

Performance and ESG commitments

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4. PERFORMANCE AND ESG COMMITMENTS










4.1 ESG Commitments and Sustainable Development Goals










GRI 2-22, 2-23, 2-24

Still in 2022, CTT organised its most recent [Capital Markets Day](#), where it presented a study carried out over the previous months to redefine its sustainability commitments, which began with a benchmark that took into account best practices and standards of reference, both nationally and in the international postal sector. This study resulted in a set of strategic priorities for CTT, coupled with specific and measurable objectives, which are presented in the table below, showing their association with the United Nations Sustainable Development Goals and the targets initially defined within the scope of the study, which will be adjusted as they are implemented. These commitments were also associated with a [recent study on Dual Materiality](#). This redefinition of critical issues for the organisation was developed by CTT as a first step in addressing the new European non-financial reporting legislation. In [response to the GRI 3-3 indicator](#), it is possible to verify the connection between these commitments and the material issues that emerged from the new study.















Table of CTT's ESG Commitments

ESG strategic goals	Sustainable Development Goals	CTT goals	Time frame	Accomplished in 2023	
ACCELERATE THE DECARBONISATION OF THE CTT OFFER IN IBERIA Achieve a net-zero carbon balance by 2030	 ENSURE ACCESS TO RELIABLE, SUSTAINABLE AND MODERN SOURCES OF ENERGY FOR ALL	Achieve 100% of own green vehicles in the last mile	2030 (50% by 2025)	19.6% (+4,3 p.p. que em 2022)	
		Electrify 45% of the subcontracted fleet	2030	<1%; Identification of critical subcontractors and launch of questionnaire for consultation of subcontractors. Some providers are already starting to electrify.	
		Purchase annually 100% of electricity from renewable sources	2030	100% Green Energy purchased with a Guarantee of Origin certificate	
		Increase photovoltaic energy production for own consumption (UPAC)	Annual	1,863,364 kwh (+194,8%)	
		Increase the installation of LED lighting by 3% per year	2030 (up to 100k m ²)	181 more buildings equipped (~70k m ²)	
		Reduce electricity consumption	'-2% by 2023 -2% by 2024	'-8.3% compared to 2022	
		Reduce fuel consumption	-2% by 2023 -5% by 2024	+4.5%	

ESG strategic goals	Sustainable Development Goals	CTT goals	Time frame	Accomplished in 2023	
<p>ACCELERATE THE DECARBONISATION OF THE CTT OFFER IN IBERIA</p> <p>Achieve a net-zero carbon balance by 2030</p>	 <p>ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATHS</p>	Train 90% of the workers in the "Green Planet" environmental programme	2020-2025	1,736 trainees successfully completed the training (75.8%) In total, 4,024 trainees completed the course since 2020	
		Keep office paper consumption the same as the previous year	Annual	+68.2%	
		Maintain the waste recovery rate above 75%	Annual	99.3% rate (+0.2 p.p. than 2022)	
		Incorporate recycled and/or reused material in the mail and express & parcels offer	60% in 2023 80% in 2024-2025 100% in 2030	Incorporation of 82.4% (+27.5 p.p. than the year before)	
		Release 8 philatelic issues dedicated to sustainability	Annual	8 philatelic issues, 2 issues of automatic franking labels and 2 book editions The two first stamps made entirely from recycled paper were issued	
		Include environmental criteria in 99% of pre-contractual procedures	Annual	100% (+1.9 p.p. than the year before)	
		99% of contracts signed to include environmental criteria	Annual	100% (+5.3 p.p. than 2022)	
		Assess 100% of critical suppliers	30% in 2022 100% in 2023	Assessment of 100% of critical suppliers	

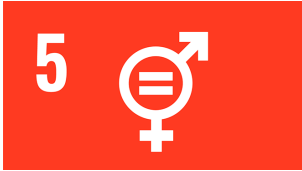












ESG strategic goals	Sustainable Development Goals	CTT goals	Time frame	Accomplished in 2023	
<p>ACCELERATE THE DECARBONISATION OF THE CTT OFFER IN IBERIA</p> <p>Electrify 100% of the last mile by 2030</p>	 <p>TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS</p>	Mitigation of total CO ₂ e emissions of scopes 1, 2 and 3, in relation to 2021 (accumulated variation)	+1% by 2023 -11% by 2024 -55% by 2030	-10.2%	
		Mitigation of CO ₂ e emissions of scope 1 (annual variation)	-3% in 2023 -5% in 2024	+4.3%	
		Mitigation of CO ₂ e emissions of scopes 1 and 2, in relation to 2021 (accumulated variation)	-2% by 2023 +1% by 2024 -61% by 2030	+4.5%	
		Reduction of the global carbon footprint by 55% by 2030 and offsetting the balance towards neutrality	2021-2030	Total emissions of scopes 1+2+3: 82, 350.4 ton CO ₂ e, -2.6% than in 2022	
		SBT (well-below 2°C) target: 30% reduction of CO ₂ e emissions of scopes 1, 2 and 3, compared to 2013 ²⁵	2013-2025	-21.0%	
		SBT (well-below 2°C) target: Reduce carbon intensity per postal item by 20% (scopes 1, 2 and 3) compared to 2013	2013-2025	+18.8%	
		Offsetting direct carbon emissions from CTT's offer	Annual	7,224.9 tonnes of CO ₂ offset for Green Mail and Express & Parcels offers in Portugal	
		Promote active reforestation of the national territory: over 6,500 kits A Tree for the Forest	Through an annual campaign	Sales of the 9 th edition (July 2022 to July 2023): 5,053 kits sold. In July 2023, the 10 th edition of the initiative was launched, with the novelty of the new digital kit on sale in the CTT online shop. Since the campaign was launched, 8,956 kits have been sold. Thus, in 2023, 12,508 kits were sold.	

²⁵ The scope of the SBTi target for carbon emissions (Science-based Targets initiative) excludes CTT Express activity and includes all of Scope 1, Scope 2 and for Scope 3 includes Air Transport, Road transport by outsourced fleet, and Commuting.


ESG strategic goals	Sustainable Development Goals	CTT goals	Time frame	Accomplished in 2023	
<p>CARE FOR CTT PEOPLE AND THE DIVERSITY EXPERIENCE</p> <p>Be a benchmark employer, leveraged by a people-centred culture, by 2030</p>	 <p>ENSURE ACCESS TO QUALITY HEALTH CARE AND PROMOTE WELL-BEING FOR ALL AT ALL AGES</p>	Reduce the number of road accidents by 5% per kilometre travelled	Annual	25.9% increase compared to 2022	
		Increase the attendance rate to 93% ²⁶	2022: 92% 2025: 93%	92.7% (+0.8 p.p. compared to 2022) ²⁷	
		Prevention of labour mortality (own responsibility): 0 deaths	Annual	0 fatal accidents	
		Reduce occupational accidents by 5%	Annual	865 occurrences (8.0% more than the previous year)	
		Reduce lost days by 5%	Annual	9.2% more days lost because of accidents or disease than the previous year	
	 <p>ENSURE ACCESS TO INCLUSIVE, QUALITY AND EQUITABLE EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL</p>	1% Training rate (CTT permanent staff)	Annual	0.7%	
		90% rate of workers trained (CTT permanent staff)	Annual	89.0%	
		Provide a welcome and integration programme to all new hirings, to enhance the experience of the worker	Annual	818 participations (corresponding to 15.9% of new staff in 2023) 16,307 hours	
		Assess employee satisfaction: quarterly survey	Annual	Two eNPS surveys conducted, one in each half of the year	
		Create and implement the new onboarding programme for integrating new employees	2025	Implementation activity scheduled for 2024	
		Disseminate a training programme for new managers (e-learning) on equal opportunities and non-discrimination	2022: c. 800 people 2023: Communicate annually	Topic prioritised in 2023, course under design and to be implemented in 2024	
		Create and implement the new training programme on Equal opportunities and non-discrimination, aimed at recruitment, management and the internal public in general	2023-2025	Implementation scheduled for the first quarter of 2024	

²⁶ The concept of absenteeism is that used by the GRI, which excludes absences due to parental leave, holidays, study, bereavement, trade union activity or other planned absences..










²⁷ This figure takes only into consideration the first 10 months of 2023.

ESG strategic goals	Sustainable Development Goals	CTT goals	Time frame	Accomplished in 2023
CARE FOR CTT PEOPLE AND THE DIVERSITY EXPERIENCE Be a benchmark employer, leveraged by a people-centred culture, by 2030	 ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS	Achieve gender parity in senior and middle management positions (45%)	2025	39.9% (-0.6 p.p. than in 2022) 
		Publish and implement the CTT Equality Plan	Annual	CTT Equality Plan 2024 published 
		Analyse the wage gap	2021-2023	Preliminary analysis carried out and published in the CTT Equality Plan 2024 
PROMOTE PROXIMITY TO THE LOCAL COMMUNITY Strengthen the Iberian presence and the active involvement of employees in actions with a positive impact on communities	 REDUCE INEQUALITIES WITHIN AND BETWEEN COUNTRIES	Promote corporate volunteering and corporate social support actions: 6 initiatives	Annual	15 initiatives carried out 
		Keep the First Contact Resolution rate, in the Customer Support lines, above 90%	Annual	93.0% 
		Increase the Virtual Assistants service rate to 40%	2026	28.0% 
		Keep the satisfaction degree (CSAT survey response) on Customer Support channels above 60%	Annual	60.0% 
		Promote the active participation of employees in up to three volunteer days per year ²⁸	2025	Annual average, per CTT participant: 4.4 hours (+2.9% vs. 2022). 1,834.0 volunteering hours (+2.9% vs. 2022) were performed by a total of 413 people 
		Invest 1% of recurring EBIT in social impact projects	2025	Investment in community impact programmes: 0.6% of Recurring EBIT in 2023. Total investment: €558,864.72 (-11.5% vs. the previous year) 
		Maintain CTT capillarity for 100% of municipalities and rural areas with at least one CTT post office	Annual	Accomplished 
Contract 75% of services to local suppliers (per purchase volume in the Iberian Peninsula)	2025	99.5% 		

²⁸ In the comparison with the 2022 data, the average number of hours per participant has been updated to 4.3 hours instead of the 5 hours published in the 2022 Integrated Report.

ESG strategic goals	Sustainable Development Goals	CTT goals	Time frame	Accomplished in 2023	
<p>CREATE A GOVERNANCE MODEL OF REFERENCE</p> <p>Ensure the involvement of CTT people in the Company's culture and strategic goals</p>	<p>8</p>  <p>PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL</p>	Maintain the endorsement of the 10 principles of the United Nations Global Compact (UNGC)	Annual	Continued membership of the UNGC and the Business Ambition for 1.5° C initiative ensured	✓
		Score in the Leadership position in the Carbon Disclosure Project - Climate Change	Annual	Leadership position A-	✓
		Score 90% on the sustainability proficiency rating (SMP) of IPC's SMMS - Sustainability Measurement System programme	2030	Score of 79% in SMP 5 th place worldwide out of 26 participants	✓
		Reinforce the alignment of the ESG programme in meetings with Top Management (held quarterly) - Sustainability Committee	Annual (quarterly meetings)	8 meetings (compared to 2 in 2022) The ESG Committees (Steering and Board) met 6 times in 2023. There was also one meeting of the Corporate Governance, Evaluation and Nominating Committee and one meeting of the Audit Committee, with an ESG agenda. In addition, ESG issues were regularly discussed and analysed by the Extended Executive Committee throughout the year	✓
		Introduce ESG incentives in the targets of 50% of top and middle management	2025	Topic prioritised in 2023 for implementation in 2024	✓
		Create opportunities and professional occupation for people with disabilities by hiring 50 workers	2025	2.3% of CTT workers have disabilities (-0.1 p.p. vs. 2022) Recruitment of 7 disabled workers ²⁹	✓
		Promote open and trustful communication channels with Stakeholders	Annual (regular activity)	Segmented communication of the results. Contact channels with stakeholders used frequently	✓

²⁹ This figure excludes CTT Express, Corre, 321 Crédito, NewSpring, Medspring and CTT - Soluções Empresariais.

ESG strategic goals	Sustainable Development Goals	CTT goals	Time frame	Accomplished in 2023
CREATE A GOVERNANCE MODEL OF REFERENCE Ensure the involvement of CTT people in the Company's culture and strategic goals	 PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS	Disseminate the new CTT Code of Ethics to all employees	2023-2024	Code of Ethics published online and sent to each employee's home 
		Maintain the certification of CTT operations	Annual	Certification maintained 
		Maintain the certification of subsidiary companies	Annual	Certification of CTT Expresso, CTT Express and Contacto maintained 
		Maintenance of corporate certification (ISO 14001, 9001, 45001)	Annual	Certification maintained 
		Maintain the certification as a Family-Responsible Company	Annual	Certification maintained 
		Average Response Time for Universal Service Complaints National target: <= 15 days International target: <= 56 days	Annual	National: 16.9 days International: 31.4 days 
		Maintain or improve positioning in IPC's Letter-mail Interconnect Remuneration Agreement Europe ranking, K+1	Annual	22 nd position (same position as last year) ³⁰ 
Maintain the result in the UPU Global Monitoring System, inbound above target	Annual	88.6% (+11.2% versus 2022) The goal was to reach the 88% mark. ³¹ 		

Sustainable Development Goals (SDG)

The United Nations Sustainable Development Goals reflect 17 priority topics, at global level, for the preservation of the planet and human dignity. As can be seen in the table above, CTT's commitments are aligned with these global goals, with a view to striking a balance between the creation of economic value and generating positive impacts for communities and the environment.

In addition to the SDGs, CTT has subscribed to the Ten Principles of the United Nations Global Compact, which relate to Human Rights, Labour Practices, Environmental Practices and Anti-Corruption, expressing the intention to support and disseminate the said principles in its sphere of influence. CTT is committed to making the Ten Principles reflected in the strategy, culture and daily operations of the organisation and to engage in cooperative projects that promote the broader development goals of the United Nations.

³⁰ This ranking is provisional and takes into account the cumulative results up to November 2023. Based on this estimate, the 2023 score would be 71.3% (+11.2 p.p. compared to 2022), although we would maintain the same relative position compared to the other countries.

³¹ Estimated annual result, which places CTT above target.

4.2 Economic and financial performance

Revenues

GRI 3-3

CTT's consolidated revenues³² reached €985.2m in 2023 (+€78.6m; +8.7% y.o.y), underpinned by Express & Parcels (+€81.6m; +31.5% y.o.y); Banco CTT (+€21.8m; +17.3% y.o.y) and Financial Services & Retail (+€2.1m; +3.4% y.o.y), and partially attenuated by Mail & Other (-€26.8m; -5.8% y.o.y).

For the first time in CTT's history, in 4Q23 Express & Parcels was the biggest contributor to revenues.

Revenues

€ million

	2022	2023	Δ	Δ%	4T22	4T23	Δ	Δ%
Revenues	906.6	985.2	78.6	8.7 %	243.8	269.8	26.0	10.6 %
Mail & Other	460.9	434.1	(26.8)	(5.8)%	115.4	111.1	(4.4)	(3.8)%
Express & Parcels	259.0	340.6	81.6	31.5 %	71.2	111.1	39.8	55.9 %
Banco CTT	126.0	147.7	21.8	17.3 %	36.0	39.6	3.7	10.2 %
Financial Services & Retail	60.7	62.8	2.1	3.4 %	21.2	8.0	(13.2)	(62.3)%

Operating Costs

Operating costs totalled €907.4m in 2023 (+€56.9m; +6.7% y.o.y).

Operating Costs

€ million

	2022	2023	Δ	Δ%	4Q22	4Q23	Δ	Δ%
Staff costs	351.8	382.6	30.8	8.8%	88.3	99.8	11.5	13.0%
ES&S	337.9	391.5	53.6	15.9%	88.8	120.4	31.7	35.6%
Impairments & provisions	26.3	25.8	(0.5)	(1.8)%	8.9	5.3	(3.7)	(41.2)%
Other costs	61.3	33.4	(27.9)	(45.5)%	15.3	8.0	(7.3)	(47.9)%
Operating costs (EBITDA)	777.3	833.3	56.0	7.2%	201.4	233.5	32.1	15.9%
Depreciation & amortisation	64.8	64.3	(0.4)	(0.7)%	16.7	16.8	0.1	0.6%
Specific items	8.4	9.8	1.4	16.6%	12.6	(1.2)	(13.8)	(109.5)%
Corporate restructuring costs and strategic projects	9.2	(15.3)	(24.5)	«	3.9	(21.4)	(25.3)	«
Other non-recurring revenues and costs	(0.9)	25.1	25.9	»	8.8	20.2	11.5	130.8%
Operating costs	850.5	907.4	56.9	6.7%	230.7	249.1	18.4	8.0%

Staff costs increased by €30.8m (+8.8% y.o.y) in 2023, mostly as a result of the salary increase (+€15.9m), including the increase in minimum wage. Additionally, the growth in the Express & Parcels business, as well as in the contact centre and document management in the Mail & Other business solutions line also contributed to this evolution in costs.

External supplies & services costs increased by €53.6m (+15.9% y.o.y) mainly due to the growth in direct costs of the Express & Parcels services (+€50.8m), with this growth being partly offset by the reduction in direct costs of Mail services (-€13.2m) also as a result of the impact of the elections in 1Q22.

³² Excluding specific items.

Impairments and provisions decreased by €0.5m in 2023 (-1.8% y.o.y), as a result of the reduction in impairments in the express business line (-€0.8m). This reduction was partially offset by the growth in the mortgage loan portfolio.

Other costs decreased by €27.9m (-45.5% y.o.y), mainly due to the business solutions laptop sale project that took place in 1Q22 (-€20.7m).

Depreciation & amortisation decreased by €0.4m (-0.7% y.o.y) in 2023, positively impacted by the revision of the useful life of some assets (-€3.6m). This effect was partly offset by increased amortisations due to investment in IT systems (+€2.8m) and sorting equipment (+€0.4m).

Specific items amounted to €9.8m in 2023, due to: (i) restructuring costs, namely suspension agreements of employment contracts (+€21.3m); (ii) the new conditions defined in the Plan of Social Action (-€38.7m); (iii) strategic projects (+€2.1m); (iv) the increase in impairment losses (+€13.9m), including extraordinary losses and the costs related to the early termination of the lease agreement of the former headquarters; and (v) transaction costs associated with the start-up of the Real Estate business (+€10.9m), including taxes paid on the acquisition of the properties. In the context of the suspension agreements of employment contracts, it should be mentioned that the amount of €21.3m refers to (i) costs relating to staff exits that took place during 2023 (116 employees corresponding to a total amount of €7.9m) and (ii) a provision of €13.4m already registered in 2023 for the exit of around 200 employees, which is estimated to occur in 2024.

Recurring EBIT

Recurring EBIT stood at €87.6m in 2023 (+€23.0m; +35.7% y.o.y), with a margin of 8.9% (7.1% in 2022) as a result of the strong growth in Express & Parcels (+€11.2m, +131.5% y.o.y); Banco CTT (+€11.0m (+76.1% y.o.y); Financial Services & Retail (+€5.5m, +18.0% y.o.y), and a decrease in Mail & Other (-€4.7m; -44.1% y.o.y).

Recurring EBIT by business unit

	€ million							
	2022	2023	Δ	Δ%	4Q22	4Q23	Δ	Δ%
EBIT by business unit	64.5	87.6	23.0	35.7 %	25.8	19.5	(6.3)	(24.3)%
Mail & Other	10.7	6.0	(4.7)	(44.1%)	5.9	1.1	(4.8)	(82.0%)
Express & Parcels	8.5	19.7	11.2	131.5%	3.8	7.7	3.9	103.6%
Banco CTT	14.4	25.4	11.0	76.1%	4.9	7.3	2.4	49.6%
Financial Services & Retail	30.8	36.4	5.5	18.0 %	11.2	3.5	(7.7)	(68.9)%

In 4Q23 the strong growth of recurring EBIT in Express & Parcels compared to 4Q22 (+€3.9m) was driven by the growth of recurring EBIT in Spain (+€2.9m y.o.y), which was underpinned by the increase in volumes (+126.8% y.o.y), mainly e-commerce. It should be highlighted that in 4Q23 and for the first time in CTT's history, E&P was the biggest contributor to recurring EBIT. Worthy of note is also the contribution of Banco CTT (+€2.4m vs 4Q22). Both these business areas acted as growth levers, in line with the strategy implemented.

Financial Results and Net Profit

Consolidated financial results amounted to -€16.2m (-€6.8m; -72.5% y.o.y) in 2023.

Financial Results

€ million

	2022	2023	Δ	Δ%	4Q22	4Q23	Δ	Δ%
Financial results	(9.4)	(16.2)	(6.8)	(72.5)%	(2.3)	(4.6)	(2.3)	(100.3%)
Financial income, net	(9.2)	(16.2)	(7.0)	(76.0)%	(2.3)	(4.6)	(2.3)	(99.4%)
Financial costs and losses	(9.3)	(16.9)	(7.6)	(82.3)%	(2.3)	(4.6)	(2.3)	(97.1%)
Financial income	0.0	0.6	0.6	»	0.0	0.0	0.0	«
Gains/losses in subsidiaries, associated companies and joint ventures	(0.2)	0.0	0.2	99.8 %	0.0	0,0	0,0	(104.2%)

Financial costs and losses incurred amounted to €16.9m, mainly incorporating financial costs related to post-employment and long-term employee benefits of €7.2m, the most significant increase of which is due to the increased discount rate in the 2022 valuation, the impact of which was felt in 2023, as well as interest expense associated to finance lease liabilities linked to the implementation of IFRS 16 for an amount of €3.5m, and interest expense on bank loans for an amount of €5.6m, whereby the use of the Commercial Paper and Factoring line programmes largely explains the increase.

In 2023, CTT obtained a **consolidated net profit** attributable to equity holders of €60.5m, which is €24.1m above 2022. The evolution of the consolidated net income was positively impacted by the growth of recurring EBIT (+€23.0m) and the favourable evolution of income tax for the period (-€9.3m); it was negatively affected by (i) the worsening of financial results (-€6.8m), and (ii) specific items (-€1.4m).

Investment

In 2023, **Capex** stood at €36.1m (-€0.9m; -2.4% y.o.y), which is in broadly line with the previous year. The 2023 investment was mainly directed towards: (i) information systems (€23.4m; -€0.4m, -1.5% y.o.y), to increase the efficiency of operations, cybersecurity and improve the customer experience; (ii) buildings and facilities (€4.8m; +€0.3m, +5.7% y.o.y), including investment in the new headquarters; and (iii) equipment (€3.9m; -€2.3m, -37.1% y.o.y), a reduction explained by the strong investment in the expansion of the express and parcels network in Portugal and Spain in 2021 and 2022 and partly offset by the growth in investment in the Locky locker network.

In 4Q23, to respond to the growth acceleration in E&P volumes, investment reached €19.5m (+€2.4m; +14.1% y.o.y), with the increase mainly targeted at information systems and equipment.

Following the E&P business growth, it is anticipated that in 2024 investment will continue to be mainly directed towards sorting machines, mostly in Spain, information systems and the Locky lockers network.

Cash flow

In 2023, the Company generated an operating **cash flow** of €114.4m (+€14.9m). The growth of operating cash flow has benefited from the positive performance in terms of generated EBITDA (+€22.6m to €151.9m), as well as from the favourable impact of non-cash items on EBITDA (+€1.2m).

Cash flow

€ million

	2022	2023	Δ	Δ%	4Q22	4Q23	Δ	Δ%
EBITDA	129.3	151.9	22.6	17.5 %	42.5	36.3	(6.2)	(14.5%)
Non-cash items*	(7.2)	(6.0)	1.2	17.0 %	0.6	(2.8)	(3.4)	«
Specific items **	(8.4)	(9.8)	(1.4)	(16.6)%	(12.6)	1.2	13.8	109.5%
Capex	(37.0)	(36.1)	0.9	2.4 %	(17.1)	(19.5)	(2.4)	(14.1%)
Δ Working capital	22.8	14.4	(8.5)	(37.1)%	27.2	23.0	(4.3)	(15.6%)
Operating cash flow	99.6	114.4	14.9	14.9 %	40.6	38.2	(2.4)	(5.8%)
Employee benefits	(15.8)	(18.5)	(2.7)	(17.0)%	(4.4)	(5.8)	(1.4)	(32.4%)
Tax	(16.4)	(1.6)	14.8	90.3 %	(0.7)	(2.6)	(1.9)	«
Free cash flow	67.4	94.4	27.0	40.0 %	35.5	29.8	(5.7)	(16.1%)
Debt (principal + interest)	(16.0)	77.2	93.3	»	(0.6)	58.1	58.7	»
Dividends	(17.7)	(17.9)	(0.2)	(1.3)%	0.0	0.0	0.0	—
Acquisition of own shares	(21.6)	(10.2)	11.4	52.9 %	0.0	(5.6)	(5.6)	—
Disposal of buildings	0.4	0.0	(0.4)	(96.8)%	0.4	0.0	(0.4)	(99.1%)
Financial investments	12.0	0.0	(12.0)	(100.0)%	12.0	0.0	(12.0)	(100.0%)
Investments in associated companies and joint ventures	(0.6)	(1.7)	(1.1)	«	0.0	(1.5)	(1.5)	«
Change in adjusted cash	23.9	141.8	117.9	»	47.3	80.8	33.5	70.8%
Δ Liabilities related to Financial Serv. & others and Banco CTT, net ³³	(470.1)	(237.4)	232.7	49.5 %	87.8	(3.2)	(91.0)	(103.6%)
Δ Other ³⁴	24.8	(9.3)	(34.0)	(137.5)%	11.5	2.9	(8.6)	(74.6%)
Net change in cash	(421.4)	(104.9)	316.5	75.1 %	146.6	80.6	(66.0)	(45.0%)

*Impairments, Provisions and IFRS 16 affecting EBITDA.

**Specific items affecting EBITDA.

The growth of EBITDA more than offset the negative evolution of working capital (-€8.5m), and specific items (-€1.4m).

In terms of working capital, it should be noted that the evolution observed in 2023 was largely influenced by the performance of the EBITDA-related component, impacting working capital by -€9.5m, in which the positive impact of the increase in activity in 2023 was attenuated by the recovery of receivables in the previous period.

³³ The change in net liabilities of Financial Services and Banco CTT reflects the evolution of credit balances with third parties, depositors or other banking financial liabilities, net of the amounts invested in credit or investments in securities/banking financial assets, of entities of the CTT Group providing financial services, namely the financial services of CTT, Payshop, Banco CTT and 321 Crédito.

³⁴ The change in other cash items reflects the evolution of Banco CTT's sight deposits at Banco de Portugal, outstanding cheques/clearing of Banco CTT cheques, and impairment of sight and term deposits and bank applications.

Consolidated Balance Sheet
Consolidated Balance Sheet

€ million

	31.12.2022	31.12.2023	Δ	Δ%
Non-current assets	2,253.3	2,354.7	101.4	4.5%
Current assets	1,804.2	2,402.0	597.7	33.1%
Assets	4,057.5	4,756.6	699.2	17.2%
Equity	224.9	253.3	28.3	12.6%
Liabilities	3,832.6	4,503.4	670.8	17.5%
Non-current liabilities	789.4	689.6	(99.8)	(12.6%)
Current liabilities	3,043.1	3,813.8	770.6	25.3%
Equity and consolidated liabilities	4,057.5	4,756.6	699.2	17.2%

The key aspects of the comparison between the **consolidated balance sheet** as of 31.12.2023 and that as of 31.12.2022 are as follows:

- **Assets** grew by €699.2m, mainly due to increased other banking financial assets (+€812.4m) as a result of the increase of Banco CTT's investments in central banks and in debt securities at amortised cost (+€191.7m). These effects were partially offset by the decrease in cash and cash equivalents following the reduction in public debt subscriptions (-€104.9m), as well as in the credit to banking clients (-€184.4m) mainly explained by the end of the credit card partnership with Sonae.
- **Equity** increased by €28.3m following the net profit attributable to equity holders of the CTT Group in 2023 in the amount of €60.5m, the payment of dividends amounting to €17.8m that took place in CTT, SA, the acquisition of own shares in the amount of €10.2m and the reduction in other changes in equity (-€3.5m) resulting from the recognition of actuarial changes relating to the 2023 valuation.
- **Liabilities** increased by €670.8m, due in particular to the increase in: (i) Banking clients' deposits and other loans (€845.6m); (ii) medium and long-term debt (+€73.1m) as a result of the combined effect of the commercial paper programmes contracted and the repayment of the loans with Novo Banco and BBVA/Bankinter, as well as the short-term loan recognised at the end of the year; and (iii) the increase in other current liabilities (+€31.2m). On the other hand, there was a reduction in accounts payable (-€151.3m) due to lower subscriptions of public debt certificates, a decrease in debt securities issued at amortised cost (-€98.2m) following the withdrawals made, and the reduction in the liabilities related to employee benefits (-€35.6m) following the changes to the CTT Healthcare Plan.

The CTT Group consolidated balance sheet excluding Banco CTT from the full consolidation perimeter and accounting it as a financial investment measured by the equity method would be as follows:

Consolidated Balance Sheet with Banco CTT under equity method

	31.12.2022*	31.12.2023	Δ	Δ%
				€ million
Non-current assets	683.2	713.0	29.8	4.4%
Current assets	577.9	506.7	(71.2)	(12.3%)
Assets	1,261.0	1,219.6	(41.4)	(3.3%)
Equity	225.2	253.4	28.3	12.6%
Liabilities	1,035.9	966.2	(69.7)	(6.7%)
Non-current liabilities	331.7	333.8	2.1	0.6%
Current liabilities	704.2	632.4	(71.8)	(10.2%)
Equity and consolidated liabilities	1,261.0	1,219.6	(41.4)	(3.3%)

* The figures under 31.12.2022 are proforma due to the transfer of Payshop from the perimeter of Banco CTT to CTT, S.A. in 3Q23.

Liabilities related to employee benefits

Liabilities related to employee benefits (post-employment and long-term benefits) stood at €173.5m in December 2023, down by 17.5% compared to December 2022, broken down as specified in the table below:

Liabilities related to employee benefits

	31.12.2022	31.12.2023	Δ	Δ%
				€ million
Total liabilities	210.2	173.5	(36.7)	(17.5%)
Healthcare	190.4	154.2	(36.1)	(19.0%)
Healthcare (321 Crédito)	1.0	1.1	0.1	10.7%
Suspension agreements	10.3	11.4	1.1	10.5%
Other long-term employee benefits	5.1	4.7	(0.4)	(8.6%)
Other long-term benefits (321 Crédito)	0.2	0.2	0.0	10.1%
Pension plan	0.2	0.2	(0.0)	(6.2%)
Other benefits	3.0	1.7	(1.3)	(44.3%)
Deferred tax assets	(59.5)	(49.4)	10.1	17.0%
Current amount of after-tax liabilities	150.7	124.1	(26.6)	(17.7%)

As mentioned above, the reduction in the liabilities related to employee benefits (-€36.7m) benefited from the changes to the CTT Healthcare Plan.

These liabilities related to employee benefits are associated with deferred tax assets amounting to €49.4m, which brings the current amount of liabilities related to employee benefits net of deferred tax assets associated with them to €124.1m.

Consolidated net debt
Consolidated net debt

	31.12.2022	31.12.2023	Δ	Δ%
Net debt	29.8	(39.0)	(68.7)	«
ST & LT debt	196.0	269.0	73.1	37.3%
of which Finance leases (IFRS16)	125.9	118.3	(7.6)	(6.1%)
Adjusted cash (I+II)	166.2	308.0	141.8	85.3%
Cash & cash equivalents	456.5	351.6	(104.9)	(23.0%)
Cash & cash equivalents at the end of the period (I)	410.8	315.2	(95.6)	(23.3%)
Other cash items	45.7	36.4	(9.3)	(20.3%)
Other Financial Services liabilities, net (II)	(244.6)	(7.2)	237.4	97.0%

€ million

The key aspects of the comparison between the **consolidated net debt** as at 31.12.2023 and that as at 31.12.2022 are as follows:

- **Adjusted cash** grew by €141.8m, as the positive performance of the operating cash flow (+€114.4m) offset the payment of employee benefits (-€18.5m), the payment of dividends (-€17.9m), the acquisition of own shares (-€10.2m) and investments in associated companies (-€1.7m). The contracting of commercial paper programmes (+€34.9m) and the short-term loan recognised in December (+€60m) also contributed to the growth in adjusted cash.
- **Short-term & long-term debt** increased by €73.1m essentially due to the combined effect of the decrease in lease liabilities (-€7.6m), the amortisation of the loans with Novo Banco and BBVA/ Bankinter (-€14.1m), as well as the contracting of the commercial paper programmes (+€34.9m) and the short-term loan (+€60m) mentioned above.

CTT Group net debt excluding Banco CTT from the full consolidation perimeter and accounting it as a financial investment measured by the equity method would be as follows:

Consolidated net debt with Banco CTT under equity method

	31.12.2022*	31.12.2023	Δ	Δ%
Net debt with Banco CTT under equity method	185.7	177.3	(8.3)	(4.5%)
ST & LT debt	192.1	265.7	73.6	38.3%
of which Finance leases (IFRS16)	122.0	114.9	(7.1)	(5.8%)
Adjusted cash (I+II)	6.4	88.3	81.9	»
Cash & cash equivalents	371.2	276.3	(94.9)	(25.6%)
Cash & cash equivalents at the end of the period (I)	371.2	276.3	(94.9)	(25.6%)
Other cash items	0.0	0,0	0,0	49.3%
Other Financial Services liabilities, net (II)	(364.8)	(188.0)	176.8	48.5%

€ million

* The figures under 31.12.2022 are proforma due to the transfer of Payshop from the perimeter of Banco CTT to CTT, S.A. in 3Q23.

Economic value

GRI 201-1

The Company distributed 365.0 million euros in wages and benefits, an increase of 1.9% compared to 2022, and is a major tax payer and direct investor in the community. The accumulated economic value grew by 126.1% year-on-year to more than €42.5m.

Direct economic value generated and distributed by CTT

	31.12.2022	31.12.2023	€ million Δ%
Direct economic value generated	906.5	985.8	8.7
Revenues	906.5	985.8	8.7
Direct economic value distributed	887.7	943.3	6.3
Operating costs	488.7	538.4	10.2
Wages and Employee benefits	358.2	365.0	1.9
Payments to providers of capital	26.9	34.8	29.4
Payments to the Government	13.3	4.5	(66.2)
Community investments	0.6	0.6	0.0
Accumulated economic value	18.8	42.5	126.1

4.3. Innovation

GRI 203-1

In 2023, CTT's innovation priorities were in terms of product and customer experience, with a special focus on Locky Lockers and the e-Commerce offer.

Generative Artificial Intelligence (AI) was more than a buzzword, with the launch of "Helena", our new virtual assistant, and Microsoft choosing CTT to test Copilot, its AI solution adapted to Office tools.

Highlights



Locky

The CTT locker solution now includes a solution for sending and returning parcels, as well as new features such as refrigerated lockers



Helena

The first chatbot powered by Generative AI has become available 24 hours a day, 7 days a week, 365 days a year to assist with a wide variety of questions

4.3.1 Product Innovation and Customer Experience

Locky lockers

Launch of parcel shipping and return through smart lockers

The Locky by CTT lockers now enable sending and returning parcels, in the easy, fast and convenient way characterising these smart lockers.

Apart from receiving parcels in lockers, in 2023, Locky customers were able to send or return their parcels through lockers. This innovative functionality became available in pilot version in the Greater Lisbon area and was progressively extended, in a phased manner, to the rest of the country. To send or return a parcel, the process is easy: have a valid parcel to return or send with a transport document for the effect, create an online delivery at CTT or contact the online post office about how to return the parcel. Next, just go to the Locky Portal to register the delivery, by selecting the preferred/desired Locky locker and then, deposit the parcel in the locker.

Installation of a refrigerated locker at Gaia El Corte Inglés

In Porto, Open Lockers, a CTT subsidiary most frequently referred to by the name of its lockers, Locky, signed a partnership with El Corte Inglés for the installation of a new locker, at the Gaia Post Office, which has refrigerated compartments for the best packaging of chilled or frozen products of the Supermarket or Club del Gourmet. This solution has enabled all our customers to receive their click&collect requests in a fully autonomous and convenient manner. The locker has 16 compartments at room temperature, four with positive cold temperature and two with negative cold temperature, located on Floor -5, alongside the parking. When the request was prepared, the customers received an SMS with the pin indicating that they could collect it from the refrigerated locker.

Other partnerships

Locky signed a partnership with KeyNest to facilitate stays at local accommodation, securing the key exchange service for Airbnb guests. This solution became available in the Greater Lisbon area, in 24 locations. Created to facilitate the life of everyone who has a booked stay, this service, available 24 hours a day, seven days a week, has proved itself worthwhile due to its security and convenience, as it only requires a code to open the locker.

The company also signed a partnership with Grupo Nossa Farmácia, which has been in the market for 10 years and covers over 300 pharmacies in Portugal, for the installation of lockers in various locations of that network. More than 70 public lockers were provided at numerous places, from the north to the south of the country, for all customers who wish to receive their orders there. All the lockers enable receiving all e-commerce parcels from websites with a CTT delivery point, but this partnership went beyond, and now also provides for picking up good health and well-being products from the group's pharmacies.

The first hybrid locker was made available in 2023, operating at Farmácia Nova da Sobreda, the recent and innovative Good Health and Well-Being space, in the municipality of Almada. This public locker, with 16 doors, works as a CTT delivery point and is simultaneously supplied by the pharmacy with orders placed online. This installation arises from a partnership established between Locky and Grupo 4Farma, with the foreseen installation of new lockers in that network.

Express and E-Commerce

New shipping plugin for selling on Amazon

CTT has extended its shipping plugin service to customers selling on Amazon. CTT's recent e-commerce service, which enabled customers to automate their parcel shipping and which, until recently, could be integrated with the delivery services of the stores created on WooCommerce, Shopify, Prestashop, Magento2, OpenCart, ECWID and ePages, is now also able to be integrated with sales carried out on Amazon. Therefore, with this extension, Amazon retailers with a shipping contract with CTT Express now benefit, free of charge, from various functionalities, such as the automatic importation of orders and generation of transport documentation, the updating of the object code and order status on Amazon and the request for complementary services, such as collection on delivery or the delivery time window.

CTT established a partnership with eBay to support the internationalisation of Portuguese companies

This partnership sought to offer advantageous conditions to companies that use the eBay platform for online selling. Hence, Portuguese companies that subscribed to this partnership and sold their products directly on eBay's e-marketplace could use CTT tools to facilitate their shipping.

Being on a global platform enables companies to access numerous markets without carrying out developments, offers the opportunity to rapidly learn the markets in which their products are best accepted, has relatively low catalogue display costs in relation to a physical presence, and benefits from lower barriers to entry. Subscription to the programme was free of charge and all companies received a toolkit with a manual and tips on how to sell on eBay, in addition to having first-hand access to information about all the initiatives progressively developed under the partnership. Companies with more than 100 products listed on eBay and considered high potential were contacted by an eBay person, who offered them a proposal for a sales fast-tracking programme, free of charge.

These customers were given the opportunity of a personal training programme with eBay specialists, of benefiting from higher sales thresholds and a free e-Bay store subscription for a quarter, in order to help them make their business global and achieve 135 million buyers worldwide, where this programme is worth millions of dollars.

Create Online Stores simplifies sending express parcels

The CTT Create Online Stores platform is a comprehensive and scalable solution, incorporating CTT delivery and advertising solutions and solutions of partners in the areas of payments, invoicing, advertising and digital sales channels (social networks and search engines). In a context of rapid growth of online purchases, and since March 2020, when it was created, more than 4,500 merchants have subscribed to CTT solutions, the majority being Small and Medium-Sized Enterprises (SME) and micro-enterprises, who perceived the opportunity and began to explore the online sales channel.

Maintaining its strong focus on supporting Portuguese SME, both in their entrance into e-commerce and internationalisation, CTT enabled, in 2023, through its CTT Create Online Stores e-commerce platform, the sending of parcels to more than 200 destinations all over the world.

With this solution, merchants now have various sending solutions at their disposal, customised to their business:

- Premium International, the most popular and fastest;
- International, the classic for worldwide;
- Europe, the classic for Europe; and
- Light Europe, the most economic.

Benefiting from their integration in the largest national delivery network, the shipping of orders received on the online stores created on the platform is now exclusively carried out by CTT, offering the most competitive prices in the market. The process of shipping orders is easy and intuitive, with each order being associated with its transport documentation and shipping code, enabling the seller and buyer to follow the item's route up to its receiver.

Prepaid pack of express deliveries

The prepaid Express Pack was launched, an innovative and unique product in the national market, directed at individuals and companies. This is a prepaid product of deliveries, the easiness and speed of which have progressively met customer requirements in terms of fostering a daily life free of complications and (even more) competitive prices. In purchasing the pack, the customers benefited from the prepaid solution which allowed them free use of the deliveries over a period of 365 days, with a code remaining in their possession, from the moment of the purchase, which enabled the shipping of the parcels in the store, in a fast, comfortable and practical manner. With the launch of this product, CTT has strengthened its leadership position also in support to small enterprises and to all who wish to enter the world of digital entrepreneurship, through a simple, unbureaucratic and autonomous process, which is only possible thanks to the capillarity of the CTT network, which reaches every corner of the country and manages to meet the needs of all business units.

The Express Pack is composed of five units, enabling five express deliveries of up to 5 kg originating in Mainland Portugal and with destination in Mainland Portugal or Peninsular Spain. The customer can purchase the desired quantity of sets, according to shipping needs, at any mainland CTT post office or point with an Express service. Apart from all of the above, the product was differentiated due to its competitive prices, with a real saving in the invoice, which could reach 45%, right at the time of the purchase, and it is also possible to follow the shipping route. During the delivery route, CTT notified the sender and receiver via e-mail or SMS and, from the moment that the parcel arrived at its destination, the proof of delivery was available at [Seguir Objeto](#) [Track an Item] or on the CTT App.

CTT E-Commerce Awards

The CTT E-Commerce Awards opened to an Iberian format. The 8th edition of the CTT e-Commerce Day was organised in partnership with the newspaper Expresso, once again face-to-face and broadcast online. The central theme was Greener and Smarter E-Commerce, where topics, for example, Artificial Intelligence and its influence on e-commerce were debated. The aim of the CTT E-Commerce Awards competition is to value and promote best practice in e-commerce and/or tools, such as digital marketing, logistics, payments and their underlying online business models underlying, with value for people and the community. In this way, CTT continued to affirm its positioning as a specialist in digital solutions, being a strategic partner for all online business.

CTT Crypto Stamp

The first Portuguese crypto stamp was launched on 28 February 2023, issued in physical and non-fungible token (NFT) format, with exclusive benefits for collectors.

This launch, under the theme "Browsing in discovery of the Future", reinforced CTT's role as one of the most disruptive and active postal operators in the development of new products and services in all areas of the company, including philately. This crypto stamp was developed in partnership with the Estonian startup Stampsdaq, a company dedicated to cooperation with postal operators worldwide, creating a bridge with the collectors.

NFT are digital files with attributes of rarity, which can be considered equivalent to works of art with a specific market value, based on blockchain (a structure that stores the general public's transactional records in the form of databases) to guarantee authenticity and security.

This “Caravel” crypto stamp was issued in a total of 40 thousand copies, with a face value of 9.90 euros: 30 thousand in physical format, with its digital “twin”, in NFT, and 10 thousand exclusively digital copies, available on StampsDaq’s platform. With the physical version, which was sold at CTT physical and online post offices, the buyer received a card with the physical stamp and a 10-digit numerical code. This code should then be entered on StampsDaq’s platform to enable digital access to the corresponding NFT stamp.

The NFT stamp, in digital format, had different levels of rarity where the level corresponding to the stamp that was purchased would only be known upon accessing StampsDaq’s platform. In its physical format there was just an ordinary stamp, but when the associated NFT was redeemed, the collector received a digital stamp with one of four levels of rarity. There were four categories:

- Ordinary, with 35 thousand copies;
- Rare, with 4,900 copies;
- Super rare, with 99 copies; and
- Unique, with only one copy.

The fact that the level of rarity was unknown at the time of purchase meant that it was not possible to choose the associated NFT, making this stamp very interesting both for traditional collectors and digital natives and, naturally, for all those interested in bolstering their portfolio.

The digital stamp was accessible in a crypto wallet and could be paid in Matic – a native cryptocurrency of the Polygon network –, or using a credit card. As soon as the NFT was accessed, it should be kept in the crypto wallet, which enabled storing the stamp and viewing it at any time.

This commitment of CTT to innovation in philately was framed by the company’s long-term strategy, involving a greater exploration and integration of new philatelic experiences, strengthening the collecting component alongside the practical role of stamps.

Financial Services

Online scheduling for subscription of Postal Savings Certificates

Our customers were given the opportunity to complete a form for scheduling an appointment at the post office, considerably reducing their waiting time. When completing the [scheduling form on the website](#), the customer would upload the necessary documentation, schedule a time and the post office where the subscription would be made, expediting the entire process.

Simulation and digital subscription of the new CTT Insurance offer

A new agreement between Tranquilidade and CTT enabled our customers to simulate the value of their Life and Car Insurance online, being contacted subsequently to finalise the process. In relation to the rest of the portfolio, customers were able to consult all the information online and request a direct contact from the helpline, whether to complete their subscription or clear up doubts about the process.

Super Experiences

Total stabilisation of the CTT APP

In 2023, the aim was to ensure that the customers could maximise their experience of all the CTT APP’s features. Accordingly, in addition to minor changes in browsing, namely concerning the personal area, the APP also began to be available in cloud environment (making it much faster) and browsing errors were unblocked in the “*Seguir Objeto, Senhas Digitais, Portagens e Envios Online*” [Follow Item, Digital Passwords, Tolls and Sending Online] functionality. For 2024, the APP is being prepared for a

scenario in the near future of a day of paid lockers, providing a payment wallet in the application, i.e., the customer can load the APP with a value and purchase any service directly using that balance.

New functionalities in the CTT Business Portal

In 2023, the focus of the CTT Business Portal was particularly incident on two of the identified strategic priorities:

- Create the foundations for a unique portal of services for companies; and
- Ensure the minimum conditions for the migration of CTT core applications/portals to a single portal dedicated to services for companies.

These two goals oriented the work of the teams, both in the phase of conception and design of experiences, and in the ensuing development, and will also be followed through in a series of sequential tasks along the same guideline in 2024.

4.3.2 Operational and Corporate Innovation

Transformation of Operations

CTT launched an innovative Iberian application to facilitate the daily delivery of postmen and women

CTT's activity of daily delivery of standard and express mail has been facilitated thanks to the launch of a new application: MOBI CTT. This application emerged as a new work tool, aimed at postmen and women, enabling them to improve, in a simple, intuitive and organised way, the management of their daily tasks at the service of our customers.

MOBI CTT is a next generation tool and one of the key initiatives of the company's Transformation Plan. This was the first Iberian application, developed in-house with the collaboration of various areas of the company, aimed at supporting Standard and Express Mail delivery activity, in Portugal and Spain.

This new product, which is under ongoing development, taking into account the defined strategic goals, gave CTT a major competitive edge, providing better quality of service and higher productivity in delivery.

The main functionalities of this application include, for example:

- The obligation to contact customers when they do not answer, before it is recorded that the delivery was not made; or
- The possibility of the postman or woman using voice commands to accelerate actions, such as for writing comments associated to a delivery, as well as facilitating procedures, without having to memorise them.

Generative Artificial Intelligence

Launch of the first chatbot with Generative Artificial Intelligence for customer service

The first chatbot fuelled by Generative Artificial Intelligence (ChatGPT), "Helena", the new virtual assistant, available 24 hours a day, 7 days a week, 365 days a year. Aspiring to revolutionise the customer service experience and based on Microsoft Azure OpenAI technology, Helena offers an incomparable level of support to all CTT customers, providing assistance in real time and combining the information and transactional components. It is possible, among other information, to immediately know the status of the parcel, the postcode of an address, what documents are necessary to subscribe to

postal savings certificates, post office opening hours, how to pay tolls, how to carry out the customs clearance of a parcel.

Implemented with the partner Singularity Digital Enterprise, part of Devoteam, and with the support of Microsoft itself, this new tool was launched at the beginning of the peak season, a highly demanding period, in which the number of transacted items rises significantly.

Participation in the Microsoft Co-Pilot Early Access Program

CTT participated in the Microsoft Early Access Program to test Microsoft Co-Pilot, an integration of the Generative Artificial Intelligence technology of OpenAI ChatGPT, Microsoft Office suite. This initiative has confirmed CTT's commitment to adopt cutting edge technological solutions to drive efficiency and productivity. Participation in this program enabled CTT to test and provide feedback about this innovative technology, contributing to its development and fine-tuning.

Energy management and sustainability

Partnership with EDP

On 30 August 2023, CTT and EDP inaugurated a unit that will share benefits with the region's families and companies.

The strategic partnership with EDP to develop projects of up to 6 MWp of decentralised power generation, announced in October 2022, enabled producing electricity from the sun in 20 cities, including at the Sorting Centre of the North (CPL-N), in Maia. A plant was operationalised at CPL-N with over 1,800 solar panels and installed capacity of 1 MWp, which started by remaining in individual self-consumption regime. It is in this building that our entire operation in the northern region is concentrated and from which about 400 thousand letter mails leave every day.

Thanks to this plant, 40% of this building's daily energy needs are now supplied by renewable energy and, when the licensing process is concluded, the plant will become a "Bairro Solar EDP/CTT" [EDP/CTT Solar Neighbourhood], meaning a Collective Self-consumption Community, in which the solar unit installed at CTT will begin to share its benefits with up to 850 households and companies of that region. As a result of having joined this project, these neighbours will have savings of up to 35% in the electricity they consume on a monthly basis.

Thanks to the capillarity of our network, we now have 20 photovoltaic solar plants installed in buildings managed by the company under a self-consumption regime and where the majority of which will also share the benefits with the community, in becoming EDP/CTT Solar Neighbourhoods. In total, more than 230 neighbours have already subscribed to the production units which have already been installed and are awaiting licensing. When the project is at full capacity and all the solar neighbourhoods have been constituted, it is expected that approximately 40 thousand households and companies will benefit from this project and that the emission of 1,600 tons of CO_{2e} into the atmosphere will be prevented, contributing to the country's decarbonisation.

Subscription to these Solar Neighbourhoods is open to families and companies that are in the neighbourhood of these locations, which can be consulted at edp.pt/bairro-solar. The investment, maintenance and operation of the panels will be secured by EDP, and likewise the whole process of recruiting neighbours and management of these communities.

4.3.3 Corporate Innovation Tools

Corporate innovation culture

Under the dynamics of the corporate platform for idea management, INOV+, the PitchDay was held for selected ideas of the 12th cycle, in an initiative that promoted the company's culture of collaborative innovation. The 13th cycle of challenges was also operationalised during 2023.

1520 StartUProgram

The main objective of the programme of interaction with startups is to support and accelerate ideas or business solutions aligned with the needs and strategic objectives of the CTT Group, making the innovation process more agile and reducing uncertainty in the development of new products, services or business models.

In 2023, four 1520 newsletters were published and two events were organised, "1520 Meet the Partner" and "1520 Let's Talk" about Generative IA, in which the startup community gathered together with other partners. The aim of these initiatives is to strengthen the community spirit among the startups that collaborate with CTT, boosting and triggering synergies for innovation projects.

CTT affirmed itself as a strategic partner and one of the main sponsors of the CleanTech startup acceleration programme, Clean Future, which aims to create and develop technological solutions with a view to improving the sustainability of cities. This is one of the operations of the "Hub Criativo" [Creative Hub] of the Beato Living Lab, a living laboratory promoted by Unicorn Factory Lisboa and Startup Lisboa, and which also includes Deloitte as a knowledge partner.

Clean Future took place during the first half of 2023 and focused on three categories that are supported by partners with acknowledged intervention in these areas:

- Construction, in partnership with Mota-Engil;
- Mobility, with EMEL; and
- Retail, with GS1.

These are sectors with high potential impact in the fight against climate change and, during the programme's ten weeks, the selected startups benefited from mentoring sessions with the partners and specialists of the programme's categories, entrepreneurs and investors, and also received support for the validation of their project in the market supervised by specialists. In addition to the participant's proximity with CTT and the Startup Lisboa community, they also had access to an extensive community united by the same values of sustainability, reinforced by the diversity of workshops with speakers specialised in sustainability and business.

We were one of the strategic partners in the Open Innovation 'Emerging Tech' programme organised by Unlimit, an innovation consultant and accelerator. This initiative aimed to drive innovation and strengthen our commitment to the development of innovative technological solutions which, in addition to responding to current challenges, also contribute to a more sustainable future.

Within the 'Green Buildings & Mobility' vertical, we are focused on promoting the adoption of more ecological, greener, transport alternatives, and fast-tracking the transition to more sustainable buildings. To this end, through our participation in the Emerging Tech programme, we endeavour to find national and international startups with innovative technological solutions prepared to co-create and develop a potential pilot project.

CTT Startup Investment Fund

CTT has continued its focus on the TechTree investment fund to support innovation activities in small and medium-sized enterprises and startups, having invested in the startups Fraudio, NeuralShift, Ubirider and Paynest. Fraudio is a "Software as a Service" (SaaS) platform which, linked to a powerful Artificial Intelligence engine, enables detection of payment fraud and fraud initiated by the merchant, as well as offering anti-money laundering solutions, throughout the entire payments chain. Paynest is a human resources fintech designed to make remuneration packages more flexible and easier to offer, and also provides tool that could help the workers to make appropriate decisions. NeuralShift develops artificial intelligence solutions adapted to the specific automation needs of each customer. Ubirider has developed a digital platform that integrates traditional and modern means of transportation to connect travellers and operator companies, enabling, for example, the planning of journeys and ticket payment.

The TechTree Fund held a portfolio of seven invested startups and secured the operationalisation and supervision of said investments, and those arising in the future will be carried out by our programme of interaction with startups, the 1520 StartUProgram. The TechTree Fund, which was reinforced in 2023 and is currently endowed with 8 million euros, aims to invest in startups (seed, series A and growth) and small and medium-sized companies, prioritising its action on sectors aligned with CTT's priorities, namely e-commerce, operations and logistics, communications, fintech, retail, advertising and sustainability. Co-investment is also envisaged, with the opening of possible partnerships with networks of investors to promote the sharing of investment opportunities. This fund has continued to be fully financed by the CTT Group, with its management entrusted to Iberis Capital, which presented a solid track record in investment fund management with a diversified spectrum of companies, from startups to small and medium-sized enterprises.

The fund continued its work of prospecting and analysis of potential investments in the areas of interest referred to above.

Research, Development and Innovation Incentive Programmes

CTT, CTT Espresso, Banco CTT and 321 Crédito prepared and submitted applications to the Tax Incentive System for Business R&D (SIFIDE) programme, for the fiscal year of 2022. Confirmation was received of 100% approval of the applications submitted in 2022 for the fiscal year of 2021, as well as CTT Correios' application for 2020 submitted in 2021.

The execution was pursued of the three Mobilising Agendas for Business Innovation, in whose applications CTT participated, which were approved in Phase II of Call C5 – Capitalisation and Business Innovation of the Recovery and Resilience Plan. In these agendas, CTT participated in a consortium with several relevant entities of the national scientific and technological system, as well as other players from different industries.

The three initiatives eligible for funding are related to the modernisation of operations – Produtech R3 – and to sustainable and smart mobility – Be.Neutral and Route 25.

The Produtech R3 project continued to study the implementation of two different solutions in the operational area of CTT and CTT Espresso. At stake are robotic solutions on the shop floor, for automatic palletising and mobile robotics with Autonomous Mobile Robots (AMR), for towing logistic trolleys and for internal transport of pallets or containers. CTT's participation as a demonstrator in this project was in line with the objective of modernising operations, incorporating Industry 4.0 concepts and technologies to that end.

In the Be.Neutral initiative, CTT participated in the definition of requirements and testing of various solutions concerning urban logistics, namely:

- A new four-wheel vehicle, BEN, developed at the Centre of Engineering and Product Development (CEiiA);
- Testing of the sensorising and tracking of vehicles and items;
- Testing of a platform for management of mobility and emissions;
- Integration and analysis of the data generated for improved operational efficiency and management of the CTT fleet; and, finally
- Testing of electric charging hubs in cities.

The Route 25 project focuses on autonomous driving, data collection, analysis and representation in specialised platforms. CTT participated in the definition of requirements and testing of various solutions concerning urban logistics:

- Creation of a CTT vehicle sensorising network;
- Integration with a platform for viewing data in real time (precursor of an Integrated Management Centre);
- Integration of the Virtual World (Digital World) with the Integrated Management Centre;
- Integration of these data lakes with CTT's mobility and energy management platforms;
- Use of public high-power chargers in urban environments.

CTT's participation in these two initiatives is based on the importance of developing new urban logistics solutions that promote, on the one hand, the existence of Smart Cities that meet the needs of citizens and companies and, on the other hand, an integrated offer of 100% green delivery solutions (Green Deliveries).

CTT's participation in these Recovery and Resilience Plan Agendas, besides enabling the testing of innovative technologies and solutions, enabled the enlargement of the partnership network with entities from the scientific and technological system, as well as from other industries and sectors, developing synergies and potential future collaborations.

Participation in European innovation networks and associations

Work was pursued with the different innovation associations in which CTT participates.

Under the chairmanship of the Working Group dedicated to the Innovation of PostEurop, we highlight the launch of the 7th edition of the Innovation Award, publication of the Innovation Booklet, organisation of a digital session on the potential of Generative AI in the postal and logistics sector, and the organisation of a session on Cybersecurity, in the context of the PostEurop Business Forum in Bratislava. This association, which has brought together and represented European postal operators since 1992, promotes cooperation, sustainable growth and innovation, and is a Restricted Union of the Universal Postal Union.

We also continued to participate in various initiatives organised by the Business Association for Innovation (COTEC) and the Business Roundtable Portugal (BRP) Association. In the context of the latter, special reference is made, in the sphere of Intellectual Capital, to the boosting of the Working Group dedicated to Innovation, in particular promotion of the topic of Business Doctorates.

4.4 Decarbonisation towards net zero

Aware of the responsibility of being agents in a sector that, through the movement of goods, is responsible for a considerable carbon footprint, CTT looks at Sustainability as a central theme of its development strategy – Faster, Better, Greener. Moving in this direction, CTT has committed to significantly reducing its direct and indirect emissions by 55% by 2030, subsequently offsetting the remaining emissions in order to achieve a neutral carbon balance.

To this end, the company has defined environmental targets to which it is committed for the coming years and until the end of this decade: to operate with 50% electric vehicles in the last mile by 2025 and 100% by 2030; to promote responsible consumption through the use of 100% recyclable packaging and packaging produced with recycled and/or reused material by 2030.

Highlights



Electric vehicles

At the end of year, CTT had 736 electric vehicles, 615 of which were used for last-mile distribution. The expansion in this segment allowed the distance travelled by electric vehicle to increase by 65.0 %.



Avoided emissions

5,642 tonnes of CO_{2e} emissions were avoided by opting to purchase 100% of electricity consumption from renewable sources. The expansion of the installation of solar panels has made it possible to increase the generation of renewable energy by 194.8% compared to 2022.

4.4.1 Environmental management policy and systems

GRI 3-3, GRI 201-2

With an active and conscious role in defence of the environment, CTT has implemented its [policies](#) on Quality, Environment, Occupational Health and Safety, Information Security, Energy and Carbon Management, Climate Change, and Responsible Procurement. CTT's commitment to sustainability and to the ongoing improvement of its performance is visible throughout the entire organisation and has a continuous impact on its daily operations and business model, reflecting the company's challenges and response to the needs of its stakeholders.

CTT has identified, assessed and prioritised the most significant corporate risks that may compromise the achievement of its strategic objectives and negatively affect its sustainable growth (see [Chapter 2.3](#)

[Risk Management](#)). Two strategic, external risks were assessed and prioritised at an environmental level, associated to the following aspects:

- The negative perception of CTT's image by its customers, investors and other stakeholders, with respect to its environmental reputation in the event of non-fulfilment and Environmental, Social and Governance (ESG) performance;
- Frequency and severity of weather-related disasters, with potentially devastating effects, entailing direct and indirect economic losses.

CTT is actively engaged in the search for and implementation of environmental, energy and carbon management initiatives, in line with the organisation's priorities and goals, which are on the radar of the managers and all other employees, from top to bottom. Some of the recent and most relevant business decisions in the short- and long-term were influenced by considerations on reduction of the carbon footprint and enhancement of energy efficiency (further identified below). This is an attitude placed in practice on a daily basis, by innovating in processes, in products, in technology at the service of companies, and in a variety of initiatives and support actions that generate value for the community.

4.4.2 Certifications

CTT has invested in the implementation of certified management systems in various areas. The following table shows the entities that have had their activities certified at environmental level, namely by ISO 14001.

Topics	Environment
Benchmarks	ISO 14001
Corporate CTT ³⁵	X
Operations	X
CTT Espresso (Spain)	X
CTT Espresso	X
CTT Contacto ³⁶	X

4.4.3 Energy

GRI 302-1, 302-3, 302-4

One of the major causes driving the growing greenhouse gas (GHG) emissions into the atmosphere is associated to the massive use of fossil fuels, comprising a non-renewable energy source. The release of greenhouse gas has numerous consequences, such as the increase of the earth's average temperature, which has been showing rather accelerated growth over recent decades, extreme weather conditions and weather-related disasters, which have occurred at an increasingly larger scale worldwide. Hence, the management and valorisation of the energy consumed, including the provenance of its sources, are the greatest challenges of current times, requiring maximum attention.

At CTT, direct energy consumption is estimated to have fallen by -0.6% in relation to the previous year. This places CTT firmly on the path towards increased energy efficiency, leading to direct environmental gains – each joule of energy saved is reflected in a lower production of carbon emissions – as well as in a more solid consolidated balance sheet of the company in the short- and long-term. It should be noted

³⁵ This includes the following departments: People and Culture, Information Systems, Procurement & Logistics, Physical Resources & Security, Audit & Quality/Certification & Excellence, Communication & Sustainability/Sustainability & Environment, Customer Support & Quality of Operations/Monitoring & Customer Support Processes, B2B Commercial Support/Business After Sales.

³⁶ The scope of this certification is "Management and Distribution of addressed and unaddressed mail."

that there is no longer any thermal energy consumption for air conditioning due to the alteration of CTT's head office building.

CTT energy consumption

GJ	'22	'23	Δ '23/'22
Total green electricity consumption	131,368.4	120,518.7	-8.3%
Solar panel power consumption	2,275.3	6,708.1	194.8%
Thermal power consumption	5,619.6	—	-100.0%
Total fuel consumption	225,386.3	235,513.2	4.5%
Total gas consumption	954.2	687.4	-28.0%
Total	365,603.8	363,427.4	-0.6%

In 2023, the electricity consumption from the power grid corresponded to approximately 33.1% of the total energy consumed, where all the consumed energy comes from 100% renewable sources. CTT's annual grid electricity consumption fell by -8.3% mainly reflecting the following factors:

- Investment in production units for self-consumption (UPAC), with greater impact in the second half of 2023, increasing self-consumption to the detriment of grid consumption;
- The alteration of CTT's head office building enabled a 13% reduction in consumption in spaces occupied by the central administrative services;
- Investment in LED, replacing less efficient lamps in the different facilities, where this is a project at completion phase;
- In Spain, special note is made of the replacement of automation machinery by new more energy efficient equipment.

Despite the reduction of consumption at an overall level, there was an increase in the entity CTT Espresso derived from the increased express activity in overall terms, in particular:

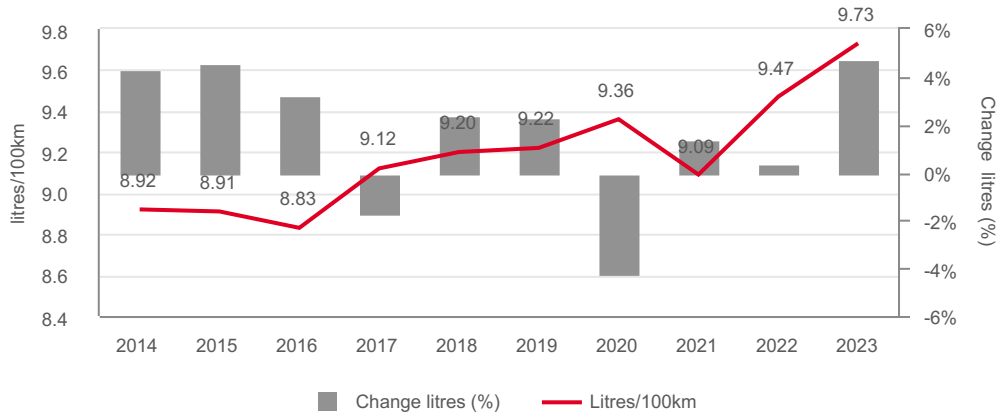
- Increased grid energy consumption at the MARL building during the peak season, with higher consumption during night, weekend and public holiday shifts, a season of the year when the generation of photovoltaic energy through UPAC is lower and insufficient for operational needs;
- A new Operational Centre was inaugurated in Palmela in September 2022, with 2023 having been its first full year in operation, which affected the express activity's energy consumption.

Concerning the production units for self-consumption (UPAC), the oldest at CTT has been in production since August 2021 at the CTT Espresso building, located in MARL. In 2023, during the spring/summer months, the consumption per panel reached approximately half the total consumption. Apart from the CTT Espresso building, we currently have a further 20 installations of panels in CTT buildings, covering operational, delivery and post office buildings. These installations are linked to the solar neighbourhood project, where the energy produced that is not consumed by CTT is distributed to the community in the vicinity. As a whole, the UPAC showed an increase of 194.8% in energy consumed in relation to the previous year.

Fuel continues to represent CTT's main energy consumption source (64.8%). The overall efficiency of the CTT fleet (measured in litres per 100 km) decreased by 2.8% in relation to 2022, where this efficiency fell in the great majority of the types of vehicles. Only motorcycles with less than 50 cubic centimetre cylinders showed an improvement in their efficiency, allied to the fact of being the only category with an average fleet age lower than that of the previous year.

In 2023, there was a 4.7% increase in the quantity of litres of fuel consumed when compared to 2022, as well as an increase in the distance travelled, both for 2 and 3-wheel vehicles and quadricycles of CTT – Correios de Portugal, S.A., and likewise for light goods vehicles of CTT Expresso. Furthermore, there was also an increase in the activity of light passenger vehicles allocated to commercial and support activities at CTT Express and NewSpring.

Evolution of the average consumption of the CTT fleet



The energy component of gas consumption is used in the canteen activities and water heating of some of CTT’s buildings, with gas consumption in m3 having fallen by 30.8% in relation to 2022, as a consequence of the reduction of the number of showers and meals, and the fact that menus now tend to use electric ovens instead of gas stoves.

Buildings

GRI 302-5

Reinforcing the commitment to reduce energy consumption, with direct effects on greenhouse gas emissions, CTT implemented various energy efficiency measures throughout the year, especially in post offices and at mail delivery centres, involving a total of 511 interventions.

- 92 interventions aimed at improving air conditioning system operation at the facilities, including the replacement of older units with equipment of a higher energy-efficiency class;
- 347 lighting system reformulations, involving the installation of sensors and LED solutions;
- Upgrading of 3 electrical switchboards;
- Replacement of 3 air compressors and modernisation of the compressed air network;
- Installation of 20 electric vehicle charging points, due to the expansion of the electric fleet for mail distribution;
- 23 interventions in elevators.

In addition to the intervention measures, special reference is also made to the best practice of deactivation of the permanent lighting of Banco CTT post offices (the lighting is no longer permanently on, and is now switched off one hour after the establishment has closed), thus reducing unnecessary consumption.

To be highlighted is also the strategic partnership project between CTT and EDP, the so-called Solar Neighbourhoods, which now has 20 installations spread over Mainland Portugal, located in post offices, delivery centres and operational centres. The energy produced by these units is intended for CTT consumption and, in the event of a surplus, it is injected into the power grid for distribution to the buildings of the surrounding region. This is a project of continuity and, when it is at full capacity, it is estimated that it will benefit eight thousand households and companies, preventing the emission of 1,600 tons of CO₂e into the atmosphere, contributing to the country's decarbonisation.

The two sorting centres (CPL) are among the largest energy consumers, out of CTT's total of approximately one thousand buildings, being energy intensive consumers. Notwithstanding the effort to rationalise energy consumption and the implementation of energy efficiency measures in sorting centres, there was an 6.6% increase of electricity consumption in these two centres. In the Sorting Centre of the North (CPL-N), the introduction of a production units for self-consumption (UPAC) enabled reducing grid consumption by 26.1%. In overall terms, considering grid and solar panels together, there was a decrease of 0.6%, driven by the replacement of lamps by LED, as well as the resolving of problems in the lighting control system. The overall increase of the sorting centres is, therefore, levered by the 9.4% increase in energy consumption in the Sorting Centre of the South (CPL-Sul), in Lisbon. The main reason for this rise was related to the abrupt changes of temperature, which means that the ventilation and air conditioning appliances consumed more energy, to regularise the building's temperature.

At CTT Express, in Spain, we highlight the initiative to replace the sorting machines with more recent technology which, apart from optimising processes, are more energy efficient.

Mobility

GRI 302-1, 302-3, 302-5, 305-1, 305-5

CTT has one of the largest and most modern fleets among national companies and, over the last few years, has focused especially on the electrification of its own fleet. This is the main axis driving CTT's decarbonisation strategy up to the end of the decade. To this end, significant investment has been made in the acquisition of new electric vehicles to replace combustion vehicles, promoting the mitigation of the impact of polluting gas emissions into the atmosphere arising from the delivery activity. The last-mile fleet currently has 615 vehicles in operation, out of a total of 3,132 vehicles, corresponding to 19.6% of this operational fleet (+28.7% than in the previous year)

CTT ecological fleet

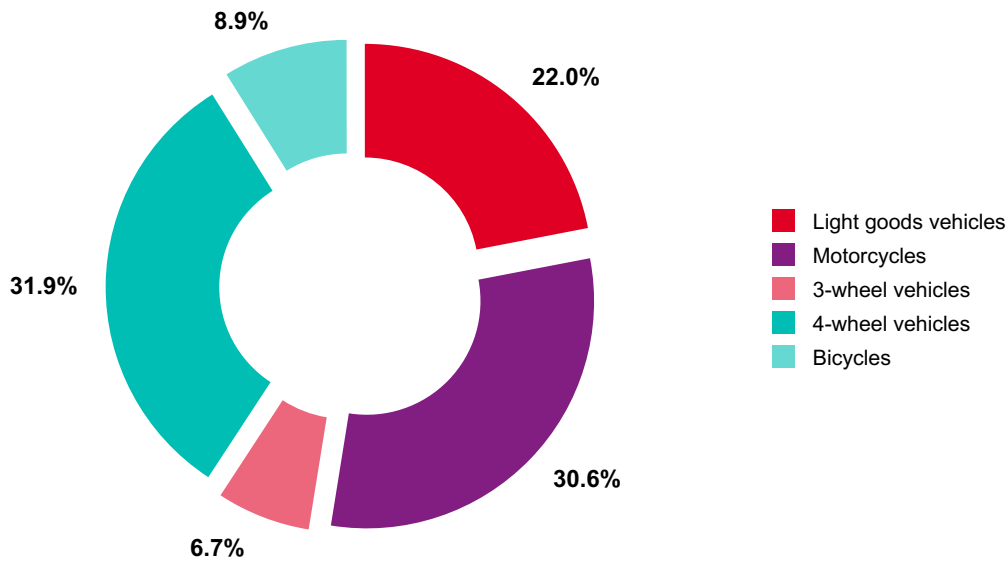
	'22	'23	Δ '23/'22
Last-mile ecological vehicles ³⁷	478	615	28.7%
Total last-mile vehicles	3,166	3,132	-1.1%
Overall ecological vehicles	596	736	23.5%
Total overall ecological vehicles ³⁵	4,180	4,203	0.6%

Electric vehicles do not release local polluting gases during their use, in addition to being silent and more comfortable to drive (without gearbox). They contribute to reducing CTT's carbon footprint and mitigate the risk of conventional vehicle restrictions to movements in urban/historical zones.

At the end of 2023, 32 light goods vehicles, 100 motorcycles and 10 electric tricycles were purchased to enter into operation.

³⁷ Excluding the fleet of CORRE.

Types of of electric vehicles in the last mile



In the last quarter of 2023, a project was started for the installation of a charging network in 115 facilities, covering a total of 580 chargers, in order to support the decarbonisation path of CTT’s own fleet.

Currently, CTT has five fully electric hubs of its own, that use green electricity at the facilities:

- Delivery Centre 1300, in Lisbon;
- Delivery Centre 1000, also in Lisbon;
- Postal Delivery Centre 2750, in Cascais;
- Delivery Support Centre 9880, in Santa Cruz da Graciosa, in the Azores; and
- Delivery Support Centre 9400, in Porto Santo, in the Archipelago of Madeira.

As road transport is responsible for a significant part of the final energy consumed, it is crucial to develop other measures aimed at the sustainability of this activity, such as:

- Technological development, by using route dynamic optimisation software and the MOBICTT application to monitor green deliveries;
- Behavioural change, through training and awareness-raising among drivers towards efficient and less pollutant driving.

CTT’s total activity covered 70.6 million kilometres travelled by its own fleet (1.5% more than in 2022), plus 126.6 million kilometres travelled by the outsourced road fleet (5.0% less than in 2022), and 1.7 million kilometres travelled by postal delivery employees on walking delivery routes.

The kilometres travelled by CTT’s fleet of electric vehicles increased by 65.0% in relation to 2022, due to optimisation and expansion of its activity.

The overall average age of the fleet of CTT, S.A. increased in relation to the previous year, and currently stands at 4.1 years.

Average age of the CTT S.A. fleet

	'20	'21	'22	'23
Overall average age	2.7	3.5	4.0	4.1

Under the Consumption and Energy Rationalisation Plan, CTT is obliged to fulfil all the measures related to the fleet, namely its renewal, the constant work on optimisation of the delivery and transport routes, the control of supplies and maintenance of vehicles, the installation of GPS systems in the operational vehicles, and the training and awareness-raising of drivers and fleet managers on safe and eco-efficient driving.

Being a pioneer company in the incorporation of electric vehicles in its motor vehicle fleet and in the ongoing innovation of its products and services, CTT tested various models in operational context: Silence S02 HS and Super Soco CPx electric motorcycles, as well as Dacia Spring Cargo and Ford E-Transit light goods vehicles.

The Green Deliveries service, in response to the search for less pollutant and more carbon neutral solutions by its business customers, enables the end customers to receive their parcels by CTT electric vehicles for the contracted locations in the cities of Lisbon and Porto. Since its launch in mid-2020, over 244 thousand items have been delivered, representing a revenue of approximately 312 thousand euros.

In 2023, CTT continued to develop the actions foreseen under the Lisbon European Green Capital Commitment 2020 – Lisbon 2030 Climate Action. The Lisbon European Green Capital 2020 commitment seeks to ensure the contribution of the various economic agents to the achievement of the objectives and targets defined under the Action Plan for Sustainable Energies and the Climate, and fosters a new vision of the city of Lisbon with a view to carbon neutrality by 2050. To this end, CTT submitted measures in the following categories, aimed at improving the company's environmental performance: energy, mobility, water, circular economy, citizenship and participation.

4.4.4 Atmospheric emissions and climate change

GRI 305-1, 305-2, 305-3

Climate change affects the company's costs, revenues and reputation, performing a fundamental role in the definition of its strategy. In most cases, the influence of the topic derives from the commitment to its mitigation and potential financial gains, more than from the response to compliance with legal and regulatory obligations.³⁸

In 2023, there was a reduction (-2.6%) in CTT's total CO₂e emissions (scopes 1, 2 and 3) in relation to the previous year, impacted by the reduction of the distance travelled by the outsourced fleet of heavy vehicles.

Special reference is made to the performance observed in the scope 3 carbon footprint, in which emissions fell (-4.5% compared to 2022). This reduction, in a scope that represents 76.8% of the total emissions of the company's activity, has a major impact on the reduction of total emissions.

The main category that contributes to scope 3 emissions is the outsourced road fleet which accounts for 67.9% of the total of these emissions and showed a reduction of 4.8%.

³⁸ The carbon data disclosed in this report are measured in CO₂e, considering the following greenhouse gases: CO₂, CH₄, N₂O.

CTT carbon emissions GRI 305-1, 305-2, 305-3, 305-5

t CO ₂ e	'22	'23	Δ '23/'22
Direct emissions – Scope 1	18,356.3	19,146.1	4.3%
Indirect emissions – Scope 2	9.9	—	-100.0%
Indirect emissions – Scope 3	66,198.0	63,204.3	-4.5%
Total emissions (Scopes 1, 2 and 3)	84,564.2	82,350.4	-2.6%
Total emissions (Scopes 1, 2 and 3) for SBTi target³⁹	56,647.2	56,006.1	-1.1%

Direct emissions (scope 1), were affected by the increased emission of CTT's own fleet (+4.3% in relation to the previous year), largely driven by the overall increase of the activity. The best measurement of this increase are the kilometres travelled, which grew by 2.5% in relation to 2022, and fleet consumption, which increased by 4.6%.

In this regard, we highlight the increased kilometres travelled by motorcycles of CTT's own fleet, of 36.0%, which compares with a 23.0% reduction of the number of kilometres travelled by the postmen and women's own vehicles. Furthermore, there was a methodological change in the accounting for consumption through the fleet's master cards, which enabled a more rigorous measurement of the consumption of light goods vehicles. The overall amount of the resulting emissions was also conditioned by the increased average age of the heavy vehicles, as well as the use of more voluminous vehicles and with trailers.

Direct atmospheric emissions of CTT GRI 305-1, 305-5, 305-7

Greenhouse gas emissions (t CO ₂ e) ⁴⁰	'22	'23	Δ '23/'22
Fleet ⁴¹	18,309.0	19,112.3	4.4%
Gas	47.3	33.8	-28.5%
Total direct emissions (scope 1)	18,356.3	19,146.1	4.3%
Other pollutants and GHG (t)			
NO ₂	115.5	120.8	4.6%
SO ₂	45.7	47.5	3.9%
COV	5.6	5.9	5.4%
PM10	4.5	4.7	4.4%

Emission values were zero in scope 2, in view of the acquisition of green electricity for 100% of the consumption, as well as the change of premises of the head office building, which no longer has thermal energy consumption.

Since 2015, the carbon emissions derived from CTT's electricity consumption are reported as zero based on the specific carbon content of the electricity supplier (market-based approach). By evaluating the total carbon footprint based on the national energy mix (location-based approach), it is found that the acquisition of energy corresponds to approximately 5.6 kt CO₂e avoided in 2023. Thus, the acquisition of 'green' energy influences CTT's total carbon footprint, as well as its performance in relation to the adopted carbon reduction targets.

³⁹ SBTi (Science-based Targets initiative) scope excludes CTT Express' activity and includes Scope 1, Scope 2 and for Scope 3 includes Air Transport, Road transport by outsourced fleet and Commuting.

⁴⁰ Fleet: value estimated based on the emission factors published by the Portuguese Environment Agency (APA) (https://apambiente.pt/sites/default/files/_Clima/Inventarios/NIR20210415.pdf) and the Global Warming Potential Values - IPCC Fifth Assessment Report (AR5), by converting pollutant emissions to CO₂e, based on emission factors for CH₄ and N₂O. Gas: value estimated based on Order 6476-H/2021 and the WRI GHG Emission Factors Compilation, by converting pollutant emissions to CO₂, based on emission factors for CH₄ and N₂O.

⁴¹ Does not include the CORRE fleet.

Other indirect atmospheric emissions GRI 302-3, 305-4

t CO ₂ e ⁴²	'22	'23	Δ '23/'22
Air transport	15,629.0	14,668.8	-6.1%
Sea transport	66.9	80.7	20.6%
Road transport by outsourced fleet	45,048.2	42,892.7	-4.8%
Delivery by postmen on motorcycles	1,014.1	940.7	-7.2%
Air and rail transport on company business ⁴³	48.7	83.6	71.7%
Commuting	4,391.1	4,537.8	3.3%
Total indirect emissions (Scope 3)	66,198.0	63,204.3	-4.5%

The activity of the outsourced road fleet decreased (-5.0% of the distance travelled), with direct impact on the associated carbon emissions, when compared with 2022 (-4.8%).

For the activity within Portugal, we highlight the number of kilometres travelled in light goods vehicles, as a result of the increased volumes of express items. Concerning heavy vehicles, this increase was only felt at CTT – Correios de Portugal, S.A., and decreased at CTT Expresso, which balanced out as a reduction of total emissions in Portugal. It should be noted that the information related to the distance travelled by outsourced road transport in the 3rd quarter of 2022 was revised. Following this revision, in 2023, a reduction of 6.1% of emissions was recorded in relation to the previous year.

Various measures were implemented throughout the entire year, in order to make the transport network more efficient, many of which having been achieved with synergies between the outsourced fleet and CTT's own network:

- Better stowage of the vehicles, optimising their available cargo capacity;
- Choice of more voluminous vehicles (90 m³) instead of light vehicles with lower cargo capacity;
- Improvement in the Transport Network mapping, in which the collections from CTT Expresso customers were included;
- Internalisation of reinforcements of CTT Expresso with CTT vehicles, which had previously been secured by outsourcing;
- Division of sorting over various centres. In 2023, we were able to count on five new sorting centres: Palmela, Leiria, Maia, Aveiro and Coimbra, which were added to MARL and Perafita. This restructuring enabled decreasing the distances between the different centres; and
- 1H+ project. This initiative led to a change in the operational starting time of the centres (to an hour later), in order to synchronise connections that had previously been running simultaneously, reducing kilometres and emissions.

Regarding CTT Express, in Spain, the measurement of emissions now takes into account the EURO classification of the vehicles, which led to an updating of the figures for 2022. Last mile vehicles with EURO class 6 (less emitting) increased from 40.3% in 2022 to 60.9% in 2023, while, in the long-haul fleet, this class represents the entirety of the vehicles. At the same time, the use of route dynamic optimisation software and the greater use of pick-up and drop-off (PUDO) points enabled, in 2023, reducing the distance travelled by 16.5% year-on-year, despite the significant increase of items sent.

⁴² Value estimated based on the WRI methodology of the Greenhouse Gas Protocol tool for mobile consumption, version 2.6, using the conversion factors indicated in the "Compilation of emission factors used in the cross-sector tools" for the various fuels used by the fleets, applied to the respective consumptions. Does not include CORRE.

⁴³ Does not include CTT Express.

In terms of the outsourced fleet, it should be highlighted that, in Portugal and Spain, despite being at a lower scale, the use of electric vehicles in last mile delivery is already observed. This will be an important focus for the next couple of years.

The emissions arising from the air transport of mail, express and parcels decreased in relation to the previous year, as a consequence of the lower international segment, with a 6.9% reduction of the weight transported and a reduction of the kilometres travelled in Portugal and Spain. Nevertheless, there was an increase in national transport of 2.0% in weight transported.

In sea transport of mail, express and parcels, once again, there was an increase of weight transported in terms of the Express Mail Service – EMS. The increase was 17.1% in Portugal and 11.1% in Spain, in addition to 1.2% growth in the distance travelled. These factors were preponderant for the significant increase of emissions in this transport category.

The emissions derived from home-work-home journeys of the employees increased in 2023, due to the increased number of employees. However, the implementation of more flexible modes of work organisation had a direct impact on this line of the company's carbon emissions, limiting the recorded increase.

Carbon emissions associated with domestic and foreign service trips increased in relation to the previous year, explained by the higher number of journeys made by air, for short distance travel. Nevertheless, meetings by audio/video conference using tools such as MS Teams were continued and emphasised.

Considering direct (scope 1) and indirect (scope 2) carbon emissions, the carbon incorporation of each postal item is 23.6 g of CO₂e, corresponding to a year-on-year increase of 24.2%. This deterioration in efficiency is the result of a combination of the overall reduction in postal volumes and the increased emissions. Incorporating scope 3 emissions, there was a 16.1% increase in relation to 2023, associated with the factors presented above.

Climate change

Accompanying the recent management trends, CTT continued its focus on sustainability, keeping in line with the United Nations Sustainable Development Goals (SDG). These SDG are an integral part of the company's strategy, culture and daily operations. For this reason, CTT defined an ambitious strategic objective: to significantly reduce direct and indirect carbon emissions by electrifying 50% of last-mile distribution by 2025 and all of it by the end of the decade.

A member of the Business Ambition for 1.5°C initiative of the United Nations Global Compact, CTT has aligned its strategies with the global objective of keeping the increase in the planet's average temperature below 1.5°C. Furthermore, CTT is part of the group of companies with ambitious goals for the reduction of carbon emissions approved by the SBTi – Science Based Target Initiative, committing to reduce absolute emissions by 30% by 2025, compared to 2013, and emissions per letter or order by 20% in the same period. It should be noted that the above-mentioned reduction target for 2030 is in line with the desired trajectory for the 1.5°C scenario.

Highlighting its performance, CTT was distinguished with top worldwide classifications in the two sustainability rankings in which it participates: the Carbon Disclosure Project (CDP) and the Sustainability Measurement and Management System (SMMS), of the International Post Corporation (IPC).

In the Carbon Disclosure Project, CTT was distinguished with Leadership level, in the Climate Change sphere, having been awarded a score of A-. Specifically, we obtained maximum level (A) for targets concerning carbon management, scope 1 and 2 emissions, and risk management processes.

In the Sustainability Measurement and Management System ranking, we maintained 5th place but with a 6 p.p. increase in relation to the previous year, within the group of 23 postal operators worldwide. This programme also aims to address the sector's sustainable objectives for the next 10 years, focusing on seven categories of intervention: health and safety, learning and development, resource efficiency, climate change, air quality, circular economy and sustainable procurement. As positive aspects of our performance in comparison to the sector, the International Post Corporation highlighted the increased use of electric vehicles and in the reduction of scope 1 and 2 emissions. It also stressed the carbon efficiency and developments in terms of health and safety.

For the 5th consecutive year, CTT joined other postal operators worldwide to celebrate the Green Postal Day, an initiative also promoted by IPC and that aims to mark the positive results of the collective effort that postal operators have been making. Performance in combating climate change and reducing carbon emissions are highlighted.

In 2023, CTT continued to develop the projects undertaken within the scope of the Lisbon Green Capital Commitment 2020 – Lisbon 2030 Climate Action, and the Corporate Mobility Pact for the City of Lisbon was concluded. The Lisbon European Green Capital 2020 commitment seeks to ensure the contribution of the various economic agents to the achievement of the objectives and targets defined under the Action Plan for Sustainable Energies and the Climate, and fosters a new vision of the city of Lisbon with a view to carbon neutrality by 2050. To this end, CTT submitted 14 measures in the following categories, aimed at improving the company's environmental performance: energy, mobility, water, circular economy, citizenship and participation.

The focus on the circular economy is another of the company's areas of concentration in this path towards decarbonisation. CTT launched Green Mail over 10 years ago, the first CTT offer designed with concerns about environmental protection, combined with convenience. Nowadays, we aspire to operate exclusively with recyclable packaging produced with recycled and/or used material by 2030.

Another way of mitigating our last mile carbon footprint is by offsetting the carbon emissions derived from Green Mail and the company's own activity of Parcel transportation and delivery in Portugal. This offer represents 18.1% of CTT's total revenue and the direct emissions have been neutralised with the support granted by CTT to projects with positive environmental impacts in terms of the level of biodiversity and the development of local communities, one in Portugal and the other abroad.

Energy, Carbon and Climate Change Management Policy

Under the identification and assessment of impacts derived from climate phenomena, with implications in terms of costs and operations, CTT highlighted two events related to winter storms. It is estimated that these events had a minor impact of approximately €1,800.00 at operational level and approximately €1,100.00 in terms of work potential.

The recording and study of these events, of the possible forms of mitigation and the development of resilience mechanisms have enabled CTT to adopt appropriate and balanced management strategies for the occurrence of new extreme weather conditions.

CTT adopts the following formulation of principles on these matters:

- Creation of value for the business, and likewise generating value for society;
- Improvement of the energy efficiency of equipment, facilities, fleet and product design, with a view to continuous improvement of performance;
- Provision of information and resources, in order to achieve the established objectives and targets;
- Respect for the legal and regulatory framework in force and other commitments which the company endorses.

4.4.5 Consumption, waste and circular economy and biodiversity

Water

GRI 303-1, 303-3, 303-4, 303-5

Postal activity is not particularly intensive in its water consumption, although water constitutes a resource for the daily operation of the facilities, namely for human consumption, irrigation or occasional vehicle washing or its use in air conditioning equipment.

CTT Water Consumption

	'22	'23	Δ '23/22
Consumption (m ³) ⁴⁴	38,376.0	39,228.3	2.2%

The increase recorded in water consumption, in 2023, is due to the inclusion of a new consumption point, compared to the previous year. The implementation of measures aimed at rationalising consumption and the planned reduction in vehicle washing frequency was maintained. For buildings in the Lisbon region, CTT monitors information on network water consumption in real time, using telemetry, with a view to optimising water consumption and costs.

CTT has been authorised to use water resources for discharging of wastewater at the Taveiro building, which defines discharge points and parameters to be monitored, respective periodicity of analysis, emission limit values to be complied with and reporting to the competent authority.

Consumption of materials

GRI 301-1, 301-2, 306-2

Although CTT's activity involves very little incorporation of intermediate or final materials in its supply process, priority has been given to its reduction of consumption and promotion of the use of recycled materials.

This year, around 2,378.2 tonnes of materials were consumed⁴⁵, a reduction of 37.0% on the previous year, of which paper accounted for 1,467.6 tonnes, plastic 852.6 tonnes, metal 6.4 tonnes, textile fibres 21.8 tonnes and other consumption such as printing inks 29.8 tonnes.

Moreover, in 2023, CTT bolstered its efforts to incorporate recycled materials in its offer, extending its scope to products, Philately, Banco CTT and to the CTT Express offer, in Spain. Currently, 82.4% of the CTT mail, express and parcel offer incorporates recycled materials, becoming progressively closer to the commitment to cover the entire offer by 2030.

The implementation of actions aimed at decreasing the consumption of consumables with a reduction of the number of printers and the dematerialisation of procedures via digital models continued, with the online subscription of forms, instead of pre-printed formats, as well as the digital filing of the generated case-files, namely in the operational areas. The implementation of these initiatives led to 12.0% less printouts in comparison to the previous year.

⁴⁴ This does not include water consumption of the subsidiaries CORRE and Medspring.

⁴⁵ The reported figures were obtained via analysis of the acquisitions made through the e-procurement electronic system. The gradual expansion and improvements introduced to the accounting process regarding the consumption of materials have enabled the inclusion of more products and the identification of different types of materials.

At Banco CTT, close to seven out of every ten customers now receives statements in digital format, with obvious impact in terms of the consumption of this material.

Waste management

GRI 306-1, 306-2; 306-3, 306-4, 306,5

Continuing the internal management practice and final sending of waste to the most suitable destination, recovery solutions, instead of sending waste to landfills, are given priority. There was an increase in the amount of waste produced this year, explained by the growth of express activity, originating in the Asian market, in which parcels are sent by “cargo grouping”, which then requires dismantlement and individualising into parcels. The global recovery rate also increased, standing at 99.3% (+0.2p.p. compared to the previous year) .

Waste

	'22	'23	Δ '23/'22	Destination
Paper and cardboard	1,483.5	2,667.2	79.8%	Recovery
Plastic	334.7	187.5	-44.0%	Recovery
Wooden pallets	978.2	1,003.9	2.6%	Recovery
Undifferentiated waste	294.0	1,545.6	425.7%	Recovery / Disposal
Other	196.3	121.7	-38.0%	Recovery / Disposa
National Total	3,286.6	5,525.9	68.1%	

Waste by hazard level and destination⁴⁶

Tons	'22	'23	Δ '23/'22
Total	3,286.6	5,525.9	68.1 %
Total non-hazardous waste	3,265.3	5,500.1	68.4 %
Non-hazardous waste reused	17.2	8.4	-51.2%
Non-hazardous waste recycled	2,836.6	5,390.0	90.0 %
Non-hazardous waste incinerated	44.7	0.1	-99.8%
Non-hazardous waste recovered (including energy recovery)	352.3	64.7	-81.6%
Other non-hazardous waste	14.5	36.9	154.5 %
Total hazardous waste	21.4	25.7	20.1%
Hazardous waste reused	0.0	0.0	0.0
Hazardous waste recycled	4.8	24.0	4.0
Hazardous waste incinerated	0.0	0.0	0.0
Hazardous waste recovered (including energy recovery)	0.0	0.0	0.0
Other hazardous waste	16.6	1.7	-89.8%

CTT has progressively developed processes of reverse logistics with its customers and partners, in order to maximise the network occupation through the return transport of materials and the level of efficiency of CTT's transport and logistics network and costs.

Circular processes and offer

Keeping the focus on the appropriate management of resources and extending the useful life of products, CTT has progressively developed projects in the sphere of the circular economy. To this end, we continued the partnership with To-Be-Green, a spin-off of the University of Minho. The project is based on an innovative concept in Portugal, involving the processing of waste and its transformation

⁴⁶ The amount of waste does not include CORRE, Business Solutions, NewSpring, Medspring, Open Lockers and CTT Imobiliária. CTT does not generate radioactive waste.

into new products, which are returned to CTT for reintroduction into the value chain, ensuring the total circularity of these materials.

Currently, we are incorporating the polymer resulting from the processing of the bags used in air transportation of postal items in the production of trays used in the mail, express and parcel sorting operations, where a total of 16 thousand trays have already been produced with recycled material. This year, we extended the circularity process to other CTT waste lines, namely textiles, with a view to the production of 200 delivery vests, incorporating recycled material derived from the waste from our uniforms.

Also as part of the circularity of our operation, we continued and refined the development of a reusable package for parcel delivery, which has the potential to be reused in up to 50 shipping cycles. CTT also has a pilot project for using 100% recycled thin strips of paper, produced from waste paper at our largest sorting centre, in Lisbon. These strips are available at some CTT post offices, for filling packages in the Shipment Preparation area.

Aimed at contributing to correct waste management, but also aspiring to reduce the impacts associated with plastic consumption, CTT acquired a film-wrapping robot for our new logistics centre of Famões, which enabled reducing the use of plastic per pallet by up to 59.0%, by increasing the stretching of the film, also resulting in 54.0% cost-cutting per pallet and lowering the film-wrapping time, allowing us to allocate resources to other tasks.

Regarding computer consumables, namely ink cartridges and toners, a reverse logistics process has been implemented, with collection of consumables and subsequent refilling. This process has enabled increasing the useful life of the consumables, keeping the original package, and also leading to a reduction of the costs related to these consumables by about 60.0%.

Likewise, in this perspective, Banco CTT maintained its association with the *movimento Merece* [Deserve movement], which promotes the sending of expired bank cards free of charge and subsequent recovery of this waste with very particular characteristics. This recovery leads to its transformation into material used in urban furniture, of an appearance similar to that of wood, and, in addition, a tree is planted for every kilo.

Biodiversity

CTT pays special attention to the mitigation of its impacts, albeit indirect, on biodiversity. While not considered a critical topic, the company manages its impacts on biodiversity in an active manner, focusing on the use of paper derived from sustainable forests and on promoting the use of certified paper in its products and services.

Following up on the “act4nature” initiative, embodying the commitment to protect, promote and restore biodiversity, the first implementation report was disclosed, relative to the period of 2020-2022, with the consolidated overall result of all the participants showing a positive development of the efforts made by the companies involved.

The campaign “[A Tree for the Forest](#)”, in partnership with Quercus, experienced its 10th edition. This is an excellent initiative, aimed at the reforestation of Protected Areas and Classified Zones in our country with indigenous species, in particular the areas most affected by fires, and, since the beginning of this project, more than 128 thousand trees have already been planted.

Environmental investment

In 2023, the total value of environmental investment came to €8.9m (+69.7% than in 2022). In terms of the investment’s distribution, the majority took place at CTT – Correios de Portugal S.A., with a significant focus on fleet renewal and improvement of the stock of buildings.

Environmental investment

Areas of investment ⁴⁷	'22	'23	Δ '23/'22
Maintenance, conservation of buildings	€ 617,481.77	€ 1,088,881.62	76.3%
Renewal of the conventional fleet	€ 1,800,487.65	€ 2,138,350.01	18.8%
Environmental reporting, partnerships, events and sponsorships	€ 143,016.03	€ 184,870.32	29.3%
IT Equipment	€ 617,655.50	€ 1,462,627.00	136.8%
Renewal of the electric fleet	€ 1,949,933.49	€ 3,894,464.43	99.7%
Certifications and legal compliance	€ 51,516.40	€ 49,575.65	-3.8%
Energy and carbon management	€ 52,697.50	€ 59,257.80	12.4%
National Total	€ 5,232,788.34	€ 8,878,026.83	69.7%

4.5 People engagement

CTT's Human Resources Management strategy continues in the definition and implementation of policies and actions aimed at maximising the workers' experience, in line with the business strategy, in order to further enhance its commitment. The aim is to promote a positive organisational culture, assuring equal opportunities in conditions of access to health, well-being, balance between professional, personal and family life, qualification and progression. Invest in the development of skills and adequacy of profiles, with a view to increasing performance and productivity, the retention of employees, more diversity, innovation and involvement with the organisation's ethical principles, reflected in better results.

Highlights



MyCTT

New modules have been added to the MyCTT platform, such as salary processing, performance assessment and the new learning module.



Talent management

CTT's Assessment Centre identified employees in order to get to know their individual profile, outlining action plans for their development.

⁴⁷ Does not include data from 321 Crédito, CORRE, Business Solutions, NewSpring, Medspring, Open Lockers and CTT Imobiliária.

4.5.1 Characterisation of human capital

GRI 2-7, 2-8, GRI 401-1, 403-9

On 31 December 2023⁴⁸, the number of CTT employees (permanent employees and fixed-term employees) was 13,670, up by 9.3% compared to 31 December 2022.

Headcount

	31.12.2022	31.12.2023	Δ	Δ%
Mail & Other ⁴⁹	10,612	11,381	769	7.2%
Express & Parcels ⁵⁰	1,345	1,693	348	25.9%
Banco CTT ⁵¹	513	558	45	8.8%
Financial Services & Retail	36	38	2	5.6%
Total, of which:	12,506	13,670	1,164	9.3%
Permanent	11,192	11,386	194	1.7%
Fixed-term contracts	1,314	2,284	970	73.8%
Portugal ⁵²	11,788	12,637	849	7.2%
Other geographies	718	1,033	315	43.9%

There was an increase in the number of employees in the expanding business units, namely the Express & Parcels business unit (+348) and Banco CTT (+45). The Mail & Other business unit also grew, as a result of the increment in the Contact Centre and the Document Management activity of the business solutions area (+378) as well as the increased insourcing of the EMS distribution by the base mail network (+448) due to the strong growth of CEP volumes at the end of 2023, which was partially compensated by the prosecution of the Human Resources optimisation programme underway mainly in the central structure (-116).

The number of exits and entries was 2,563 and 5,133, respectively, and the turnover rate was 18.7% (+0.2 p.p. compared to the previous year).

The overall absenteeism rate recorded a decrease in CTT - Correios de Portugal, S.A., where the calculated rate was 8.8% (-0.8 p.p. compared to 2022). In the CTT Group, the rate fell to 8.1% (-0.9 p.p. compared to the previous year). The reasons that most contributed to absences were: illness (5.3%), labour accidents (0.8%), union activity (0.4%) and parental leave (0.5%). Other reasons, such as family assistance, bereavement or unjustified absences account together for 1.0% of total absences.

The absenteeism rate, excluding maternity/paternity leave, was 7.6% and the absenteeism rate calculated in accordance with GRI guidelines (which excludes absences due to maternity/paternity, bereavement or study hours) was 7.4%⁵³ (-0.7 p.p. compared to the previous year⁵⁴). The rate of return to work after parental leave corresponded to 93.6%.

⁴⁸ For more information, see [Table 1 – Employees](#), in Annex III

⁴⁹ Includes CTT - Correios de Portugal, S.A., CTT Contacto and NewSpring Services.

⁵⁰ Includes data from CTT Expresso, CORRE, CTT Express (Spain), and Open Lockers.

⁵¹ Includes Banco CTT, Payshop and 321 Crédito. In the last three months of 2023, the Payments area (including the subsidiary Payshop) was integrated into the sphere of CTT - Correios de Portugal, S.A. but, for comparability with the previous year, it remained here within the scope of the "Banking and Payments" area. The figure also shows an update compared to what was reported in 2022, since the 16 workers in the GPG - Payments Department of CTT - Correios de Portugal are now allocated to the Banking and Payments area. In the 2022 Integrated Report, these workers had been allocated to the Mail & Other business unit.

⁵² Includes people working in companies with operations in Portugal regardless of their nationality. The counting of employees in "Other geographies" refers to those who work in other countries, including Portuguese employees working abroad.

⁵³ The 2023 figures for overall absence and absenteeism rates are based on an estimate that only takes into account the first 10 months of the year. In October, a new computerised accounting system was introduced which does not take the same accounting assumptions into account, which means that the data cannot be compared.

⁵⁴ The figure for 2022 has been corrected to include absenteeism due to occupational injury or illness. This calculation was also used to calculate the figure for 2023, which makes the data comparable.

Regarding work schedule, 534 workers were in part-time (corresponding to a total of 3.9%). Of these, 259 were women (48.5%), which shows a relative parity in the usage of this schedule. In Portugal, the number of workers in part-time was 2.8%, but in the other regions, this arrangement was much more prevalent (16.8% in Spain and 22.5% in Mozambique).

Regarding the subcontracting of people, CTT counted the number of hours hired and invoiced by service provision and temporary work companies. This value of hours is matched to a number of Full Time Equivalents (FTE), which would be equivalent to the work provided by a full-time worker. In 2023, the number of FTEs⁵⁵ recorded was 1,605, an increase of 17.5% compared to the previous year.

4.5.2 Certifications

GRI 403-1

The strategic commitment to certification, [already mentioned above](#), has meant significant investment in implementing certified management systems in various areas. This strategic commitment has made a significant contribution to the consistency and quality of the services provided and the optimisation of processes at the various stages of the value chain, creating a strong internal motivation dynamic by developing and encouraging employee participation, with an impact on improving customer satisfaction and strengthening CTT's image.

In terms of its relationship with the people who work for the Company, the certifications obtained by CTT in 2023 were:

Certifications Distinctions	Work-life balance	Occupational Health and Safety
Benchmarks	Family-Responsible Company - efr 1000-1	ISO 45001
Corporate CTT		People & Culture, Information Systems, Procurement & Logistics, Physical Resources & Security, Audit & Quality/ Certification & Excellence, Communication & Sustainability/ Sustainability & Environment, Customer Support & Quality of Operations/Monitoring & Customer Support Processes, B2B Commercial Support/Business After Sales
Operations		X
CTT - Correios de Portugal, S.A.	X	
CTT Expresso	X	X
CTT Contacto⁵⁶	X	

In the implementation of management systems, different approaches and timings were adopted for the various areas of CTT - Correios de Portugal, S.A. and the Group, and the certifications listed in the table below were successfully maintained.

⁵⁵ In section [1.4 Key Figures](#), mention is made of an ETI value, but in this case, it refers to workers with a contractual relationship with CTT (permanent or fixed-term) and not to subcontracted workers, as here.

⁵⁶ The scope of this certification is "Management and Distribution of addressed and unaddressed mail. Associated Logistics Services".

Topics	Quality	Information Security	Service Certification Benchmark	Social Audit ⁵⁷
Benchmarks	ISO 9001	ISO 27001 IEC	Specific Methodology	Sedex Members Ethical Trade Audit (SMETA)
Corporate CTT ⁵⁸	X			
Operations ⁵⁹	X	X		
CTT Espresso	X			X
CTT Contacto ⁶⁰	X			
CTT Customer Support			X	
CTT Business Support			X	

The certifications can also be consulted on the [dedicated page](#) of CTT's institutional website.

4.5.3 Remuneration

GRI 2-19, 2-20, 2-21, 2-30, GRI 405-2

In CTT, wages for workers in full-time are above the national minimum wage. 580 workers, corresponding to 4.7% of the full-time workforce, in the companies based in Portugal, received national minimum wage, with the remainder receiving wages higher than that.

Regarding CTT – Correios de Portugal, S.A., the bargaining process related to the salary review of the Company Agreement (AE) for 2023 started on 23 November 2022, and involved eight working meetings with the Signatory Trade Union Associations. It concluded with their agreement with the final proposal put forward by CTT, and was signed on 30 March 2023. Associated with this agreement was the company's commitment to recruit 100 employees, 80 of the professional category of Postman/woman (referred to in-house as "CRT") and 20 of the professional category of Business and Management Officer (TNG), to the staff up to the end of 2023. This number was actually exceeded.

The process of salary review of the CTT Company Agreement 2024 began during 2023, with the final agreement between the parties having been reached before the end of the year.

CTT Espresso

Following the signing of the first Company Agreement (AE), on 25 November 2020, between the company CTT Espresso and six trade union associations, 3 January 2021 represented the beginning of its term and, consequently, the beginning of a new phase in the people management policy. It is intended to contribute towards the full development of CTT Espresso's activity and its affirmation as a leader in the market in which it operates, in its dual economic and social dimension, as well as in the best customer service experience.

Likewise, in relation to CTT Espresso, the process of salary review for 2023 was initiated, with four working meetings held with the Signatory Trade Union Associations, and a final agreement reached by the parties and signed on 10 April.

⁵⁷ This includes four pillars: Human Resources and Labour Standards; Environment; Health and Safety; and Business Management and Good Business Practices.

⁵⁸ This includes the following departments: People & Culture, Information Systems, Procurement & Logistics, Physical Resources & Security, Audit & Quality/Certification & Excellence, Communication & Sustainability/Sustainability & Environment, Customer Support & Quality of Operations/Monitoring & Customer Support Processes, B2B Commercial Support/Business After Sales.

⁵⁹ ISO 27001 IEC certification applies only to the operations of the Business Solutions (Printing and Finishing).

⁶⁰ The scope of this certification is "Management and Distribution of addressed and unaddressed mail. Associated Logistics Services".

Salary ratios

The average wage of women was 98.0% that of men, in CTT, at 31 December 2023, illustrating a certain degree of parity in the Global indicator, as shown in the table below. In response to the GRI 2-21 indicator, framed in the Global Reporting Initiative, CTT discloses the proportion between the total annual remuneration of the highest paid employee, in each country in which the organisation operates, and the total annual average remuneration of all the employees, excluding the highest paid, for that same country. In 2023, the proportion was 24.0 (+1.7% than in the previous year). This rate was certified only by the entity tasked with the verification of this report.

Remunerations by gender and professional category, gender gap ratios

Professional category	Average female salary (€)	Average male salary (€)	F/M Ratio
Senior personnel	€2,039.80	€2,623.90	0.8
Middle management	€1,350.80	€1,373.00	1.0
Counter service	€1,132.20	€1,208.80	0.9
Delivery	€901.90	€966.50	0.9
Other groups	€903.80	€1,038.40	0.9
Overall	€1,149.03	€1,163.42	1.0

4.5.4 Talent Management: Evaluation, careers and assessment

GRI 404-3

The CTT People management strategy aims to improve the experience of the employees, their level of satisfaction, their involvement in the organisation, the sense of belonging and pride in the Brand, in order to increase everyone's commitment, making each employee an ambassador of the CTT Brand, and consequently improving the customers' experience.

Following the Annual Performance process relative to 2022, the outcomes were conveyed during the second half of 2023 (feedback meetings) which involved 8,900 employees of CTT – Correios de Portugal, S.A., CTT Expresso and CTT Contacto, and their direct managers. At Banco CTT, all the employees in the tables were assessed. Only those who were replacing absent employees were not assessed. Concerning 321 Crédito, the entire staff was assessed except for the employees who were on sick leave or had not yet completed six months since signing their contract. In all, 83.1% of the collective workforces of these companies were covered by performance assessment processes.

This stage aimed to take stock of the activity and identify possible development needs. The management of this process was done on the MyCTT portal in the "Performance&Goals" module.

Associated with this last stage, and pursuant to clause 68 of the CTT Company Agreement (AE) and clause 58 of the CTT Expresso Company Agreement, the guaranteed salary progression mechanism, which involved 1,308 employees of CTT – Correios de Portugal, S.A. (from qualification levels I, II, III and IV) and 29 employees of CTT Expresso.

Assessment Centre

At CTT, employee motivation and development play a crucial role for business success, which is why the company has increasingly focused on affirming a culture that prioritises the experience and aptitudes our people. This means that it is fundamental to assess the more critical skills for performing the function, enabling more informed decisions in processes such as: recruitment and selection,

professional reclassification, appointment of new managers, development and identification of potential and restructuring (in-house mobility).

In this context, 24 employees were assessed in order to understand their individual profile, map their skills/knowledge and potential, identifying action plans for their development.

Three workshops were held with a view to preparing personal development plans, covering a total of 35 employees.

4.5.5 Employee Experience

GRI 408-1, 409-1

CTT Group operates in Portugal and Spain, locations where child and forced or compulsory labour are not prevalent or systemic. Portuguese and Spanish legislations, in line with EU directives, prohibit these practices and the means of detecting and punishing them are effective. In Mozambique, where this sort of problematic may be more present, CTT's operation is much more confined, limited to just 160 workers.

Various elements have contributed to enriching the employees' experience, among which two large-scale projects of major impact on the organisation and People are highlighted: the continuity of the activities of integration of the Family-Responsible Company (efr) management system and the maintenance of its certification, and the pursuit of the implementation of MyCTT – Employee Portal.

According to the recently published [Code of Ethics](#), CTT respects the Conventions of the International Labour Organisation and advocates the defence of Human Rights, within the framework of the Universal Declaration of Human Rights, of the United Nations' Guiding Principles on Business and Human Rights and of CTT Group's Human Rights Policy.

Family-Responsible Company (efr) management system

Alongside a context of organisation change, in 2023, activities inherent to the incorporation of the Family-Responsible Company (efr) management system were pursued. The management's commitment to this model was reaffirmed and the team of officers was strengthened. In view of the company's size, a figure was created to carry out closer work with the middle management and employees: that of efr Ambassador. The Ambassadors were appointed and their responsibilities for performing this function were defined, with very positive engagement, as their level of participation in meetings reached 90%, with suggestions of measures already having been presented as an output. Both the Ambassadors and team of officers received training, ministered by the consultant XZ Consultores.

In the accomplishment of the alignment between the management and strategic orientation of the balance between professional, personal and family life at CTT, actions were developed based on the three axes identified at the beginning of the certification cycle. A model was defined for the analysis, verification of deviations and planning of mitigation actions to ensure the achievement of the objectives set out in the initial positioning.

The model's direction was reviewed, followed by presentation of the overview with the systematisation of all the work carried out since the certification audit. All the elements were analysed, the results were validated and proposals for improvement were approved.

The achieved results are primarily reflected in the drafting and promotion of measures for all CTT employees, in an equitable manner adjusted to the jobs in question. Accordingly, this process involved the identification, disclosure and addition of new measures to the tables, among which, due to their impact, the following are highlighted: the implementation and regulation of telework, part-time work and

new work organisation model; the definition of the criteria for co-payment of academic and executive training; the creation of the Employee Junior Account, Banco CTT account with 0% maintenance fee and Mortgage Loan with 0% spread.

Family-responsible companies pay special attention to issues related to positive parenting, namely the sharing of parental and family responsibilities. As a result, some indicators have been established which, due to their relevance, are disclosed:

- In 2023, the taking of parental leave showed an upward trend in terms of gender balance: for the first time, the majority of the leave taken (50.6%, representing an increase of 6.1 p.p. in relation to 2022) was requested by men. Men accounted for 61.0% of the company's total population and this figure does not imply an absolute parity in the requests, but represents a significant increase, encouraged by in-house awareness-raising actions, especially considering that the requests by men increased by 7.7% (while requests by women fell by 15.8%).
- The rate of return allows us to understand the number of employees who return and, in contrast, those who leave the company following parental leave. To this end, the number of employees who left the company less than one month after the end of parental leave are recorded as "non-return" after having benefited from that leave. Of the 249 people who requested parental leave, 16 left the company almost immediately, implying a rate of return of 93.6% (-1.5 p.p. than in 2022), demonstrating a stabilisation of the trend.
- The rate of retention analyses the trend from a more medium-term perspective, of maintenance of talent after parenthood, measuring the number of employees who continue at the company 12 months⁶¹ after having returned from parental leave. The intention is thus to ascertain how recent parents perceive CTT as a company that provides measures to foster balance between professional, personal and family life. In 2023, the rate of retention was 93.6% (3.9 p.p. more than in 2022), revealing a slight rise of the trend.

At the end of the 1st half of 2023, internal and external audits were made for follow-up purposes, in which the results obtained were excellent. An efr certificate awarding ceremony was held, organised by the MásFamilia foundation and ACEGE. The meeting was attended, among others, by the Executive Chairman of CTT, who participated in the round table dedicated to the topic "The importance of efr for the company, employees and society", and the Head of the efr Management Model, who was handed the certification seal.

In the 2nd half of 2023, in addition to the activities mentioned above, Payshop was added to the scope of CTT certification, which now comprises four companies. A survey was made of measures at Payshop and its Ambassador participated in the integration initiatives.

MyCTT

MyCTT was launched in 2022 for the purpose of enhancing agility in the company's relationship with its People, through a collaborative portal accessible to the entire CTT population. Giving continuity to this objective, new modules were progressively developed in MyCTT during the first half of 2023. One of these was the Employee Central module (employee register), which supports all the master data of our People.

The Employee Central Payroll module (salary processing) and the Learning module (LMS), which supports the main management processes of the training activity were operationalised in the second half of 2023.

⁶¹ In view of the report's scope, the analysis counts the employees who were still at the company as at 31 December 2023, regardless of when their parental leave ended.

Other highlights

Apart from the two projects referred to above, and also in the perspective of the company's approximation to its People and their families, other important initiatives were developed.

Special reference is made to the consolidation of the helpline TOU CTT – 800 210 010 and e-mail channel for employee attendance, touctt@ctt.pt. These channels were created with a view to the continuous improvement of the employee's experience concerning requests for information and enquiries about employment contractual relations with CTT. In the first half of 2023, all the helplines were allocated to NewSpring, a company of the CTT Group specialised in call centre service.

The year of 2023 was also marked by the change of Internal Communication strategy. “*Somos CTT*” [We are CTT] was transformed into a newsletter published on a weekly basis, summarising the corporate news and events published daily on the Intranet. The latter was also reorganised in order to enable a more objective reading. The CTT TV was also reactivated at the new head office building.

Under *SouCTT* [I am CTT], more partnerships and protocols with other companies were established, with benefits for the employees and their families, covering agreements on sums in diverse area, especially focused on health, sports and family. In addition to the above, discounts were maintained for employees on products purchased from the retail network, where these discounts reached up to 10% for CTT products and up to 20% in retail.

Actions to promote good health and well-being, in particular the recommendation of medical tests specifically incident on women's health, the importance of sleep in health and mindfulness sessions. These actions were implemented in partnership with Medis, directed at all male and female employees.

The new organisation model was consolidated in 2023. Six different work regimes were instituted, according to the needs of each Department / Team:

- a. 100% in Person, with daily presence in the building/facilities;
- b. 100% Telework, with application of this regime's rules set out in a specific Service Order;
- c. Mixed Model, with 2 to 3 days of telework per week;
- d. Rotating Model, with rotating weekly or fortnightly periods, of providing in-person work and telework;
- e. Flex Model, with a minimum of 20% in-person work per month;
- f. Dynamic Model, with a monthly allocation between 25% and 75%, and weekly allocation defined by the Head of Department.

In order to measure the employees' level of satisfaction, the quality of their experience and the impact of the internal policies and actions, two Net Promoter Score surveys were launched, one per semester.

Work-related cases

GRI 2-25, 2-27

In 2023, 452 cases were initiated, of which 30 were filed during that same year, showing an increase in relation to 2022, which recorded 241 cases initiated, of which 36 were filed in that same year and 117 in 2023.

Of the total cases referred to above, 242 were initiated at the Authority for Working Conditions, of which two were filed in 2023. Compared with 2022, there was an increase of cases, as there had been 169 new cases in 2022, 29 of which were filed.

The imposition of fines in this context amounted to €42,484.00, of which an amount of €12,332.58 was paid, corresponding to a year-on-year increase of 5.6%.

Management of labour relations

GRI 2-29, 2-30

The employees have a communication channel with management, through the various representative bodies. The two Workers' Committees (CT), at CTT – Correios de Portugal, S.A. and CTT Expresso, and the 128 Subcommittees constituted at CTT – Correios de Portugal, S.A., exercise the powers conferred on them by law. CTT maintains permanent contact with the Workers' Committees through monthly meetings at the highest level and specific meetings, whenever necessary, both with each of the Committees and with each of the unions affiliated with CTT.

As at 31 December 2023, 96.3% of employees were covered by the Company Agreement and 69.9% were unionised (permanent and fixed-term)⁶².

In the European context, the company maintained its participation in the European Social Dialogue Committee for the Postal Sector, which involves representatives of the unions and postal operators of the European Union.

4.5.6 Training

GRI 205-2, GRI 403-5, 404-1, 404-2, 410-1

The training carried out and duly characterised⁶³ involved 8,736 employees, corresponding to 63.9% of the population of employees hired on permanent and fixed-term basis of all the companies of the CTT Group. The records indicate 156,028.6 hours of training (13.0% more than in the previous year), in an effort rate of 0.7%.

This sharp rise was, to a certain extent, due to the shift to a new format of information collection using SAP Success Factors, which facilitated the data collection, an aspect that had been pointed out as a difficulty in previous years and was considered priority in 2023.

Academia CTT pursued its activity according to the strategic focus on the development of the skills of CTT's employees based on the following methodological approach:

- Customer Excellence: promote the systematic updating of knowledge of CTT's offer and increase the effectiveness of the strategy and processes involved in the sales act, commercial contact, relationship and negotiation, with a view to satisfying customer needs and adding value to the business
- Operational Excellence: develop the skills to deliver what is promised to customers, through the knowledge of processes, equipment, systems and the adoption of operating practices that lead to asset efficiency, at the different stages of the operational flow, in regulatory compliance and promoting quality and sustainability.
- Culture and Leadership: foster individual commitment, reconnecting people and teams, overcoming limiting beliefs and valuing the purpose in each person's actions, with a view to creating value. In addition to being facilitators of this process, we will seek to ensure that leaders continuously develop the distinctive capacities that allow them to make a difference in transforming challenges into opportunities.

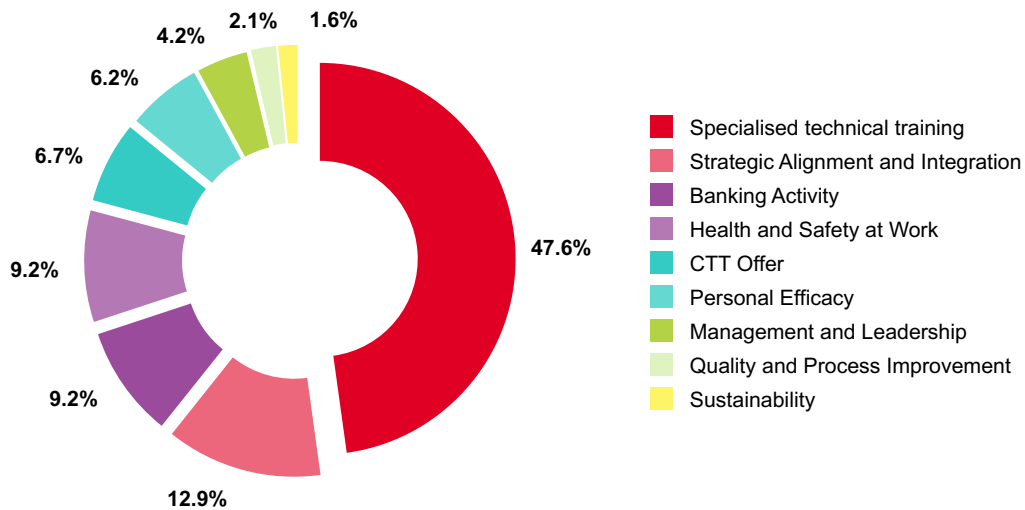
⁶² This does not include CTT Express, Corre, 321 Crédito, NewSpring Services and Open Lockers.

⁶³ The data for recording per person does not include the hours of training at Corre, CTT Express and part of the hours accumulated by 321 Crédito.

This methodological approach had, as a common vector to all these aspects, the promotion of conduct of total transparency and responsibility, in a healthy working environment, that values people's dignity, contributes to their personal and human development and prevents the practice of less correct acts in the name or on behalf of CTT and Subsidiaries, with negative effects on its reputation and image.

Twelve programmes incorporating the Strategic Development and Training Plan were developed and the volume of training was distributed as follows:

Training programmes



The following should be highlighted:

- **'Ser CTT** [Being CTT] and **Initial Training** and for integration of new employees, which involved 1,555 participations and over 18,300 hours;
- **Programmes for management of skills and continuous learning** involving more than 39,800 participations and over 124 thousand hours;
 - Of these, 56.2% worked at the counter, 13.4% were in delivery, 23.3% were in leadership positions (high or mid-level) and 7.1% were in other professional groups;
- **Actions disclosing the anti-corruption policies and procedures adopted by the organisation** had more than 4,200 participations and a total of over 43,200 hours.
- **Training in policies and procedures related to aspects of Human Rights** involved 2,901 participations, with a total of 5,559.5 hours.
- The actions related to **'Occupational Safety and Health'** represented 13,092 hours and over 16 thousand participations for the general population. The specific road prevention programme for the area of Operations, which involved more than 12 thousand participations and over 6 thousand hours, addressed 18 different topics. This is a programme of acknowledged success, which has promoted the reduction of absenteeism caused by road accidents, both in terms of the number of road accidents and days lost.

- The **Certifications and Compliance** training area continued to be very important, with 932.5 hours of training having been ministered on topics such as ethics, information security, anti-money laundering and counter-terrorist financing, and data protection.
- In the area of **Sustainability**, more than 2,200 hours of training were ministered, involving 2,079 participations.
- Start-up of the **CTT Leadership Programme, “Fast Track”**, which aims to cover all the management, and which involved 1,395 participations and 8,577.5 hours of training in 2023.
- Training of External Personnel: A total of 7,460 hours of training were ministered to Service providers and CTT Points, amounting to more than 1,550 participations.

Other training courses not listed individually in the graph above addressed topics such as language teaching, namely English, as well as specific training dedicated to the trainee programme.

Also noteworthy is the 15th edition of the Human Resources Development Programme, a programme that brings together students from various Portuguese-speaking and Hispanic countries and was born out of a partnership between International Management and the Training Department. There were 60 participants in this year’s action.

In the wake of the pandemic context, focus was maintained on dissemination of remote training, which accounted for 45.0% of the total volume carried out, as well as face-to-face training, which accounted for 47.0% of the total volume, demonstrating the balance among these two forms of organisation of training.

Sustainability training and awareness-raising

As a way of promoting environmental sustainability, disseminating good practices and raising awareness of the importance of individual and collective behaviour in reducing the impact on the environment, CTT regularly both internally and externally develops numerous initiatives that promote knowledge on the subject.

On our Intranet a connecting link for all CTT People disseminated CTT’s sustainability policies and commitments, as well as its performance and the initiatives developed with a view to environmental protection and social integration. The dissemination of e-newsletters continued, with sustainability contents directed at employees of the operational areas, such as:

- “Do you know what a carbon footprint is? Learn how to reduce yours”;
- “Launch of the A Tree for the Forest 2023 campaign”;
- “Carbon offsetting of national express parcels”; and
- “International Volunteer Day”.

We also highlight the celebration of thematic days, such as World Energy Day, with the sharing of some curiosities and proposed environmental practices. An article was also published on the “New separation rules – Paper Cups for Hot Drinks”.

In addition to all this, CTT relaunched an internal distance training action totally dedicated to sustainability issues, also making available varied training actions managed by partners, accessible to the internal public, in digital, hybrid or in-person formats.

Two internal events were also held:

- Participation as a member of the jury in the “*Embalagens Eco*” [Eco Packages] final pitch of the CTT ambassador programme; and
- Sustainability and Talent Panel of the CTT Open Day (Corporate).

This type of initiative boosted knowledge about these topics.

Ethics and Conduct Training

In addition to the 43,200 hours dedicated to the anti-corruption policies and procedures adopted by the organisation, mentioned above (which, as noted, involved 4,200 participations), special reference is made to the internal disclosure of the Code of Conduct, both of CTT and specifically of Banco CTT, with training actions, which, in 2023, involved 296 participants who successfully completed the course, amounting to 888.0 hours.

Training actions on the organisation’s anti-corruption policies and procedures were ministered to 4,267 employees. Specific training on “Anti-Money Laundering and Counter-Terrorist Financing” was given to 903 people, whose functions are directly incident on the marketing of financial products, covering a total of 3,201.5 hours.

4.5.7 Good health and well-being management

GRI 201-3, GRI 401-2, 403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

With the aim of acting to promote and protect health, going beyond the legal obligations in terms of occupational health and safety, actions have been implemented in the area of physical, mental and social well-being. Actions in physical, mental and social well-being have been consolidated through three programmes, with the aim of fostering and maintaining a higher level of well-being and quality of life for workers:

- *Estrela* [Star]: This programme aims to create a healthier work environment, focused on productivity and quality, with a lower rate of absences, greater motivation and satisfaction. In this context, a number of employees with absences from work were monitored by the social service, and a significant percentage resulted in psychosocial support.
- *Vitória* [Victory]: The purpose is to adjust tasks and reassign workers with work restrictions to new jobs, as well as to assess cases of conditioned aptitude using a defined model.
- *Viver* [To live]: The programme aims to raise workers' awareness of preventive health and health promotion through the monthly publication of content that encourages a healthier lifestyle and choices and the development of monthly health promotion initiatives in digital format, webinars, which were received positively.

CTT provides its employees and their families with a Health Plan and the employees of the Group's companies with health insurance.

As part of the Occupational Safety and Health activity, there were 865 accidents and incidents at work in 2023, an increase of 8.0% compared to 2022, with the same trend in the number of days lost, totalling 23,982 days lost, 78.2% of which were attributable to male employees. Overall, the reasons that most contributed to the occurrence of accidents in the CTT Group were:

- Road accidents: 338 accidents (39.1%), including both single-vehicle and inter-vehicle accidents;
- Falls and slipping/tripping: 177 accidents (20.4%); and
- Excessive effort and wrong movements: 92 accidents (10.6%).

With regard to occupational accidents, there is a focus on rigorous analysis of accidents at work in order to identify corrective and preventive measures, as well as proactive awareness-raising among workers on these issues. To this end, information leaflets on the main causes of accidents in the workplace continued to be produced and published, with a view to raising awareness of the preventive procedures to be adopted, in addition to the dissemination of indicators of accidents in the workplace, which is crucial information for monitoring performance, defining strategic and operational actions and medium- and long-term conduct.

Work Health and Safety topic was recognised as a material topic to CTT in the wake of the [Double Materiality study](#) carried out by the company. While there are no large accidents with multiple victims or considerable impact on the environment, this topic does merit a close attention, especially when it comes to the most common type of accidents: those that happen on the road.

Within the scope of Occupational Diseases, recognised by the Social Security Department of Occupational Risk Protection, 34 occupational diseases were recorded⁶⁴, of which 16 were in women and 18 in men, essentially of a musculoskeletal nature. In this context, we continued to inform and raise awareness among employees of the risks associated with their professional activity, as well as providing training on Occupational Safety and Health procedures and good practices to be adopted.

Accidents, injuries and occupational diseases at CTT

Group	Work accidents ⁶⁵						
	No. of accidents	No. of injuries	No. of calendar days lost ⁶⁶	Average days lost	Accident rate ⁶⁷	Serious accident rate ⁶⁸	Severity index ⁶⁹
Female	237	176	5,223	22.0	34.7	25.7	267.9
Male	628	504	18,759	29.9	49.6	39.8	962.3
Total	865	680	23,982	27.7	44.4	34.9	1,230.2

Accidents, injuries and occupational diseases at CTT

Group	Occupational diseases ⁷⁰		
	No.	Average days lost ⁷¹	Severity index
Female	16	176	118.0
Male	18	379	97.9
Total	34	555	215.9

All accidents that resulted in injury are considered "serious", in this case, 680 out of 865 (a rate of 78.6%). Every case presented here was reported to the Labour Conditions Authority.

In terms of the Occupational Safety and Health activity, other axes of action also stand out:

- Prevention: Informative leaflets were prepared and published on the main causes of occupational accidents in order to make employees aware of the preventive procedures to adopt, as well as newsletters and internal informative communications on various topics such as handling and transporting containers, manual handling of loads, working postures and occupational gymnastics, or safety footwear. It also disclosed the labour accident indicators,

⁶⁴ This figure does not include Corre.

⁶⁵ The data does not include Corre.

⁶⁶ The calculation is made using all calendar days, i.e. working days, holidays, and weekends.

⁶⁷ The Accident Rate is calculated as the ratio between the total number of accidents (reported to the Portuguese Authority for Work Conditions) and total hours worked. The calculated value was multiplied by a factor of 1,000 to allow for better readability.

⁶⁸ The Serious Accident Rate is the ratio between the number of accidents that led to sick leave and the total number of hours worked. The calculated figure has been divided by a factor of 1,000,000 to make it more readable.

⁶⁹ The Severity Index is calculated as the ratio between the number of days lost and total hours worked.

⁷⁰ The data does not include Corre.

⁷¹ Ratio between the total number of days lost and the number of occupational diseases.

among other crucial elements for monitoring performance, defining strategic and operational actions, as well as the medium and long term conduct of the organisation.

- Training: The training content dedicated to Occupational Safety and Health, accessible on the e-learning platform, was continuously updated. Awareness-raising activities were also carried out in various workplaces in order to heighten awareness of the need to comply with safety regulations. It should be noted that in 2023 there were more than 16,000 participants, corresponding to 13,092 hours of training in occupational safety and health.

The Occupational Medicine company, hired by CTT, carried out periodic assessments whenever there was any change in a worker's state of health, or after returning from illness of more than 30 days or an accident at work, assessing their suitability for the job.

In cases where there were work limitations, the necessary adjustment in tasks was guaranteed or the worker was reassigned to new duties. Additionally, the Occupational Medicine provider made visits to workplaces for risk assessment purposes, as did the Occupational Safety and Health Technicians.

A total of 7,527 periodic, occasional and admission examinations were carried out⁷².

The quality of the processes is ensured on the basis of the qualification and certification of the Occupational Safety and Health Technicians and on the basis of audits (within the scope of the certification system) by internal and external auditors. The MARAT method is used to identify hazards and assess risks to workers.

In 2023, as part of the monitoring and risk assessment actions, 265 interventions were carried out⁷³ at CTT workplaces and subsidiary companies to assess working conditions.

The management system is comprehensively designed, implemented and maintained in accordance with the reference requirements and it demonstrates the ability to consistently meet the applicable requirements and achieve the objectives and policies of the organisation.

Employees are made aware of the need to report any non-compliance they detect directly to the Occupational Safety and Health team, to those responsible, to the representative structures or in the various forums set up for this purpose.

Awareness of the risks of the activity and the adoption of preventive and safe behaviour is raised on a regular basis, in the form of newsletters, safety sheets, internal communications and e-learning training. On the other hand, the subcontracted Occupational Medicine company assesses the relationship between the workers' state of health and the work activity at regular intervals, recommending the reassignment of duties or the readjustment of tasks, if necessary.

CTT Express, in Spain, guaranteed, through the resources of its own occupational risk prevention service, the coverage of issues related to safety at work, industrial hygiene and ergonomics and applied psycho-sociology. To complement this internal capacity, CTT Express contracted a service covering the same specialities and guaranteeing surveillance on health issues. Both services comply with those set out in Royal Decree (RD) 31/97, dedicated to the Prevention of Occupational Risks, as well as in RD 39/97, on prevention services. The scope of these two services is 100% of the work centres and all the jobs included therein.

In 2023, the number of visits to the centres in this regard was 128 (38 more than in 2022).

⁷² Does not include Corre, 321 Crédito, CTT Express and NewSpring Services.

⁷³ Does not include Corre, 321 Crédito, CTT Express and NewSpring Services.

In Spain, all employees of subcontracted companies that perform tasks at the CTT Express centres are proved to be medically capable, and this aptitude is verified before the start of employment or initial training. Employees are also equipped with all personal protective equipment and are informed of the occupational hazards associated with their job. Finally, all subcontracted companies participate in a Business Activities Coordination to analyse whether the activity carried out at work centres produces risky situations.

Road safety

GRI 403-7

In 2023, there was an increase in the distance travelled by the CTT Fleet, which stood at 70.6 million kilometres (+1.5% compared to 2022). The increase in the number of vehicles used for distribution, such as motorbikes and light goods vehicles, led to this increase in kilometres travelled, which also increases the risk of accidents. In fact, this increased risk resulted in a 26.1% increase in the number of road accidents recorded, 1,638 in total. As can be seen from the previous chapter, a significant proportion of these road accidents did not constitute a "work-related accident" and were limited to minor material damage to vehicles.

In the CTT Fleet, the accident rate per distance travelled evolved negatively, with a 24.9% increase in the number of accidents per million kilometres (nominal rate of 27.4), with a major impact on the operational network, which recorded a specific rate of 33.2 accidents per million kilometres (+20.2% compared to 2022).

Analysing by type of vehicle:

- Motorbikes (> 50 cubic centimetres) - Accident growth of 41.1% compared to 2022. Accidents involving this type of vehicle alone accounted for almost a quarter of all accidents. The increase in the number of motorbike accidents is fundamentally linked to the following factors:
 - Increase in motorbikes in the CTT fleet - The fleet in 2022 had approximately one thousand vehicles, and in 2023, with the acquisition of around 200 motorbikes, it increased to more than 1,200 vehicles of this type. In other words, there was an increase of more than a fifth in the number of motorbikes in the network in 2023;
 - The total number of accidents now includes all minor knocks, falls and tumbles, which do not necessarily result in accidents at work or injuries to CTT workers;
 - These vehicles are indispensable to CTT's response to the change in the type of objects it delivers and the journeys they make replace many of those previously made on foot, since the transport of larger parcels no longer allows it. Even so, they are naturally more prone to accidents;
 - Despite the increase in this type of vehicle, CTT is looking for safer mobility and transport solutions than motorbikes, namely Citroën AMI cars or other small electric vehicles, combining greater load capacity with greater safety for workers.
- Light Goods Vehicles - Accident growth of 22.7% compared to 2022. Growth in the vast majority of areas was well below this figure, however:
 - The Centre zone incorporated the express activity of the Coimbra area, so there were 17 more vehicles incorporated into the CTT network. The biggest increase in claims registered in this type of vehicle was in this area, which was not previously captured in the CTT indicators.

- Heavy goods vehicles - Reduction in the total number of claims by around 10.2%. The following factors contributed to this reduction:
 - Fewer journeys made by subcontracting connections;
 - A 6.5% reduction in the distance travelled;
 - Even taking these factors into account, the evolution was actually positive, with a reduction in the number of accidents and their associated severity.

As has already been mentioned, in 2023 there was a very significant effort on CTT's part to collect more accurate information on all accidents that occurred, and even minor collisions without consequences for those involved are now more fully accounted for. This factor, which involves, for example, an internal record of each report to the car insurance provider, has made it possible to capture the reality of this "small accident" more accurately, leading to an increase in the data in absolute terms.

These factors are combined with the aforementioned increase in turnover and hiring, since the entry of new distributors, particularly on a temporary basis, implies a new investment in training and incorporation into the road safety culture prevalent at CTT. This population of newcomers to the company is more prevalent in terms of accidents, and this is not unrelated to the fact that many of the accidents are related to the small bumps or broken windows mentioned above, which are often the result of distractions at the wheel during manoeuvres.

CTT's Road Safety Programme continued to pay special attention to training and raising awareness among all employees, as can be seen in chapter 4.5.5 Training.

In 2023, CTT organised another edition of the Drivers' Challenge Portugal. This competition is part of the IPC's Sustainability Programme, with the aim of highlighting workers in the distribution areas with sound eco-consumption practices and, at the same time, low accident rates. This year's highlights were the Expertise and Eco-Efficient Driving field tests, held for the first time with electric vehicles.

Employee participation

GRI 403-4

In 2023, general consultations were held covering all the employees of CTT - Correios de Portugal, S.A., CTT Contacto, CTT Expresso, Banco CTT and Payshop, as well as specific consultations whenever deemed necessary. The topics covered in these specific consultations were, among others, the acquisition of new equipment, the organisation of work, and the adaptation of personal protective equipment.

Employee representation structures held regular meetings with the companies of which they were part. In addition, regular risk assessments were carried out and frequent contact was maintained between the Occupational Safety and Health Technicians and those responsible for operations and buildings, which enabled risk factors to be monitored and mitigated.

Social Service

GRI 403-8

In accordance with Portuguese Law, every worker in Portugal has access to social protection, as do, of course, workers based in Spain. As for Mozambique, with the passing of Law 4/2007, the government consolidated a legal framework for social protection, which covers the 160 local workers.

The purpose of the Social Works Regulation is to provide social protection for its beneficiaries in the areas of Healthcare, Social Security Benefits and Social Action. At the end of 2023, 35,249 beneficiaries were managed, of which 18,253 were beneficiaries and the rest were family members.

Around 45% of these beneficiaries were in retirement and 662 beneficiaries were on special notice. It should be noted that, at the level of subsidiary companies, the benefit of health insurance is also given to employees.

Of note is the activity developed by the Social Service in terms of psychosocial support in the areas of mental health, addictions, senior citizens and social action at CTT and subsidiary companies. In 2023, more than 447 new cases were accompanied, in addition to the employees who have already benefited from support, namely with intervention in situations of serious illness, economic need, social dysfunctions and labour issues. Around 717 employees with absences from work were monitored by the social service, and a significant percentage resulted in psychosocial support.

In 2023, the seasonal flu vaccination campaign for its employees was also continued.

4.5.8 Diversity, Inclusion and Equal Opportunities

GRI 403-6, 405-1, 406-1

Main indicators

With regard to the representation of women in management and supervisory bodies, CTT's Board of Directors not only continues to comply with the proportion set out in Law 62/2017, but also recorded a slight increase compared to the previous year, with 36.4% women (+0.7 percentage points compared to 2022). This information is also included in the [CTT Equality Plans](#).

In terms of leadership in top and middle management (i.e. on the Board of Directors and as 1st and 2nd level Managers), women accounted for 39.9% in 2023 (-0.6 p.p. compared to the previous year). As for the weight of first-line female management, this rose by 4.5 p.p. to 21.2%, with a growth rate similar to that of 2022. As for 2nd level leadership, there was a reduction of 1.9 p.p. to 45.3%, which ended up being a slight decrease in overall terms. The current data is shown in the table below:

CTT leadership by gender

Gender	Board of Directors	1 st level Managers	2 nd level Managers	Total
Female	4	11	86	101
Male	7	41	104	152

CTT leadership by age brackets

Age	Board of Directors	1 st level Managers	2 nd level Managers	Total
Under 29	0	0	3	3
30-50	5	27	113	145
Over 51	6	25	74	105

In terms of generational diversity, generations X and Y (30 to 49 years old) continue to predominate, representing 48.7% of the CTT population, although their prevalence fell by 2.7 percentage points compared to the previous year. Conversely, the age group made up of workers up to the age of 29 rose from 8.2% in 2022 to 11.7% of the total.

CTT's presence in the three countries where it operates is very disparate in size:

- In Portugal, CTT has the majority of its workforce, 12,637 people out of 13,670, i.e. 92.4% of the total.

- In Spain, the second most relevant country in terms of CTT presence, there are 873 workers who, even so, represent less than a tenth of the total (6.4%).
- In Mozambique, CTT has a much smaller operation, with 160 workers, corresponding to just 1.2% of the Group's total workforce.

The importance of each region for the CTT's revenues can be analysed in the [Consolidated and Individual Financial Statements](#) chapter.

In terms of the diversification of nationalities, there was a very significant increase in the number of foreign workers, 763 people in total, whose representation rose to 5.6% (3.9 p.p. more than in 2022). The CTT Group, in Portugal⁷⁴, has 24 nationalities, with Brazil being the most represented country with 70.9% of the total, followed by employees from the PALOP countries, who account for 13.2%. The main reason for this increase is the unemployment rate, which has remained low and stable, leading to the use of newly arrived immigrants in search of work. This also resulted in an organic factor, with the triggering of a 'word of mouth' and recommendation hiring process within specific communities.

The percentage of people with disabilities remained stable. The figure as at 31 December 2023 was 317 people, 2.3% of the total workforce (-0.1 p.p. than in 2022). Of these, 148 were women, 46.7% in all, yet another field where there is gender parity.

Featured initiatives

By ensuring equity, inclusion and conciliation in its relationship with its People, CTT is simultaneously fulfilling the public commitment set out in its [Diversity and Inclusion Policy](#) and making efforts to promote the diversity of its human resources.

CTT is committed to making its contribution to a better society. It aims to be a company that respects each person as an individual and believe that, in order to achieve the full potential for innovation and transformation needed to deliver a sustainable future, employees must have the opportunity to feel authentic, thus guaranteeing the principles of diversity, equity and inclusion in all aspects of work.

In 2023, the Diversity, Equity, Inclusion (DEI) and Conciliation strategy was defined, based on four priority dimensions and their respective objectives, and the acronym 'DEI&Conciliação' was adopted. This topic has been disseminated internally and published on an Intranet page that reflects the company's position and where the dimensions and objectives are broken down. On the same page, due to the heterogeneity of the CTT population and taking into account the individuality of each person who may fall into one or more of the dimensions identified as priorities in this approach, for various reasons, they may be more exposed to situations of vulnerability. Thus, informative content was produced about:

- Citizenship rights and duties;
- Consumer protection;
- Debt risks; and
- Preventing domestic violence.

[CTT Equality Plan 2024](#) was drawn up, submitted and published internally and externally in the 2nd half of 2023, in accordance with the guidelines and deadlines established by the Committee for Equality in Labour and Employment (CITE). The 2024 'Plan' has allocated funds to a number of measures. It has been drawn up in an exhaustive manner, emphasising the importance of its framework and bringing together not only the measures to be implemented, but also measures from previous years and

⁷⁴ This analysis does not include CTT Express or Corre.

continuity, reflecting the dynamics needed to constantly update and adapt to reality. The data for the 'Plan' was collected on the CITE platform and the measures fall into the following dimensions:

- Company Strategy, Mission, Vision and Values;
- Equal access to employment;
- Equality in working conditions;
- Parental protection;
- Reconciling professional life with family and personal life.

Relations with external entities within the scope of the DEI

Following its adherence to the Pact Against Violence, CTT has been strengthening its action plan in this area and working on and implementing practices to Prevent and Combat Violence Against Women and Domestic Violence, through the dissemination of awareness-raising materials, both internally and externally. In 2023, the company renewed and strengthened this collaboration with the Committee for Citizenship and Gender Equality, seeking to raise awareness and fight this cause that belongs to all people and for all people. It joined the National Campaign Against Domestic Violence and disseminated content alluding to the International Day for the Elimination of Violence Against Women: sending an e-newsletter with images, video and awareness-raising information to all CTT workers. In addition, with the aim of raising awareness, information content has been systematised and produced in-house to help with various risk situations, one of which is domestic violence. With regard to the latter, behaviours and types of violence were identified, as well as the form and contact details of institutions that can be used, how to file a complaint and the employment rights of victims of domestic violence.

As part of its activities with the iGen Forum - Organisations for Equality Forum, and its involvement with CITE, CTT once again took part in the actions of the Working Groups (WG), and became part of WG2, aimed at designing and deepening the equality measures to be implemented by the Forum's signatories. To this end, on 18 May, CTT renewed its commitments by re-signing the Accession Agreement.

Other highlights

Following the signing of the Diversity Charter, in which the signatory entities assume Diversity as an ethical imperative, translating into a basic and guiding principle for their internal and external actions, forming part of their values and institutional identity, CTT became a member of the Portuguese Association for Diversity and Inclusion (APPDI), which represents an additional commitment in relation to DEI. As a result, CTT was present at the WGs, participated with several registrations in an internally publicised training course and was invited to speak at the closing ceremony of the 'Divers@s e Ativ@s' Project, all of which were promoted by APPDI.

In 2023, it continued to interact with the Inclusive Community Forum (ICF) by participating in forums and sharing meetings with other companies. ICF is a Nova SBE initiative dedicated to the lives of people with disabilities, which aims to promote a more inclusive community.

CTT has joined an alliance of top companies in their sectors and is a founding member of MindAlliance Portugal. MindAlliance promotes a corporate culture that places the mental health of workers as a strategic priority for its organisations.

4.6 Community engagement

GRI 203-2; GRI 304-3; GRI 413-1

In 2023, the kick-off was given for a new methodology for measuring social impact, in order to facilitate management and maximise its generation. This move is in line with the specific community investment target that CTT has set itself for 2022, determined as 1% of recurring EBIT allocated to charity donations, NGOs or cultural institutions with a relevant impact on the community.

One of the strategic axes of this new approach is the involvement of our People in the initiatives, through the Volunteering Programme. In 2023, the programme experienced a paradigm shift that gave it a major boost. The continuous actions of a limited number of volunteers gave way to interventions designed for each department or area that required them, becoming more targeted to the characteristics of their participants.

Highlights



Volunteering

413 volunteers committed a total of 1,834 hours of voluntary work in fifteen different actions. This year, the actions were moulded to the specific expectations and needs of the departments they were aimed at.



EPIS Social scholarships

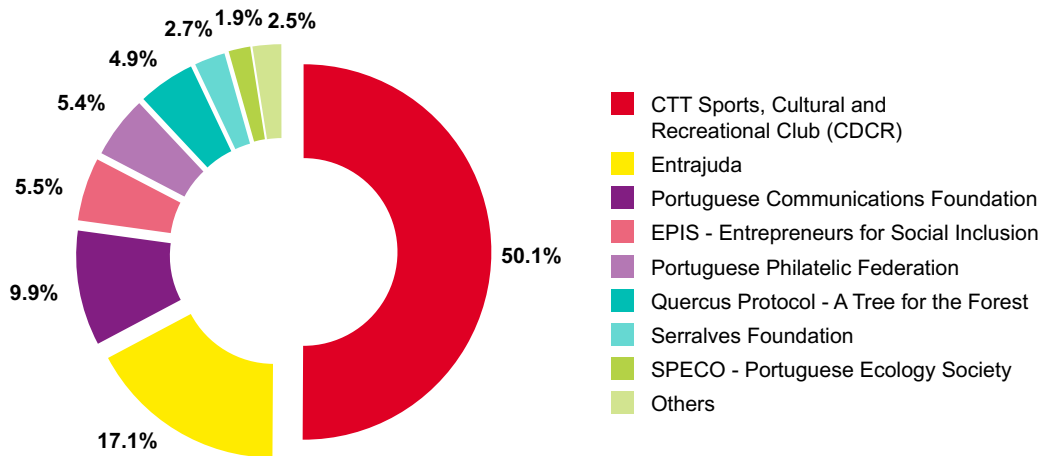
The "Ask an Ecologist" initiative was attended by 21 schools. In total, 153 questions were addressed to SPECO member scientists, who gave their answers by return of post.

4.6.1 Investment in the community

The company has committed itself to specific community support targets, namely by committing 1% of its Recurring EBIT to community support. In 2023, investment in community impact programmes was 0.6 % of Recurring EBIT. Total investment was €558,864.72 (-11.5% on the previous year).

Absolute investment, despite a slight reduction, mainly related to the end of the 'Apoio à Cultura' [Support for Culture] initiative, remained in line with the previous year. The donations given were in the following proportions:

CTT donations in 2023



Strategic philanthropy and social impact

The process of granting new donations has been strategically rethought in order to have a more effective and lasting impact on target audiences, and has become more demanding. In 2023, CTT embarked on a path that aims to take this item of its investments from a more traditional notion to one of 'strategic philanthropy'.

This new definition aims to maximise the measurement and, consequently, the management of initiatives. To this end, an internal training process began in the first half of 2023, primarily aimed at the company's top leadership, who took a personal interest in the topic. The process was then extended to the rest of the organisation, with practical analysis work of four CTT initiatives: 'A Tree for the Forest', Decarbonisation of the last-mile fleet, Locky and EFR Certification. Using a new language to address social impact issues, supported by the international methodology of the Impact Management Platform, the initiatives were analysed according to the five dimensions of analysis used in this methodology:

- **What:** Measuring the impact of the initiative, whether it is a positive or negative impact and the importance of that impact on the stakeholders for whom it is intended;
- **Who:** Possible stakeholders affected, which, in the case of the IMP, could be customers, employees, suppliers, the surrounding community or the planet (and whether they were already 'served' by this impact before the initiative was launched);
- **How much:** Measures the depth, scale or duration of the impact;
- **Contribution:** Quantifies the proportion of the impact that can be attributed to the action, in this case, of CTT;
- **Risks:** This details the possible obstacles to the impact succeeding as anticipated, measuring their degree.

This analysis results in a classification of each initiative, social project or product, according to the following scale:

- **A** (from the English "acts to avoid harm"): Initiative that aims to mitigate a negative impact that the company's activity has on one or more stakeholders;

- B (from "benefits stakeholders"): An initiative that, in line with its core business, has a positive impact on stakeholders;
- C (from "contribute to solutions"): Initiatives that, whether or not they were expressly designed for this purpose, actively promote solutions to problems that were considered very relevant to one or more stakeholders and that they needed.

These four initiatives resulted in the following measurements:

Initiative	Impact in numbers	IMP Classification
A Tree for the Forest	10 th year of the campaign, 115,000 trees planted, 16 reforestation actions in 9 parishes. Full sequestration of approximately 3,000 tonnes of carbon per year.	C
Decarbonisation of the last-mile fleet	There was a 2.6% reduction in total CO ₂ e emissions (scopes 1, 2 and 3) despite a worsening in scope 1 (relative to 2022). In the last-mile fleet, there was an increase in the rate of green vehicles to 19.6% (+4.3 p.p. than in 2022). The contracting of some customers with a high impact on CTT is only done with a written agreement regarding delivery without polluting emissions in the last mile.	C
Locky	Since its launch, 759 lockers have been installed in 21 Districts and 184 Municipalities across the country (including the Azores and Madeira). Use of the service is booming, resulting in an increase of more than three times the number of parcels delivered in Locky lockers between August 2022 (7,745) and August 2023 (28,522).	B
Efr Certification⁷⁵	1,217 people (9.7% of the CTT Group's employees) saved 2h46 per week , on average, on their home-work-home journeys as a result of using the hybrid working models measure under efr.	C

In addition to creating these new tools for analysing the social projects to be supported, as well as CTT's own initiatives, projects and even products, the aim was to understand which topics of social interest should be the focus of CTT's actions in the field. This new concept led to a Social Impact Plan being drawn up in the second half of 2023, to be implemented in 2024.

10th edition of the campaign "A Tree for the Forest"

CTT's flagship campaign continues to be 'A Tree for the Forest', a partnership with Quercus that has now run for ten editions. This project consists of selling kits representing a species of a native Portuguese tree, which are on sale in CTT post offices as well as the online store, with free postage. CTT's and Quercus' commitment is that each sale corresponds to the plantation of a tree, of an autochthonous species (although not necessarily of the species represented in that year's kit), in a Protected Area, National Forest or on land that has recently been affected by a forest fire. The species chosen to represent the Portuguese forest in this edition was the Portuguese Oak.

Since the project began, we have planted more than 128,000 trees in various parts of mainland Portugal and, in one case, on the island of Madeira. The first initiative to be registered in 2023 was the planting of the 5,416 trees sold the previous year. The planting took place in Serra da Estrela, with dozens of volunteers planting the trees, including CTT People and their families and friends, CTT Ambassadors and students from the Mentoring Programme.

⁷⁵ The data relates to the central services of CTT - Correios de Portugal, S.A., CTT Expresso and CTT Contacto.

To commemorate the 10th edition of the initiative, the kit featured an augmented reality QR Code that allows you to visualise the growth process of a Portuguese Oak tree. But the great novelty of this 10th edition was the creation of a digital kit for the general public. This new, more sustainable kit is also more affordable than the physical version and can be purchased at the CTT Online Store for just €3.75. The physical kit is still available in CTT post offices and in the online store for €4.00, with free postage throughout Portugal.

This year, the initiative's new ambassador, journalist and presenter Fernanda Freitas, joined the other four faces of the campaign, in this case television presenter Joana Teles, actress and activist Sandra Cóias, musician Paulo Furtado, better known as The Legendary Tigerman, and chef António Alexandre.

The launch of the 10th edition, which took place on 28 July, was organised at the CTT post office in Sete Rios and, as a taster for everyone present, chef António Alexandre prepared several recipes with acorns, which revived memories of when this dried fruit from the Portuguese oak tree was commonly used in Portuguese cuisine. This decision was made with the aim of providing a unique experience, combining innovation and tradition and highlighting the importance of acorns and Portuguese oak in our country's culture.

At Christmas time, CTT and Quercus decided to launch a campaign under the motto 'Two in One', so that everyone who bought a digital kit was actually buying two trees to plant, encouraging the reforestation of the national territory twice over. The campaign was available until 31 December, only in the CTT Online Store and its success has made it possible to guarantee a greater number of plantings, as early as 2024.

In line with this campaign and all the innovations presented, the sale of A Tree for the Forest kits experienced a remarkable growth of 129% from 2022 to 2023, with an impressive total of 12,408 kits sold. This significant increase highlights the growing awareness and involvement of the community, showing significant interest in the initiative which aims to contribute to environmental preservation.

EPIS - Entrepreneurs for Social Inclusion

Another measure of direct support to the community was CTT's participation in the 3rd - and final - year of the current edition of the EPIS - Empresários Para a Integração Social [Entrepreneurs for Social Integration] programme, which once again provided voluntary support to students in the 3rd Cycle of Basic Education who were showing difficulties and were even at risk of dropping out of school.

The edition for the 2022-23 school year supported 10 students from two schools in the municipality of Seixal. This support took the form of a mentoring programme which included senior and middle managers from CTT, including members of the Executive Committee and some of the company's first-line directors, who were willing to accompany a student individually. The purpose of this accompaniment was to establish an 'older brother' relationship, which would allow information to be passed on and, above all, the experiences that led these cadres to find formulas for success and stability.

During the school year, three meetings were held with volunteers and students: The first meeting took place at Amora Secondary School, where the 10 EPIS students got to know the programme and the CTT volunteers who will be accompanying them throughout the school year. The second meeting took the group on a guided tour of MARL's Operational Centre, which began with a brief introduction to the space. The group had the opportunity to see the facilities, equipment and activities carried out at the operational unit. This action allows these young people to come into contact with the professional environment, offering them a glimpse of the future, and the students were interested, expressing their doubts throughout the visit. The session ended with a snack during which students, mentors and members of the visit had the opportunity to exchange experiences and knowledge.

The third and final meeting of the 2022/23 school year took place at Adventure Park, located at the Jamor National Sports Centre. Students and mentors took part in an Orienteering activity, which consisted of a pedestrian race, where each team, equipped with a map and compass, oriented themselves in the best way to find codes until they returned to the starting point. During the route, the participants were able to get to know the urban park and all its wooded surroundings, in close contact with nature.

In line with the effort to measure and report specific data that focuses on the direct impact on communities, some tangible data was calculated and presented by the EPIS team. An analysis of this data shows that 23 volunteers took part, dedicating a total of 101 hours.

EPIS Social Scholarships

In line with the initiative introduced in 2022 in the social impact policy, CTT has once again invested in the EPIS Social Scholarships as a way of tackling gender inequality in Information Technology (IT) at the root of the problem. This time, instead of supporting young people attending vocational education (equivalent to secondary school), CTT has awarded scholarships for a period of three years to five students who have just entered university. The aim was to ensure that the support would materialise in the effective completion of studies and entry into the job market of five young women with qualifications in this area.

In this IT job market, where qualified resources are not abundant, the average salary ends up being higher. On the other hand, the scarcity of women with this specific training makes it a very male-dominated area, which contributes to the pay gap in favour of the male gender. By financially supporting the studies of these future professionals in the field, CTT is making its own small contribution so that this inequality will eventually disappear and the company itself can find more qualified female resources to hire.

Pai Natal Solidário [Solidarity Father Christmas]

The holiday season in December was once again marked by the Solidarity Father Christmas initiative. Now in its 14th edition, the campaign once again consisted of making available, on the painatalsolidario.pt website, letters written to Father Christmas by a group of children up to the age of 12, accompanied by Public Social Solidarity Institutions. This year, we received 1,841 (3.3% more than in 2022), a fact that should not be surprising given the increase in the number of participating institutions, from 48 to 50.

Through this website, and completely anonymously for all parties, any CTT customer could sponsor a letter, or at least part of it, by buying one or more of the gifts requested and delivering them to a CTT post office. From then on, CTT took care of the logistics of handling and delivering these presents to the children, maintaining the illusion that it was Father Christmas himself who had delivered them.

Here are the figures for the Solidarity Father Christmas 2023 campaign.

Data related to the 2023 Solidarity Father Christmas

Letters received	Sponsored letters	Rate of sponsored letters	Gifts sent⁷⁶
1,841	1,600	86.9 %	1,720

It should be noted that the authors of unsponsored letters were sent CTT souvenirs, educational material that ensured that none of these children were left without a present at Christmas.

⁷⁶ In some cases, the children asked for, and received, more than one gift. On some occasions there were cases when the same letter was sponsored, practically simultaneously, by more than one person and, in these cases, all the presents were eventually delivered.

'Regala Sonrisas' [Offer Smiles] by CTT Express

CTT Express in Spain has renewed its collaboration with Martita Ortega, the Spanish top-10 padel player, in her Offer Smiles project. The campaign aims to offer toys to the little ones who had the misfortune of having to spend the 2023 holidays in hospital.

The project once again counted on the active participation of CTT Express employees, who donated toys by voluntarily going to any of the company's 56 distribution centres to drop them off. In addition to these, several padel centres also served as the initiative's logistical hub.

The next stage, which also required the participation of volunteers, was preparing the toy deliveries. As well as cataloguing and wrapping presents, these volunteers dedicated themselves to making the deliveries to six hospitals in the Madrid region, especially the Gregorio Marañón Hospital.

This elaborately prepared campaign is now in its 6th edition, and in 2023 it had 45-50 volunteers, including those who offered gifts (some anonymously, which makes it impossible to keep a completely reliable tally) and those who delivered presents to the children in hospital. In total, around 120 toys were delivered in person, including those offered by the workers and those covered by CTT Express. Like the Solidarity Father Christmas initiative in Portugal, this initiative has brightened up Christmas and, in this country, the *Día de Los Reyes* [King's Day] for many children.

'Pergunta a um Ecólogo' [Ask an Ecologist]

The Ask an Ecologist project, launched at the beginning of 2023, aimed to create a bridge between schools and scientists belonging to the Portuguese Ecology Society - SPECO. It was aimed at elementary school students, who got together in groups to send letters to ecologists with questions about environmental issues that they had carefully structured in the classroom and which were then answered, in an equally reasoned manner, by the scientists.

This school project served mainly to stimulate students' critical thinking, written expression and to promote active environmental citizenship, and CTT's role during this pilot project was to guarantee writing materials and the sending of letters in both directions. To reinforce the educational role of the initiative, the Philately Department has made available stamps dedicated to the theme of ecology and the protection of biodiversity to be used expressly in the letters to be sent to and from schools.

Although the pilot project was launched during the 2022-23 school year, it was a great success. Registration was open between 15 January and 15 February and, of the 29 schools that showed interest in taking part, 21 sent in their letters. A total of 153 questions were written in Natural Sciences, Biology and Geology, Physics and Chemistry, Portuguese and Citizenship classes. The 2nd and 3rd Cycle Elementary School from Valongo do Vouga, in Águeda, sent the greatest number of letters, a total of 21, followed by the Integrated Elementary School from Apúlia, in Esposende, which sent 16. Moreover, geographical dispersion was one of the most positive components of this project, with SPECO receiving letters from Melgaço to Amareleja, including Câmara de Lobos, in the Autonomous Region of Madeira.

In the end, 22 scientists gave their answers on the mail round, sharing their knowledge on topics dear to the students' hearts, such as drought and water scarcity, the disappearance of bees or the impact of climate change.

The strength of the initial figures, especially considering it was a pilot, led CTT to deepen its support for the initiative. For the 2023-24 school year, we have decided to go beyond the donation of writing material and the sending of letters, financially supporting the expansion of the initiative to more classes and making it possible to allocate more SPECO scientists to the mission of responding to the curiosities of our young people.

Other initiatives

Donation of social masks

CTT decided to donate all the anti-COVID social masks it still had in stock. The organisation chosen for the donation was Entrajuda, a bank of donated goods made available to social institutions.

This donation of goods valued at €95,868.72 has given a new lease of life to objects that would otherwise have been thrown away and sent for recovery.

Blood collection

As part of the volunteering programme during 2023, we carried out 6 blood collection actions, three in Cabo Ruivo and three at the Portuguese Blood and Transplantation Institute Centre in Alvalade. In total, 78 volunteers came forward to donate their blood and 60 were able to do so.

Green tips on the Banco CTT website

In 2023, Banco CTT was responsible for developing new solidarity initiatives, including the launch of 'Green Tips' on its website, a space for sharing simple tips and recommendations aimed at promoting sustainable habits that can be applied in everyday life.

Banco CTT supports BIO gardens

In 2023, support continued to be given to the BIO Gardens project, in conjunction with the European Blue Flag Association Schools, contributing to the construction of gardens in schools across the country. The objective is that these vegetable gardens should be used to raise awareness and educate the school and local communities on the topic of sustainability, in particular by encouraging students to create and maintain school vegetable gardens, cultivated organically, deepening knowledge related to organic agricultural practices and healthy and sustainable eating habits.

'Merece' [Deserve] Movement

In an eco-friendly attitude, the new Banco CTT debit cards sent to the customers are 100% produced using recycled plastic. In this context, Banco CTT's participation in the 'Merece' [Deserve] Movement - Business Movement for the Recycling of Cards with Electronic Components, which promotes the collection and recovery of waste from expired and unused bank cards, at no cost to customers, is noteworthy. This collection is converted into a considerable number of planted trees, in partnership with Quercus, while the card waste itself is converted into materials for street furniture.

Banco CTT protocols

In addition to these initiatives, the Social Responsibility Programme includes various protocols, namely with the following institutions:

- *Banco do Bebé* [Bank of the Baby];
- Junior Achievement Portugal;
- *Amor Perfeito* [Perfect Love];
- Animalife; and
- *Liga para a Proteção da Natureza* [League for the Protection of Nature].

Art Locky

Bruno de Almeida, a Brazilian artist living in Porto, was the winner of the competition that Locky launched in May, which consisted of illustrating one of its lockers in an original way. The challenge was

to use a locker as a canvas and took place between 10 April and 10 May. There were nearly 100 entries, and the jury was made up of artist Another Angelo and Locky CEO Francisco Travassos, who had the difficult task of choosing a winner.

Open Lockers offers 'A Tree for the Forest' kits

Locky locker customers who, at some point during their interaction with this innovative CTT offer, expressed their dissatisfaction, were presented with a 'A Tree for the Forest' kit.

The initiative has further increased the goodwill surrounding this brand, which has seen a huge increase in demand throughout the year, and there have even been expressions of this positive reception on CTT's social networks. It was also another element in reinforcing Open Lockers' sustainability role which, in addition to the emissions saved by concentrating several parcels at a single delivery point, also ended up contributing to the mitigating factor of this reforestation project which was born out of CTT's partnership with Quercus.

'Pirilampo Mágico' [Magic Firefly]

For the 18th year running, CTT has once again promoted the sale of the Magic Firefly in its post offices. This partnership with Fenacerci implies the use of CTT's sales channels without any associated cost for the beneficiary organisations or commission retained for sales made, and the value of the Portuguese contributions reverted in its entirety to CERCI.

In 2023, 9,713 'pirilampos' were sold (down by 15.0% on the previous year).

NewSpring participates in Biodiversity support programmes

With regard to NewSpring, we would highlight the following actions: the initiative 'Descobrimos a Biodiversidade - Proteger os Polinizadores' [Discovering Biodiversity - Protecting Pollinators] and 'I am NatureSpring - Aves da Cidade (descobrir e proteger)' [I am NatureSpring - Birds of the City (discover and protect)], which took some of the company's employees to Monsanto Park between 12 and 14 September to spend a few hours socialising as a team and getting in touch with the environment.

Also on 14 September, another edition of 'I am NatureSpring - passeio pela natureza' [I am NatureSpring - nature walk] took place, this time in Évora, open to contact centre workers from this Alentejo city.

Raising awareness of sustainability issues

CTT broadcasted information on sustainability issues via the television channel broadcast in its post offices nationwide, and regularly shared sustainability news via its Facebook page, which currently has more than 63,000 followers. They are also present on the social networks LinkedIn and Instagram, with more than 164 thousand followers. In 2023, 87 posts related to sustainability themes were published on all these platforms.

In terms of media presence, we would highlight the EDP/CNN section and the interviews in Expresso and Mobilidade Verde. In addition, articles on CTT's sustainability programme were published in Executive Digest and in the "Who's Who in Sustainability" yearbook by Green Savers.

The Keep Me Posted - Citizen's Right to Choose campaign, which aims to promote the right to choose how you want to receive your information, such as bills and statements from service providers, remained active. This is not an anti-digital campaign, but rather a pro-choice campaign, with the support of the Portuguese Association of Printing and Paper Manufacturing Industries - APIGRAF, Biond - Forest Fibers from Portugal, and the Consumer Protection Association - DECO.

CTT took part in many meetings and conferences as a speaker on ESG issues. We highlight the participation in the 15th edition of the Human Resources Development Programme, promoted by CTT to Latin American and PALOP postal operators. We were also present as speakers at the PostEurop Business Forum, the UPU Leaders Forum, the P&P Expo, the 'SDGs in focus' Observatory, the annual IPCG Conference, the City from Scratch Panel, at the Home Delivery World Europe 2023 Conference, the OIKOS Cycle at Nova SBE, and the Merco ESG Conference.

4.6.2 Volunteering

Throughout 2023, CTT demonstrated not only its commitment to the quality of its services, but also to the development of a fairer and more sustainable society, highlighting the positive impact that companies can have on the community, namely through the active participation of its People in the surrounding communities.

CTT's volunteering policy has a long tradition and, in recent years, it has been taken on strategically by the company's leadership, with the definition of a target, to be achieved by 2025, of 3 days of volunteering made available by each employee.

Overall, this group of people, including workers and family members, contributed 2,137 hours of voluntary service. In terms of CTT employees, this figure stood at 1,834 hours (+21.0% on the previous year), an average of 4.4 hours per person (+2.9% on 2022).

Targeted actions

This year, CTT strategically invested in actions which, although one-off, were aimed at specific requests from business units or departments within the company. It was thus possible to involve a greater number of participants and, above all, to devise initiatives that fit the profile of the teams and the objectives of the actions.

The year of CTT Volunteering began in February with a noble act of solidarity: Blood Donation at the Cabo Ruivo Operational Centre and at the IPST Post in Alvalade, Lisbon. At this event, CTT workers once again showed their generosity by contributing to an essential cause.

Then it was time for the continuation of the 'Uma Árvore Pela Floresta' [A Tree for the Forest] campaign, with the planting of the trees sold over the course of 2022. More than 5,000 trees were planted in Serra da Estrela, demonstrating CTT's commitment to environmental preservation. Around 150 CTT Volunteers and their families took part in this action.

In April, a Beach Clean-Up was held at Bom Sucesso Beach in Óbidos with the active participation of the Strategy and Operations Development Department, which included 53 CTT Volunteers and their families. A clear demonstration that employees are committed to caring for the environment.

In June, the focus once again turned to blood donation, with a second action at the Cabo Ruivo Operational Centre and at the IPST Post in Alvalade. CTT's solidarity once again contributed to the health of the community. Following this, the Transformation Department joined in an action at the Montejunto Wild Animal Recovery Centre, involving 21 CTT Volunteers in the maintenance and cleaning of this centre that cares for and rehabilitates injured animals.

In July, the focus turned to preserving biodiversity, with the Costa da Caparica Invasive Species Clean-up, an initiative in which the Talent Management Department and its 21 volunteers played an active role.

September marked another action at the Montejunto Wild Animal Recovery Centre, this time with the participation of the Digital, New Channels and Innovation Department, involving a total of 21 volunteers.

In October, we took part in the global initiative World Cleanup Day organised by Let's Do It World, which brings together thousands of local clean-up actions around the world with the aim of taking action on marine waste and debris. In the year marking PostEurop's 30th anniversary, European postal operators actively contributed to clean-up actions, reinforcing the sector's commitments to environmental and social sustainability. CTT mobilised 21 volunteers and their families for an urban clean-up in Monsanto, Lisbon. October also saw another Blood Donation at the Cabo Ruivo Operational Centre, IPST Alvalade, reinforcing CTT's ongoing commitment to community health.

In November, CTT took an active part in the Portuguese League Against Cancer Fundraiser, with the collaboration of 18 volunteers.

In December, CTT's solidarity extended to the Rosália Rendu Cafeteria, with 36 volunteers from the Corporate Finance and Investor Relations Offices, as well as the Sustainability, Business Development Strategy, Regulation and Competition, and Institutional Relations Departments, providing essential support.

Continuity actions

In addition to the EPIS, aforementioned, it is important to note that, as part of the Trainee Programme, CTT has been involved in ongoing solidarity initiatives. These actions began in November 2023 and will continue until June 2024, in four different institutions: Animais de Rua, União Zoófila, Comunidade Vida e Paz and EPIS. A total of 20 volunteer Trainees are taking part in this programme.

Data on CTT Volunteering in 2023

Name of the action	Partner	No. of CTT volunteers	No. of CTT employees volunteering hours	No. of family members	No. of participants
Mentoring programme	EPIS	23	101	0	23
Blood donation	IPST	32	28	0	32
Planting of "A Tree for the Forest"	Quercus	77	385	72	149
Beach clean-up	LPN	31	155	22	53
Blood donation	IPST	27	25	0	27
Wild Animal Recovery Centre	Quercus	21	168	0	21
Invasive species clean-up	ICNF	21	147	0	21
Wild Animal Recovery Centre	Quercus	21	168	0	21
Urban clean-up	LPN	12	24	9	21
Blood donation	ISPT	19	16	0	19
Fundraising for the Portuguese League Against Cancer	LPCC	18	90	0	18
Preparation of baskets	Canteen Rosália Rendu	36	192	0	36
Regala Sonrisas / Offer Smiles	Martita Ortega	45	135	0	45
Partners for a day	JAE	10	50	0	10
Volunteering by the trainees	Homeless Animals, Zoophilic union, EPIS and Community Life & Peace	20	150	0	20
Total		413	1,834	103	516

4.6.3 Customer relations and satisfaction

GRI 2-6, 2-29, GRI 3-3, GRI 413-2

CTT is oriented towards the market in general and the business segment in particular, offering products under the CTT brand that reflect the increasingly diversified set of its competencies, namely mail, business solutions, parcels and express, financial and banking services, printing and finishing, etc. This is a listing of the main products and services offered by CTT:

- [Mail & Other](#);
- [Express & Parcels](#);
- [Banco CTT](#); and
- [Financial Services](#).

Each individual or business client, in their different types, is guaranteed regular, dedicated, face-to-face and specialised attention, allowing a global and integrated offer of services and products aimed at creating value and strengthening each act of business.

Retail customers

On 31 December 2023, CTT had 569 post offices, spread throughout the mainland and the Autonomous Regions. Furthermore, as can be seen in more detail in the chapter on Accessibility, customers had 2,375 contact points, including 1,806 CTT points, 5,063 Payshop agents, in addition to the 1,150 lockers installed and/or contracted. On the same date, there were 212 Banco CTT branches throughout the country providing banking services to the population, offering a differentiated service.

In terms of business development with this customer segment, we would highlight:

- Launch of self-service shipping equipment for creating or dropping off objects;
- Installation of 110 Locky lockers in the Retail Network, 35 of which are through-the-wall, which involved redesigning store fronts;
- Extension of the offer, with the delivery of PUDO (pull-up, drop-off) in lockers, and shipments and returns from them;
- Consolidation of the B2C Customer Forum project, in which pain points from all CTT channels have been analysed and improvement actions identified;
- Monthly monitoring of the NPS of the different touchpoints, namely the physical network, customer service, digital and distribution;
- Launch of the CTT app, which allows to access a digital password, create express and registered mail, track items, change delivery times and pay tolls. The app also allows to create a virtual address for the use of Locky lockers, as well as saving the most used addresses for shipping;
- Launch of Pack Espresso, a bundle offer that allows the sale of a shipping pack with associated discounts.

Accessibility in CTT post offices and products

The Company continues to pursue modernisation and renovation work to improve accessibility by disabled people. The types of accesses which have been built include interior or exterior access ramps, lift platforms, removable ramps, ramping in public areas close to the entrance of the post office,

alteration of façades with door opening with side elevation, among others. Thus, around 95% of all the post offices currently have improved conditions of accessibility.

In 2023, two interventions were carried out to improve the accessibility of post offices:

- CTT Teixeira Gomes post office, in Portimão – Completed during 2023; and
- CTT Picoas post office – Not yet completed.

For 2024, interventions are planned at the CTT post office in Fiães, in the municipality of Santa Maria da Feira, and at the CTT post office in Porto de Mós.

Regarding the use of the products, no need was identified to create manuals or explanatory labels that could prevent potentially harmful uses of CTT products by customers. Adapting the products so they may contribute to a simple and safe use for people with disabilities is a topic that CTT always seeks to address carefully.

Business customers

CTT continues to invest in expanding its business offer to respond to new social, economic and ecological challenges. The importance of sustainability issues is on the minds of our customers and stakeholders. CTT has been committed to integrating recyclable and reusable materials into its offer, and 82.4% of its mail, express and parcel products already incorporate these materials.

In addition, and reinforcing the work done in this direction, business partnerships with high social relevance were established in various areas. Partnerships with:

- Municipalities, department stores, petrol stations, pharmacies and other easily accessible locations for the installation of Locky lockers. Locky lockers allow parcels to be sent and returned simply, quickly and conveniently for all customers, avoiding the need to go to the shops. We have a network of 1,150 lockers installed and/or contracted from the north to the south of the country and on the islands of Madeira and the Azores.
 - Installation of the first refrigerated Locky at El Corte Inglés in Gaia for customers of the supermarket or Club del Gourmet, which allows the best packaging of cold or frozen products in click&collect collections in a totally autonomous way and with maximum convenience;
 - An innovative partnership has been signed with KeyNest to enable a key exchange service for Airbnb guests via lockers. The aim is to make life easier for all those who have booked a stay, with a service that is available 24 hours a day, seven days a week, secure and very convenient, requiring only a code to open the locker.
- Launch of the new APP, which is more intuitive and has several new features, including the availability of the Digital Password to avoid queues in physical shops, the possibility of changing the delivery location of parcels by reducing the number of reminders given in shops, as well as monitoring the status of parcels sent by CTT and other operators and distributors and making payments for overdue tolls.
- Reinforcement of the offer of shipping plugins by providing a plugin for integration with Amazon, making it easier to automate shipments, with the aim of helping e-sellers who sell on Amazon to ship their parcels;
- Launch of the new "Simplified Returns" service for online shops, the aim of which is to make it easier to return purchases. In order to benefit, shops simply have to register on the CTT platform and then provide their buying customers with the link to the return request page. From the

beginning of 2024, customers were able to make their returns at more than 2,375 contact points, to which CTT lockers were added, without the need to print any transport document or waybill;

- Extension of the delivery point network to more than 16,000 points available in Portugal and Spain;
- Creation of Edubox, through Payshop, a pre-paid school card, now available in 100 municipalities. In this way, the CTT Group's payment company has provided a simple and immediate means of paying for the services provided by schools, such as canteens, bars, stationery, reprographics and vending, avoiding the circulation of cash within the school grounds, for the greater comfort and safety of the entire school community;
- Massification by Payshop of the use of public transport. Through its network of agents, the service of buying and topping up transport tickets was made available quickly and at no extra cost. There were more than 2,600 charging points spread across the country's largest cities - Área Metropolitana de Lisboa, Área Metropolitana do Porto, Funchal and Braga - making everyday life easier for users of these urban centres;
- Partnership with the Sintra Business Association to boost e-commerce solutions with advantageous conditions for its members.

Customer satisfaction

With regard to quality of service, there was a general increase in the indicators revealed by CTT's customer surveys.

A percentage of 84.3% of customers who answered the satisfaction questionnaire considered CTT's overall quality to be good or very good (1.5 percentage points more than in 2022), bringing the percentage of customers satisfied with the overall quality of service to 93.4%, showing a positive evolution compared to 2022 to a further 0.4 percentage points.

About queuing time, 80.28% expressed a positive opinion, which also compares positively with 78.4% registered in the previous year. With regard to distribution, the overall satisfaction level stood at 79.0% (+2.3 percentage points compared to 2022), rising to 81.0% with regard to delivery times for priority mail (+2.7 percentage points compared to the previous year) and 67.6% with regard to delivery times for ordinary mail (+1.3 percentage points).

Customer support

GRI 2-27, GRI 413-2

CTT customers recognise the customer service provided through the Customer Satisfaction Score (CSAT), based on a score attributed to the service provided. In 2023, the CSAT for Customer Support was 60%, with the Social Media channel standing out, with a CSAT of 70.5%, followed by the Voice channel with 62.4%, indicating that the majority of customers are satisfied with the experience.

In 2023, Customer Support continued its commitment to remote and hybrid working for employees who had already been given laptops. By making the voice-over-IP communication channel available to all assistants, in order to enable telephone contact with customers, in addition to the written channel, there have been improvements in efficiency and proximity to each customer in resolving their problems.

Contacts

The Social Network Management model has been continuously improved in order to provide innovative support for customers and that is closer to their needs. A reflection of this was the 41.0% increase in

contacts received on Modern Channels compared to 2022. On the other hand, Traditional Channels saw an increase of 7.0% compared to the same period of the previous year.

In 2023, a total of 3,804,390 customers (human and virtual) were received through the Customer Service channels, representing an overall increase of 13% compared to the same period last year. On the voice channel, 2,206,146 calls (human and virtual) were received, representing 58.0% of all contacts and a 13.0% increase on the previous year. With regard to the written channel, 785,138 contacts (human and virtual) were received, representing 20.6% of total contacts, corresponding to a decrease of 5.0% compared to 2022. A total of 813,106 contacts were received through social media, representing 21.4% of the total number of contacts.

The percentage of calls answered by a Virtual Assistant was 28.5%, an increase of 24.3% on the same period of the previous year. We aim to continue increasing this percentage of virtual customer service with the implementation of Chat GPT service, which is already underway. This will be just the beginning of a journey of automation that aims to revolutionise the way the company interacts with its customers, providing a high-quality experience and striving for continuous excellence in customer service.

Other projects

Over the course of the year, the following four structural projects in the Customer Support area stand out:

- Reduction of call transfers and duplication of contacts: The voice channel team was given full-skill training in order to increase the first contact resolution rate. This training, which will continue for new recruits, aims to enable assistants to deal with a wide range of queries without having to transfer the call, resulting in a better service and, consequently, greater customer satisfaction.
- Robotic Process Automation (RPA) of Express orders: An RPA was set up to respond to the customer according to the internal response entered by the assistants.
- Compliments Book: In order to strengthen our brand image and promote a positive and motivating work environment for our employees, the 'Compliments Book' was implemented at CTT in 2023. The 'Compliments Book' gives the customer the chance to highlight and praise the best in the work of the employees, being a source of positive inspiration and recognition. The aim of this project was to centralise and encourage expressions of recognition and appreciation from customers, creating a space dedicated to compliments, contributing to a greater recommendation of the CTT brand.
- Video interpreting service, integrated with the Serviin service. The intention was to establish a genuinely inclusive service environment, ensuring equal access for all our customers. Serviin is the video interpreting service that breaks down communication barriers between the deaf and hearing communities.

Average Response Time (ART) for Expressions of Dissatisfaction within the scope of the Universal Postal Service

In 2023, there was a 2.1-day decrease in the national ART compared to 2022, although the target of 15 days was not reached. Internationally, the target set (45 days) was met (31.4 days), with a decrease of 16.6 days in the ART.

Average Response Time to claims relating to the Universal Service

	Scope	Target 2023 (days)	Accomplishment 2023 (days)
Average Response Time	National	15.0	16.9
	International	45.0	31.4

Expressions of Dissatisfaction

Dissatisfaction processes are a unique and privileged way of continuously improving internal processes, as well as detecting anomalies in the use of products and services in the CTT universe. Customer Support is responsible for disseminating the voice of the customer throughout the organisation, in search of new solutions to increase customer satisfaction.

In 2023, 216,732 service complaint cases were filed in the Mail and Express business units, a decrease of 6.4% compared to the same period in 2022 (231,509 cases). The most frequent complaints were related to delays in delivery and/or loss of items (97,657 cases).

Looking at each area specifically, in the Mail business area, 107,517 cases relating to customer complaints about commercialised services and products were registered in the complaints handling support application, down 13.0% on the same period of the previous year. This decrease was mainly due to the improvement of internal processes, with the introduction of new tools that allowed for an increase in resolution capacity at the first line of contact.

In the Express and Parcels business area, 109,169 complaints were registered, an increase of 1%. The main reasons for complaints are related to delays in delivery and lost items.

In 2023, 8,354 compensations were processed in the Mail business area, amounting to €367,152, an increase of 10% compared to the same period last year. At Express, 2,905 were processed, worth €91,791.00, representing a 9.5% variation compared to 2022. International outbound claims account for 91% of the total value of international service claims. The most frequent causes of compensation are loss of the item, lack of response from the destination postal operator.

Claims in the Mail and Express & Parcels areas

	'22	'23	Δ '22/'23
Claims received ⁷⁷	231,509	216,732	6.4%

In line with previous years, the APCC Quality Seal, awarded by the Portuguese Association of Contact Centres, was renewed. The APCC Quality Seal is a certification for companies using contact centre services and allows access to an auditing service and advice on good management practices in the sector.

Among the many [distinctions](#) awarded to this CTT service, the Gold APCC BEST AWARDS Award for the CTT Private Line and the Silver APCC BEST AWARDS Award for the CTT Companies Line in the Distribution and Logistics category stand out.

4.6.4 Communication with suppliers

GRI 2-6, GRI 203-2, 204-1, GRI 408-1, 409-1, 414-1, 414-2

The Negotiation and Procurement function is managed centrally, with all the company's contracting needs consolidated, regardless of the origin of the need and where the service or supply is provided.

The year 2023 saw the implementation of the Ariba Spend Management platform, which was the tool used to centralise and manage consultation processes, contracts and suppliers. Registration on this platform could be done in two ways: through an invitation issued by CTT, or by registering through our website. To complete registration, all suppliers have read and accepted the Code of Ethics and the Responsible Purchasing Policy, a step without which it is impossible for them to become our partners.

⁷⁷ Includes complaints processes relating to the Universal and Non-Universal Service. Does not include data from CORRE and Banco CTT.

For CTT, this was an important milestone, aimed at ensuring that our partners are aware of these strategic documents.

Applying sustainable selection criteria

The selection of suppliers does not take into account location criteria, except when it proves necessary from an operational point of view. The best practices in terms of equal opportunities, which stem not only from the company's own choice but also from public procurement rules, are fully observed. However, since CTT is a company with a presence throughout Portugal, many contracted services, such as cleaning, fuel or maintenance, have a significant impact on the local economy.

The base of business conducted by the Purchasing area and awarded in 2022 is made up of 99.5%⁷⁸ of Iberian suppliers or those with representation in Portugal and Spain (1.3 percentage points more than in the previous year) and 6.0% of suppliers of other nationalities⁷⁹.

While there is no formalised plan for auditing suppliers to assess compliance with measures to mitigate or offset the negative impacts they may have on communities, the awarding of goods and services is formally subject to compliance with the principles and procedures set out in the Universal Declaration of Human Rights. Any breach in this matter, whether due to indirect knowledge or observed during the monitoring visits made by the procurement team, shall be acted upon immediately and may constitute fair grounds for contractual rescission.

With regard to environmental requirements, 100.0% of the suppliers contracted were subject to pre-contractual procedures that took this type of criteria into account, compared to 98.1% in the previous year.

CTT Express' relationship with its value chain

For CTT Express (Spain), the relationship with its value chain is central. Currently, its main activity, parcel transport, is completely subcontracted and the company does not have its own fleet. As such, 100% of the fleet that transports the goods overnight to the distribution centres and the fleet that takes parcels to their final destination is supplied externally. The number of transport providers on the routes between logistics centres is 115 (three more than in 2022), of which 85 are fixed and 30 are sporadic. The number of suppliers of the last-mile distribution network is 957 (an increase of 60.3% on the previous year), with the annual figures associated with this subcontracting rising by 19.8% to €156,347,195.

As a general rule, CTT Express suppliers are contracted in accordance with Procedure PD-30, which varies according to the costs associated with such contracting. Thus, most suppliers are not contracted according to environmental or social criteria, although each department or area that has requested the service, in addition to the 'price' criterion, must analyse other selection criteria and include environmental or social impact criteria, if relevant.

From 30,000 euros upwards, work is usually awarded through tenders. Once again, it is up to each applicant unit to establish conditions and requirements for participation in the process, which may include environmental and social criteria, when deemed relevant.

⁷⁸ This data only includes the companies CTT - Correios de Portugal, SA, CTT Expresso and CTT Contacto.

⁷⁹ This figure only includes the Portuguese operation, excluding CTT Express.

4.7 Taxonomy

GRI 203-1

Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, establishes a framework to facilitate sustainable investment (hereinafter referred to as “Taxonomy” or “Regulation”). The purpose of this Regulation is to establish a standardised, mandatory classification system for determining whether an economic activity qualifies as environmentally sustainable in the European Union.

The Taxonomy is a list of sustainable economic activities in the EU. The Statistical Classification of Economic Activities in the European Community (NACE) is used, supplemented by the creation of new categories, whenever the former is not sufficiently precise.

In 2021, the EU published a catalogue of sustainable activities concerning two environmental objectives:

- a. Climate change mitigation; and
- b. Climate change adaptation.

In late 2023, together with an amendment to the catalogue of sustainable activities concerning the climate change mitigation and climate change adaptation objectives, the EU published catalogues of sustainable activities concerning the remaining four environmental objectives:

- a. Sustainable use and protection of water and marine resources;
- b. Transition to a circular economy;
- c. Pollution prevention and control; and
- d. Protection and restoration of biodiversity and ecosystems.

To determine whether a given activity is eligible, it must be verified whether it is listed in Annexes I or II to the Commission Delegated Regulation (EU) 2021/2139, in Annexes I or II to the Commission Delegated Regulation (EU) 2023/2485 that amends Annexes I and II, respectively, to the Commission Delegated Regulation (EU) 2021/2139, or in Annexes I, II, III or IV to the Commission Delegated Regulation (EU) 2023/2486.

Eligible activities for the purpose of the Taxonomy can also be identified according to the primary objective whose achievement is sought:

- a. Contributing substantially to climate change mitigation (CCM) (Annex I to the Commission Delegated Regulation (EU) 2021/2139; Annex I to the Commission Delegated Regulation (EU) 2023/2485 that amends Annex I to the Commission Delegated Regulation (EU) 2021/2139; Article 10 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020);
- b. Contributing substantially to climate change adaptation (CCA) (Annex II to the Commission Delegated Regulation (EU) 2021/2139; Annex II to the Commission Delegated Regulation (EU) 2023/2485 that amends Annex II to the Commission Delegated Regulation (EU) 2021/2139; Article 11 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020);
- c. Contributing substantially to sustainable use and protection of water and marine resources (WTR) (Annex I to the Commission Delegated Regulation (EU) 2023/2486; Article 12 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020);
- d. Contributing substantially to the transition to a circular economy (CE) (Annex II to the Commission Delegated Regulation (EU) 2023/2486; Article 13 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020);
- e. Contributing substantially to pollution prevention and control (PPC) (Annex III to the Commission Delegated Regulation (EU) 2023/2486; Article 14 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020); or
- f. Contributing substantially to the protection and restoration of biodiversity and ecosystems (BIO) (Annex IV to the Commission Delegated Regulation (EU) 2023/2486; Article 15 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020).

It is sufficient for an activity to be included in any of these categories to be eligible, although it may also be integrated in more than one category.

An economic activity is qualified as environmentally sustainable, and hence aligned with the Taxonomy, where it:

- Contributed substantially to one or more of the environmental objectives established in the Taxonomy;
- Does not significantly harm (DNSH) any of the remaining environmental objectives;
- Is carried out in compliance with the minimum safeguards; and
- Complies with technical screening criteria that have been established for said activity.

Eligible activities

The analysis of the Group's eligible activities performed in 2022 was revised, based on the information presented in the mapping table of industry classification systems published by the European Union and compiled within the scope of the "Platform on Sustainable Finance", and based on a sectoral peer benchmark with the intent to better align with market practices. As a result, in 2023, the activities identified by CTT in the previous exercise were maintained and activities CCM 6.15 and CCM 6.19 were added.

Activity

MAC 6.4 – Operation of personal mobility devices, cycle logistics

MAC 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles

MAC 6.6 – Freight transport services by road

MAC 6.10 – Sea and coastal freight water transport, vessels for port operations and auxiliary activities

MAC 6.15 – Infrastructure enabling low-carbon road transport and public transport

MAC 6.19 – Passenger and freight air transport

CCM 7.7 – Acquisition and ownership of buildings

CTT's activities included in the eligible categories correspond primarily to mail, express and parcels activities and to the leasing of buildings and equipment classified as investment property.

At this stage, emphasis is placed on industries with a larger carbon footprint and on green energy. Therefore, part of the activities undertaken by CTT, namely those pertaining to the Bank & Payments and the Financial Services & Retail segments are not yet included in the Annexes to the Delegated Regulations, thus being ineligible.

Activity type	Mail & Other	Express & Parcels	Financial Services & Retail	Bank & Payments	Total
Eligible activities	375,834,611	335,119,873	0	0	710,954,485
Non-eligible activities	58,278,560	5,465,939	62,780,196	147,740,145	274,264,840
Total (€)	434,113,171	340,585,812	62,780,196	147,750,145	985,219,324

It should also be noted that the way of determining the revenues related to eligible activities has also been reviewed, taking into account the benchmark analysis carried out on the disclosure of CTT's peers and subsequent inclusion of activity 6.15.

In agreement with the previous reporting period, the revenues of the segments of mail, express and parcels were segregated by the various activities, excluding activities not related to the activities of transport and distribution of goods. The non-eligible activities of the mail segment and others correspond essentially to the activities of business solutions and other sales and services provided in stores, with emphasis on philately revenues.

As reported last year and taking into account the clarifications of the European Union, the amount of the services related to deliveries by foot was included in the amount of the eligible turnover of activity CCM 6.4.

The non-eligible activities of the express and parcels segment correspond to logistics activities and other related services that do not include transportation services.

Proportion of eligible activities

The consolidated values for the eligible activities present as follows:

	Total (€)	Eligible Activities		Non-eligible activities	
		Amount (€)	%	Amount (€)	%
Turnover	985,219,325	710,954,485	72 %	274,264,840	28 %
CAPEX	40,106,888	11,852,675	30 %	28,254,213	70 %
OPEX	14,399,764	7,108,411	49 %	7,291,354	51 %

As defined in the Taxonomy, the values reported were calculated based on CTT's consolidated accounts.

The values shown in the first column of the previous table (ratio denominator for eligible activities) were calculated as follows:

- **Turnover (985,219,325 €)**⁸⁰: Consolidated value of services rendered, sales and other operating income, calculated based on the consolidated financial statements of 31 December 2023;
- **CAPEX (40,106,888 €)**⁸¹: Sum of acquisitions of tangible assets, intangible assets and investment property in 2023, that total 36,095,661 € and the new vehicles lease contracts and remeasurements booked as right of use (4,011,227 €).
- **OPEX (14,399,764 €)**: Corresponds to the following expenses, calculated based on the consolidated financial statements of 31 December 2023:

⁸⁰ The activity 7.7 was reviewed as contributing significantly to the objective of climate change mitigation instead of the objective of adaptation to climate change. In order to ensure comparability of information, the % of aligned and eligible Turnover and CAPEX for 2022 was revised in the 2023 report.

⁸¹ Taking into account new clarifications from the European Union and greater knowledge of the taxonomy regulation, the Group reviewed in 2023 the methodology for calculating eligible and aligned CAPEX relating to activity 6.5, namely the assessment of the eligibility and alignment of vehicles recognised as rights of use, in particular the treatment of contract remeasurements. In order to ensure comparability of information, the % of aligned and eligible CAPEX for 2022 was revised in the 2023 report.

- Non-capital Research & Development costs;
- Building and other facility renovation/maintenance costs;
- Maintenance and repair costs;
- Short-term lease and other non-capital lease costs; and
- Other expenses directly related to the maintenance of tangible assets or investment property.

Proportion of aligned activities

The Group's activities identified as aligned only contribute significantly to the objective of climate change mitigation, with the exception of activity CCA 7.7 - Acquisition and ownership of buildings that contributes to the objective of adaptation to climate change. The criteria of not significant harm ("DNSH") were also evaluated for the remaining objectives as well as the compliance with minimum safeguards.

The CAPEX of the year can be directly allocated to each activity. However, the revenue and OPEX associated with the transport activities cannot be directly allocated to a single activity, as a single delivery can be carried out by combining several means of transport.

Therefore, the revenue and OPEX were allocated to each of the activities based on the relative weight of the costs of each transport activity. To avoid double counting, the revenue, CAPEX, and OPEX values have been allocated to only one activity.

CAPEX values classified as aligned correspond essentially to investments in electric fleet, locker systems installation, installation of vehicles electrical chargers, improvements in the air conditioning environment of the facilities, improvements of lighting systems, improvements of electrical panels, replacement of compressed air compressors and review of the compressed air distribution network, software that allows route optimisation and the reduction of greenhouse gas emissions, and replacement of the hot water system with solar panels.

The OPEX values classified as aligned correspond to the expenses with vehicles used in activities CCM 6.4 and CCM 6.5, namely, expenses with maintenance and conservation and expenses with short-term leases, namely related to the electric fleet.

We present an overview of the alignment assessment carried out for each eligible activity:

Activity	Alignment assessment (Revenue)
CCM 6.4 Operation of personal mobility devices, cycle logistics	<p>The assets associated with this activity correspond essentially to bicycles, which meet the criteria of substantial contribution to climate change mitigation. In addition, compliance with the requirements of DNSH 4 (Transition to a circular economy) was verified, both in the sale and scrap of bicycles at the end of their useful life, as well as the requirements of DNSH 2 (Adaptation to climate change). The revenues made through on-foot deliveries were also included in this activity, which were considered aligned. This activity was considered 100% aligned.</p>
CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	<p>Only electric vehicles (classes N1 and L) meet the requirements for substantial contribution to climate change mitigation, as they do not have any CO2 emissions. The remaining vehicles do not meet the requirements for the substantial contribution and have been classified as non-aligned. Additionally, it was verified that electric vehicles meet the requirements of DNSH 2 and DNSH 4. However, not all vehicles meet the requirements of DNSH 5 (Pollution prevention and control) as the tires of some of the vehicles of category N1 do not meet the requirements for the outer rolling noise of the highest class and/or the coefficient of rolling resistance. It was not possible to individualise the revenue from the use of each single vehicle, so the percentage of alignment was determined based on the weight of the number of vehicles that met the alignment criteria in the universe of vehicles related to this activity. This activity was considered 18% aligned.</p>
CCM 6.6 Freight transport services by road	<p>Only electric vehicles (classes N1) meet the requirements for substantial contribution to climate change mitigation, as they do not have any CO2 emissions. The remaining vehicles do not meet the requirements for the substantial contribution and have been classified as non-aligned. However, most of the electric vehicles do not comply with DNSH 5 requirements, as vehicle tires do not meet the requirements for the highest class rolling outward noise and/or the bearing resistance coefficient. It was not possible to individualise the revenue from the use of each single vehicle, so the percentage of alignment was determined based on the weight of the number of vehicles that met the alignment criteria in the universe of vehicles related to this activity. This activity was considered 1% aligned.</p>
CCM 6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	<p>This activity will be fully reported as non-aligned because the vessels used in the Group's activity do not meet the criteria for substantial contribution to climate change mitigation.</p>
CCM 6.15 Infrastructure enabling low-carbon road transport and public transport	<p>Revenues associated with this activity are mostly related with logistics, screening and distribution activities and lockers. All infrastructures in scope served as support for distribution operations carried out by at least one electric vehicle. It was verified that the infrastructures meet the requirements of DNSH 2, DNSH 3 (Sustainable use and protection of water and marine resources), DNSH 4, DNSH 5, and DNSH 6 (Protection and restoration of biodiversity and ecosystems). This activity was considered 100% aligned.</p>

Activity	Alignment assessment (Revenue)
CCM 6.19 Passenger and freight air transport	The alignment was not assessed, as in the first reporting year, it is only mandatory to report eligibility under the Taxonomy.
CCM 7.7 Acquisition and ownership of buildings	The properties related to this activity meet the requirements for the substantial contribution to climate change mitigation. However, most properties assigned to this activity do not yet meet the criteria of DNSH 1 (Climate Change Mitigation), in particular, buildings prior to 31 December 2020, because they do not have at least a class A Certificate of Energy performance (CDE).

Minimum safeguards

In addition to the criteria of significant contribution and the criteria of DNSH, the Taxonomy establishes that an activity is considered aligned only if it is also developed in compliance with the minimum safeguards.

Minimum safeguards consist of procedures applied by companies to ensure alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the International Charter of Human Rights. Beyond human rights, the minimum safeguards take into account procedures to mitigate issues related to bribery and corruption, taxation, and fair competition.

Human Rights

In 2021, CTT signed the Ten Principles of the United Nations Global Compact and the Group is committed to ensuring that the Ten Principles are reflected in the organisation's strategy, culture and daily operations.

The theme of 'respect for human rights' was considered of high importance in the last stakeholder consultation and CTT has put in place a mechanisms for anonymously reporting irregularities through the Compliance department and Ethics Committee. All conclusions from irregularities are reported to the CA and the Audit Committee.

Bribery and Corruption

In the last stakeholder assessment, the topic 'Ethics, transparency and anti-corruption' was considered material. CTT has presented a Code of Conduct, a Regulation on the Assessment and Control of Transactions with Related Parties and the Prevention of situations of Conflict of Interest and a Regulation on the Control Function of Regulatory Compliance in Matters of Prevention of Money Laundering and the Financing of Terrorism. The documents include best practices, instructions and compliance commitments on the topics of corruption, collusion, money laundering, bribery, external influences, conflicts of interest and private transactions.

Taxation

CTT has developed appropriate strategies and processes for managing tax risk at the CTT Group. All operations are subject to analysis from a tax perspective, using specialists whenever the complexity of the issues requires it.

In the last stakeholder assessment, the topic related to tax was not identified as a material topic or as having relevant risk, as the Group has a very limited history of tax litigation.

Fair competition

CTT has developed a Code of Conduct, a Code of Conduct for Managers and Insiders and a Regulation on Assessment and Control of Transactions with Related Parties and Prevention of Conflict-of-Interest Situations. The documents include best practices, instructions and compliance commitments related to the topics of confidential and privileged information, market manipulation, fair competition, business practices in compliance with the law and regulation and professional secrecy. Additionally, the Code of Conduct for Managers and Insiders also presents templates for forms to be filled out by Employees regarding the number of financial instruments and voting rights, manager transactions and securities and a list of transactions specific to each employee.

CTT evaluated compliance with these minimum safeguard requirements considering, for this, the guidelines presented in the Platform on Sustainable Finance. In this regard, and, taking into consideration that at the closing date of this report there were no relevant judicial proceedings in this context, it was concluded that the activities of CTT are developed in accordance with the principles of minimum safeguards.

More information on the processes and practices implemented in the areas related to minimum safeguards can be found in [chapter 5 "Corporate Governance"](#) of the Integrated Report.

With regard to the minimum safeguards, CTT will continue to seek to improve its policies and procedures to seek better alignment with the OECD Guidelines for multinational companies and with the United Nations Principles on Business and Human Rights.

Proportion of turnover of aligned activities in 2023

Financial year 2023				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')						Minimum Safeguards Y/N	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, 2022 %	Category - Enabling activity E	Category - Transitional activity T
Economic activities	Code	Turnover €	Proportion of Turnover, 2023 %	Climate Change Mitigation (CCM) Y/N ;N/EL	Climate Change Adaptation (CCA) Y/N ;N/EL	Water (WTR) Y/N ;N/EL	Pollution (PPC) Y/N ;N/EL	Circular Economy (CE) Y/N ;N/EL	Biodiversity (BIO) Y/N ;N/EL	Climate Change Mitigation (CCM) Y/N	Climate Change Adaptation (CCA) Y/N	Water (WTR) Y/N	Pollution (PPC) Y/N	Circular Economy (CE) Y/N	Biodiversity (BIO) Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4	46 103 396 €	4.7 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL			Y	N/A	Y	N/A	N/A	Y	5.3 %	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	78 822 405 €	8.0 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL			Y	N/A	Y	Y	N/A	Y	6.0 %	
Freight transport services by road	CCM 6.6	82 288 €	0.01 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL			Y	N/A	Y	Y	N/A	Y	0.0 %	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	99 709 614 €	10.1 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL			Y	Y	Y	Y	Y	Y	0.0 %	E
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		224 717 702 €	22.8 %	22.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	Y	Y	Y	Y	Y	Y	Y	Y	11.3 %	
<i>Of which Enabling</i>		99 709 614 €	10.1 %	10.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	Y	Y	Y	Y	Y	Y	Y	Y	0.0 %	E
<i>Of which Transitional</i>		- €	0.0 %	0.0 %						Y	Y	Y	Y	Y	Y	Y	Y	0.0 %	T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	421 637 307 €	42.8 %		EL	N/EL	N/EL	N/EL	N/EL									40.7 %	
Freight transport services by road	CCM 6.6	6 718 357 €	0.7 %		EL	N/EL	N/EL	N/EL	N/EL									11.6 %	
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	3 415 621 €	0.3 %		EL	N/EL	N/EL	N/EL	N/EL									0.3 %	
Passenger and freight air transport	CCM 6.19	53 474 258 €	5.4 %		EL	N/EL	N/EL	N/EL	N/EL									0.0 %	
Acquisition and ownership of buildings	CCM 7.7	991 239 €	0.1 %		EL	N/EL	N/EL	N/EL	N/EL									0.1 %	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		486 236 783 €	49.4 %	49.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %									52.6 %	
Turnover of Taxonomy eligible activities (A.1. + A.2.)		710 954 485 €	72.2 %	72.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %									63.9 %	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		274 264 840 €	27.8 %																
TOTAL		985 219 325 €	100 %																

Proportion of turnover / Total turnover		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	22.8 %	72.1 %
CCA	0.04 %	0.10 %
WTR	0.0 %	0.0 %
CE	0.0 %	0.0 %
PPC	0.0 %	0.0 %
BIO	0.0 %	0.0 %

The group's aligned activities represent 22.8% (2022: 11.3%) of the total consolidated turnover, and 31.7% (2022: 17.7%) of the turnover from eligible activities. The group's eligible activities represent 72.2% (2022: 63.9%) of the total consolidated turnover.

PostEurop is a trade association based in Brussels that actively represents European public postal operators, including CTT. In September 2023, PostEurop published a proposal for an amendment on EU Taxonomy's activities related to the Post and Parcel Sector, mainly activities CCM 6.4, CCM 6.5 and CCM 6.6, related to road vehicles and personal mobility devices that they believe is better aligned with the common targets set within the sector. The association suggests that the Postal Sector should have a specific Activity pertaining to the general Transportation of Letters and Parcels, rather than have the revenue and costs from such distribution activities segregated into three different activity categories (CCM 6.4, CCM 6.5 and CCM 6.6). In order to improve comparability between CTT's eligibility and alignment with its peers, the Group has decided to, in addition with reporting its eligibility and alignment with the EU Taxonomy's official activity categories, also disclose its eligibility and alignment with PostEurop's proposed activity.

The proposed activity encompasses all network-based postal, courier and express services such as collection, transport and delivery of letters and parcels, and includes the purchase, financing, renting, leasing and may operate a mix of at least two types of transport modes, including:

- Personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles;
- Vehicles designated as category M1, N1, both falling under the scope of Regulation (EC) No 715/2007 of the European Parliament and of the Council;
- Vehicles designated as category L (2- and 3-wheel vehicles and quadricycles);
- Vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor, for freight transport services by road.

According with the proposed technical screening criteria, CTT's turnover alignment with the technical criteria associated with activities CCM 6.5 and CCM 6.6 would increase from 15.8% and 1.21% to 16.2% and 10.9%, respectively. In cumulative terms, this represents an increase in the aligned turnover of the three transport activities (CCM 6.4, CCM 6.5 and CCM 6.6) from 22.6% to 23.1%, an increase in eligible and aligned turnover from 31.7% to 32.1% and an increase in total aligned turnover from 23.8% to 23.1%.

Proportion of CAPEX of aligned activities in 2023

Financial year 2023				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')						Minimum Safeguards Y/N	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, 2022 %	Category - Enabling activity E	Category - Transitional activity T
Economic activities	Code	Turnover €	Proportion of Turnover, 2023 %	Climate Change Mitigation (CCM) Y/N ;N/EL	Climate Change Adaptation (CCA) Y/N ;N/EL	Water (WTR) Y/N ;N/EL	Pollution (PPC) Y/N ;N/EL	Circular Economy (CE) Y/N ;N/EL	Biodiversity (BIO) Y/N ;N/EL	Climate Change Mitigation (CCM) Y/N	Climate Change Adaptation (CCA) Y/N	Water (WTR) Y/N	Pollution (PPC) Y/N	Circular Economy (CE) Y/N	Biodiversity (BIO) Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4	319 704 €	0.8 %	S	N/EL	N/EL	N/EL	N/EL	N/EL			S	N/A	S	N/A	N/A	S	0.8 %	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5 049 988 €	12.6 %	S	N/EL	N/EL	N/EL	N/EL	N/EL			S	N/A	S	S	N/A	S	10.1 %	
Freight transport services by road	CCM 6.6	713 €	0.002 %	S	N/EL	N/EL	N/EL	N/EL	N/EL			S	N/A	S	S	N/A	S	0.0 %	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1 027 941 €	2.6 %	S	N/EL	N/EL	N/EL	N/EL	N/EL			S	N/A	N/A	S	N/A	S	1.3 %	C
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	30 327 €	0.1 %	S	N/EL	N/EL	N/EL	N/EL	N/EL			S	N/A	N/A	N/A	N/A	S	0.6 %	C
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		6 428 673 €	16.0 %	16.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	S	S	S	S	S	S	S	S	12.7 %	
<i>Of which Enabling</i>		1 058 268 €	2.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	S	S	S	S	S	S	S	S	1.9 %	C
<i>Of which Transitional</i>		5 050 702 €	12.6 %	0.0 %						S	S	S	S	S	S	S	S	10.1 %	T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5 365 751 €	13.4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL									5.4 %	
Freight transport services by road	CCM 6.6	58 250 €	0.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL									4.4 %	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		5 424 002 €	13.5 %	2.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %									9.8%	
CapEx of Taxonomy eligible activities (A.1. + A.2.)		11 852 675 €	29.6 %	30.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %									22.5 %	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		28 254 213 €	70.4 %																
TOTAL		40 106 888 €	100 %																

	Proportion of CAPEX / Total CAPEX	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	16.0 %	29.6 %
CCA	0.0 %	0.0 %
WTR	0.0 %	0.0 %
CE	0.0 %	0.0 %
PPC	0.0 %	0.0 %
BIO	0.0 %	0.0 %

The CAPEX of the aligned activities represents 16.0% (2022: 12.7%) of the total consolidated CAPEX, and 54.2% (2022: 56.5%) of the CAPEX of the eligible activities. The group's eligible activities represent 29.6% (2022: 22.5%) of the total consolidated CAPEX. It should be noted that the value considered aligned includes the CAPEX associated with the [plan to electrify the last-mile electric fleet by 100%](#) by 2030.

The CAPEX of non-eligible activities, which represents 70.4% (2022: 77.5%) of the total consolidated CAPEX, essentially corresponds to investments in the segments Bank & Payments and Financial Services & Retail, whose activities are not provided for in the Annexes to the Delegated Regulations, and to investments in information systems and software that are not directly allocated to the transport activities and the acquisition and ownership of buildings.

Proportion of OPEX of aligned activities in 2023

Financial year 2023				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')						Minimum Safeguards Y/N	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, 2022 %	Category - Enabling activity E	Category - Transitional activity T
Economic activities	Code	Turnover €	Proportion of Turnover, 2023 %	Climate Change Mitigation (CCM) Y/N ;N/EL	Climate Change Adaptation (CCA) Y/N ;N/EL	Water (WTR) Y/N ;N/EL	Pollution (PPC) Y/N ;N/EL	Circular Economy (CE) Y/N ;N/EL	Biodiversity (BIO) Y/N ;N/EL	Climate Change Mitigation (CCM) Y/N	Climate Change Adaptation (CCA) Y/N	Water (WTR) Y/N	Pollution (PPC) Y/N	Circular Economy (CE) Y/N	Biodiversity (BIO) Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4	126 220 €	0.9 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL			Y	N/A	Y	N/A	N/A	Y	0.8 %	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2 124 620 €	14.8 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL			Y	N/A	Y	Y	N/A	Y	9.4 %	
Freight transport services by road	CCM 6.6	126 768 €	0.9 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL			Y	N/A	Y	Y	N/A	Y	0.0 %	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		2 377 608 €	16.5 %	16.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	Y	Y	Y	Y	Y	Y	Y	Y	10.2 %	
Of which Enabling		- €	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	Y	Y	Y	Y	Y	Y	Y	Y	0.0 %	E
Of which Transitional		- €	0.0 %	0.0 %						Y	Y	Y	Y	Y	Y	Y	Y	0.0 %	T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	645 992 €	4.5 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL									8.7 %	
Freight transport services by road	CCM 6.6	4 084 811 €	28.4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL									23.8 %	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		4 730 803 €	32.9 %	32.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %									32.5 %	
OpEx of Taxonomy eligible activities (A.1. + A.2.)		7 108 411 €	49.4 %	49.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %									42.7 %	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		7 291 354 €	50.6 %																
TOTAL		14 399 764 €	100 %																

Proportion of OPEX / Total OPEX		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	16.5 %	49.4 %
CCA	0.0 %	0.0 %
WTR	0.0 %	0.0 %
CE	0.0 %	0.0 %
PPC	0.0 %	0.0 %
BIO	0.0 %	0.0 %

The OPEX of the aligned activities represents 16.5% (2022: 10.2%) of the total OPEX, and 33.4% (2022: 23.9%) of the OPEX of the eligible activities. The group's eligible activities represent 49.4% (2022: 42.7%) of total OPEX.

The OPEX of non-eligible activities, which represents 50.6% (2022: 57.3%) of the total OPEX, corresponds essentially to the OPEX of the segments Bank & Payments and Financial Services & Retail, whose activities are not provided for in the Annexes to the Delegated Regulations and to expenses with conservation and repair and rental of buildings that are not directly allocated to the transport activities and the acquisition and ownership of buildings.