to increase succession management and professional development amongst women population

Performance Summary

METRIC	UNIT	2019 BASELINE	2021	2022
KPI – Share of women in management positions[6]	%	37.8	38.5	37.0
Share of women at group executive level[7]	%	28.6	16.7	28.6
Share of female employees	%	35.7	34.9	34.5
Total number of nationalities (of employees) represented in the workplace[7]	Number	-	-	117

Diversity is a fact. Inclusion is our choice. At bpostgroup, we strive to be an employer of equal opportunity with a participative culture, where all people of every ethnicity, social background, religion, gender, age or disability – visible or invisible – feel welcomed and valued.

We have more than 34,000 colleagues around the world, representing 117 nationalities, who 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 respected and valued for their skills.

6 *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.*

7 *New metric*

We can pride ourselves to be on track to achieve the 45% women in management target in Belgium, however there is room for improvement to increase representation of women in management across the group. We continue to invest in initiatives such as the Women's Initiative Network (WIN) and "Women at Sorting", as well as expanding a number of initiatives towards LGBTQI+ and people with disabilities described below.

Key Initiatives in 2022

100% respect, All unique, All bpostgroup

As engaged and committed employees are the drivers of company success, we strive for a respectful culture with engaged and committed people, and the 100% Respect campaign was launched in 2022 with this in mind. Inclusiveness translated into "All unique, all bpost", a slogan that became reality through workshops, focus groups, and communication and awareness campaigns that were rolled out across all bpostgroup entities in Europe, Asia, and North America.

At Landmark Global US, employees printed world maps to display at all warehouse locations, and were invited to add a pin to their country or area of origin. This has been a tangible way to show how diverse we are within our work force and also to spark conversations about diversity.

Women at Sorting – 100% respect approach

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.

XandY initiative

XandY is a bpost community of managers aiming to boost diversity, equity and inclusion, and to empower women in managerial positions. The network brings together a community of female, male and non-binary colleagues in the company. The aim is to connect, inspire and develop women managers with the support of men and members of the Board and Exco. Two events were held in 2022 with great success.

Women's Initiative Network (WIN)

In 2022, Radial US hosted the annual Women's Initiative Network conference virtually. With around 100 attendees, we partnered with Lumiere Sciences to discover the seven leadership roles within any organization, including those who establish long term strategies, and those who acquire information to validate organizational credibility – among many other roles!

Established in 2014, WIN's primary mission is to empower all members on their journey to success by providing skills and resources to become global thought leaders.

Pride2b

At bpostgroup, we envision a harmonious workplace where employees are welcome and respected as they are. Their differences reflect our clients and the society in which we operate, and we see such differences as an asset. We ensure equal treatment and opportunities, non-discrimination and mutual respect. We believe in the strength of inclusive diversity and culture. We perceive DEI as the foundations of belonging, engagement and well-being at work, and the Pride2bpost working group focuses on the inclusion of LGBTQI+ workers. An internal audit has been conducted with the support of an external expert partner, and priorities have been set for the coming years. bpost is now set to become a member of the open@work inter-company network.

Disability initiatives

In 2022, we established strong partnerships with the Diversicom and Emino organizations to support the inclusion of colleagues with disabilities. Specific processes have been put in place and are being implemented.

DE&I People Manager Training

In 2022, Radial US trained over 400 People Managers across the entire network. The curriculum was focused on the importance of identifying unconscious bias in the workplace, understanding the differences between equity and equality, and establishing psychological safety in the workplace.

Similarly in Belgium, people managers started their diversity and inclusion journey with a training developed together with UNIA.

7.4 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 which 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, others are already fully operational, but what should be clear is bpostgroup's unwavering commitment to Social Value, right now, and going forward.

8. Economic value

8.1 Financial review

8.1.1 Group overview

Compared to last year, **total operating income** increased by +62.4 mEUR or +1.4% to 4,397.5 mEUR, driven by E-Logistics North America.

- Excluding the deconsolidation of Ubiway Retail, stable operating income for Belgium. Including Ubiway Retail, external operating income decreased by -110.3 mEUR or -4.9%.
- External operating income of E-Logistics Eurasia decreased by -21.0 mEUR or -3.4% mainly driven by the pressure in the first half of 2022 on Asian volumes following new VAT regulation.
- E-Logistics North America external operating income increased by +202.0 mEUR or +13.9%, at constant exchange rate revenues increased by +1.8% mainly driven by Radial's new customers launched in 2021.
- Corporate external operating income decreased by -8.4 mEUR in line with lower building sales.

Operating expenses (including D&A) increased by 137.0 mEUR or +3.4% to 4,134.2 mEUR, impacted by higher variable opex in line with revenue development E-Logistics North America, higher payroll cost (amongst others 6 salary indexations in Belgium) and energy costs, increased doubtful debt costs, partially offset by lower material costs mainly due to the deconsolidation of Ubiway Retail, higher recoverable VAT, lower opex in line with the revenue development E-Logistics Eurasia and less FTE.

Reported EBIT amounted to 263.3 mEUR and decreased by -74.6 mEUR compared to last year.

Net financial result (i.e. net of financial income and financial costs) amounted to 30.3 mEUR and increased by +46.7 mEUR mainly due to higher non-cash financial income related to IAS 19 employee benefits in line with the increased discount rates and the reassessment of the contingent liability related to the remaining shares of a subsidiary.

Last year **remeasurement of assets held for sale at fair value less costs to sell** amounted to +12.2 mEUR given the reassessment of bpost bank (+19.5 mEUR) and Ubiway Retail (-7.4 mEUR). Whereas in 2022 an additional write down of 1.0 mEUR was recorded for Ubiway Retail and 0.2 mEUR for bpost bank.

Income tax expense amounted to 60.8 mEUR and decreased by +22.6 mEUR compared to last year mainly due to the lower profit before tax.

Group net profit at 231.7 mEUR, decreased by -18.6 mEUR compared to last year.

Adjusted contribution (see section "Reconciliation of Reported to Adjusted Financial Metrics") of the different business units for 2021-2022 amounted to:

	2022			2021		
IN MILLION EUR (ADJUSTED)	TOTAL OPERATING INCOME	EBIT	MARGIN (%)	TOTAL OPERATING INCOME	EBIT	MARGIN (%)
Belgium	2,193.3	198.3	9.0%	2,310.6	252.6	10.9%
E-Logistics Eurasia	614.1	27.4	4.5%	637.7	47.5	7.5%
E-Logistics North America	1,661.6	86.9	5.2%	1,458.4	77.7	5.3%
Corporate	404.2	(34.1)	-8.4%	426.7	(28.5)	-6.7%
Eliminations	(475.6)	0.0		(499.7)	0.0	
GROUP	**4,397.5**	**278.5**	**6.3%**	**4,333.7**	**349.3**	**8.1%**

8.1.2 Description of Business Units

In 2021 the Board of Directors of bpost approved bpostgroup's ambition to become a growth company as an e-commerce logistics player, in Belgium as well as in Europe and the United States. Effective as of January 1, 2022 bpost's internal structure changed to face the transformation, amongst others the bundling of the parcel activities and Mail & Retail activities into one Belgium business unit. This implies a new business unit structure with: Belgium, E-Logistics Eurasia and E-Logistics North America, replacing Mail & Retail, Parcels & Logistics Eurasia and Parcels & Logistics North America. This new structure allows to recognize different strategic imperatives, namely transform Belgium, build E-Logistics Eurasia and grow E-Logistics North America and allows full P&L accountability at business unit level. Changes are limited and consist of moving the Belgian parcels out of Parcels & Logistics Eurasia to Belgium, next to the existing Mail & Retail business. On the other hand regroup Dynalogic and Dynasure together with Radial Europe, Active Ants, Leen Menken and Dynafix in E-Logistics Eurasia.

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 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	2022	2021	CHANGE %
EXTERNAL OPERATING INCOME	**2,140.6**	**2,250.8**	**-4.9%**
Transactional mail	731.5	736.7	-0.7%
Advertising mail	187.1	197.0	-5.0%
Press	345.9	338.8	2.1%
Parcels Belgium	449.1	467.4	-3.9%
Proximity and convenience retail network	302.0	397.5	-24.0%
Value added services	124.9	113.5	10.1%
Intersegment operating income	52.7	59.8	-11.8%
TOTAL OPERATING INCOME	**2,193.3**	**2,310.6**	**-5.1%**
Operating expenses	1,914.5	1,975.6	-3.1%
EBITDA	**278.7**	**335.0**	**-16.8%**
Depreciation, amortization	81.0	84.1	-3.7%
PROFIT FROM OPERATING ACTIVITIES (EBIT REPORTED)	**197.8**	**250.9**	**-21.2%**
Margin (%)	*9.0%*	*10.9%*	
PROFIT FROM OPERATING ACTIVITIES (EBIT ADJUSTED)	**198.3**	**252.6**	**-21.5%**
Margin (%)	*9.0%*	*10.9%*	

Total operating income in 2022 amounted to 2,193.3 mEUR and **external operating income** amounted to 2,140.6 mEUR and respectively decreased by -117.4 mEUR or -5.1% and by -110.3 mEUR or -4.9%. Excluding the deconsolidation of Ubiway Retail, stable operating income with underlying mail volume decline of -6.8% nearly offset by positive price/mix impact of 3.6% and parcels volume -7.5% (or +1.0% excluding Amazon's insourcing impact).

Revenues from **Domestic mail** (i.e. Transactional, Advertising and Press combined) slightly decreased by -8.0 mEUR to 1,264.5 mEUR. **Transactional mail** noted an underlying volume decline of -6.5% for the year compared to -8.0% underlying volume decline for the year 2021, amongst other driven by lower COVID communication. **Advertising mail** was impacted by an underlying volume decrease of -6.9% against +0.9% for the same period last year, which was driven by the volume recovery post lockdown. **Press** revenues increased by +7.1 mEUR, supported by the integration of the Dutch press distributor Aldipress acquired September 30, 2022.

Excluding the integration of Aldipress in September 2022 (+4.6 mEUR), **total Domestic mail** volume decrease impacted revenues by -72.8 mEUR (-6.8% underlying volume decline against -5.9% in 2021) and working day impact -0.8 mEUR was almost compensated by the net improvement in price and mix which amounted to +61.0 mEUR.

Belgium

EVOLUTION UNDERLYING VOLUMES	FY21	1Q22	2Q22	3Q22	4Q22	FY22
DOMESTIC MAIL	-5.9%	-5.4%	-7.5%	-7.7%	-7.5%	-6.8%
Transactional mail	-8.0%	-5.8%	-8.2%	-6.2%	-6.7%	-6.5%
Advertising mail	+0.9%	-2.3%	-2.4%	-11.1%	-11.6%	-6.9%
Press	-3.5%	-7.1%	-10.8%	-10.5%	-5.4%	-8.4%
PARCELS B2X	+10.3%	-14.8%	-12.9%	-3.8%	+1.5%	-7.5%

Parcels Belgium decreased by -18.2 mEUR (or -3.9%) to 449.1 mEUR resulting from parcels volume decline of -7.5% against high comps of +10.3% in 2021 and reflecting Amazon's insourcing, partially offset by a price and mix impact of +3.6%. Excluding Amazon's insourcing, underlying volume increased by +1.0% compared to 2021.

Proximity and convenience retail network decreased by -95.5 mEUR to 302.0 mEUR. This decrease was mainly driven by the deconsolidation impact of Ubiway Retail as of the 1st March 2022 (-116.3 mEUR impact). Excluding the deconsolidation, revenues increased by +20.8 mEUR mainly driven by the new Management Contract.

Value added services amounted to 124.9 mEUR and showed an increase of +11.5 mEUR (or +10.1%) versus last year due to higher revenues from fines solutions and additional revenues charged for setup and change requests for solutions.

Operating expenses (including D&A) decreased by +64.3 mEUR or -3.1%. This decrease was mainly driven by lower material costs in line with the deconsolidation of Ubiway Retail, higher recoverable VAT and less FTE from continued execution of dedicated management actions and elimination of second distribution rounds during peak in the fourth quarter. This decrease was partially offset by higher energy costs and higher payroll costs per FTE (6 salary indexations of +2%, change in night shift regulation and premium paid to employees). When excluding Ubiway Retail, costs increased by -74.2 mEUR or +3.9%.

Driven by lower volumes and inflationary impacts on payroll and energy costs, **reported EBIT** and **adjusted EBIT** decreased and amounted respectively to 197.8 mEUR and 198.3 mEUR with a margin of 9.0%.

8.1.4 Business Unit performance: E-Logistics Eurasia

E-Logistics Eurasia

IN MILLION EUR	2022	2021	CHANGE %
EXTERNAL OPERATING INCOME	590.5	611.5	-3.4%
E-commerce logistics	273.0	268.7	1.6%
Cross-border	317.5	342.8	-7.4%
Intersegment operating income	23.6	26.2	-9.9%
TOTAL OPERATING INCOME	614.1	637.7	-3.7%
Operating expenses	561.5	568.5	-1.2%
EBITDA	52.6	69.2	-24.0%
Depreciation, amortization	28.3	24.6	15.3%
PROFIT FROM OPERATING ACTIVITIES (EBIT REPORTED)	24.3	44.6	-45.7%
Margin (%)	*4.0%*	*7.0%*	
PROFIT FROM OPERATING ACTIVITIES (EBIT ADJUSTED)	27.4	47.5	-42.3%
Margin (%)	*4.5%*	*7.5%*	

Total operating income decreased by -23.6 mEUR or -3.7% driven by the decrease of the **external operating income** by -21.0 mEUR or -3.4% compared to the same period of 2021. This decrease was mainly due to Cross-border (-25.3 mEUR).

E-commerce logistics operating income in 2022 amounted to 273.0 mEUR, an increase of +4.3 mEUR or +1.6% compared to the same period of 2021. The revenue growth of Radial Europe and Active Ants of +16.6%, mainly from new customer onboardings, was offset by a decline in revenue at DynaLogic due to lower consumer confidence and at DynaFix/Sure due to a shortage of electronic spare parts and less devices to be repaired.

Cross-border operating income in 2022 amounted to 317.5 mEUR, a decrease of -25.3 mEUR or -7.4% compared to the same period of 2021, mainly driven by lower Asian volumes impacted in the first half of 2022 by the new VAT regulation as from July 1, 2021 and impacted by supply chain disruptions in China. This decrease was amongst others partially offset by the IMX consolidation as from July 2022.

Operating expenses (including D&A) were down +3.2 mEUR or -0.5%, mainly thanks to lower material costs, lower intersegment opex charged by Belgium due to lower Asian volumes and lower interims. This decrease was partially offset by higher payroll costs from inflation, higher transport costs and sites openings, in line with expansion and strategic development initiatives and IMX integration.

Reported EBIT decreased by -20.4 mEUR **and adjusted EBIT** decreased by -20.1 mEUR compared to last year same period and amounted respectively to 24.3 mEUR and 27.4 mEUR.

8.1.5 E-Logistics North America

E-Logistics North America

IN MILLION EUR	2022	2021	CHANGE %
EXTERNAL OPERATING INCOME	**1,655.9**	**1,453.9**	**13.9%**
E-commerce logistics	1,655.9	1,411.7	17.3%
International mail	0.0	42.2	-100.0%
Intersegment operating income	5.7	5.9	-3.5%
TOTAL OPERATING INCOME	**1,661.6**	**1,459.8**	**13.8%**
Operating expenses	1,481.5	1,304.9	13.5%
EBITDA	**180.2**	**154.9**	**16.3%**
Depreciation, amortization	104.7	84.0	24.7%
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT REPORTED)	**75.4**	**70.9**	**6.4%**
Margin (%)	*4.5%*	*4.9%*	
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT ADJUSTED)	**86.9**	**77.7**	**11.8%**
Margin (%)	*5.2%*	*5.3%*	

Total operating income amounted to 1,661.6 mEUR and increased by +201.8 mEUR, or +13.8% (+1.7% at constant exchange rate). Excluding the divestment of the Mail Group as of August 5, 2021 total operating income increased by 244.0 mEUR or +4.7% at constant exchange rate.

External operating income in 2022 amounted to 1,655.9 mEUR, an increase of +202.0 mEUR or +13.9% (+1.8% at constant exchange rate) compared to the same period of 2021, reflecting mainly the revenue development of Radial's new customers launched in 2021.

E-commerce logistics increased by +244.2 mEUR to 1,655.9 mEUR or +17.3% (+4.8% at constant exchange rate) mainly driven by Radial from new customers contribution launched in 2021. Landmark US and Apple Express recorded continued volume growth from existing customers and new customers won in 2021.

Radial North America (*)

IN MILLION USD (ADJUSTED)	2022	2021
Total operating income	1,403.9	1,340.2
EBITDA	127.5	121.7
Profit/(Loss) from Operating Activities (EBIT)	44.1	46.9

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

The decline of **International mail** was driven by the divestment and deconsolidation of the Mail Group as of August 5, 2021.

Operating expenses (including D&A) increased by -197.3 mEUR or +14.2%, or +2.0% at constant exchange rate resulting from higher variable opex in line with volume development and provisions of 7.1 mEUR following disputes with a terminated customer partially mitigated by higher productivity, and higher costs from new sites openings.

Reported EBIT amounted to 75.4 mEUR up by +4.5 mEUR with a margin of 4.5%. **Adjusted EBIT** amounted to 86.9 mEUR (up by +9.2 mEUR) with a margin of 5.2% or up +21.0 mEUR (+31.8%) operationally when adjusting for (1) 6.6 mEUR from cyber insurance recovery in 2021 related to 2020 ransomware attack and (2) 5.2 mEUR one-time concessions from vendor in 2021.

8.1.6 Business Unit performance: Corporate

Corporate

IN MILLION EUR	2022	2021	CHANGE %
EXTERNAL OPERATING INCOME	**10.5**	**18.9**	**-44.3%**
Intersegment operating income	393.7	407.8	-3.5%
TOTAL OPERATING INCOME	**404.2**	**426.7**	**-5.3%**
Operating expenses	363.0	380.2	-4.5%
EBITDA	**41.1**	**46.5**	**-11.6%**
Depreciation, amortization	75.2	75.0	0.3%
LOSS FROM OPERATING ACTIVITIES (EBIT REPORTED)	**(34.1)**	**(28.5)**	**19.8%**
Margin (%)	*-8.4%*	*-6.7%*	
LOSS FROM OPERATING ACTIVITIES (EBIT ADJUSTED)	**(34.1)**	**(28.5)**	**19.8%**
Margin (%)	*-8.4%*	*-6.7%*	

External operating income decreased by -8.4 mEUR in 2022 driven by lower building sales.

Decrease in **operating expenses (including D&A)** by -5.7% driven by decrease of FTE in 2022 (-~70 FTE: 1,476 in 2022 vs 1,544 in 2021).

Reported & adjusted EBIT at -34.1 mEUR down by -5.6 mEUR, mainly driven by lower sales buildings.

8.1.7 Statement of cash flows

IN MILLION EUR	2022	2021	CHANGE %
Net cash from operating activities	422.4	398.2	6.1%
Net cash used in investing activities	(19.2)	(145.0)	-86.8%
Net cash from financing actvities	(262.1)	(309.1)	-15.2%
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**141.1**	**(55.9)**	**-352.6%**
FREE CASH FLOW	**403.2**	**253.2**	**59.2%**

The net cash flow increased compared to the same period last year by 197.0 mEUR to 141.1 mEUR. This increase was mainly due to the sale of bpost bank and last year's decision not to roll over maturing commercial papers partially offset by a dividend payment in 2022. Note that in the context of the sales process the cash of Ubiway Retail (1.7 mEUR) was classified as held for sale per December 31, 2021.

Reported and adjusted free cash flow amounted respectively to 403.2 mEUR and 397.4 mEUR.

Cash flow from operating activities before change in working capital and provisions increased compared to 2021. The negative adjusted EBITDA variation was compensated by a favourable settlement in corporate income tax payments and non-cash items.
Cash flow related to collected proceeds due to Radial's clients was 43.1 mEUR higher (5.8 mEUR inflow in 2022 compared to an outflow of 37.3 mEUR last year).

The variance in change in working capital and provisions (-31.0 mEUR) was mainly explained by decreased suppliers' balances, a different payment schedule of terminal dues and, partially offset by last year's unwinding of extended payment terms with some suppliers initiated at the beginning of the pandemic, a different phasing of the SGEI compensation and social liabilities.

Investing activities resulted in a cash outflow of 19.2 mEUR in 2022, compared to a cash outflow of 145.0 mEUR last year. The evolution of 2022 was mainly explained by M&A activities (128.8 mEUR, mainly the settlement of the sale of bpost bank including the reimbursement of the subordinated loan granted to bpost bank), lower capex (+7.7 mEUR) partially offset by the lower proceeds from sale of assets (-10.6 mEUR). Capex stood at 164.4 mEUR in 2022 and was mainly spent on the continued E-commerce logistics expansion of Radial, and Active Ants, and on the optimization of the Belgium network.

In 2022 the cash outflow relating to **financing activities** amounted to -262.1 mEUR compared to -309.1 mEUR last year, mainly explained by the decision not to roll over maturing commercial paper in 2021 (+165.0 mEUR) partially offset by a dividend payment in 2022 (-98.0 mEUR).

8.1.8 Net debt

As at 31 December

IN MILLION EUR	2022	2021
NET DEBT/(NET CASH)		
Interest bearing loans and borrowings	1,488.2	1,377.7
Bank overdrafts	0.4	0.0
Non-interest bearing loans and borrowings	0.1	0.1
Cash and cash equivalents	(1,051.0)	(907.5)
TOTAL	**437.8**	**470.3**

Net debt decreased by 32.5 mEUR, as the increase of the cash and cash equivalents outpaced the increase of the lease liabilities. The increase of the lease liabilities was mainly due to the unfavourable impact of the exchange rates and new lease contracts.

8.1.9 Balance sheet

IN MILLION EUR	2022	2021
ASSETS		
Property, plant and equipment	1,398.9	1,263.5
Intangible assets	855.8	797.0
Investments in associates and joint ventures	0.1	0.0
Other assets	52.7	53.1
Trade and other receivables	974.3	936.3
Inventories	24.5	20.7
Cash and cash equivalents	1,051.0	907.5
Assets held for sale	1.0	163.3
TOTAL ASSETS	**4,358.3**	**4,141.3**

IN MILLION EUR	2022	2021
EQUITY AND LIABILITIES		
Total equity	1,065.4	885.3
Interest-bearing loans and borrowings (incl. overdraft)	1,488.6	1,377.7
Employee benefits	244.2	298.2
Trade and other payables	1,520.3	1,504.3
Provisions	26.7	25.8
Derivative instruments	(0.3)	0.3
Other liabilities	13.5	10.1
Liabilities directly related to assets held for sale	0.0	39.7
TOTAL EQUITY AND LIABILITIES	**4,358.3**	**4,141.3**

Total assets and liabilities increased by 217.0 mEUR to 4,358.3 mEUR.

Property, plant and equipment increased by 135.5 mEUR as the capital expenditure, the exchange rate impact and the increase in the right-of-use assets and leases outpaced the depreciation.

Intangible assets increased by 58.8 mEUR driven by the capital expenditure, the goodwill and intangibles related to the purchase of IMX and Aldipress and the evolution of the exchange rate – mainly impacting the goodwill in USD, partially offset by the depreciation.

The increase in cash and cash equivalents was mainly due to the free cash flow generation of 403.2 mEUR, partially offset by the net cash outflow of investing activities (262.1 mEUR), amongst other due to the payment of dividends in 2022 (98.5 mEUR).

Equity increased by 180.1 mEUR, mainly explained by the realized profit and the exchange differences on translation of foreign operations, partially offset by the payment of a dividend.

Interests-bearing loans and borrowings (incl. overdraft) increased by 110.9 mEUR, mainly due to the impact of the exchange rates on the USD term loan and on the lease liabilities, as well as the new lease contracts commenced and was partially offset by the reimbursement of the European Investment Bank loan.

The decrease of employee benefits (54.1 mEUR) was mainly caused by the increased discount rates triggering actuarial financial gains.

The assets held for sale and liabilities held for sale should be reviewed together, the net decrease was explained by the sale of bpost bank and Ubiway Retail in the first quarter 2022.

8.1.10 Alternative Performance Measures (unaudited)

bpost 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 bpost.

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): bpost 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. bpost 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.

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

Constant exchange rate: bpost 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.

bpost’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 capitalised development costs, excluding right of use assets.

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

Net debt/(Net cash): bpost defines Net debt/(Net cash) as the non-current and current interest-bearing loans and borrowings 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: bpost 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 B2X volume: bpost defines the evolution of Parcels B2X as the difference, expressed as a percentage, of the reported volumes between the current and prior comparable period of the B2X parcels processed by bpost NV/SA in the last mile delivery.

Radial North America Performance in USD: bpost 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.

bpost'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): bpost defines underlying mail volume as the reported mail volume including some corrections, for example the impact of the number of working days and mail volumes related to elections.

Reconciliation of Reported to Adjusted Financial Metrics

Operating income for the year ended 31 December

IN MILLION EUR	2022	2021	EVOLUTION 2022 – 2021
Total operating income	4,397.5	4,335.1	1.4%
Sale of The Mail Group[(1)]	0.0	(1.4)	-100.0%
ADJUSTED TOTAL OPERATING INCOME	**4,397.5**	**4,333.7**	**1.5%**

Operating expenses for the year ended 31 December

IN MILLION EUR	2022	2021	EVOLUTION 2022 – 2021
Total operating expenses excluding depreciation, amortization	(3,844.9)	(3,729.5)	3.1%
Sale of The Mail Group [(1)]	2.5	0.0	-
ADJUSTED TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION, AMORTIZATION	**(3,842.4)**	**(3,729.5)**	**3.0%**

EBITDA for the year ended 31 December

IN MILLION EUR	2022	2021	EVOLUTION 2022 – 2021
EBITDA	552.6	605.6	-8.8%
Sale of The Mail Group [(1)]	2.5	(1.4)	-
ADJUSTED EBITDA	**555.1**	**604.2**	**-8.1%**

EBIT for the year ended 31 December

IN MILLION EUR	2022	2021	EVOLUTION 2022 – 2021
EBIT	263.3	338.0	-22.1%
Sale of The Mail Group [(1)]	2.5	(1.4)	-
Non-cash impact of purchase price allocation (PPA) [(3)]	12.6	12.8	-1.2%
ADJUSTED RESULT FROM OPERATING ACTIVITIES (EBIT)	**278.5**	**349.3**	**-20.3%**

Results for the year ended 31 December (EAT, earnings after taxes)

IN MILLION EUR	2022	2021	EVOLUTION 2022 – 2021
Result of the year	231.7	250.2	-7.4%
Sale of The Mail Group [(1)]	2.5	(1.4)	-
Remeasurement of assets held for sale at fair value less costs to sell [(2)]	1.2	(12.2)	-
Non-cash impact of purchase price allocation (PPA) [(3)]	9.6	9.9	-3.5%
ADJUSTED RESULT OF THE YEAR	**245.0**	**246.6**	**-0.7%**

(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, 2021 and was transferred to assets held for sale end of June 2021. The adjustment of 1.4 mEUR in 2021 corresponded to the gain on the disposal of the activities, finalised in the fourth quarter of 2021. 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) *bpost executes an active portfolio management strategy to divest non-core assets and/or non-performing assets, so as to allocate capital to the fast growing e-commerce logistics market and to invest further in the opportunity of e-commerce logistics. In this context bpost started up in 2021 and finalised the sales process of Ubiway Retail in 2022. 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 bpost 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 bpost at that time had been recognized in 2020. In 2021 the agreement has been finalised 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, bpost assessed that the impairment loss recognised in 2020 had decreased and bpost estimated the recoverable amount to be 119.5 mEUR, hence a reversal on the impairment loss of 19.5 mEUR has been recognized. Furthermore as in 2022 the sale of the participation of bpost bank to BNPPF was finalised 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.*

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

			EVOLUTION
IN MILLION EUR	2022	2021	2022 – 2021
Net Cash from operating activities	422.4	398.2	6.1%
Net Cash used in investing activities	(19.2)	(145.0)	-86.8%
OPERATING FREE CASH FLOW	**403.2**	**253.2**	**59.2%**
Collected proceeds due to clients	(5.8)	37.3	-
ADJUSTED OPERATING FREE CASH FLOW	**397.4**	**290.5**	**36.8%**

8.2 Outlook for 2023

bpostgroup expects[1] its adjusted EBIT 2023 to range between 240-260 mEUR. bpostgroup will continue to execute on its transformation while facing market pressures with sales, pricing, cost and productivity levers.

The group's total operating income for 2023 is expected to increase by a mid- single-digit percentage[2,4] compared to 2022.

For the business units, bpostgroup expects:

Belgium:

- 3 to 5% growth[2] in total operating income, notably driven by:
  - Mail: an underlying Domestic mail volume decline expected between -8% and -10%, offset by price increase and mix impacts.
  - Parcel: a mid-single digit percentage volume growth and a mid- to high single-digit percentage price/mix impact.
- 6.5 to 8.5% adjusted EBIT margin including higher payroll costs from full-year impact of the 2022 salary indexations and the additional ones of 2023[3], higher energy costs, partly mitigated by some efficiency gains in operations and continued 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
  - Growing Commercial Cross-Border activities incl. development of new lanes, more than offsetting structural decline in Postal.
- 3 to 5% adjusted EBIT margin reflecting a negative mix effect at Cross-Border and including scale-up of sales organization and start-up costs of new customers at Radial Europe and Active Ants.

E-Logistics North America:

- Slightly lower[4] total operating income reflecting:
  - Amazon's insourcing at Landmark Global and general price pressure.
  - Lower growth momentum at Radial in current market conditions, and overcapacity leading to price pressures.
- 4 to 6% adjusted EBIT margin from tighter labor costs, labor management and costs measures, offsetting price pressures and higher opex and incremental depreciation and amortization from new sites.

Group EBIT will include higher payroll costs at Corporate level and operating expenses to support the ongoing group transformation, as well as impacts from the ongoing "press concession" investigation.

Gross capex is expected to be around 200 mEUR. This capex envelope is geared towards growing e-commerce logistics.

The dividend relative to the results of the year 2023 will be in the range of 30-50% of IFRS net profit, and will be payable in May 2024 after the General Shareholders' Meeting, in accordance with the dividend policy.

1 *based on macro-economic assumptions as of February 23, 2023*
2 *excluding deconsolidation of Ubiway Retail*
3 *Based on latest monthly forecast, the next +2% salary indexation will occur in October 2023, adding to the ones of February, April, June, September, December 2022 and January 2023. Monthly forecast of the Federal Planning Bureau is publicly available at https://www.plan.be/databases/17-en-consumer_price_index_inflation_forecasts*
4 *assuming EUR/USD at 1.08 for 2023*

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1. Consolidated Income Statement

For the year ended 31 December

IN MILLION EUR	NOTES	2022	2021	EVOLUTION 2022 – 2021
Revenue	6.7	4,372.0	4,282.4	2.1%
Other operating income	6.8	25.5	52.7	-51.7%
TOTAL OPERATING INCOME		**4,397.5**	**4,335.1**	**1.4%**
Material costs	6.10	(99.3)	(192.3)	-48.4%
Services and other goods	6.11	(1,999.9)	(1,894.8)	5.6%
Payroll costs	6.12	(1,705.8)	(1,606.8)	6.2%
Other operating expenses	6.9	(39.9)	(35.7)	12.0%
Depreciation, amortization and impairment	6.16|6.19	(289.3)	(267.6)	8.1%
TOTAL OPERATING EXPENSES		**(4,134.2)**	**(3,997.2)**	**3.4%**
RESULT FROM OPERATING ACTIVITIES (EBIT)		**263.3**	**338.0**	**-22.1%**
Financial income	6.13	79.6	8.5	-
Financial costs	6.13	(49.3)	(24.9)	97.8%
Remeasurement of assets held for sale at fair value less costs to sell	6.18	(1.2)	12.2	-
Share of result of associates and joint ventures	6.21	0.0	(0.0)	-
RESULT BEFORE TAX		**292.5**	**333.7**	**-12.3%**
Income tax expense	6.14	(60.8)	(83.5)	-27.1%
RESULT FROM CONTINUING OPERATIONS		**231.7**	**250.2**	**-7.4%**
RESULT OF THE YEAR (EAT – EARNINGS AFTER TAXES)		**231.7**	**250.2**	**-7.4%**

ATTRIBUTABLE TO				
Owners of the Parent		232.5	250.9	-7.3%
Non-controlling interests		(0.8)	(0.6)	27.6%

EARNINGS PER SHARE

IN EUR	2022	2021
Basic, profit/(loss) for the year attributable to ordinary equity holders of the parent	1.16	1.25
Diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent	1.16	1.25

2. Consolidated statement of comprehensive income

For the year ended 31 December

IN MILLION EUR	NOTES	2022	2021
RESULT OF THE YEAR		**231.7**	**250.2**
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	6.30	(7.8)	(9.7)
Net gain on cash flow hedges	6.30	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)		45.8	59.7
NET OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**39.9**	**51.9**
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:			
Remeasurement gain on defined benefit plans	6.26	4.3	1.9
- Gross gain on defined benefit plan		*5.3*	*2.2*
- Income tax effect		*(1.0)*	*(0.4)*
NET OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		**4.3**	**1.9**
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**44.2**	**53.7**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**275.9**	**304.0**
ATTRIBUTABLE TO			
Owners of the Parent		276.7	304.6
Non-controlling interests		(0.8)	(0.6)

(1) The exchange differences on translation of foreign operations were mainly impacted by the movements of intangible assets (2021|2022: 45.4 mEUR|35.1 mEUR out of which 37.7 mEUR|29.3 mEUR 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	2022	2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6.16	1,398.9	1,263.5
Intangible assets	6.19	855.8	797.0
Shares in equity	6.20	0.1	0.0
Investments in associates and joint ventures	6.21	0.1	0.0
Investment property	6.17	3.4	4.2
Deferred tax assets	6.14	18.4	32.8
Trade and other receivables	6.22	33.0	23.9
		2,309.6	**2,121.3**
CURRENT ASSETS			
Inventories	6.23	24.5	20.7
Income tax receivable	6.14	30.8	16.1
Trade and other receivables	6.22	941.3	912.4
Cash and cash equivalents	6.24	1,051.0	907.5
		2,047.7	**1,856.8**
Assets held for sale		1.0	163.3
TOTAL ASSETS		**4,358.3**	**4,141.3**
Equity and liabilities			
Issued capital		364.0	364.0
Reserves		401.3	238.2
Foreign currency translation		70.2	32.4
Retained earnings		231.7	250.2
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**1,067.1**	**884.8**
Equity attributable to non-controlling interests		(1.7)	0.5
TOTAL EQUITY	**4**	**1,065.4**	**885.3**
Non-current liabilities			
Interest-bearing loans and borrowings	6.25	1,180.9	1,261.2
Employee benefits	6.26	244.2	298.2
Trade and other payables	6.27	25.9	33.3
Provisions	6.28	15.2	14.7
Deferred tax liabilities	6.14	11.0	6.4
		1,477.2	**1,613.9**
Current liabilities			
Interest-bearing loans and borrowings	6.25	307.3	116.4
Bank overdrafts		0.4	0.0
Provisions	6.28	11.5	11.1
Income tax payable	6.14	2.4	3.6
Derivative intruments	6.30	(0.3)	0.3
Trade and other payables	6.27	1,494.4	1,470.9
		1,815.8	**1,602.4**
Liabilities directly associated with assets held for sale	6.18	0.0	39.7
TOTAL LIABILITIES		**3,292.9**	**3,256.0**
TOTAL EQUITY AND LIABILITIES		**4,358.3**	**4,141.3**

4. Consolidated statement of changes in equity

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 2021	**364.0**	**(10.4)**	**13.2**	**5.4**	**(23.1)**	**252.5**	**(19.2)**	**582.5**	**1.3**	**583.8**
Result of the year 2021	0.0	0.0	0.0	0.0	0.0	0.0	250.9	250.9	(0.6)	250.2
Other comprehensive income	0.0	1.9	1.9	(9.7)	59.7	(19.2)	19.2	53.7	0.0	53.7
TOTAL COMPREHENSIVE INCOME	**0.0**	**1.9**	**1.9**	**(9.7)**	**59.7**	**(19.2)**	**270.1**	**304.6**	**(0.6)**	**304.0**
Other	0.0	0.0	0.0	0.0	0.0	(1.7)	(0.6)	(2.3)	(0.1)	(2.4)
AS PER 31 DECEMBER 2021	**364.0**	**(8.5)**	**15.1**	**(4.3)**	**36.6**	**231.6**	**250.2**	**884.8**	**0.5**	**885.3**
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**

Total equity amounted to 1,065.4 mEUR out of which 370.7 mEUR distributable retained earnings and legal reserves of 50.8 mEUR within bpost NV/SA.

Equity increased by 180.1 mEUR, or +20.3%, to 1,065.4 mEUR as of December 31, 2022 from 885.3 mEUR as of December 31, 2021. This increase was mainly explained by the result of the year (231.7 mEUR) and the exchange differences on translation of foreign operations (38.0 mEUR). Furthermore the effective part of a cash-flow hedge entered into to hedge the cash flow risk of the bond and the remeasurement gains on post-employment benefits each respectively contributed 1.9 mEUR and 4.3 mEUR to this increase. The cash-flow hedge reserve will be reclassified to profit or loss over the 8 years after the issuance date of the bond. This increase was partially offset by the dividend payments of 98.5 mEUR.

At December 31, 2022, the shareholding of bpost is as follows:

	TOTAL	THE BELGIAN STATE [1]	FREE FLOAT
AS PER 1 JANUARY 2022	**200,000,944**	**102,075,649**	**97,925,295**
Changes during the year	-	-	-
AS PER 31 DECEMBER 2022	**200,000,944**	**102,075,649**	**97,925,295**

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

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

IN MILLION EUR	2022	2021
CASH DIVIDENDS ON ORDINARY SHARES DECLARED AND PAID		
Final dividend for 2021: 0.49 EUR per share (2020: 0.0 EUR per share)	98.0	-
PROPOSED DIVIDENDS ON ORDINARY SHARES		
Final cash dividend for 2022: 0.40 EUR per share (2021: 0.49 EUR per share)	80.0	98.0

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	2022	2021
OPERATING ACTIVITIES			
Result before tax	1	292.5	333.7
Depreciation, amortization and impairment losses		289.3	267.6
Impairment on debtors	6.9	19.4	3.3
Result on sale of property, plant and equipment		(2.8)	(15.1)
Gain on disposal of subsidiaries		0.0	(1.6)
Other non-cash items[1]		19.9	29.6
Change in employee benefit obligations	6.26	(48.8)	(19.5)
Remeasurement of assets held for sale at fair value less costs to sell	6.18	1.2	(12.2)
Income tax paid		(74.8)	(78.1)
Income tax (paid)/received on previous years		20.5	(3.5)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		**516.4**	**504.2**
Decrease/(increase) in trade and other receivables		(40.4)	(114.5)
Decrease/(increase) in inventories		1.4	(0.2)
Increase/(decrease) in trade and other payables		(61.6)	46.7
Increase/(decrease) in collected proceeds due to clients		5.8	(37.3)
Increase/(decrease) in provisions		0.9	(0.8)
NET CASH FROM OPERATING ACTIVITIES		**422.4**	**398.2**
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		11.2	21.9
Disposal of subsidiaries, net of cash disposed off	6.18	121.9	6.5
Acquisition of property, plant and equipment	6.16	(146.1)	(147.5)
Acquisition of intangible assets	6.19	(18.3)	(24.6)
Acquisition of share in equity		(0.1)	(0.0)
Loan to associate	6.22	25.0	0.0
Acquisition of subsidiaries, net of cash acquired		(12.8)	(1.3)
NET CASH USED IN INVESTING ACTIVITIES		**(19.2)**	**(145.0)**
FINANCING ACTIVITIES			
Proceeds from borrowings		50.0	60.0
Payments related to borrowings		(63.1)	(231.3)
Interests related to borrowings		(13.5)	(12.6)
Payments related to lease liabilities		(137.0)	(125.2)
Dividends paid	4	(98.0)	0.0
Dividends paid to minority interests	4	(0.5)	0.0
NET CASH FROM FINANCING ACTIVITIES		**(262.1)**	**(309.1)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**141.1**	**(55.9)**
NET FOREIGN EXCHANGE DIFFERENCE		**2.0**	**16.9**
CASH CLASSIFIED AS ASSET HELD FOR SALE		**0.0**	**(1.7)**
Cash and cash equivalents less bank overdraft as of 1st January		907.5	948.1
Cash and cash equivalents less bank overdraft as of 31st December		1,050.6	907.5
MOVEMENTS BETWEEN 1ST JANUARY AND 31ST DECEMBER		**143.1**	**(40.6)**

(1) Other non-cash items mainly comprises of finance costs/(income) excluding defined benefits obligations (IAS 19)

6. Notes to the consolidated financial statements

6.1 General information

Business activities

bpost NV/SA and its subsidiaries (hereinafter referred to as "**bpost**") 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, 1000 Brussels. bpost shares are listed on Euronext Brussels since June 21, 2013 (share ticker BPOST).

6.2 Basis of preparation

bpost'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 42, 49 to 65, 74 to 79, 83, 150 and 153 of the annual report for the financial year ended December 31, 2022 were authorized for issue by the Board of Directors on March 16, 2023. The consolidated financial statements of bpost have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as adopted for use by the European Union. bpost 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. Although bpost has no direct activities in Ukraine or Russia, bpost is being affected by the macroeconomic implications of the war (inflation, price increases, lower consumer spending impacting e-commerce and discount rates). bpost is monitoring this evolution and will continue to assess further impacts going forward.

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 bpost's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards and interpretations effective as from January 1, 2022.

The following amendments to existing standards apply for the first time as from 2022:

- IFRS 3 – Amendments – Reference to the Conceptual Framework
- IAS 16 – Amendments – Property, Plant and Equipment: Proceeds before Intended Use
- IAS 37 – Amendments – Onerous Contracts – Costs of Fulfilling a Contract
- IFRS 1 – AIP – First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 – AIP – Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities
- IAS 41 – AIP – Agriculture – Taxation in fair value measurements

These amendments have no material impact on the consolidated financial statements.

Standards and Interpretations issued but not yet applied by bpost

The following standards, interpretations, amendments and revision issued but not yet effective or which are yet to become mandatory, have not been applied by bpost 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	1 January 2024
IFRS 17 – Insurance Contracts	1 January 2023
IAS 1 – Amendments and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
IAS 8 – Amendments – Definition of Accounting Estimates	1 January 2023
IAS 12 – Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 16 – Amendments (*) – Lease Liability in a Sale and Leaseback	1 January 2024

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

bpost 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 bpost'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 bpost'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

bpost 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. bpost 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 2020 to 2022 for December 2022). 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. Although there is still no full clarity on the approach, new legislation dated December 2015 brought more clarification on the minimum guaranteed return. The uncertainty with respect to the future evolution of the minimum guaranteed rates of return in Belgium has been removed 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 of the past 24 months return on 10-year linear bonds, with a minimum of 1.75% p.a. bpost continued to apply the so-called PUC ("**Projected Unit Credit**") methodology, however as of 2018 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. bpost used the Towers Watson RATE: link tool[5] for the determination of the discount rates, considering a mix of financial and non-financial AA corporate bonds.

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

bpost 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 finalised 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

bpost is subject to income taxes in a number of different jurisdictions. Deferred taxes are calculated at the level of each fiscal entity. bpost 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, bpost uses estimates of taxable income by jurisdiction in which bpost 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, bpost 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.

bpost 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.

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5 *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*

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 bpost 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 bpost 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 bpost 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, bpost 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 bpost considers that it has acquired present economic interest in the shares concerned), bpost (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 recognised 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 recognised 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 bpost'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 bpost;
(iii) bpost 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 recognised in the consolidated income statement. Within bpost, 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

bpost 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, bpost applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. bpost 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 bpost 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 bpost exercising the option to terminate. For the so-called 3/6/9 commercial lease agreements in Belgium bpost 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 bpost 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, bpost 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 bpost 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. bpost 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

bpost 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), bpost 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 bpost can recover through sale) and its value in use (corresponding to the cash that bpost 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, including 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.
bpost 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.

bpost 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).

bpost recognizes a trade receivable when it has an unconditional right to payment of a consideration as a result of satisfying a performance obligation.

bpost 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

bpost recognizes as assets the incremental costs to obtain a contract and to fulfill a contract if bpost 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. The classification of investment securities at initial recognition depends on the financial asset's contractual cash flow characteristics and bpost's business model for managing them. bpost 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 bpost'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.
- 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. bpost considers an investment security to be in default (totally or partially) when internal or external information indicates that bpost 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 (with maturity date not exceeding three months as from acquisition date) that are highly liquid and are readily convertible into a known amount of cash and that are subject to an insignificant risk of changes 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".
Treasury shares are deducted from equity. Movements of treasury shares do not affect the income statement.
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 bpost. 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 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).

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 bpost 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 on bpost.

Provisions

A provision is recognized only when:
(1) bpost 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 bpost has an obligation in this respect. Provisions for future operating losses are prohibited.

If bpost 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 bpost 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.

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. In practice, the rate in force on the statement of financial position date is used.

Deferred taxes are not recognized in respect of:
(1) goodwill that is not amortized for tax purposes;
(2) the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit; and
(3) investments in subsidiaries, branches, associates and joint ventures if it is likely that dividends will not be distributed in the foreseeable future.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference 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 foreign operations are translated into Euro at the exchange rate prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation 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

bpost 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. bpost 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 below in a separate section).

bpost 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 bpost 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 CODM.

bpost'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. bpost 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, bpost makes direct delivery to the households and business ("users") for their subscribed newspapers and periodicals (reported as product line "Press"). In this case, bpost 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, bpost (through its wholly-owned subsidiary AMP and Aldipress) delivers these newspapers and periodicals to newsstand (reported as product line “Press”). In this situation, AMP and Aldipress acts 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. bpost 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 bpost 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 bpost 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, bpost 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 bpost 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 bpost 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 bpost ensures that the variable consideration constrains of IFRS 15 is respected, i.e.: bpost 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. bpost generally considers that it is the agent in logistic and fulfilment services. bpost performs the service of processing returned goods on behalf of the customer, but bpost does not take on any liability hence no liability for return is booked at bpost.

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. service over the counter, processing of items or sale of a good) or over time (e.g. access to network). bpost generally considers that it is the principle in back-office services and sale of retail and self-produced goods and that bpost 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 (recognised 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.

Financial income and costs

For fixed income securities, interest is recognized in the income statement using the effective interest rate method. For variable income securities, revenues are recorded in profit or loss as soon as the shareholders general meeting confirms the distribution of a dividend.
Interest on borrowings is recognized in financial costs as incurred. For borrowings, any difference between the amount received and the amount repayable is recognized in the income statement using the effective interest method.

Derivative financial instruments

bpost 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, bpost 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

bpost 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, bpost 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, bpost 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 bpost 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

Sale of Ubiway Retail

On February 28, 2022 bpost, Ubiway and Golden Palace finalised the sale of Ubiway Retail. The sales price amounted to 2.5 mEUR resulting in an additional impairment in 2022 of 1.0 mEUR to bring the carrying value of the net assets to their fair value less costs to sell, recognized within the Belgium business unit. At the date of the sale, Ubiway (part of bpostgroup) emitted a 2.0 mEUR loan with a maturity date in 2026 to Ubiway Retail, which has been recorded as a non-current trade receivable. To limit the possible credit risk, guarantees have been provided by Golden Palace. Note within note 6.18 assets held for sale, the assets held for sale and the liabilities directly linked to the assets held for sale for Ubiway Retail per December 31, 2021 are being disclosed.

Acquisition of IMX

On May 31, 2022 (acquisition date) bpost signed a share purchase agreement for the acquisition of 68.59% of Marceau 1. Marceau 1 is a holding company owning IMX France and IMX GmbH. Both entities offer a wide range of cross-border delivery and return solutions for e-tailers via direct sales approach and for SME and individuals through its proprietary digital solutions “Happy-Post”, “ColisExpat” and “Shopiles”. The purchase price for 68.59% of the shares amounted to 15.5 mEUR. Next to that, the agreement foresees a call and put structure for the remaining shares (31.41%). The variable exercise price of this option, based upon the EBITDA of the year 2022 and 2023 has been recognized as a financial liability for an amount of 5.6 mEUR (the cap contractually agreed amounts to 12.7 mEUR), changes to the financial liability are recognized in the income statement. The company was consolidated using the full-integration method as June 2022 within the E-Logistics Eurasia business unit, consequently the business combination is presented as of bpost obtains a 100% interest in Marceau 1. The transaction costs related to this acquisition are included in the operating expenses of 2022.

The calculated goodwill is presented as follows:

IN MILLION EUR	2022
FAIR VALUE OF THE ASSETS ACQUIRED AND LIABILITIES ASSUMED IN THE ACQUIRED ENTITY	
NON-CURRENT ASSETS	**9.9**
Property, plant and equipment	3.7
Intangible assets	5.7
Deferred tax assets	0.1
Trade and other receivables	0.4
CURRENT ASSETS	**7.8**
Trade and other receivables	3.3
Cash and cash equivalents	4.5
NON-CURRENT LIABILITIES	**(1.5)**
Deferred tax liabilities	(1.5)
CURRENT LIABILITIES	**(15.4)**
Interest-bearing loans and borrowings	(7.0)
Trade and other payables	(8.4)
FAIR VALUE OF NET ASSETS ACQUIRED	**0.8**
Goodwill arising on acquisition	20.2
PURCHASE CONSIDERATION TRANSFERRED	**21.0**
of which:	
- Cash paid	15.5
- Contingent consideration	5.6

ANALYSIS OF CASH FLOWS ON ACQUISITION	
Net cash acquired with the subsidiary	4.5
Cash paid	(15.5)
NET CASH OUTFLOW	**(11.0)**

The fair value of the current and non-current trade receivables amounted to 3.7 mEUR and it is expected that the full contractual amounts can be collected.

The adjustment to fair value following the purchase price allocation consisted of the recognition of intangible assets: trade name (useful life 5 year), technology (useful life 6 year) and customer relationship (useful life between 14 and 20 year), respectively for an amount of 0.9 mEUR, 1.0 mEUR and 3.8 mEUR.
In 2022 Marceau 1 SAS, IMX France and IMX GmbH contributed to 18.8 mEUR of revenue and 4.4 mEUR to result before tax from continuing operations of the group. Revenues for IMX for the full year 2022 amounted to 32.2 mEUR.
The resulting goodwill of 20.2 mEUR derives from future growth and expected synergies within Cross-border activities. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition of Aldipress

On September 30, 2022 after approval by the Dutch competition authority bpost completed the acquisition of 100% of the shares of the Dutch press distributor Aldipress for an amount of 3.5 mEUR. Aldipress manages the logistic distribution process for retail sales. Aldipress was consolidated using the full integration method as of September 30, 2022 and will be included in the Belgium business unit. The transaction costs related to this acquisition are included in the operating expenses of 2022.

The calculated goodwill is presented as follows:

IN MILLION EUR	2022
FAIR VALUE OF THE ASSETS ACQUIRED AND LIABILITIES ASSUMED IN THE ACQUIRED ENTITY	
NON-CURRENT ASSETS	**0.4**
Property, plant and equipment	0.4
CURRENT ASSETS	**19.6**
Inventories	4.4
Trade and other receivables	13.5
Cash and cash equivalents	1.7
CURRENT LIABILITIES	**(38.7)**
Income tax payable	(0.1)
Trade and other payables	(38.7)
FAIR VALUE OF NET ASSETS ACQUIRED	**(18.8)**
Goodwill arising on acquisition	22.3
PURCHASE CONSIDERATION TRANSFERRED	**3.5**
of which:	
- Cash paid	3.5
- Contingent consideration	0.0
ANALYSIS OF CASH FLOWS ON ACQUISITION	
Net cash acquired with the subsidiary	1.7
Cash paid	(3.5)
NET CASH OUTFLOW	**(1.8)**

The fair value of the current and non-current trade receivables amounted to 13.5 mEUR and it is expected that the full contractual amounts can be collected.
In 2022 Aldipress contributed to 4.6 mEUR of revenue and 0.7 mEUR to result before tax from continuing operations to the group. Revenues for Aldipress for the full year 2022 amounted to 18.9 mEUR.
The resulting goodwill of 22.3 mEUR derives from future growth and expected synergies within the press activities. None of the goodwill is expected to be deductible for income tax purposes.

6.6 Segment information

In 2021 the Board of Directors of bpost approved bpostgroup's ambition to become a growth company as an e-commerce logistics player, in Belgium as well as in Europe and the United States. Effective as of January 1, 2022 bpost's internal structure changed to face the transformation, amongst others the bundling of the parcel activities and Mail & Retail activities into one Belgium business unit. This implies a new business unit structure with: Belgium, E-Logistics Eurasia and E-Logistics North America, replacing Mail & Retail, Parcels & Logistics Eurasia and Parcels & Logistics North America. This new structure allows to recognize different strategic imperatives, namely transform Belgium, build E-Logistics Eurasia and grow E-Logistics North America and allows full P&L accountability at business unit level. Changes are limited and consist of moving the Belgian parcels out of Parcels & Logistics Eurasia to Belgium, next to the existing Mail & Retail business. On the other hand regroup Dynalogic and Dynasure together with Radial Europe, Active Ants, Leen Menken and Dynafix in E-Logistics Eurasia.

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 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 bpost identifies its CEO as the chief operating decision maker ("CODM"), the operating segments are based on the information provided to the CEO. bpost 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	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
External operating income	2,140.6	2,250.8	590.5	611.5	1,655.9	1,453.9	10.5	18.9	0.0	0.0	4,397.5	4,335.1
Intersegment operating income	52.7	59.8	23.6	26.2	5.7	5.9	393.7	407.8	(475.6)	(499.7)	0.0	0.0
TOTAL OPERATING INCOME	**2,193.3**	**2,310.6**	**614.1**	**637.7**	**1,661.6**	**1,459.8**	**404.2**	**426.7**	**(475.6)**	**(499.7)**	**4,397.5**	**4,335.1**
Operating expenses	1,914.5	1,975.6	561.5	568.5	1,481.5	1,304.9	363.0	380.2	(475.6)	(499.7)	3,844.9	3,729.5
Depreciation, amortization	81.0	84.1	28.3	24.6	104.7	84.0	75.2	75.0	0.0	0.0	289.3	267.6
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT)	**197.8**	**250.9**	**24.3**	**44.6**	**75.4**	**70.9**	**(34.1)**	**(28.5)**	**0.0**	**0.0**	**263.3**	**338.0**
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	(1.0)	(7.4)	0.0	0.0	0.0	0.0	(0.2)	19.5	0.0	0.0	(1.2)	12.1
Financial results	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30.3	(16.4)
Income tax expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	60.8	83.5

IN MILLION EUR	BELGIUM 2022	BELGIUM 2021	E-LOGISTICS EURASIA 2022	E-LOGISTICS EURASIA 2021	E-LOGISTICS NORTH AMERICA 2022	E-LOGISTICS NORTH AMERICA 2021	CORPORATE 2022	CORPORATE 2021	ELIMINATIONS 2022	ELIMINATIONS 2021	GROUP 2022	GROUP 2021
PROFIT/(LOSS) OF THE PERIOD (EAT)	**196.7**	**243.5**	**24.3**	**44.6**	**75.4**	**70.9**	**(34.3)**	**(8.9)**	**0.0**	**0.0**	**231.7**	**250.2**

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	2022	2021	CHANGE %	2022	2021	CHANGE %
BELGIUM	**2,140.6**	**2,250.8**	**-4.9%**	**2,132.5**	**2,239.3**	**-4.8%**
Transactional mail	731.5	736.7	-0.7%	731.1	736.0	-0.7%
Advertising mail	187.1	197.0	-5.0%	187.1	197.0	-5.0%
Press	345.9	338.8	2.1%	339.3	332.6	2.0%
Parcels Belgium	449.1	467.4	-3.9%	449.1	467.4	-3.9%
Proximity and convenience retail network	302.0	397.5	-24.0%	301.3	393.1	-23.3%
Value added services	124.9	113.5	10.1%	124.5	113.4	9.9%
E-LOGISTICS EURASIA	**590.5**	**611.5**	**-3.4%**	**589.0**	**610.6**	**-3.5%**
E-commerce logistics	273.0	268.7	1.6%	271.6	267.9	1.4%
Cross-border	317.5	342.8	-7.4%	317.4	342.6	-7.4%
E-LOGISTICS NORTH AMERICA	**1,655.9**	**1,453.9**	**13.9%**	**1,650.6**	**1,432.5**	**15.2%**
E-commerce logistics	1,655.9	1,411.7	17.3%	1,650.6	1, 391.8	18.6%
International mail	0.0	42.2	-100.0%	0.0	40.7	-100.0%
CORPORATE	**10.5**	**18.9**	**-44.3%**	**0.0**	**0.0**	**0.0%**
TOTAL	**4,397.5**	**4,335.1**	**1.4%**	**4,372.0**	**4,282.4**	**2.1%**

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. Other operating income is allocated to several line items.

IN MILLION EUR	2022	2021	EVOLUTION 2022 – 2021
Belgium	933.4	921.6	1.3%
Rest of Europe	257.2	206.4	24.6%
US	1,043.3	915.1	14.0%
Rest of world	57.1	45.3	26.0%
TOTAL NON-CURRENT ASSETS	**2,291.0**	**2,088.5**	**9.7%**
Belgium	2,373.4	2,529.2	-6.2%
Rest of Europe	340.0	319.2	6.5%
US	1,589.1	1,388.5	14.4%
Rest of world	95.0	98.2	-3.2%
TOTAL OPERATING INCOME	**4,397.5**	**4,335.1**	**1.4%**

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 10% of bpost's operating income.

6.7 Revenue

For the year ended 31 December

IN MILLION EUR	2022	2021
Revenue excluding the SGEI remuneration	4,069.5	4,005.4
SGEI remuneration	302.6	277.0
TOTAL	**4,372.0**	**4,282.4**

Compared to last year, revenue increased by +89.7 mEUR to 4,372.0 mEUR. The revenue increase excluding the SGEI remuneration was mainly driven by the revenue increase (218.1 mEUR) in E-Logistics North America – despite the divestment of the Mail Group as of August 2021 - reflecting mainly the revenue development of Radial's new customers launched in 2021. Excluding the deconsolidation of Ubiway Retail , stable revenue in Belgium with underlying mail volume decline of -6.8% nearly offset by positive price/mix impact and parcels volume -7.5% (or +1.0% excluding Amazon's insourcing impact) and price/mix impact of 3.6%. E-Logistics Eurasia revenues decreased (-21.6 mEUR) mainly driven by lower Asian volumes impacted in the first half of 2022 by the new VAT regulation as from July 1, 2021 and impacted by supply chain disruptions in China.

SGEI remuneration is disclosed under Press and Proximity and convenience retail network in the Belgium segment.

6.8 Other operating income

For the year ended 31 December

IN MILLION EUR	2022	2021
Gain on disposal of property, plant and equipment	6.5	15.1
Gain on disposal of activities of The Mail Group	0.0	1.4
Rental income of investment property	0.5	0.6
Insurance recovery – Ransomware Radial US	0.0	5.5
Third party cost recovery	9.7	8.2
Gain on contingent considerations MCS & Atoz	0.0	0.6
Other Retail income	0.6	3.4
Other	8.3	18.0
TOTAL	**25.5**	**52.7**

Gains on disposal of property, plant and equipment decreased by -8.7 mEUR due to lower revenues on the sales of buildings in 2022 compared to 2021.

In October 2020, Radial North America experienced a ransomware attack impacting a portion of its US operations. The attack and the malware was not capable of exfiltrating or stealing data and there is no indication that any client or personal data left Radial North America systems. Radial North America maintains two layers of cyber insurance coverage through which the company recovered the full amount available under its primary insurance policy and received 10.0 mUSD in 2021 from the insurance companies, of which a part mainly related to business disruption was recognized in other operating income whereas the recuperation of costs was recognised in deduction of costs.

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 bpost, 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	2022	2021
Provisions	0.9	(1.3)
Local, real estate and other taxes	15.2	28.0
Impairment on trade receivables and charge backs payment services	19.4	3.3
Losses on disposals of propery, plant and equipment	4.5	(0.0)
Other	(0.1)	5.8
TOTAL	**39.9**	**35.7**

The increase of other operating expenses was mainly explained by increased impairments on trade receivables and disposals of property, plant and equipment as some warehouses were closed down at Radial North America. This increase was partially offset by lower local, real estate and other taxes, in turn mainly due to the higher VAT recuperation in 2022 at the time of the yearly VAT rate revision. The increase of impairments on trade receivables was mainly explained by some disputes with termined customers at Radial North America and the impairment on the receivable related to the sale of the Mail Group. 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.

6.10 Material costs

Compared to last year, material costs decreased by 93.0 mEUR or 48.4%. This decrease was mainly explained by the deconsolidation of Ubiway Retail as of March 1, 2022 given the sale of Ubiway Retail and lower activities at DynaFix /Sure due to shortage of spare parts and less devices to be repaired.

6.11 Services and other goods

The cost of goods and services increased by 105.2 mEUR to 1,999.9 mEUR. This increase was driven by the unfavourable exchange rate USD/EUR, higher variable opex at E-Logistics North America in line with revenue development and higher energy costs.

For the year ended 31 December

IN MILLION EUR	2022	2021	EVOLUTION 2022 – 2021
Rent and rental costs	104.3	90.4	15.3%
Maintenance and repairs	103.5	109.6	-5.6%
Energy delivery	63.2	48.4	30.5%
Other goods	50.4	44.7	12.7%
Postal and telecom costs	12.4	18.8	-33.8%
Insurance costs	28.2	29.9	-5.9%
Transport costs	910.9	836.2	8.9%
Publicity and advertising	21.2	23.7	-10.6%
Consultancy	27.4	18.2	50.1%
Interim employees	367.4	359.2	2.3%
Third party remuneration, fees	198.2	200.1	-0.9%
Other services	112.8	115.4	-2.2%
TOTAL	**1,999.9**	**1,894.8**	**5.6%**

- Rent and rental costs increased by 13.8 mEUR due to new site openings in Radial North America and Radial Europe.
- Energy delivery increased by 14.8 mEUR mainly due to higher energy prices (gas, fuel and electricity).
- Transport costs amounted to 910.9 mEUR and increased by 74.7 mEUR . This increase was explained by the unfavourable exchange rate USD/EUR and the revenue development at E-Logistics North America. Furthermore the consolidation of IMX and Aldipress contributed to this increase.
- Cost of interim employees increased by 8.3 mEUR despite the lower number of interims. Note that the interim costs should be viewed together with the evolution of the payroll costs, see note 6.12. The cost increase was mainly explained by the unfavourable exchange rate USD/EUR and a higher cost price per interim.

6.12 Payroll costs

For the year ended 31 December

IN MILLION EUR	2022	2021
Wages and salaries	1,412.2	1,346.3
Social security costs	264.3	239.6
Pension costs (note 6.26)	8.8	9.2
Termination benefits, Other long-term benefits and Post-employment benefits other than Pension (note 6.26)	20.5	11.6
TOTAL	**1,705.8**	**1,606.8**

As at December 31, 2022, the headcount of bpost amounted to 34,509 (2021: 36,272) and was composed as follows:
- Statutory personnel : 6,840 (2021: 7,402).
- Contractual personnel : 27,669 (2021: 28,870).

The average FTE for 2022 was 31,617 (2021: 32,429).

The average FTE and interims for 2022 was 39,285 (2021: 40,339).

Payroll costs (1,705.8 mEUR) and interim costs (367.4 mEUR) in 2022 amounted to 2,073.2 mEUR (1,965.9 mEUR in 2021). Payroll and interim costs increased by 107.3 mEUR (99.0 mEUR for payroll and 8.3 mEUR for interim costs) compared to last year.

The payroll and interim costs increase driven by higher costs per FTE (amongst other in Belgium 6 salary indexations of 2% and change in night shift regulation), the unfavorable exchange rate evolution, the effects of Collective Labor Agreements ("CLA") 2021-2022 and merit increases led to a negative price impact of 160.1 mEUR . The effects mentioned above were partly compensated by the FTE decrease (higher productivity, continued execution of dedicated management actions and elimination of second distribution rounds in Belgium during peak in the fourth quarter), which generated 45.2 mEUR lower costs and by a positive mix effect of 7.6 mEUR, amongst other driven by a decrease of statutory, baremic contractual and interim postmen and a slight increase of logistic and postal workers.

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	2022	2021
Financial income	79.6	8.5
Financial costs	(49.3)	(24.9)
TOTAL	**30.3**	**(16.4)**

Net financial result (i.e. net of financial income and financial costs) of 2022 amounted 30.3 mEUR and increased by 46.7 mEUR compared to 2021. This increase was mainly due to higher non-cash financial income related to IAS 19 employee benefits (38.0 mEUR) in line with the increased discount rates and the reassessment of the contingent liability related to the remaining shares of a subsidiary (14.3 mEUR), partially offset by higher lease interest expenses (2.3 mEUR, in line with increased leases) and higher interests on loans (3.1 mEUR, mainly USD term loan).

Financial income

For the year ended 31 December

IN MILLION EUR	2022	2021
Interest income	2.2	0.4
Gain from exchange differences	17.3	7.0
Contingent consideration: changes related to purchase of minority interests	14.3	0.0
Financial income on defined benefit obligations (IAS 19)	45.2	0.0
Other	0.6	1.1
TOTAL	79.6	8.5

In 2022 bpost reassessed the variable exercise price for the remaining shares of Anthill BV (25%) and Active Ants International BV (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 bpost has reassessed that bpost will 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. The outstanding discounted liability for the remaining shares of Anthill BV and Active Ants International per December 31, 2022 amounts to 18.1 mEUR.

Financial costs

For the year ended 31 December

IN MILLION EUR	2022	2021
Financial costs/(income) on defined benefit obligations (IAS 19)	0.2	(7.1)
Lease interest expenses (IFRS 16)	12.0	9.7
Interest on loans	4.6	1.6
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	15.1	3.4
Contingent consideration: unwinding of discount and effect of changes in discount rate	0.6	0.6
Other finance costs	5.0	5.0
TOTAL	49.3	24.9

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 2022 amounted to 60.8 mEUR and breaks down as follows:

As at 31 December

IN MILLION EUR	2022	2021
TAX EXPENSE INCLUDED		
Current tax expenses	55.1	75.7
Adjustment recognized in the current year in relation to the current tax of prior year	(10.9)	(4.1)
Deferred tax expenses	16.6	11.9
TOTAL INCOME TAX EXPENSE RECOGNIZED IN INCOME STATEMENT	60.8	83.5

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	2022	2021
Profit before tax (A)	292.5	333.7
Statutory tax rate of the parent company (B)	25.0%	25.0%
THEORETICAL INCOME TAX EXPENSES (C) = (A) X (B)	**73.1**	**83.4**
RECONCILING ITEMS BETWEEN STATUTORY AND EFFECTIVE INCOME TAX EXPENSE		
Tax effect of non tax deductible expenses	7.0	7.1
Tax effects prior year	(10.9)	(3.9)
Tax effect of goodwill impairment	0.0	0.0
Tax effect of the remeasurement of assets held for sale at fair value less costs to sell	0.0	(3.0)
Tax effect of tax losses utilized by subsidiaries for which no deferred tax asset or no full deferred tax asset was recognized	(0.5)	(0.1)
Subsidiaries in loss situation for which no deferred tax asset or no full deferred tax asset was recognize on their tax losses	2.3	7.4
Associates (equity method)	(0.0)	0.0
OTHER:		
Tax effect of subsidiaries liquidation	(6.8)	0.0
Tax effect of the changes in tax rates	0.1	0.2
Other differences	(3.5)	(7.6)
TOTAL	**60.8**	**83.5**
Tax using effective rate (current period)	(60.8)	(83.5)
Profit before income tax	292.5	333.7
Effective tax rate	20.8%	25.0%

Adjusted prior years balances, impact of subsidiaries liquidation and updated contingent consideration – included in other caption - contributed to the decreased tax rate in 2022. These elements were partially compensated by non-tax deductible expenses and impact of subsidiaries in loss situation for which no (full) DTA has been recognized.

In 2021 the tax effect of the subsidiaries in a loss situation (for which no deferred tax asset or no full deferred tax asset is recognized) is impacted by an exceptional capital loss on the sale of The Mail Group by bpost US Holding. This negative impact on the ETR has been compensated by the other differences which include some tax credits and deductions.

As a result, the effective tax rate is close to the 25% theoretical rate in 2021.

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, 2022 bpost recognized a net deferred income tax asset of 18.4 mEUR. This net deferred income tax asset is composed as follows:

IN MILLION EUR	2021	IMPACT ON RESULT OF THE YEAR	IMPACT ON OTHER COM-PREHENSIVE INCOME	IMPACT OF BUSINESS COMBINATIONS	EXCHANGE RATE DIFFE-RENCE	NETTING OF TAX POSITION	2022
DEFERRED TAX ASSETS							
Employee benefits	19.2	(0.0)	0.0	0.0	0.0	(18.5)	0.7
Provisions	1.4	0.2	0.0	0.0	0.0	(1.2)	0.3
Tax losses carried forward	56.0	(9.8)	0.0	0.0	3.2	0.0	49.4
Other	32.8	4.3	0.0	0.0	0.9	(13.8)	24.2
TOTAL DEFERRED TAX ASSETS	**109.3**	**(5.3)**	**0.0**	**0.0**	**4.1**	**(33.6)**	**74.6**
DEFERRED TAX LIABILITIES							
Property plant and equipment	48.6	(5.2)	0.0	0.0	2.3	(11.3)	34.4
Intangible assets	28.0	(2.1)	0.0	0.0	1.1	(10.3)	16.8
Other	0.0	3.5	0.0	0.0	(0.0)	1.6	5.1
TOTAL DEFERRED TAX LIABILITIES	**76.6**	**(3.8)**	**0.0**	**0.0**	**3.5**	**(20.0)**	**56.2**
NET DEFERRED TAX ASSET	**32.8**	**(1.5)**	**0.0**	**0.0**	**0.7**	**(13.5)**	**18.4**

The decrease in the deferred tax asset is mainly explained by the transfer of balances to deferred tax liabilities mainly as a result of increased 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 (44.1 mEUR). These US tax losses carried forward for which a deferred tax asset has been recognized have an expiration date ranging between 2023 and 2037 (23.3 mEUR) and the tax losses incurred as from 2018 can be carried forward indefinitely (20.7 mEUR).

As of December 31, 2022 bpost recognized a deferred income tax liability of 11.0 mEUR. The deferred income tax liability mainly results from the depreciations and impairment of intangible assets related to the purchase price allocation (other than Radial) partially compensated by temporary differences related to employee benefits. The deferred tax liability by type of temporary difference and the changes break down as follows :

IN MILLION EUR	2021	IMPACT ON RESULT OF THE YEAR	IMPACT ON OTHER COM-PREHENSIVE INCOME	IMPACT OF BUSINESS COMBINATIONS	EXCHANGE RATE DIFFE-RENCE	OTHER	2022
DEFERRED TAX ASSETS							
Employee benefits	0.0	(13.4)	(1.0)	0.0	0.0	18.5	4.1
Provisions	0.0	(0.0)	0.0	0.0	0.0	1.2	1.2
Tax losses carried forward	0.2	1.2	0.0	0.0	0.0	0.0	1.4
Other	0.0	(0.9)	0.0	0.0	0.0	13.8	12.9
TOTAL DEFERRED TAX ASSETS	**0.2**	**(13.2)**	**(1.0)**	**0.0**	**0.0**	**33.6**	**19.6**
DEFERRED TAX LIABILITIES							
Property plant and equipment	2.3	(0.4)	0.0	0.0	0.0	11.3	13.2
Intangible assets	5.5	(0.8)	0.0	1.5	0.0	10.3	16.4
Other	(1.1)	3.2	0.6	0.0	0.0	(1.6)	1.1
TOTAL DEFERRED TAX LIABILITIES	**6.6**	**1.9**	**0.6**	**1.5**	**0.0**	**20.0**	**30.7**
NET DEFERRED TAX LIABILITY	**(6.4)**	**(15.1)**	**(1.7)**	**(1.5)**	**0.0**	**13.5**	**(11.0)**

The increase mainly relates to the transfer of some entities from a net DTA position.

Unrecognized deferred taxes

Deferred tax assets on the tax losses carried forward are only recognized to the extent that those losses are expected to offset a taxable profit in the future. bpost assesses a recoverability period of 5 years in line with the horizon of the business plan and budgets used for the impairment testing. Further to this assessment, no deferred tax asset has been recognized for 115.7 mEUR of carried forward tax losses. The majority of these unrecognized tax losses relate to entities located in Germany (57.0 mEUR), Luxembourg (21.0 mEUR), Belgium (17.8 mEUR) and Singapore (1.3 mEUR). In Belgium, Germany, and Singapore 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 credit in the United States amounts to 17.9 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 bpost, 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	2022	2021
Net profit/(loss) attributable to ordinary equity holders of the parent for basic earnings	232.5	250.9
Adjustments for the effect of dilution		
Net profit/(loss) attributable to ordinary equity holders of the parent adjusted for the effect of dillution	232.5	250.9
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	1.16	1.25
Diluted, profit/(loss) per share attributable to ordinary equity holders of the parent	1.16	1.25

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 2021	**606.3**	**453.7**	**482.2**	**228.4**	**32.4**	**1,803.0**	**650.5**	**2,453.5**
Acquisitions	3.7	26.9	53.6	45.2	18.1	147.6	164.4	311.9
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	68.0	68.0
Disposals	(0.1)	(12.9)	(31.5)	(8.1)	0.0	(52.6)	(30.4)	(83.0)
Disposals via business combinations	0.0	(4.0)	(0.4)	(0.5)	0.0	(4.8)	(5.3)	(10.1)
Assets classified as held for sale or investment property	(22.7)	(20.7)	(2.7)	0.0	(0.1)	(46.2)	(39.2)	(85.4)
Exchange rate difference	0.1	0.4	16.1	2.0	1.1	19.7	17.3	37.0
Other movements	(8.2)	(0.6)	9.1	8.7	(13.2)	(4.3)	5.0	0.7
BALANCE AT 31 DECEMBER 2021	**579.3**	**442.8**	**526.4**	**275.8**	**38.2**	**1,862.4**	**830.3**	**2,692.7**
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**

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 2021	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 2021	**0.0**	**0.0**	**0.0**	**0.0**	**7.4**	**7.4**	**0.0**	**7.4**
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
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 2022	**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 2021	**(361.4)**	**(311.7)**	**(316.7)**	**(133.3)**	**(3.7)**	**(1,126.7)**	**(196.3)**	**(1,323.0)**
Depreciations through business combinations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.1	12.9	31.1	7.9	0.0	52.0	18.5	70.5
Disposals through business combinations	0.0	2.7	0.3	0.2	0.0	3.2	2.0	5.2
Depreciation and impairment losses	(11.5)	(27.4)	(43.5)	(20.5)	(0.0)	(102.9)	(122.6)	(225.6)
Assets classified as held for sale or investment property	15.4	11.1	2.5	0.0	0.0	29.1	21.1	50.2
Exchange rate difference	(0.0)	(0.2)	(6.3)	(0.5)	(0.0)	(6.9)	(6.6)	(13.6)
Other movements	6.6	3.7	0.3	(6.5)	0.0	4.1	(4.5)	(0.4)
BALANCE AT 31 DECEMBER 2021	**(350.8)**	**(308.8)**	**(332.3)**	**(152.6)**	**(3.8)**	**(1,148.3)**	**(288.4)**	**(1,436.6)**
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)**

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 2021	228.5	133.9	194.1	123.2	41.9	721.6	541.9	1,263.5
At 31 December 2022	235.4	143.2	195.6	126.8	63.8	764.8	634.2	1,398.9

Amortization and depreciation charges related to property, plant and equipment amounted to 246.4 mEUR and increased by 20.9 mEUR as compared to last year. This increase was mainly explained by increased depreciation of fixtures and fittings as well as leases, which respectively increased by 3.7 mEUR and 15.6 mEUR in line with increased warehouses.

6.16.1 Property, plant and equipment (excluding right-of-use assets)

Property, plant and equipment increased by 43.2 mEUR from 721.6 mEUR to 764.8 mEUR. This increase was mainly explained by:

- acquisitions for 146.1 mEUR (147.6 mEUR in 2021), mainly spent on the continued E-commerce logistics expansion of Radial and Active Ants, and on the optimization of the Belgium network;
- exchange rate impact of 10.1 mEUR (increase of 12.7 mEUR in 2021);
- partially compensated by depreciation and impairment amounting to 108.2 mEUR (102.9 mEUR in 2021), disposals 4.5 mEUR (mainly due to the close down of some warehouses, see note 6.9) and the transfer to assets held for sale or investment property for 1.7 mEUR (17.1 mEUR in 2021 including 9.8 mEUR related to the transfer of Ubiway Retail to assets held for sale in 2021).

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 increased by 92.3 mEUR and amounted to 634.2 mEUR. This increase was mainly explained by:

- 163.4 mEUR additions, mainly related to additional warehouse leases (mainly Radial North America and Radial Europe) and additional vehicles for distribution amongst other due to less short term leases compared to last year;
- 67.8 mEUR reassessments mainly explained by extension of lease duration;
- 11.2 mEUR of exchange rate differences;
- partially compensated by depreciations amounting to 138.2 mEUR (113.9 mEUR for buildings, 22.1 mEUR for vehicles and 2.2 mEUR for others leases) and 12.5 mEUR disposals .

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, 2022	CARRYING AMOUNT DEC 31, 2021
Land and Buildings	3 to 25 years	572.3	480.9
Vehicles	4 or 5 years (8 years for trucks)	57.8	54.4
Machinery and other equipment	1 to 15 years	4.1	6.6
TOTAL		**634.2**	**541.9**

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.

bpost has leases for vehicles with lease terms of 12 months or less (2022: 2.2 mEUR, 2021: 7.0 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.

Operating Lease Income

bpost’s future minimum operating lease income related to buildings is as followed and relates to buildings of which bpost is owner as well as subleases:

For the year ended 31 December

IN MILLION EUR	2022	2021
Less than one year	1.1	0.7
Between one year and five years	3.0	1.8
More than five years	1.7	1.6
TOTAL	**5.7**	**4.1**

The future minimum operating lease income is more or less in line with last year.

The lease income related to leases in property is recognized in the section “Other operating income” (0.5 mEUR in 2022), 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 2021	**11.1**
Acquisitions	0.0
Transfer from/(to) other asset categories	1.8
BALANCE AT 31 DECEMBER 2021	**13.0**
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
DEPRECIATION AND IMPAIRMENT LOSSES	
BALANCE AT 1 JANUARY 2021	**(7.8)**
Depreciations	0.0
Transfer from/(to) other asset categories	(1.0)
BALANCE AT 31 DECEMBER 2021	**(8.8)**
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)**
CARRYING AMOUNT	
At 31 December 2021	4.2
At 31 December 2022	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 0.5 mEUR (2021: 0.6 mEUR). The estimated fair value of the investment property decreased from 4.2 mEUR to 3.4 mEUR.

6.18 Assets held for sale

As at 31 December

IN MILLION EUR	2022	2021
ASSETS		
Property, plant and equipment	1.0	1.5
bpost bank	0.0	119.5
Ubiway Retail	0.0	42.2
ASSETS HELD FOR SALE	**1.0**	**163.3**
Liabilities		
Ubiway Retail	0.0	39.7
LIABILITIES DIRECTLY LINKED TO ASSETS HELD FOR SALE	**0.0**	**39.7**

The net decrease of the assets held for sale and liabilities held for sale were explained by the sale of bpost bank (sales price 119.4 mEUR) and Ubiway Retail (sales price 2.5 mEUR) in the first quarter of 2022.

Property, plant and equipment

The number of buildings recognized in assets held for sale amounted to 5 at the end of 2021 versus 4 at the end of 2022. 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 6.5 mEUR (2021: 15.1 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 2021	**660.0**	**168.3**	**198.4**	**118.3**	**51.1**	**1,196.0**
Acquisitions	0.0	9.5	15.1	0.0	0.0	24.6
Acquisitions and additions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	(0.0)	(9.0)	0.3	(1.6)	(10.3)
Disposals via business combinations	(17.2)	0.0	(1.3)	(3.2)	0.0	(21.7)
Assets classified as held for sale or investment property	(28.3)	0.0	(2.2)	0.2	(4.6)	(35.0)
Exchange rate difference	37.8	0.0	5.1	5.8	2.6	51.3
Other movements	(0.0)	0.0	(0.2)	0.0	0.0	(0.2)
BALANCE AT 31 DECEMBER 2021	**652.2**	**177.8**	**205.8**	**121.4**	**47.5**	**1,204.7**
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**

IN MILLION EUR	GOODWILL	DEVELOPMENT	SOFTWARE	CUSTOMER RELA-TIONSHIP	TRADENAME	TOTAL
REVALUATION						
BALANCE AT 1 JANUARY 2021	**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 2021	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
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**

IN MILLION EUR	GOODWILL	DEVELOPMENT	SOFTWARE	CUSTOMER RELA-TIONSHIP	TRADENAME	TOTAL
AMORTIZATION AND IMPAIRMENT LOSSES						
BALANCE AT 1 JANUARY 2021	**(77.9)**	**(118.4)**	**(163.1)**	**(43.9)**	**(21.0)**	**(424.3)**
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	9.0	(0.3)	1.6	10.3
Disposals via business combinations	17.2	0.0	0.8	1.7	0.0	19.7
Amortization	0.0	(17.3)	(13.7)	(7.1)	(4.9)	(42.9)
Impairment losses	0.0	1.4	0.0	(0.4)	0.0	1.0
Assets classified as held for sale or investment property	28.3	0.0	1.9	(0.5)	4.6	34.3
Exchange rate difference	(0.1)	0.0	(3.4)	(1.5)	(0.8)	(5.9)
Other movements	(0.0)	(0.0)	0.0	0.0	0.0	0.0
BALANCE AT 31 DECEMBER 2021	**(32.4)**	**(134.2)**	**(168.5)**	**(52.1)**	**(20.5)**	**(407.8)**
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)**

IN MILLION EUR	GOODWILL	DEVELOPMENT	SOFTWARE	CUSTOMER RELA-TIONSHIP	TRADENAME	TOTAL
CARRYING AMOUNT						
At 31 December 2021	619.7	43.6	37.3	69.3	27.0	797.0
At 31 December 2022	691.6	34.8	36.1	65.1	28.2	855.8

Depreciation and impairment charges amounted to 42.7 mEUR in 2022 and are in line with last year (41.9 mEUR).

All amortization and depreciation charges are included in the section “Depreciation, amortization” of the income statement.

Intangible assets increased by 58.8 mEUR, mainly due to:

- increase in goodwill by 42.5 mEUR due to the acquisition of Aldipress and IMX;
- recognition of 1.0 mEUR software and 4.7 mEUR tradename throughout the purchase price allocation of IMX;
- acquisitions of 18.3 mEUR mainly related to ICT development costs capitalized, the migration of ICT infrastructure to the cloud environment and the new distribution model.
- the evolution of the exchange rate (35.1 mEUR), mainly related to the evolution of the goodwill in USD;
- partially compensated by depreciation and impairment amounting to 42.7 mEUR.

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	PRESS	PARCELS BENE	PERSO-NALISED LOGIS-TICS	RADIAL EUROPE	ACTIVE ANTS	E-LO-GISTICS EURASIA	E-LO-GISTICS NORTH AMERICA	OTHER	TOTAL
BALANCE AT 1 JANUARY 2021	**0.0**	**21.9**	**38.3**	**0.0**	**0.0**	**0.0**	**57.0**	**463.5**	**1.5**	**582.2**
Transfer	54.7	(21.9)	(38.3)	20.0	13.4	29.9	(57.0)	0.0	(0.9)	0.0
Exchange rate difference	0.0	0.0	0.0	0.0	0.0	0.0	0.0	37.7	0.0	37.7
BALANCE AT 31 DECEMBER 2021	**54.7**	**0.0**	**0.0**	**20.0**	**13.4**	**29.9**	**0.0**	**501.2**	**0.7**	**619.7**

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**

The increase of the goodwill from 619.7 mEUR to 691.6 mEUR is on the one hand due to the goodwill recognized related to the purchase of IMX and Aldipress and on the other hand the evolution of the exchange rate.

Following the new 2022 organizational structure of bpostgroup with the new operating segments Belgium, E-Logistics Eurasia and E-Logistics North America, the cash generating units were reorganized end 2021 to reflect the lowest group of assets generating independent cash inflows.

In line with the strategy to transform the Belgium activities to a parcels based model integrating domestic mail, the goodwill related to the last mile delivery of parcels in Belgium (part of CGU Parcels BeNe) and CGU Press was transferred to CGU Belgium Last Mile (54.7 mEUR) in 2021. The goodwill related to the acquisition of Aldipress in 2022 was allocated to the CGU Belgium Last Mile.

To support the growth strategy of operating segment E-Logistics Eurasia, CGU E-Commerce logistics Europe & Asia was reorganized in 2021 in 3 CGU's with goodwill: Radial Europe (13.4 mEUR), Active Ants (29.9 mEUR) and Personalised Logistics (20.0 mEUR). The latter includes the delivery of parcels in the Netherlands which was part of CGU Parcels BeNe in the old structure. The combination of the assets in Personalised Logistics creates the smallest group of assets generating independent cash inflows supporting the new strategy of personalised logistics; added value delivery services supported by technical know-how. The goodwill is reallocated using a relative value approach.

The goodwill related to the acquisition of IMX in 2022 was allocated to the CGU Cross-border, which provides inbound, outbound and import services (custom duties) for parcels in Europe & Asia and for international mail worldwide.

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;
- 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 experiences 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	
	2022	2021	2022	2021
Belgium Last mile	6.6%	6.4%	1%	1%
Personalised logistics	8.3%	7.1%	2%	2%
Radial Europe	8.3%	7.1%	2%	2%
Active Ants	8.3%	7.1%	2%	2%
Cross-border	8.3%	7.1%	1%	1%
E-logistics North America	9.9%	8.4%	2%	2%

The impairment tests performed at CGU level did not lead to any impairment of assets, as the recoverable amounts of the (groups of) CGUs were significantly higher than their carrying amounts. More specifically, the difference between the CGUs' carrying amount and their value in use (headroom) represents in all cases at least more than 100% of their carrying amount. 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.

In this respect, for e-Logistics North America and Belgium Last Mile which are 2 CGU's with material goodwill and which represent 92% 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
Sensitivity to long-term growth rate -1%	-8.4%	-11.8%
Sensitivity to long-term growth rate +1%	10.8%	16.9%
Sensitivity to discount rate -0.5 %	7.0%	9.7%
Sensitivity to discount rate +0.5 %	-6.2%	-8.1%
Sensitivity to EBITDA margin -1.0 %	-12.1%	-10.2%
Sensitivity to EBITDA margin +1.0 %	12.1%	10.2%

6.20 Shares in equity

In 2022 bpost took a minority stake (5% of the shares for 0.1 mEUR) in b2boost, a Belgian company specialized in digitizing B2B data processes. The share purchase and shareholders' agreement furthermore foresees for bpost the option to buy the remaining 95% of the shares through a call option or sell back the 5% shares through a put option. Joining forces with b2boost is bpost's response to the growing market demand for digital data interchange and process automation. b2boost has created a platform that provides a complete solution for the legally-compliant digitization of invoices and automation of supply chain messages (and other protocols).

bpost elected to classify at initial recognition these shares in equity at fair value through other comprehensive income as they are not held for a purpose of trading but acquired with a long-term strategic view.

6.21 Investment in associates and joint ventures

IN MILLION EUR	2022	2021
BALANCE AT 1 JANUARY	0.0	0.1
Share of results	0.0	(0.0)
BALANCE AT 31 DECEMBER	0.1	0.0

Investment in associates and joint ventures relates to the joint venture Jofico CV.

6.22 Trade and other receivables

As at 31 December

IN MILLION EUR	2022	2021
Contract costs – assets recognized to obtain or fulfil a contract	8.9	4.7
Receivable related to the sale of Ubiway Retail	2.0	0.0
Receivable related to the sale of The Mail Group	0.0	2.3
Long-term guarantees	10.3	7.7
Subleases	5.6	4.8
Other receivables	6.2	4.4
NON-CURRENT TRADE AND OTHER RECEIVABLES	33.0	23.9

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.). 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.

As at 31 December

IN MILLION EUR	2022	2021
Trade receivables	656.9	614.4
Terminal dues	214.0	215.8
Tax receivables, other than income tax	6.6	4.6
Loan to associate	0.0	25.0
Contract costs – assets recognized to obtain or fulfil a contract	3.5	3.3
Other receivables	60.3	49.3
CURRENT TRADE AND OTHER RECEIVABLES	941.3	912.4

As at 31 December

IN MILLION EUR	2022	2021
Accrued income	7.2	8.3
Deferred charges	41.3	36.8
Other receivables	11.8	4.3
CURRENT – OTHER RECEIVABLES	60.3	49.3

Current trade and other receivables increased by 28.9 mEUR to 941.3 mEUR (2021: 912.4 mEUR), mainly due to the increase of the trade receivables by 42.5 mEUR and partially offset by the reimbursement of the loan by bpost bank (25.0 mEUR) on January 3, 2022 in line with the finalization of the transaction in which BNPPF acquired the 50% shares of bpost in bpost bank.

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, bpost applies a simplified approach in calculating ECL's for trade and terminal dues receivables. Therefore, bpost recognises 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 29.0 mEUR in 2022 compared to 22.0 mEUR in 2021. See note 6.30 Financial instruments and financial risk management.

6.23 Inventories

As at 31 December

IN MILLION EUR	2022	2021
Raw materials	5.4	4.9
Finished products	3.9	5.2
Goods purchased for resale	16.3	11.5
Reductions in value	(1.1)	(0.9)
INVENTORIES	**24.5**	**20.7**

Inventories increased by 3.8 mEUR mainly due to the integration of Aldipress, partially compensated by a decrease of the stock of uniforms of postmen.

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.

6.24 Cash and cash equivalents

As at 31 December

IN MILLION EUR	2022	2021
Cash in postal network	143.9	149.9
Transit accounts	65.8	44.9
Cash payment transactions under execution	(24.0)	(28.4)
Bank current accounts	680.6	578.6
Short term deposits	184.7	162.6
CASH AND CASH EQUIVALENTS	**1,051.0**	**907.5**

Cash and cash equivalents increased by 143.5 mEUR, this increase was driven by the net cash inflow from operating activities (422.4 mEUR). This increase was offset by the net cash outflow of investing activites (19.2 mEUR), as the sale of bpost bank almost offsets the capex and by the net cash outflow of investing activities (262.1 mEUR), amongst other due to the payment of dividends in 2022 (98.5 mEUR).

Short-term deposits consists of deposit accounts and term deposits predominantly made by bpost SA/NV with its banks. These investments of the total amount of each term contract can be withdrawn in less than 3 months through a formal notification to the bank.

Note furthermore that bpost also has two undrawn revolving credit facilities for a total amount of 375.0 mEUR, see note 6.32 "rights and commitments".

6.25 Interest-bearing loans and borrowings

2021

			NON-CASH FLOW CHANGES								
IN MILLION EUR	2020	CASH FLOWS	FOREIGN EXCHANGE MOVEMENT	ADDITION	REASSESSMENT	DISPOSAL	DISPOSAL THROUGH BUSINESS COMBINATIONS	TRANSFER	TRANSFER TO AHFS	OTHER	2021
Bank loans	159.9	0.0	12.6	0.0	0.0	0.0	0.0	(9.1)	0.0	(0.0)	163.3
Long-term bond	643.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	644.8
Other loans	0.0	0.0	(0.1)	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Non-Current Lease liabilities	361.5	0.0	9.0	155.6	66.2	(13.0)	(3.3)	(117.8)	(12.1)	7.0	453.1
NON CURRENT INTEREST-BEARING LOANS AND BORROWINGS	**1,165.0**	**0.0**	**21.5**	**155.6**	**66.2**	**(13.0)**	**(3.2)**	**(126.9)**	**(12.1)**	**8.1**	**1,261.2**

			NON-CASH FLOW CHANGES								
IN MILLION EUR	2020	CASH FLOWS	FOREIGN EXCHANGE MOVEMENT	ADDITION	REASSESSMENT	DISPOSAL	DISPOSAL THROUGH BUSINESS COMBINATIONS	TRANSFER	TRANSFER TO AHFS	OTHER	2021
Bank loans	9.1	(9.1)	0.0	0.0	0.0	0.0	0.0	9.1	0.0	0.0	9.1
Commercial papers	165.0	(165.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other loans	0.2	1.7	(0.1)	0.0	0.0	0.0	(1.8)	0.0	0.0	0.0	0.0
Current Lease liabilities	103.9	(125.2)	2.8	10.3	1.4	(0.1)	(1.6)	117.8	(5.9)	3.8	107.3
CURRENT INTEREST-BEARING LOANS AND BORROWINGS	**278.2**	**(297.6)**	**2.7**	**10.4**	**1.4**	**(0.1)**	**(3.4)**	**126.9**	**(5.9)**	**3.8**	**116.4**

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-current interest-bearing loans and borrowings decreased by 80.4 mEUR to 1,180.9 mEUR as the 185.0 mUSD term loan has been transferred from non-current to current interest-bearing loans and borrowings as this loan is due to within the year. This decrease was partially offset by the increase of the lease liabilities. All movements related to additions and lease details are explained in note 6.16.

IN MILLION EUR	2021	CASH FLOWS	NON-CASH FLOW CHANGES: 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**

Current interest-bearing loans and borrowings increased by 190.9 mEUR to 307.3 mEUR, mainly explained by the transfer of the 185.0 mUSD term loan from non-current to current interest-bearings loans and borrowings. Within note 6.30, section interest rate risks the terms and conditions of the interest-bearing loans and borrowings are disclosed.

In 2022 the last payment (9.1 mEUR) related to the loan of the European Investment Bank (“EIB”) has been performed. In 2007 bpost took out a 100.0 mEUR loan with floating interest rate from the EIB.

Note that the total of the columns “cash flow” mentioned in the table above amounted to -150.1 mEUR, while “the net flows related to borrowings and lease liabilities” (ie cash flow from financing activities excluding dividends paid) in the consolidated statement of cash flow amounted to -163.6 mEUR. The difference of -13.5 mEUR was mainly due 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 6.32 “rights and commitments”.

There are no convenants on the loans.

6.26 Employee benefits

bpost 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 bpost’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	2022	2021
Post-employment benefits (note 6.26.1)	17.3	23.3
Other long-term benefits (note 6.26.2)	217.7	266.2
Termination benefits (note 6.26.3)	9.2	8.7
TOTAL	**244.2**	**298.2**

Net of the deferred tax assets related to them, employee benefits amount to 240.1 mEUR (2021: 279.1 mEUR).

As at 31 December

IN MILLION EUR	2022	2021
Employee benefits	244.2	298.2
Deferred tax assets impact	(4.1)	(19.2)
EMPLOYEE BENEFITS NET OF DEFERRED TAX	**240.1**	**279.1**

The net liability for employee benefits comprises the following:

As at 31 December

IN MILLION EUR	2022	2021
Present value of total obligations	305.7	384.7
Fair value of plan assets	(61.5)	(86.5)
Present value of net obligations	244.2	298.2
NET LIABILITY	**244.2**	**298.2**
Employee benefits amounts in the statement of financial position		
Liabilities	244.2	298.2
NET LIABILITY	**244.2**	**298.2**

The changes in the present value of the obligations are as follows:

IN MILLION EUR	2022	2021
Present value at 1 January	384.7	408.5
Service cost	29.0	27.3
-Current service cost	29.0	27.3
Net interest	3.1	1.6
Benefits paid	(33.8)	(32.4)
Remeasurement (gains)/losses in P&L	(45.4)	(13.0)
-Actuarial (gains)/losses	(45.4)	(13.0)
Remeasurement (gains)/losses in OCI	(32.0)	(7.2)
-Actuarial (gains)/losses	(32.0)	(7.2)
DEFINED BENEFIT OBLIGATION AT 31 DECEMBER	**305.7**	**384.7**

The fair value of the plan assets can be reconciled as follows:

IN MILLION EUR	2022	2021
Fair value of plan assets at 1 January	(86.5)	(88.5)
Contributions by employer	(32.9)	(33.2)
Contributions by employee	(1.6)	(1.6)
Benefits paid	33.8	32.4
Interest (income)/cost on assets (P&L item)	(0.9)	(0.6)
Actuarial (gains)/losses on assets (OCI item)	26.7	5.0
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	**(61.5)**	**(86.5)**

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).

2022 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 2022	**384.7**	**(86.5)**	**298.2**
Service cost	29.0		29.0
Contributions by employee		(1.6)	(1.6)
Actuarial (gains)/losses reported as operating	1.9		1.9
Subtotal included in Payroll P&L (note 6.12)	30.9	(1.6)	29.3
Interest cost	3.1		3.1
Interest (income)/cost on assets (P&L item)		(0.9)	(0.9)
Actuarial (gains)/losses reported as financial	(47.2)		(47.2)
Subtotal included in Financial P&L (note 6.13)	(44.1)	(0.9)	(45.0)
Benefits paid	(33.8)	33.8	0.0
Contributions by employer		(32.9)	(32.9)
SUBTOTAL CASH FLOWS STATEMENT	**(47.0)**	**(1.7)**	**(48.7)**
Remeasurement (gains)/losses in OCI	(32.0)	26.7	(5.3)
31 DECEMBER 2022	**305.7**	**(61.5)**	**244.2**

The expense recognized in the income statement is presented hereafter:

As at 31 December

IN MILLION EUR	2022	2021
Service cost	27.4	25.6
-Current service cost	27.4	25.6
Net interest	2.2	1.1
Remeasurement (gains)/losses	(45.4)	(13.0)
- Actuarial (gains)/losses reported as financial	(47.2)	(8.2)
- Actuarial (gains)/losses reported as operating	1.9	(4.9)
NET EXPENSE	**(15.8)**	**13.7**

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	2022	2021
Payroll costs	29.3	20.8
Financial costs	(45.0)	(7.1)
NET EXPENSE	**(15.8)**	**13.7**

The expense recognized in the other comprehensive income is presented hereafter:

As at 31 December

IN MILLION EUR	2022	2021
Remeasurement gains/(losses)	(5.3)	(2.2)
- Actuarial (gains)/losses	(5.3)	(2.2)
NET EXPENSE	**(5.3)**	**(2.2)**

The main assumptions used in computing the benefit obligations at the statement of financial position date are the following:

	2022	2021
Rate of inflation	First year : 6% Years after : 2.5%	2.0%
Future salary increase	< 40 yo : Inflation + 1.5% Merit [40-50] yo : Inflation +1.0% Merit > 50 yo : Inflation + 0.5% Merit	3.0%
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 2022 range from 3.25% to 3.90% (2021: -0.30% to 1.10%):

		DISCOUNT RATE		NET LIABILITY
BENEFIT	DURATION	2022	2021	2022
Family allowances	5.5	3.85%	0.65%	11.8
Bank	12.1	3.75%	1.10%	1.7
Funeral expense	6.4	3.85%	0.80%	1.9
Gratification	from 10.9 to 12.4	from 3.85% to 3.90%	from 0.90% to 1.00%	1.3
Group insurance	from 10.2 to 18.0	from 3.75% to 3.85%	from 0.95% to 1.10%	0.6
Accumulated compensated absences	2.7	3.65%	-0.05%	14.9
Workers compensation in case of accidents	10.2	3.75%	0.95%	98.8
Medical expenses in case of accidents	13.6	3.75%	1.10%	6.7
Pension saving days	7.9	3.85%	0.85%	80.0
Jubilee Premiums	from 5.4 to 6.7	from 3.80% to 3.90%	from 0.60% to 0.75%	0.9
DSPR/DVVP for Job Mobility Center	7.5	3.90%	0.85%	12.1
Part-time regime (54+)	from 0.9 to 2.7	3.60%	0.10%	4.1
Early retirement scheme	from 0.5 to 1.6	from 3.25% to 3.45%	from -0.30% to -0.15%	9.2

The average duration of the defined benefit plan obligation at the end of 2022 is 9.0 years (2021: 11.0 years).

A quantitative sensitivity analysis for significant assumptions at December 31, 2022 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	INFLATION	
IN MILLION EUR	50 BP INCREASE	50 BP DECREASE	DECREASE BY 1 YEAR	100 BP INCREASE	50 BP INCREASE	50 BP DECREASE
Impact on defined benefit obligation (decrease)/increase	(12.8)	13.9	3.9	0.9	7.7	(7.3)

6.26.1 Post-employment

Post-employment benefits include family allowances, bank costs, funerary costs, retirement gifts and Belgian group insurances.

Family allowances

bpost NV/SA civil servants (both active and pensioner) 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 pensioner) can 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.

Group Insurance

bpost offers to its active contractual employees (under certain conditions such as the function level) a group insurance benefit. 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.

Although there is still no full clarity on the approach, new legislation dated December 2015 brought more clarification on the minimum guaranteed return. The uncertainty with respect to the future evolution of the minimum guaranteed rates of return in Belgium has been removed 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.

Although there is no full consensus in the market concerning the methodology, in 2018 the underlying methodology used for IAS 19 accounting of these defined contribution plans has been finetuned taken into account the evolution in methodologies in the market based on new insights. bpost continues to use 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. 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 when guaranteed interest rates are higher than the discount rates, resulting in a lower net liability.

The net liability for employee post-employment benefits comprises the following:

As at 31 December

IN MILLION EUR	2022	2021
Present value of total obligations	78.8	109.8
Fair value of plan assets	(61.5)	(86.5)
Present value of net obligations	17.3	23.3
NET LIABILITY	**17.3**	**23.3**
Employee benefits amounts in the statement of financial position		
Liabilities	17.3	23.3
NET LIABILITY	**17.3**	**23.3**

The changes in the present value of the obligations are as follows:

IN MILLION EUR	2022	2021
Present value at 1 January	109.8	115.3
Service cost	11.1	11.7
-Current service cost	11.1	11.7
Net interest	1.1	0.6
Benefits paid	(11.2)	(10.5)
Remeasurement (gains)/losses in P&L	0.0	0.0
-Actuarial (gains)/losses	0.0	0.0
Remeasurement (gains)/losses in OCI	(32.0)	(7.2)
-Actuarial (gains)/losses	(32.0)	(7.2)
DEFINED BENEFIT OBLIGATION AT 31 DECEMBER	**78.8**	**109.8**

The fair value of the plan assets is presented as follows:

IN MILLION EUR	2022	2021
Fair value of plan assets at 1 January	(86.5)	(88.5)
Contributions by employer	(10.3)	(11.3)
Contributions by employee	(1.6)	(1.6)
Benefits paid	11.2	10.5
Interest (income)/cost on assets (P&L item)	(0.9)	(0.6)
Actuarial (gains)/losses on assets (OCI item)	26.7	5.0
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	**(61.5)**	**(86.5)**

The expense recognized in the income statement is presented hereafter:

As at 31 December

IN MILLION EUR	2022	2021
Service cost	9.5	10.0
-Current service cost	9.5	10.0
Net interest	0.1	0.0
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	**9.6**	**10.1**

The impact on payroll costs and financial costs is presented hereafter:

As at 31 December

IN MILLION EUR	2022	2021
Payroll costs	9.5	10.0
Financial costs	0.1	0.0
NET EXPENSE	**9.6**	**10.1**

The expense recognized in other comprehensive income is presented hereafter:

As at 31 December

IN MILLION EUR	2022	2021
Remeasurement (gains)/losses	(5.3)	(2.2)
- Actuarial (gains)/losses	(5.3)	(2.2)
NET EXPENSE	**(5.3)**	**(2.2)**

6.26.2 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 2021. 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 2022. 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 2022, 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 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 and to the other employees 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 for the distributors and 48 months for the other beneficiaries of the plan.
- Framework Agreement of May 22, 2014: (i) the plan approved in 2012 and accessible to the distributors is extended to the employees working during night and (ii) for the other employees, 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 for the night workers and 48 months for the other beneficiaries of the plan.

- Framework Agreement of June 2, 2016 (valid until December 2016): (i) the plan approved in 2012 for distributors and extended in 2014 to employees working during night is also applicable for collect agents and (ii) for the other employees, the plan is accessible as from 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 collect agents and 48 months for the other beneficiaries of the plan.
- 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.

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	2022	2021
Present value of total obligations	217.7	266.2
Fair value of plan assets	0.0	0.0
Present value of net obligations	217.7	266.2
NET LIABILITY	**217.7**	**266.2**
Employee benefits amounts in the statement of financial position		
Liabilities	217.7	266.2
NET LIABILITY	**217.7**	**266.2**

The changes in the present value of the obligations are as follows:

IN MILLION EUR	2022	2021
Present value at 1 January	266.2	283.4
Service cost	12.7	11.2
- Current service cost	12.7	11.2
Net interest	2.1	1.0
Benefits paid	(18.3)	(17.5)
Remeasurement (gains)/losses in P&L	(45.1)	(11.9)
- Actuarial (gains)/losses	(45.1)	(11.9)
Remeasurement (gains)/losses in OCI	0.0	0.0
- Actuarial (gains)/losses	0.0	0.0
DEFINED BENEFIT OBLIGATION AT 31 DECEMBER	**217.7**	**266.2**

The expense recognized in the income statement is presented hereafter:

As at 31 December

IN MILLION EUR	2022	2021
Service cost	12.7	11.2
- Current service cost	12.7	11.2
Net interest	2.1	1.0
Remeasurement (gains)/losses	(45.1)	(11.9)
- Actuarial (gains)/losses reported as financial	(47.1)	(8.2)
- Actuarial (gains)/losses reported as operating	1.9	(3.7)
NET EXPENSE	**(30.3)**	**0.3**

The impact on payroll costs and financial costs is presented hereafter:

As at 31 December

IN MILLION EUR	2022	2021
Payroll costs	14.7	7.4
Financial costs	(45.0)	(7.1)
NET EXPENSE	**(30.3)**	**0.3**

6.26.3 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 is 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	2022	2021
Present value of total obligations	9.2	8.7
Fair value of plan assets	0.0	0.0
Present value of net obligations	9.2	8.7
NET LIABILITY	**9.2**	**8.7**
Employee benefits amounts in the statement of financial position		
Liabilities	9.2	8.7
NET LIABILITY	**9.2**	**8.7**

The changes in the present value of the obligations are as follows:

IN MILLION EUR	2022	2021
Present value at 1 January	8.7	9.8
Service cost	5.2	4.5
-Current service cost	5.2	4.5
Net interest	0.0	0.0
Benefits paid	(4.4)	(4.4)
Remeasurement (gains)/losses in P&L	(0.2)	(1.1)
-Actuarial (gains)/losses	(0.2)	(1.1)
Remeasurement (gains)/losses in OCI	0.0	0.0
-Actuarial (gains)/losses	0.0	0.0
DEFINED BENEFIT OBLIGATION AT 31 DECEMBER	**9.2**	**8.7**

The expense recognized in the income statement is presented hereafter:

As at 31 December

IN MILLION EUR	2022	2021
Service cost	5.2	4.5
-Current service cost	5.2	4.5
Net interest	0.0	0.0
Remeasurement (gains)/losses	(0.2)	(1.1)
- Actuarial (gains)/losses reported as financial	(0.2)	0.0
- Actuarial (gains)/losses reported as operating	(0.1)	(1.1)
NET EXPENSE	**4.9**	**3.3**

The impact on payroll costs and financial costs is presented hereafter:

As at 31 December

IN MILLION EUR	2022	2021
Payroll costs	5.1	3.3
Financial costs	(0.2)	0.0
NET EXPENSE	**4.9**	**3.3**

6.27 Trade and other payables

As at 31 December

IN MILLION EUR	2022	2021
Trade payables	2.2	1.6
Other payables	23.7	31.8
NON-CURRENT TRADE AND OTHER PAYABLES	25.9	33.3

The non-current other payables are 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 reassessment in 2022 of the variable exercise price for the remaining shares of Anthill BV and Active Ants International, partially offset by the recognition of the liability linked to the minority shares of IMX.

As at 31 December

IN MILLION EUR	2022	2021
Trade payables	387.5	382.9
Collected proceeds due to clients	65.5	59.9
Terminal dues	298.4	329.2
Payroll and social security payables	421.6	366.4
Tax payable other than income tax	10.0	9.7
Transit account franking machines	10.3	10.3
Working capital provided for postal financial services	18.8	18.8
Cash guarantees received	11.5	11.3
Accruals (excluding terminal dues)	181.8	179.2
Deferred income	73.6	75.8
Other payables	15.5	27.3
CURRENT TRADE AND OTHER PAYABLES	1,494.4	1,470.9

The carrying amounts are considered to be a reasonable approximation of the fair value.

The increase of current trade and other payables by 23.5 mEUR to 1,494.4 mEUR was mainly explained by:
- the increase of the outstanding payroll and social security payables (55.2 mEUR), mainly due to the deferred payment of withholding taxes on payroll (30.6 mEUR), a measure granted by the Belgian government in the context of the energy crisis;
- partially offset by;
- the decrease of the terminal dues from postal operators by 30.8 mEUR due to higher settlements of previous year's outstanding positions and lower cross border activities;
- the reimbursement of the 12.0m working capital (included in other payables) of bpost bank per January 3, 2022 at the time of the finalization of the transaction in which BNP Paribas Fortis acquired the 50% shares of bpost in bpost bank.

Contract liabilities

As at 31 December

IN MILLION EUR	2022	2021
Stamps sold not yet used and credit on franking machine	53.1	47.9
Other contract liabilities	18.5	25.9
CONTRACT LIABILITIES	71.6	73.8

The considerations paid already by customers that have been allocated to the remaining performance obligation that are (partially) unsatisfied at reporting date amounted to 53.1 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.

6.28 Provisions

IN MILLION EUR	LITIGATION	ENVIRONMENT	ONEROUS CONTRACT	RESTRUCTURING & OTHER	TOTAL
BALANCE AT 1 JANUARY 2021	**15.2**	**2.6**	**2.8**	**6.4**	**27.0**
Additional provisions recognized	5.4	0.0	1.6	3.2	10.2
Addition through Business Combinations	0.0	0.0	0.0	0.0	0.0
Provisions used	(0.2)	0.0	(2.7)	(1.9)	(4.7)
Provisions reversed	(3.3)	(2.1)	0.0	(0.9)	(6.3)
Transfer to held for sale	0.0	0.0	(0.4)	(0.1)	(0.5)
Exchange rate difference	0.0	0.0	0.1	0.0	0.1
Other movements	0.0	0.0	0.0	0.0	0.0
BALANCE AT 31 DECEMBER 2021	**17.2**	**0.5**	**1.4**	**6.7**	**25.8**
Non current balance at end of year	14.0	0.5	0.1	0.1	14.7
Current balance at end of year	3.2	0.0	1.3	6.6	11.1
	17.2	0.5	1.4	6.7	25.8
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
Addition through Business Combinations					0.0
Provisions used	(0.6)	0.0	(1.2)	(2.7)	(4.5)
Provisions reversed	(2.4)	0.0	0.0	(2.8)	(5.2)
Transfer to held for sale	0.0	0.0	0.0	0.0	0.0
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

The provision for **litigation** amounted to 17.3 mEUR as per December 31, 2022. It represents the expected financial outflow relating to many different (actual or imminent) litigations between bpost and third parties.

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.

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 in the case between bpost and the Belgian Competition Authority. A judgement is not expected before the end of 2023.
- 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. It is expected that the Court will remove this matter from the general roll following the closure of the bankruptcy proceedings by the Company Court of Walloon Brabant in April 2020, i.e. in the course of 2023.

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 ("ECJ") 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[6]. A final decision is not expected before the end of 2023.

The provision related to **environment** issues amounted to 0.5 mEUR. It covers soil sanitation.

The provision on **onerous contracts** concerns the best estimate of the costs relating to the closing down of mail and retail offices and the ICT maintenance of a phasing-out webstore platform.

Other provisions include expected costs related to obligations for repairs and legal obligations among others. As at December 31, 2022 other provisions amounted to 7.4 mEUR.

6.29 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 2021

		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	14.9	0.0	14.9	0.0
CURRENT				
Financial assets	1,816.6	0.0	1,816.6	0.0
TOTAL FINANCIAL ASSETS	**1,831.5**	**0.0**	**1,831.5**	**0.0**
FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST (EXCEPT FOR DERIVATIVES)				
NON-CURRENT				
Long-term bond	644.8	666.1	0.0	0.0
Financial liabilities	649.8	0.0	649.8	0.0
CURRENT				
Derivatives instruments – forex swap	0.3	0.0	0.3	0.0
Derivatives instruments – forex forward		0.0	0.0	0.0
Financial liabilities	1,587.3	0.0	1,587.3	0.0
TOTAL FINANCIAL LIABILITIES	**2,882.2**	**666.1**	**2,237.4**	**0.0**

6 *The ECJ hands down its decision to the referring court, which is then obliged to implement the ruling.*

As of 31 December 2022

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	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**

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.

Financial liabilities measured at amortized cost – non-current

At the end of 2022, 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: 534.9 mEUR.

Derivative instruments

bpost 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. bpost uses 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 2022 the impact of the fair value of the forward contracts and foreign exchange swap contracts amounted to a decrease of the liabilities by 0.3 mEUR.

Financial liabilities measured at amortized cost – current

In 2022 the 185.0 mUSD unsecured term loan (floating interest rate) has been transferred from non-current to current financial liabilities at amortized cost as this loan, which started on July 3, 2018 with a maturity of 3 years and extended in 2020 to July 2023, is due to within the year.

The outstanding balance of liabilities related to leases amounted to 134.1 mEUR end of 2022 (2021 107.5 mEUR).

On May 5, 2007 bpost took out a 100.0 mEUR loan (floating interest rate) from the European Investment Bank (EIB). It has a yearly reimbursement of 9.1 mEUR and the last payment was in 2022.

6.30 Financial instruments and financial risk management

bpost is exposed to market risks from movements in foreign exchange rates, interest rates and other market prices (utility prices). Furthermore bpost is also exposed to credit risks and liquidity risks.

Foreign exchange rate risks

In its operational and financial activities, bpost 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, 2021 1 EUR = 1.1326 USD compared to December 31, 2022 1 EUR = 1.0666 USD and yearly average – i.e. monthly average divided by 12 - for 2022 1 EUR = 1.05 USD compared to 2021 1 EUR = 1.18 USD), there are no material monetary items.

Hedging instruments are used to mitigate these impacts.

bpost 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. Consequently, the effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income. The notional amount of the hedging amounted to 143.0 mUSD, whereas the carrying amount converted into Euro amounted to 134.1 mEUR. At December 31, 2022 the net loss on the revaluation of the USD loan recognized in other comprehensive income and accumulated in the foreign currency translation reserve amounted to 7.8 mEUR. There was no ineffectiveness in 2022.

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 (after considering the net investment hedge) of the North America subsidiaries of bpost for 2022. The group'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	(5.2)	5.7
Effect on Group equity after considering the net investment hedge	(26.2)	28.9

Interest rate risks

bpost is directly exposed to interest rate fluctuations through its external financing. However, bpost mitigates this risk by achieving a balance between fixed and variable rates. This balance currently mainly consists of fixed rates but may evolve according to market situation.

In order to manage the interest rate structure of its debt, bpost 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 2022, the external financing consisted of:

- 185.0 mUSD unsecured term loan (floating interest rate). This loan started on July 3, 2018 with a maturity of 3 years, and has been extended in 2020 to July 2023.
- 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 20.0 mEUR and an ineffective part 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 2022 a net amount of 1.9 mEUR has been reclassified to the income statement.

The table below illustrates the impact of a change in interest rates of 50bp (from 1% to 1.5% for example) on the floating rate debts (i.e. the term loan in USD). Interest is calculated at Euribor/USD Libor plus margin. As the margin is determined in the contract, the sensitivity analysis only applies on the Euribor/USD Libor, known as the ”base rate”.

As at 31 December

IN MILLION EUR	SENSITIVITY TO A -50BP MOVEMENT IN MARKET INTEREST RATES	SENSITIVITY TO A +50BP MOVEMENT IN MARKET INTEREST RATES
Impact on costs	(0.8)	0.8

Financial results of bpost are also influenced by the evolution of the discount rates, used to calculate the employee benefits obligation. At December 31, 2022, an increase of 50 bp of the average discount rates, would generate a decrease of financial charge of 12.8 mEUR. A decrease of 50 bp of the average discount rates, would increase financial charges by 13.9 mEUR. For further detail, see note 6.26 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. bpost 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. bpost 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 bpost’s sustainability strategy includes ambitious targets to reduce bpost’s Greenhouse Gas (“GhG”) emissions. bpost commits to be one of the greenest players in the countries we operate 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). bpost 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.

bpost 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, bpost 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, bpost is also working at effectively reducing its emissions. Aware of the ecological impact of the growing parcels distribution, bpost has drawn up a CO2 reduction objective aimed at reducing emissions from our own operations of the entire bpostgroup by 55% by 2030, compared to 2019 (in line with the Science-Based Targets Initiative 1.5-degree Celsius pathway and climate targets of the Paris Agreement). To achieve this goal, bpost will, among others, switch to 100% electric vans (small, medium, large) by 2030.

Credit risks

bpost 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	2022	2021
Cash and Cash equivalents	1,051.0	907.5
Trade receivables (current and non-current)	871.0	830.2
Other receivables exposed at credit risk	41.4	77.4
Of which loan to associate	0.0	25.0
CREDIT RISK CLASSES ASSETS	**1,963.3**	**1,840.0**

On December 11, 2019 bpost granted to bpost bank a subordinated loan of 25.0 mEUR with a maturity of 10 years and a first call date after 5 years. As such, this debt ranks after the other debts if bpost bank falls into liquidation or bankruptcy. This loan has been reimbursed in January 3, 2022 in line with the finalization of the transaction in which BNPPF acquired the 50% shares of bpost in bpost bank.

Operational activities

The credit risk by definition only concerns that portion of bpost's activities that are not paid upfront in cash. bpost actively manages its exposure to credit risk by investigating the solvency of its customers. This translates into a credit rating and a credit limit.

bpost 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	2022	2021
AT 1 JANUARY	22.0	24.8
Impairments: Additions through business combinations	0.8	(1.5)
Impairments: Additions	18.9	1.7
Impairments: Utilization	(1.0)	(1.2)
Impairments: Reversal	(2.7)	(2.2)
Impairments: Translation differences	(0.3)	0.5
AT 31 DECEMBER	37.7	22.0

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	INDIVIDUALLY ASSESSED	TOTAL
AS AT 31 DECEMBER 2021						
Estimated total gross carrying amount at default	803.5	29.8	3.8	8.5	6.5	852.2
Expected credit loss rate	0.4%	12.5%	14.0%	98.0%	100%	
Allowance for expected credit losses	(2.9)	(3.7)	(0.5)	(8.4)	(6.5)	(22.0)
TRADE RECEIVABLES AND TERMINAL DUES	800.6	26.1	3.3	0.2	0.0	830.2
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

The expected credit loss rate increased in 2022 in comparison to 2021. This increase was mainly due to disputes with terminated customers at Radial North America. 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 bpost'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

bpost'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 bpost 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 2021				
Lease obligations	117.9	320.3	175.3	613.5
Trade and other payables	1,470.9	33.3	0.0	1,504.3
Long term bond	8.1	678.6	0.0	686.8
Commercial papers	0.0	0.0	0.0	0.0
Derivative instruments	0.3	0.0	0.0	0.3
Bank loan	12.0	164.8	0.0	176.8
TOTAL LIABILITIES	**1,609.3**	**1,197.1**	**175.3**	**2,981.7**
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**

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 financial position date.

The liquidity risk is further mitigated by committed credit lines scaled according to the magnitude of bpost operations.

6.31 Contingent liabilities and contingent assets

As described under note 6.28, 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[7] 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 2023. 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.

In October 2020, Radial North America experienced a ransomware attack impacting a portion of its US operations, including technology services and downstream impacts to its operational services. The attack and the malware was not capable of exfiltrating or stealing data and there is no indication that any client or personal data left Radial North America systems. Within a reasonable timeframe following the attack and prior to the 2020 peak holiday period, Radial North America managed to regain sufficient functionality in its technology services in order to restart operations at all of its locations. Radial North America maintains two layers of cyber insurance coverage throughout which the company recovered the full amount available under its primary insurance policy and received 10.0 mUSD in 2021 from the insurance companies, mainly related to business disruption and client appeasements. Radial North America is currently in the process of finalizing its claim with its secondary insurance carrier in connection with the ransomware attack.

7 *The ECJ hands down its decision to the referring court, which is then obliged to implement the ruling.*

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 tenders of the Belgian State for the distribution of recognized newspapers and periodicals in Belgium[8].

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 related to these tenders and was based, in terms of fact findings, (1) on questionnaires and interviews of the most relevant and senior persons working for bpost; and (2) 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 fact gathering. This led the Chair of the Board of Directors, on October 7, 2022, to extend the compliance review that she had requested in August 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 incoming 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 review, revealing elements that may indicate violations of the Company's codes, policies and applicable laws. On October 24, 2022, the Board of Directors and the CEO mutually agreed that the CEO would temporarily step aside pending the review.

As the compliance review continued, it revealed non-compliance with the Company's codes and policies as well as indications of non-compliance with applicable laws. The review was also extended to the current concession for the distribution of newspapers and periodicals in Belgium, in relation to which it revealed elements that may indicate potential violations of applicable laws as well.

On December 9, 2022, the Board of Directors and the CEO decided to mutually terminate their collaboration. Within this context, the collaboration with two other persons within bpostgroup also ended.

Throughout the process, bpost was assisted by external legal counsels and has actively cooperated with the competent authorities in order to preserve its interests.

bpost understands that the Belgian Competition Authority has in the meantime 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 also understands that the Belgian government has announced that it would audit the press concession for any overcompensation.

Potential impact

Based on current information at its disposal and discussions with its legal advisors, bpost has the following view on the potential impact of the compliance review:

(i) bpost has fully cooperated with the ongoing investigation of the Belgian Competition Authority, but the risk of the imposition of a fine will depend on the findings made by the Belgian Competition Authority. This risk is currently, subject to further findings of the Belgian Competition Authority, assessed as possible but not probable.
(ii) The Belgian government announced its intention to conduct a Governmental audit into the compensation for the current press concession (2016-2020), which is extended until end 2023 (or mid 2024 if a new tender is launched and attributed to another party than bpost). Whilst the costs associated to 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 des Commissaires as part of the annual approval of the accounts, bpost is currently unable to assess the risks associated to this audit and its potential findings considering that at the time of writing bpost did not yet receive any information regarding the scope of the audit. Any findings of over-compensation could inter alia lead to a claim for reimbursement of a part of the revenues charged for the service.
(iii) Considering the self-cleaning measures taken by the Company (i.e. the Company's cooperation with the competent authorities; the severance of all links with persons involved; the strengthening of the Company's bid compliance policy and of the staff formation; the Company's intention to pay compensation in respect of any damage caused; and the implementation of a new tender approval process and a new tender governance), 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 current 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.

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8 *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. On September 2, 2021, the European Commission decided not to raise objections to the compensation granted to bpost relating to this extension of the service concessions on the grounds that it is compatible with the internal market.*
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. The process of submission of the extension to the European Commission for approval under State aid rules has started.
On February 23, 2023 the Belgian government published the new press concessions tender. If the concession is not awarded to bpost, the addendum extending the current concession agreement provides for a six-month extension, until June 30, 2024, to ensure the transition between the service providers.

Considering the uncertainty involved with above investigations, bpost deems the exposure of a cash outflows at this moment possible but not probable. bpost is however unable to provide any estimates at this stage.

Given that the current press concession (2016-2020) is extended until end 2023 (or mid 2024 if a new tender is launched and attributed to another party than bpost), there is no significant operational or financial impact expected in 2023 as compared to 2022 (other than as set out above).

On February 23, 2023 the Belgian government published the new press concessions tender. The government has reduced the budget attributed to the press concessions and adapted the tender specifications in function of this reduced budget. bpost will assess the RFP and its requirements whether an offer can be submitted that is financially sound. Any such offer would be subject to the customary approval process. bpost judges itself well-placed to win such a tender process, in which case operational and financial impact will depend on the tender specifications.

The financial impact of these scenarios depends on many factors, of which the key ones are (i) the requirements included in the new tender, (ii) the overall workload across all products in its operations (notably linked to uncertainty on parcel volume development), (iii) the position of editors towards potential commercial solutions offered by bpost or others arising in the market and (iv) the outcome of any social negotiations arising from the potential need to restructure the bpost operations. Given the uncertainty on all of these factors, bpost is not able to provide any estimates at this stage.

6.32 Rights and commitments

Lease contracts signed but not started yet

Four significant new leases contracts have been signed for which the start date is after the statement of financial position date. It concerns:

- a new headquarter for Apple Express with a duration of 10 years with a right of use asset estimated at 22.0 mEUR;
- a new warehouse for Active Ants UK with a duration of 10 years with a right of use asset at 13.3 mGBP;
- a new warehouse at DynaGroup with a duration of 10 years with a right of use asset estimated at 6.7 mEUR;
- a new warehouse at FDM with a duration of 4.5 years with a right of use asset estimated at 2.8 mEUR;

Guarantees received

At 31 December 2022, bpost benefits from bank guarantees amounting to 30.6 mEUR , issued by banks on behalf of bpost's customers. These guarantees can be called in and paid against in the event of non-payment or bankruptcy. They therefore offer bpost financial certainty during the period of contractual relations with the customer.

Goods for resale on consignment

At 31 December 2022, merchandise representing a sales value of 3.5 mEUR had been consigned by partners for the purpose of sale through the postal network.

Revolving credit facilities

bpost 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 bpost's sustainability rating as determined by an external party.

Guarantees given

bpost has an agreement with BNP, Belfius, ING, KBC and Société Générale according to which they agree to provide for up to 102.1 mEUR in guarantees for bpost upon simple request . Furthermore, bpost has provided for an amount of 16.0 mEUR of guarantees to third parties.

Funds of the State

bpost 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.

6.33 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 and holds 51.04% of bpost. 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, 9.6% of bpost's total operating income in 2022 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 bpost'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[9].

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. This extension is 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 302.6 mEUR for 2022 (277.0 mEUR in 2021).

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9 *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.*

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, 2022 amounted to 77.7 mEUR (107.6 mEUR on December 31, 2021).

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 6.34 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

bpost bank

bpost bank was a 50% associate of bpost. bpost bank’s other shareholder was BNP Paribas Fortis NV/SA (“BNPPF”) with the remaining 50%. In 2020 the investment in bpost bank was classified as assets held for sale given the non-binding agreement on the future long-term partnership of bpost bank NV/SA, including the sale of participation from bpost to BNPFF. In 2021 the agreement has been finalised and on January 3, 2022 the transaction was completed after having obtained the regulatory approvals.

As a registered banking and insurance intermediary, bpost distributes banking and insurance products on behalf of bpost bank. bpost, in its quality of service provider, furthermore provided back office activities and other ancillary services to bpost bank.

The main banking and insurance products distributed by bpost bank through bpost are current accounts, saving accounts, term accounts, certificates of deposit and funds or structured products provided by BNPPF, respectively accident and/or health insurances, and annuity and pension products, including “branch 21” and “branch 23” life insurances provided by AG Insurance.

bpost bank does not perform any asset management activities nor any private banking or commercial lending.

On March 31, 2021, BNPPF and bpost announced a new collaboration model whereby bpost continues at least until December 31, 2028 to distribute - as a registered banking and insurance intermediary - banking and insurance products on behalf of bpost bank through its network of post offices.

Banking and insurance partnership agreement

The cooperation between bpost and BNPPF with respect to bpost bank was set out in a banking partnership agreement, which expired on January 3, 2022, and was replaced by a distribution, governance framework and other ancillary agreements signed by bpost, bpost bank and BNPPF on January 3, 2022.

The distribution agreement with bpost bank provides in substance that bpost is, subject to certain exceptions provided for in the agreement, the exclusive distributor of bpost bank’s products and services through its network of post offices.

The insurance products of AG Insurance are offered and marketed via bpost bank using the distribution network of bpost.

The cooperation between AG Insurance, bpost bank and bpost is set out in an insurance partnership agreement that expired on December 31, 2021. Following the launch of a request for proposals in February 2020, bpost bank selected AG Insurance to engage in contract negotiations, which culminated into the signing of a new Insurance Partnership Agreement on December 16, 2021 and became effective on January 1, 2022. The distribution agreement provides for an access fee, commissions on all the insurance products sold by bpost and additional commissions if certain sales objectives are achieved.

bpost bank paid bpost a commission determined in accordance with market conditions for the distribution of banking and insurance products and for the performance of certain back-office activities. The amount of the commission for the distribution of banking and insurance products depended, inter alia, on the interest margin realized by bpost bank, the assets under management and the sales of financial/insurance products realized by bpost’s retail network. Total income related to banking and financial products amounted to 143.3 mEUR in 2022 (2021: 149.7 mEUR), of which a significant amount is related to the commission paid by bpost bank. The amount owed by bpost bank to bpost on December 31, 2022 amounted to 5.3 mEUR (2021: 7.5 mEUR).

Working capital

bpost bank had placed a working capital of 12.0 mEUR at the disposal of bpost without guarantee or payment of interest by bpost. This working capital remained available to bpost throughout the term of the banking partnership agreement until January 3, 2022.

Subordinated loan

On December 11, 2019 bpost granted to bpost bank a subordinated loan of 25.0 mEUR with a maturity of 10 years and a first call date after 5 years. This loan has been reimbursed to bpost on January 3, 2022 in line with the finalization of the transaction in which BNPPF acquired the 50% shares of bpost in bpost bank.

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 company. For bpost, 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 members of the Executive Committee was approved by the Shareholders’ Meeting on May 12, 2021. The Remuneration Policy has been applicable since January 1, 2021 and bpost did not deviate from it during the financial year 2022.

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 2022, the total remuneration paid to the Board of Directors’ members (excluding the CEO) amounted to 0.5 mEUR (2021: 0.5 mEUR).

The remuneration package of the CEO and the members of the Executive Committee consists of (i) a fixed base remuneration, (ii) a variable short-term remuneration, (iii) pension contributions and (iv) various other benefits.

For the year ended on December 31, 2022, a total remuneration of 5.4 mEUR (2021: 4.5 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: 4,342,070.71 EUR (2021: 3,090,667.78 EUR);
- pension contribution : 718,549.51 EUR (2021: 353,110.54 EUR);
- other benefits : 325,583.39 EUR (2021: 177,445.38 EUR).

In addition, the CEO and the members of the Executive Committee received in 2022 a global variable remuneration of 1,378,351.49 EUR (2021: 897,654.35 EUR) because the collective objectives and the individual performance targets for the year that ended on December 31, 2021 were met (the 2021 assessment was completed in 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 2022. No options under previous stock option plans were still outstanding for the financial year 2022.

A more detailed overview of the compensation of key management of bpost and bpost’s remuneration policy is included in the remuneration report.

6.34 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.
- 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.

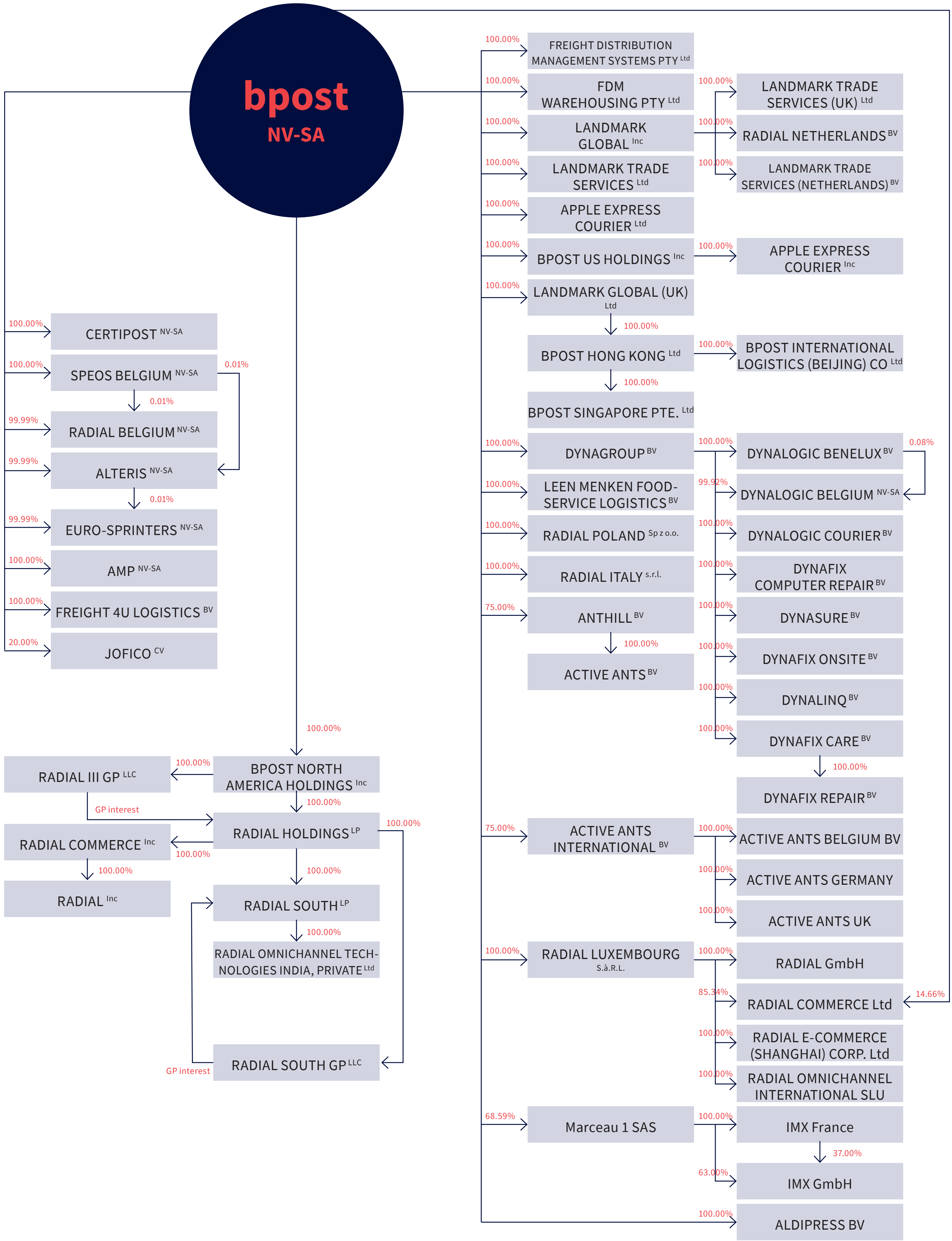
	SHARE OF VOTING RIGHTS IN % TERMS		COUNTRY OF INCORPORATION
NAME	2022	2021	
bpost bank NV-bpost banque SA[1]	-	50%	Belgium
Jofico CV	20%	20%	Belgium
Alteris NV-SA	100.0%	100.0%	Belgium
Certipost NV-SA	100.0%	100.0%	Belgium
Euro-Sprinters NV-SA	100.0%	100.0%	Belgium
Radial Poland Sp z o.o.	100.0%	100.0%	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

NAME	SHARE OF VOTING RIGHTS IN % TERMS 2022	2021	COUNTRY OF INCORPORATION
AMP NV-SA	100.0%	100.0%	Belgium
Ubiway NV-SA[1]	-	100.0%	Belgium
Ubiway Services NV-SA[1]	-	100.0%	Belgium
Ubiway Retail NV-SA[1]	-	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 Solutions Hong Kong Ltd[1]	-	100.0%	Hong Kong
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 Solutions Singapore PTE Ltd[1]	-	100.0%	Singapore
Radial E-commerce (Shanghai) Corp. Ltd	100.0%	100.0%	China
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	75.0%	75.0%	Netherlands
Anthill BV	75.0%	75.0%	Netherlands
Freight 4U Logistics BV	100.0%	100.0%	Belgium
Active Ants International BV	75.0%	75.0%	Netherlands
Active Ants Belgium BV	75.0%	75.0%	Belgium
Active Ants Germany GmbH	75.0%	75.0%	Germany
Active Ants UK Ltd	75.0%	75.0%	UK
Marceau 1 SAS	68.6%	-	France
IMX France	68.6%	-	France
IMX GmbH	68.6%	-	Germany
Aldipress BV	100.0%	-	Netherlands

1 *Liquidated or sold during the year 2022*

bpostgroup structure

As per 31 December 2022



6.35 Events after the statement of financial position date

No significant events impacting bpost's financial position 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 2022.

The full version of the annual accounts is filed with the National Bank of Belgium and is also available free of charge on the bpost's website.

Balance sheet of bpost NV/SA (summary)

As at 31 December

IN MILLION EUR	2022	2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets (including formation expenses)	34.4	44.2
Tangible assets	298.8	298.9
Financial assets	1,325.0	1,451.6
Trade and other receivables	2.0	0.0
	1,660.3	**1,794.7**
CURRENT ASSETS		
Inventories	8.4	10.6
Trade and other receivables	661.2	596.4
Cash and cash equivalents	838.3	715.0
Deferred charges and accrued income	35.2	35.4
	1,543.1	1,357.3
TOTAL ASSETS	**3,203.4**	**3,152.0**
EQUITY AND LIABILITIES		
EQUITY		
Issued capital	364.0	364.0
Reevaluation surpluses	0.1	0.1
Reserves	71.9	76.0
Retained earnings	370.7	326.4
	806.7	**766.5**
PROVISIONS		
Pension related provisions	26.4	29.0
Provision for repairs and maintenance	0.4	0.1
Other liabilities and charges	137.3	135.9
Deferred taxes	7.0	8.4
	171.1	**173.4**
NON-CURRENT LIABILITIES		
Long term debts	652.4	831.0
	652.4	**831.0**

As at 31 December

IN MILLION EUR	2022	2021
CURRENT LIABILITIES		
Trade and other payables	342.6	385.7
Short term debts	173.4	21.6
Social debts payable	409.7	390.5
Tax payable	45.0	9.8
Other debts	429.2	409.0
Accrued charges and deferred income	173.2	164.6
	1,573.2	**1,381.1**
TOTAL LIABILITIES	**3,203.4**	**3,152.0**

Income statement of bpost NV/SA (summary)

For the year ended 31 December

IN MILLION EUR	2022	2021
Revenue	2,256.8	2,308.1
Other operating income	45.1	35.5
Non-recurring operating income	0.0	0.0
TOTAL OPERATING INCOME	**2,301.9**	**2,343.6**
Material costs	6.4	8.0
Payroll costs	1,270.1	1,217.4
Services and other goods	757.7	811.6
Other operating expenses	21.4	29.2
Provisions	(0.9)	(2.9)
Depreciation and amortization	62.9	61.7
Non-recurring operating expenses	94.2	15.2
TOTAL OPERATING EXPENSES	**2,211.7**	**2,140.2**
PROFIT FROM OPERATING ACTIVITIES	**90.2**	**203.3**
Financial gains/(losses)	(9.8)	(9.5)
Non-recurring financial gains (losses)	69.1	15.5
PROFIT FOR THE PERIOD BEFORE TAXES	**149.5**	**209.4**
Transfer from postponed taxes	(1.4)	(1.0)
Income taxes	30.6	52.0
NET PROFIT FOR THE PERIOD	**120.2**	**158.4**
Transfer to/(from) untaxed reserves	(4.1)	(3.0)
NET PROFIT FOR THE PERIOD AVAILABLE FOR APPROPRIATION	**124.3**	**161.4**

9. Management responsibility statement and Report of the Joint Auditors

Philippe Dartienne, Chief Executive Officer *ad interim* and Koen Aelterman, Chief Financial Officer *ad interim*, declare in title and for the entity that to the best of their knowledge:

- the consolidated financial statements for the financial years 2021 and 2022, prepared in accordance with "International Financial Reporting Standards" (IFRS) as accepted by the European Union up until December 31, 2022, 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.

Philippe Dartienne
Chief Executive Officer a.i.

Koen Aelterman
Chief Financial Officer a.i.

Report of the Joint Auditors to the general meeting of bpost SA de droit public/ bpost NV van publiek recht for the year ended 31 December 2022

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 auditor. This report includes our opinion on the consolidated financial statements as at 31 December 2022, the consolidated income statements, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2022 and the disclosures (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 ending 31 December 2023. We performed the audit of the Consolidated Financial Statements of the Group during 14 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 comprise of the consolidated statement of financial position on 31 December 2022, the consolidated income statement, 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, which show a consolidated balance sheet total of € 4,358.3 million and of which the consolidated income statement shows a profit for the year of € 231.7 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 2022, 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.

Emphasis of matter – contingent liability

Without qualifying our opinion, we draw attention to Note 6.31 "Contingent liabilities" of the Consolidated Financial Statements that describes the ongoing investigation related to the award of the press concession to the Company as well as management risk assessment on the potential impacts

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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.

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.

Long term employee benefits

Description of the key audit matter

Provisions for long term employee benefits amount to € 244,2 million as of 31 December 2022 and are disclosed in note 6.26 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.

Summary of the procedures performed

- We have assessed the design and operating effectiveness 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 6.26 of the Consolidated Financial Statement based on the requirements of IAS19.

Impairment of long term assets

Description of the key audit matter

As described in note 6.19, relating to impairment testing on long term assets (including goodwill), the Company reviews the carrying amounts of its cash generating units (“CGU”) annually of 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 of long term assets.

Summary of the procedures performed

- We have assessed the design and implementation of the internal controls relating to Management’s impairment testing of goodwill and long term assets.
- We evaluated and challenged management determination of CGU's and allocation of GW 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 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 resulting considering the amounts involved (€ 4,397.5 million of operating income for 2022) and the complexity and assumptions used to estimate several revenue streams at year-end in accordance with IFRS 15. 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 € 302,6 million for 2022 as disclosed in note 6.8 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 2022 for Radial US ($ 193 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 2022 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") (€ 58,2 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 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 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
  - (i) an assessment and comparison of the key inputs and assumptions in the calculation models with the contractual agreements,
  - (ii) a validation on whether the transfer of risks and rewards are properly reflected based on the contractual agreements and
  - (iii) 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 2023 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 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 ISAs 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 ISAs, 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, the non-financial information attached to the Board of Director's report, and other information included in the annual report.

Responsibilities of the Joint Auditors

In the context of our mandate and in accordance with the additional standard to the ISAs 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 standaarden (hierna "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 standaarden (hierna "GRI").

Independence matters

Our audit firm 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 2022 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, 16 March 2023

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Han Wevers *
Partner
Unique sequential number of EY reports tracking database

PVMD Réviseurs d'entreprises CV/SC
Statutory auditor
Represented by

Alain Chaerels
Partner*

A. Chaerels

**Acting on behalf of a BV/SRL*

10. Appendices

Glossary

Abbreviations

- **1991 Law:** the Law of March 21, 1991 on the reform of certain economic public companies, as amended from time to time
- **BCCA:** Belgian Code of Companies and Associations
- **BU Belgium:** Mail, Parcels and Retail business unit Belgium
- **BIPT:** Belgian Institute for Postal services and Telecommunications
- **BNPPF:** BNP Paribas Fortis
- **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*)
- **Company:** a public-law public limited company incorporated and existing under Belgian law, having its registered office at Boulevard Anspach 1, 1000 Brussels (Belgium) and registered with the Crossroads Bank for Enterprises under number 214.596.464 (RLE Brussels)
- **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
- **Corporate Governance Code:** 2020 Belgian Code on Corporate Governance
- **D&A:** Depreciation and amortization
- **EAT:** Earnings After Taxes
- **EBIT:** Earnings Before Interests and Taxes
- **EBITDA:** Earnings Before Interests, Taxes, Depreciation and Amortization
- **Effective tax rate:** Income tax expense/profit before tax
- **E-Logistics Eurasia:** E-Logistics Europe & Asia
- **E-Logistics N. Am.:** E-Logistics North America
- **ERM:** Enterprise Risk Management
- **ERP:** Enterprise Resource Planning
- **EY:** EY Réviseurs d'Entreprises–Bedrijfsrevisoren SRL/BV
- **GhG:** Greenhouse Gas
- **ICT:** Information and Communication Technology
- **LTIP:** long-term incentive plan
- **NPS:** Net Promotor Score
- **Opex:** Operating expenses
- **PUDO:** Pick-up and Drop-off point
- **PVMD:** PVMD Réviseurs d'Entreprises- Bedrijfsrevisoren SC/CV
- **QR:** Quarterly Review
- **Remuneration Policy:** bpost remuneration policy approved by the Shareholders' Meeting on May 12, 2021
- **SBTi:** Science Based Targets initiative
- **SGEI:** Services of General Economic Interest
- **TCV:** Total Contract Value
- **USO:** universal postal service obligations

Definitions

Absenteeism

Absenteeism is the rate of unplanned absence of own employees 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 (CO2e).

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 (trucks, 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

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, 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.

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.

Awards and Recognitions

bpostgroup's sustainability efforts have been rewarded with following distinctions:

bpostgroup is one of the 20 constituents of the BEL ESG, the new joiner 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 52 out of 385 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 2022 EcoVadis silver medal (65/100) 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.

ISS is one of the leading solution providers in the fields of corporate governance, responsible investment, market data, fund services, events and editorial content for institutional investors and companies across the globe. bpost was awarded the score – 3 – for Environment, alongside a 4 for Social and a 5 for Governance.

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, 2022 to December 31, 2022 with reference 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 2022 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 (Germany, Spain, Italy, Poland, Netherlands, UK)	100%	Yes
Active Ants	75%	Yes
Apple Express	100%	Yes
FDM Warehousing	100%	Yes
IMX France – acquired during 2022 and will be included in the non-financial reporting as of FY 2023.	100%	No
Aldipress – acquired during 2022 and will be included in the non-financial reporting as of FY 2023.	100%	No

The subsidiaries in scope are included as of the date of acquisition. If the subsidiary was acquired or sold in 2022, 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 2022 has been prepared in accordance with 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.

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.

An independent materiality assessment was undertaken in 2021 to identify bpostgroup's actual and potential ESG impacts and prioritise material topics that are most relevant for our stakeholders and business operations. In 2022, with the launch of the new bpostgroup sustainability strategy, we completed an annual review of the materiality assessment. The review helped us to ensure our strategy is focused in the right areas to assess the changing sustainability landscape and to identify, understand and prioritize the material topics that matter to our business and our stakeholders.

We followed a structured four-phased process to enforce bpostgroup's material topics

Phase 1: Context analysis: The materiality assessment started with a context analysis of the business landscape in which bpostgroup operates. During this context analysis, a peer review in the area of materiality assessments and materiality communication was performed. A longlist of material topics was then compiled based on the Global Reporting Initiative standards, the ISO 26000 guidelines and other commonly accepted sustainability frameworks. Qualitative interviews were conducted with Group Executive Committee Members and other top executives of bpostgroup to identify potential material topics for bpostgroup.

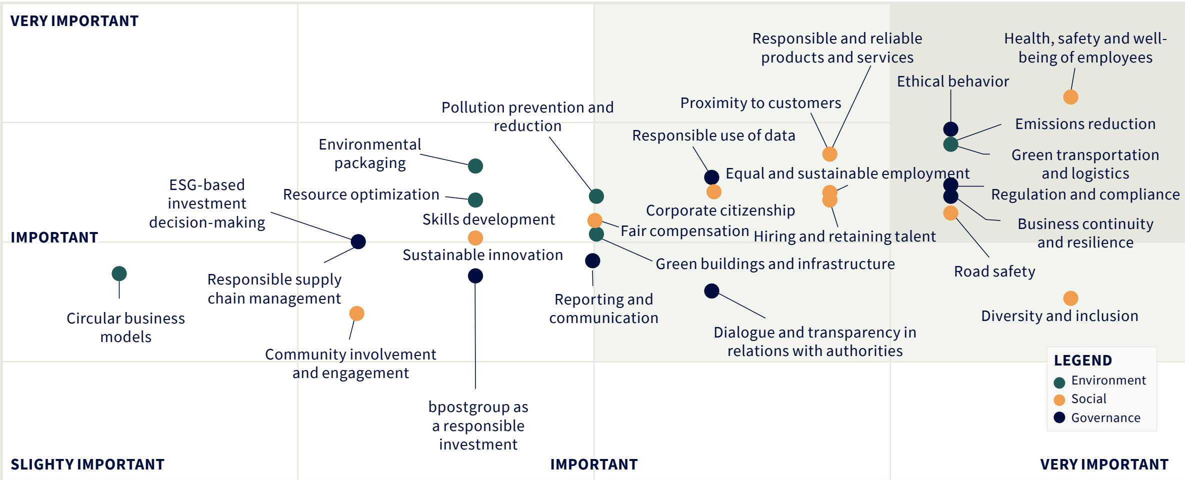
Phase 2: Stakeholder engagement: In this phase we identified all relevant stakeholders for the materiality exercise. Internally we wanted to focus on the Group Executive Committee and management, unions of bpost and staff employees per subsidiary of bpostgroup. Externally, consumers, corporate clients and public sector, suppliers, the financial community and civil society were targeted.

Phase 3: Collection and prioritization of material topics: Based on the input gathered from the context analysis, a longlist of material topics relevant to bpostgroup was reduced to a more manageable list of 28 topics. More than 1,400 diverse stakeholders from 13 different countries contributed to a digital survey. The high response rate emphasized the importance our stakeholders attach to sustainability and why it is key for bpostgroup to be a reference in sustainability in all the markets we operate in. In addition, we held one-on-one interviews with key account clients of bpostgroup to discuss the collected responses in depth.

Phase 4: Development and finalization of the materiality topics: All the input was then aggregated, analysed and processed, resulting in five material areas where bpostgroup can have a significant impact. Subsequently, the outcome of the materiality assessment has been integrated in the update of the new bpostgroup sustainability strategy with specific targets and actions set in the short- medium- and long-term.

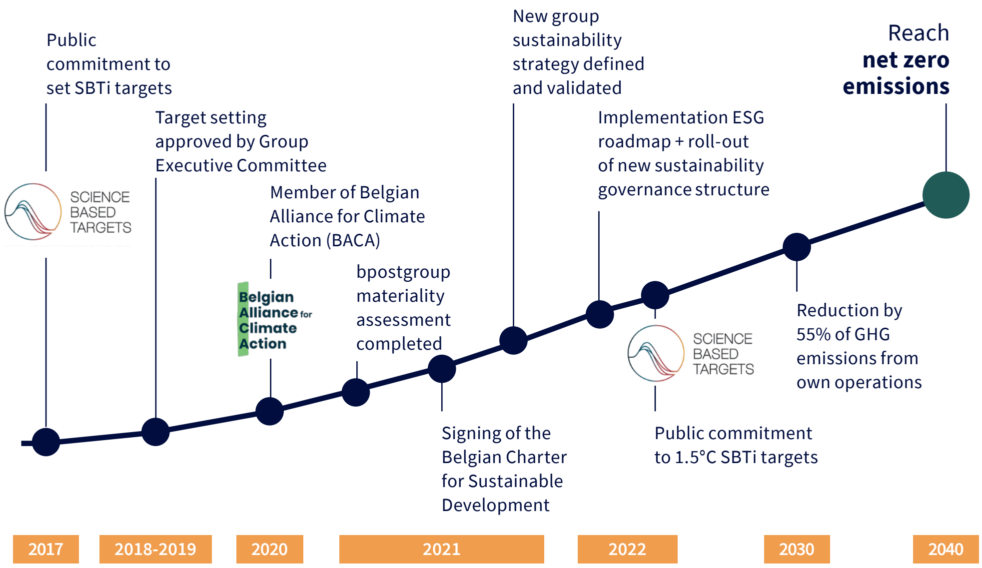
The full materiality matrix of bpostgroup is presented below.

INFLUENCE ON STAKEHOLDER ASSESSMENTS AND DECISIONS



SIGNIFICANCE OF IMPACT ON BUSINESS

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 five material areas where bpostgroup can have a significant impact:

1. **Health & Safety of our people first:** Become an employer of choice by creating an environment promoting physical safety and mental well-being
2. **Be a career lifter for our employees:** Be a career lifter, especially for short schooled labor by offering high quality employment and up- and re-skilling programs, creating career paths within or even outside bpost
3. **Champion Diversity, Equity & Inclusion across the group:** Be an employer of inclusion and equal opportunity, where all people of every ethnicity, social background, religion, gender, age or disability – visible or invisible – feel welcomed and valued.
4. **Decarbonize the e-commerce supply chain:** Be one of the greenest logistic players in the countries we operate in. Reduce emissions with 55% by 2030 and reach net zero by 2040.
5. **Re-use and re-cycle packaging as part of a circular economy:** Offer sustainable solution for the e-commerce value chain through recyclable and re-usable packaging

The group sustainability team will be working at group level to shape and integrate the ESG agenda further and support the businesses in execution against their targets.

Non-financial Consolidated Statements

Governance

Ethics

METRIC	Unit	2019	2020	2021	2022
Number of registered complaints on unethical workplace behaviour	Number	47	44	50	53
Number of registered cases of corruption and bribery	Number	1	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

Customer and citizen value

Customer Satisfaction

METRIC	UNIT	2019	2020	2021	2022
Customer Satisfaction – bpost Belgium	%	82	84	83	84.5
Total number of PUDO points (including Parcel Lockers)	Number	1,819	2,303	2,500	2,760
Total number of parcel lockers	Number	206	365	501	692

Social dialogue

METRIC	UNIT	2019	2020	2021	2022
Average number of strike action days	strike days per 1,000 employees	1,1	2,7	6,8	8,7
Share of own employees covered by a CBA	%	76.1	75.3	75.9	76.8

Community engagement

METRIC	UNIT	2019	2020	2021	2022
Total donations	Euros	288,449	613,769	535,527	342,296

Social value

Health & Safety of our people first

		BPOST BELGIUM				BPOSTGROUP[1]
METRIC	UNIT	2019	2020	2021	2022	2022
HEALTH AND SAFETY OF OWN EMPLOYEES						
KPI – Absenteeism of own employees	%	7.96	8.36	8.33	9.51	6.64
KPI – Frequency rate of own employees	Accidents per 1,000,000 hours worked	27.14	22.8	27.59	24.65	21.49
Severity rate of own employees	Lost days per 1,000 hours worked	0.84	0.93	0.89	0.77	0.58
Lost days of own employees	Days	29,205	34,669	31,200	27,641	29,002
Occupational accidents of own employees	Number	949	848	1,054	890	1,120
Total number of work-related fatalities of own employees	Number	2	3	1	2	2
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	15.4
Severity rate of temporary staff	Lost days per 1,000 hours worked	0.13	0.1	0.27	0.13	0.07
Lost days of temporary staff	Days	245	283	478	289	502
Occupational accidents of temporary staff	Number	32	49	38	35	101
Total number of work-related fatalities temporary staff	Number	0	0	0	0	0

1 *For the first time in 2022, we aligned the health and safety figures across bpostgroup. For reference we have included historical figures for bpost Belgium as well.*

Be a career lifter for our employees

Employee turnover and new hires

METRIC	UNIT	2019	2020	2021	2022
KPI – Employee engagement[2]	%	n/a	n/a	n/a	39.5
EMPLOYEE TURNOVER					
Total Employee Turnover of own employees	%	15.7	16.3	19.0	16.3
Employee Turnover Male of own employees	%	14.9	15.4	17.8	15.2
Employee Turnover Female of own employees	%	17.2	17.7	21.2	18.1
Voluntary Employee Turnover of own employees	%	4.5	11.2	10.5	10.2
NEW HIRES[3]					
Total number new employee hires	Headcount	-	-	-	4,319
Total number male new employee hires	Headcount	-	-	-	2,608
Total number female new employee hires	Headcount	-	-	-	1,651
Total number new non-binary/ undisclosed new employee hires	Headcount	-	-	-	60
Total new employee hires ≤ 30 years old	Headcount	-	-	-	1,964
Total own new employee hires within the age group 31-50	Headcount	-	-	-	1,767
Total new employee hires within the age group 50+	Headcount	-	-	-	587

Employee training and development

METRIC	UNIT	2019	2020	2021	2022
KPI – Total training hours per FTE (employees and temporary staff)	Training hours per FTE	32.8	33.1	29.8	38.5
Total training hours per own employees	Training hours per FTE	26.5	17.8	19.3	33.9
Total training hours per temporary staff	Training hours per FTE	82.2	88.6	99.2	45.4

2 *For historical data on employee engagement, scores are available for bpost Belgium in the 2021 annual report. For the first time, we aligned the "My Voice" employee engagement survey across bpostgroup.*

3 *New metrics*

Champion Diversity, Equity & Inclusion across the group

Diversity of employees

METRIC	UNIT	2019	2020	2021	2022
Total own employees	Headcount	33,986	36,087	35,688	34,087
Total male own employees	Headcount	21,845	23,317	23,228	22,215
Total female own employees	Headcount	12,141	12,770	12,460	11,763
Total non-binary/undisclosed headcount own employees[4]	Headcount	-	-	-	109
Total FTE	FTE	30,885.9	32,685.2	32,258.7	30,722.9
Total male FTE	FTE	20,262.9	21,549.2	21,384.3	20,344.9
Total female FTE	FTE	10,627.5	11,136.0	10,873.4	10,269.8
EMPLOYEE DIVERSITY					
KPI – Share of women in management positions[5]	%	37.8	40.8	38.5	37.0
Share of women at group executive level[5]	%	28.6	25	16.7	28.6
Share of female (own employees)	%	35.7	35.4	34.9	34.5
Total number of nationalities of own employees represented in the workplace[4]	Number	-	-	-	117
HEADCOUNT BY AGE GROUP					
Total own employees ≤ 30 years old	Headcount	6,587	7,963	7,468	6,447
Total own employees within the age group 31-50	Headcount	16,223	15,776	15,521	15,118
Total own employees within the age group 50+	Headcount	11,176	12,348	12,538	12,522
HEADCOUNT BY TYPE OF CONTRACT					
Total own employees with fixed term contracts	Headcount	915	2,465	2,112	1,632
Total male own employees with fixed term contracts	Headcount	558	1,569	1,251	1,013
Total female own employees with fixed term contracts	Headcount	357	896	769	619
Total non-binary/undisclosed with fixed term contracts[4]	Headcount	-	-	-	0
Total own employees with open-ended contracts	Headcount	33,070	33,622	33,670	32,456
Total male own employees with open-ended contracts	Headcount	21,346	21,748	21,975	21,212
Total female own employees with open-ended contracts	Headcount	11,725	11,874	11,689	11,135
Total non-binary/undisclosed with open-ended contracts[4]	Headcount	-	-	-	109

4 New metric

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.

METRIC	UNIT	2019	2020	2021	2022
HEADCOUNT BY FULL-TIME/PART-TIME					
Total own employees contracted on a full-time basis	Headcount	26,906	28,620	27,306	32,241
Total male own employees contracted on a full-time basis	Headcount	18,289	19,501	18,782	21,494
Total female own employees contracted on a full-time basis	Headcount	8,617	9,119	8,524	10,639
Total non-binary/undisclosed contracted on a full-time basis[6]	Headcount	-	-	-	108
Total own employees contracted on a part-time basis	Headcount	7,080	7,465	8,382	1,848
Total male own employees contracted on a part-time basis	Headcount	3,603	3,816	4,434	719
Total female own employees contracted on a part-time basis	Headcount	3,477	3,649	3,948	1,128
Total non-binary/undisclosed contracted on a part-time basis[6]	Headcount	-	-	-	1

Environmental value

Decarbonize the e-commerce supply chain

Carbon footprint

	UNIT	2019	2020	2021	2022	TREND
SCOPE 1	**t CO2e**	**88,996**	**84,835**	**95,083**	**90,143**	↘
Fuel fleet	t CO_2e	67,983	65,518	72,993	68,947	↘
Natural gas & heating oil	t CO_2e	20,986	19,289	22,065	21,322	↘
Oil for generators	t CO_2e	28	28	26	16	↘
SCOPE 2	**t CO2e**	**30,266**	**32,554**	**32,837**	**28,620**	↘
Electricity (market-based)[7]	t CO_2e	29,794	32,054	32,384	28,348	↘
District Heating	t CO_2e	472	500	453	272	↘
SCOPE 1 & 2	**t CO2e**	**119,262**	**117,389**	**127,921**	**118,906**	↘
SCOPE 3	**t CO2e**	**322,562**	**337,222**	**349,322**	**306,993**	↘
Subcontracted road transport	t CO_2e	113,440	128,772	118,902	89,663	↘
Business travel	t CO_2e	1,374	510	513	731	↗
Employee commuting	t CO_2e	32,977	31,782	31,091	27,011	↘
Waste	t CO_2e	3,932	4,652	3,287	4,690	↗
Subcontracted air transport BE	t CO_2e	37,597	13,870	16,096	19,133	↗
Subcontracted air transport Subsidiaries	t CO_2e	34,733	40,176	39,039	42,029	↗
Fuel & energy related activities not included in scope 1 or 2	t CO_2e	22,248	21,577	23,818	22,295	↘
Purchased goods & services	t CO_2e	76,260	95,883	116,576	101,441	↘
TOTAL CO_2 EMISSIONS (SCOPE 1+2+3)	**t CO2e**	**441,824**	**454,611**	**477,243**	**425,898**	↘

6 *New metric*

7 *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
Share of EURO 5 and EURO 6 standard	%	98	99	99	99
Average van fuel use	l/km	10	9	9	9
Average truck fuel use	l/km	27	24	27	28
Share of last mile alternative fuel vehicles	%	31	30	33	40
KPI – Share of emission-free last mile delivery[8]	%	-	-	8.5	15.3
Total number of emission-free ecozones[9]	Number	-	-	1	9
Share of new company cars zero-emission[10]	%	-	-	0	7

Green buildings

METRIC	UNIT	2019	2020	2021	2022
Total energy consumption per employee	MWh/ unit(s)	7.8	7.1	7.6	7.5
Total energy consumption	kWh	268,028,666	256,789,292	272,431,809	257,321,218
Total renewable/green electricity consumed	kWh	74,322,490	72,856,827	68,026,619	65,519,865
Share of renewable electricity	%	49	46	41	43
Total non-renewable/grey electricity consumed	kWh	77,991,882	86,773,932	97,268,650	87,871,048
Share of non-renewable electricity	%	51	54	59	57
Total natural gas consumed	kWh	87,983,267	80,962,648	94,167,905	94,622,844
Total heating oil consumed	kWh	24,593,356.84	9,026,551.05	10,225,193.00	7,561,488
Total district heating consumed	kWh	2,680,653	2,894,043	2,654,016	1,594,832
Total fuel oil consumed for generators	kWh	457,018	96,588	89,426	56,310
Share of renewable electricity produced	%	3	3	4	5
Total renewable energy capacity installed	MWp	4,830	6,610	7,451	8,238
Total surface of solar electricity capacity installed	m^2	45,890	54,485	57,304	66,042
Total water consumption	m^3	-	-	280,556	229,238

Carbon offsetting

METRIC	UNIT	2019	2020	2021	2022
Amount of letters for which the customers have offset their mail carbon emissions	Million letters	164	850	824	797
Total carbon emissions offset for mail and parcels	t CO_2e	2,000	8,000	7,880	32,307

8 *New metric. For the first time in 2022, we aligned the health and safety figures across bpostgroup. For reference we have included historical figures for bpost Belgium as well.*
9 *New metric. For historical data on employee engagement, scores are available for bpost Belgium in the 2021 annual report. For the first time, we aligned the "My Voice" employee engagement survey across bpostgroup*
10 *New metric*

Sustainable Procurement[11]

METRIC	UNIT	2019	2020	2021	2022
Share of significant tier 1 suppliers covered by the Supplier Code of Conduct	%	35	31	34	49
Share of procurement spent on significant tier 1 suppliers screened on CSR by Ecovadis	%	39	38	57	65
Share of tier 1 suppliers with SBTi approved targets	%	n/a – new metric	n/a – new metric	n/a – new metric	15

Re-use and re-cycle packaging as part of a circular economy

Recycled packaging[12]

METRIC	UNIT	2019	2020	2021	2022
KPI – Share of recyclable or re-usable packaging	%	n/a – new metric	n/a – new metric	n/a – new metric	86.3
KPI – Share of recycled content in packaging	%	n/a – new metric	n/a – new metric	n/a – new metric	80.9

Waste management

METRIC	UNIT	2019	2020	2021	2022
Total waste generated	t	62,241	70,378	64,127	79,907
Total non-hazardous waste generated	t	62,127	70,248	64,055	78,181
Recycled waste	t	54,379	60,185	51,878	70,313
Share of recycled waste	%	87	86	81	88
Residual waste incinerated for energy recovery	t	3,246	2,644	7,938	2,886
Residual incinerated without energy recovery or land-filled	t	4,499	7,419	4,240	4,981
Total Hazardous waste generated	t	114	130	71	1,726

11 These indicators are metrics in reference to bpost Belgium only
12 These indicators are new metrics in reference to bpost Belgium only

GRI content index

STATEMENT OF USE	bpostgroup has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	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

GRI STANDARD	DISCLOSURE	LOCATION
	2-29 Approach to stakeholder engagement	Appendix – Materiality Assessment and Stakeholder Dialogue Stakeholder Policy
	2-30 Collective bargaining agreements	Code of Conduct
GRI 3: MATERIAL TOPICS 2021	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, Chaper Environmental Value
	203-2 Significant indirect economic impacts	Chapter Financial Consolidated Statements, Chapter Risk Management, Chapter EU Taxonomy, Chaper 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

GRI STANDARD	DISCLOSURE	LOCATION
	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 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 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

GRI STANDARD	DISCLOSURE	LOCATION
	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
	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

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
Principle 2: make sure that they are not complicit in human rights abuses.	Chapter Corporate Governance Statement
LABOUR	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Code of Conduct Human Rights Policy
Principle 4: the elimination of all forms of forced and compulsory labour	
Principle 5: the effective abolition of child labour; and	
Principle 6: the elimination of discrimination in respect of employment and occupation.	
ENVIRONMENT	
Principle 7: Businesses should support a precautionary approach to environmental challenges	Chapter Environmental value, Chapter Risk Assessment
Principle 8: undertake initiatives to promote greater environmental responsibility; and	
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Code of Conduct Human Rights Policy

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 – Governance Structure
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** 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 will implement a new ERM strategy for bpostgroup, including assessing the actual and potential impacts of climate-related risks and opportunities and taking into consideration different climate-related scenarios.
	b. Describe the organization's processes for managing climate-related risks.	
	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.	