



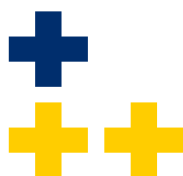
Integrated Annual Report **2024**



grupoCorreos

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Pedro Saura García
Chairman

Chairman's statement

GRI 2-22

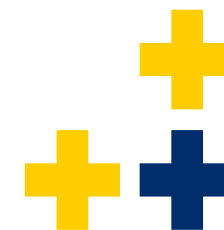
In 2024, we entered a new phase with the approval of our **Strategic Plan 2024–2028**, an ambitious and forward-looking roadmap that represents a significant milestone in the history of Correos. It reaffirms our **commitment to public service** and highlights the important role we play, as an instrument of the State, in promoting social and territorial cohesion, driving sustainable economic development, and contributing to the overall wellbeing of citizens.

This strategic shift was initiated through the signing of the **Framework Agreement** between Correos, the Sociedad Estatal de Participaciones Industriales, and the majority trade unions, as part of our ongoing social dialogue. The Agreement establishes the foundations for our key strategic lines of transformation and underpins the need to define a new operating framework to ensure the long-term sustainability of a network that is essential to national

resilience and progress towards the objectives of the 2030 Agenda. As a result of this Agreement, new commitments were established with the majority trade unions to develop a revised Collective Bargaining Agreement and People Plan by the end of 2024.

Our goal is to **strengthen Correos' position as a key presence in people's daily lives by delivering essential services**, particularly in rural and underserved areas. This includes, but is not limited to, the Universal Postal Service – a core and historical activity that remains fundamental in enabling communication and territorial connectivity for citizens, businesses, and public institutions. In this context of transformation, we also wish to highlight our ability to **deliver essential administrative and financial services** that contribute to the consistent presence of the State across the country, and to uphold every citizen's right to equal

access to public services. We are confident that Correos has a meaningful role to play in addressing the challenge of depopulation. Leveraging our extensive network of offices and the commitment of our staff, who enjoy the trust and recognition of the public, **we stand as a strong ally of the State in improving access to public services, bridging the digital divide, and supporting regional development to create opportunities for growth across the country.**



Concurrently, we launched a robust programme of efficiency and cost reduction, supported by technological and digital transformation, to **modernise our service offering** and enhance our **competitiveness and profitability** in the markets where we operate alongside private sector entities. Through these initiatives, we aim to further improve the quality of our postal and parcel services, offering greater flexibility and convenience to our customers. We are also developing partnerships to support the expansion and diversification of our service portfolio in response to the needs of society. We strengthened operational synergies with our subsidiaries, **Correos Express** and **Correos Express Portugal**, reinforcing our position in the parcels market, and pursued new business opportunities in the telecommunications sector through **Correos Telecom**.

A key pillar of our Strategic Plan is the **diversification of revenue streams**. In this regard, the development of our **insurance policy distribution project with AXA**, signed in 2025, reflects our strategic direction. This, along with the revised business model for Tarjeta Correos Prepago (Correos Prepaid Card) to incorporate new financial

services, is designed to provide a more comprehensive and sustainable offer. We also renewed our agreement with the Ministry of Culture to continue managing the **Bono Cultural Joven (Youth Cultural Grant)**, extended the reach of Correos Cash, and strengthened our suite of services tailored to **e-commerce** and **specialised logistics**.

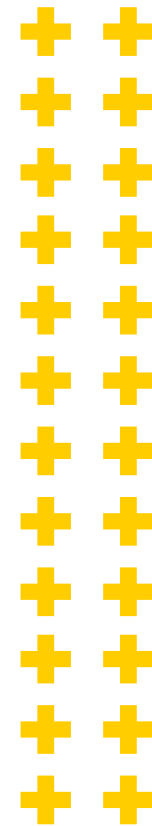
Sustainability is a core element of our strategy. We extended our **Sustainability Plan through to 2028**, aligning it with the Strategic Plan and raising our level of ambition to meet evolving regulatory expectations. Our pathway to **decarbonisation** includes maintaining the country's largest on-foot delivery network, expanding our fleet of low-emission vehicles – already among the most sustainable in the sector – increasing our solar power energy generation capacity, and enhancing the automation and monitoring of energy use across our facilities.

In the social domain, we ensured the effective management of **postal voting** during various electoral processes in 2024. Notably, we played an active role in emergency response and recovery in areas affected by the **severely**

adverse weather causing flooding in Valencia in October 2024. These efforts demonstrated the crucial role that Correos' personnel and infrastructure can play in supporting communities and restoring normalcy in times of crisis. We have also reaffirmed our adherence to the **Principles of the United Nations Global Compact** and our alignment with the **Sustainable Development Goals**.

Throughout our history, we have embraced transformation to **strengthen our capabilities and respond more effectively to society's expectations**, guided by responsibility, innovation and a clear commitment to public service. This ethos will continue to inform our actions moving forward.

We extend our gratitude to citizens and customers for their trust, and to all Correos Group's professionals for their dedication and commitment. Together, we are **building a stronger, more resilient and sustainable organisation**, better equipped to meet the challenges of the future.





01

Correos Group
in 2024

► Mission, vision and values ◀



Mission

We work to **connect people, businesses and public administrations by delivering** both physical and digital services that safeguard every user's right to a **universal postal service**. We also provide parcel delivery and other essential services for citizens. Through **competitive, accessible and high-quality products** that contribute to economic development, social inclusion and territorial cohesion. **Our services are designed to offer efficient, innovative and environmentally sustainable solutions.**



Vision

To be the **leading postal and parcel operator in the country**, fulfilling the responsibilities and conditions required of the designated universal postal service provider. To serve as a **benchmark in the logistics sector** and as an instrument of the **State in the delivery of Services of General Economic Interest, with particular focus on local service provision, social inclusion and regional integration**. We will achieve this through the efficient and sustainable use of a strategic network that adapts to an ever-changing world and meets the evolving needs of citizens through innovative and sustainable digital solutions. Thereby **contributing to the country's economic and social resilience and its commitment to environmental protection.**





Values



- **Trust:** We strive to meet customer expectations by providing an efficient, secure, fast and reliable service. We work to earn the trust placed in us to support our users' projects and meet their needs.



- **Innovation:** We anticipate change by developing new solutions driven by digitalisation, data and Artificial Intelligence, enabling us to respond to and adapt in a continuously evolving environment.



- **Commitment:** We know that the pulling together of our individual efforts will improve our team, and we work to ensure the quality of work and promote professional development.



- **Proximity:** Through the reach of our network and the professionalism, expertise and excellence of our staff, we support individuals, businesses and institutions by offering locally accessible services and direct, human interaction, always guided by the principles of fairness, non-discrimination and equal service regardless of geographic location.



- **Sustainability:** We make decisions that ensure our operations incorporate the economic, social and environmental impacts, in the short, medium and long term, both for the company and the wider community. We aim to enhance profitability and social wellbeing while reducing environmental costs.



- **Reliability:** We guarantee the privacy and security of information throughout the delivery process. We also ensure the authenticity of the source and the legitimacy of the content.



► Correos Group's triple impact ◀

Economic



2,107 M€
in revenue



98%
of national suppliers



81.2 M€
in investments



2,154
work centres certified
in line with UNE EN:ISO 9001
standard



26.1 M€
in charges for companies and
Administrations managed
through Correos Pay

Social



50,279
employees (FTE)



1.6M
training hours



235,000
direct beneficiaries of
engagement with NGOs



53%
of the workforce is made
up of women



100%
of contracts include
environmental, social or
innovation criteria



207,000
indirect beneficiaries of
engagement with NGOs

Environmental



100%
of electrical energy acquired
from renewable sources



4.5 M€
environmental investments



2,495
electric vehicles



8,560t
of CO₂ emissions compensated
for through Correos Compensa



93%
of total waste recycled
or recovered

► Correos in numbers ◀

**48,203**

employees (FTE)

**1,169M**

of postal items

**8,226**

service points

**5,846**

rural services

**2,380**

post offices

**2,249**Citypaq smart
parcel lockers**19**automated processing
centres**14,826**

total vehicles

**2,495**electric
vehicles**1,880**

delivery units

**76**

special service units



▶ Correos Group's subsidiaries ◀

grupoCorreos

Correos
Telecom**52**
employees (FTE)**5.0M**
metres of marketed fibre
optic network**473**
marketed telecommunications sitesCorreos
Express**1,843**
employees (FTE)**5,781**
distribution and hauling routes**59**
operating centres**108,390m²**
of operating areaCorreos
Express
Portugal**181**
employees (FTE)**599**
distribution and hauling routes**11**
operating centres**20,825m²**
of operating area

Milestones

We incorporate new lines of strategic growth

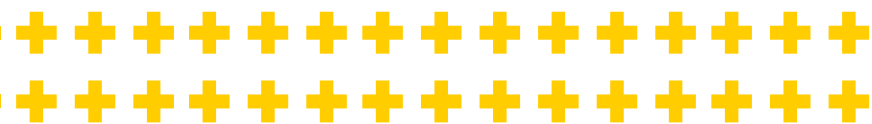
- **Signing** of the **Strategic Framework Agreement 2024–2028** for the recovery, reposition and transformation of Correos, between SEPI, Correos and the majority trade unions, which sets out the key priorities for transforming the company.
- **Approval** of the **2024–2028 Strategic Plan**, aimed at ensuring the transformation and financial sustainability of the organisation.
- **A 33% improvement in ordinary income**, reaching EUR -94 million, excluding the extraordinary impact of the rejuvenation plan provision.
- **14% growth** in **parcel** volumes.
- Approval of Royal Decree-Law 9/2024, establishing a new framework for the **provision of Services of General Economic Interest** by Correos and confirming its designation as the operator responsible for the universal postal service until 2030. These measures are expected to be validated during 2025.

We provide essential services to citizens

- Efficient management of **postal voting** in the regional elections to the parliaments of Galicia, the Basque Country and Catalonia, as well as the European Parliament elections, processing **more than 750,000 applications**.
- Active participation in the **State-led emergency response** to the **2024 Valencia flooding**, carrying out **assigned actions to assist citizens** in applying for aid and helping to restore normality in the affected areas.
- **Expansion** of the network of **affiliated banks under Correos Cash services**, helping to reduce the financial gap in underserved regions.
- **Provision of services to public bodies and institutions** through Correos Pay, with a total of **EUR 26 million processed**.

We are committed to a culture of well-being at work and professional development

- Signing of the **Correos and Trade Unions Framework Agreement on the Basic Lines to be Incorporated into the 4th Collective Bargaining Agreement** with the majority trade unions, establishing a new labour framework and People Plan essential to the execution of the Strategic Plan.
- **Training provided to 12,300 employees** in data protection and to **25,800** in information security.
- **Launch** of the **Beneficios360 platform**, offering tax benefits, well-being programmes and a wide **range of discounts for Correos Group professionals**.
- **Certification** of the Rampa 7 centre as a **'stroke-protected space'** (known as *espacio cerebroprotegido* in Spanish).



Promoting operational excellence and improving customer experience

- Over the past four years, the **net recommendation score** for postal delivery staff has **risen by more than 14 points**.
- **Recognition** through the International Post Corporation's **Certificate of Excellence** for the exchange offices at El Prat (Barcelona), Rampa 7 (Madrid) and the international processing centre at Adolfo Suárez Madrid-Barajas Airport, for their high standards in handling international mail.
- **Reduction** in the number of **complaints and claims** handled by **Correos Express**, and **recognition** of **Correos Express Portugal** by the **Portuguese consumer** platform Queixa.

- **More than 83% of Correos Telecom** customers rated the company as excellent in the **net recommendation index**.

- Launch of innovative products such as **Spain's first crypto stamp**, dedicated to the comic character Mortadelo.

We are committed to promoting positive social impact

- **Renewal**, for the third consecutive year of the agreement with the Ministry of Culture to manage payment of the **Bono Cultural Joven (Youth Cultural Grant)** through **Tarjeta Correos Prepago (Correos Prepaid Card)**.
- A **161% increase** in **contributions** to the **Redondeo con impacto** (Rounding up with impact) programme, raising more than EUR 295,000 for various social and environmental initiatives.

Promoting ethical and resilient management

- Approval of the **Correos Group's Business Continuity and Resilience Policy** and the **Integrated Security Plan**.
- **Certification** of Correos in accordance with the UNE-ISO 28000:2007 standard on **Security Management Systems for the Supply Chain**, with renewal also achieved by Correos Express.
- **Certification of Correos Express** under the **National Security Scheme**.
- Correos **joined** the **Code of Good Tax Practices** (CBPT) for Companies, Institutions and Public Entities of the State Tax Administration Agency.

Moving towards more sustainable and circular operations

- Recovery or **recycling of 93% of Correos waste** and **94% of Correos Express waste**, equivalent to more than **4,000 tonnes of waste diverted from landfill**.
- **Offset of 8,560 tonnes of CO₂** through the **Correos Compensa** programme, in addition to emissions reduction efforts.
- **Solar power self-generation** accounted for **23% of the average electricity** consumption at the Madrid automated processing centre.

Recognitions

Best Company to Work for in the sector

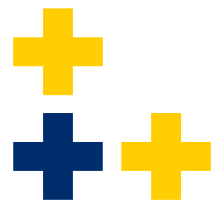
- Randstad 2024 Award as the most attractive company in the logistics sector in Spain.
- Recognition at the InfoJobs Awards, ranking among the top ten best-rated companies in Spain based on feedback from employees and former employees.

Leadership in promoting rural development and public services

- The Postal Union of the Americas, Spain, and Portugal (UPAEP) has honoured Correos for its 'Impulso al desarrollo rural' initiative, highlighting the company's commitment to supporting rural communities.
- World Post & Parcel Awards 2024 in the 'Mejor Solución Tecnológica' category for its innovative smart mailbox project for rural areas.
- Further recognition was granted by La Razón newspaper for the company's 'Innovative Solutions to Promote Financial Inclusion'.
- 'Mejor infraestructura de servicios en el Camino de Santiago' award from the specialised agency Pilgrim for its 'Camino con Correos' initiative, which provides essential services to hikers on the historic pilgrimage route.

Greatest contribution to a safe and sealthy work environment

- Ágora Bienestar 2024 Award in the 'Empresa comprometida con el bienestar, gran empresa' category, recognising its innovation in workplace well-being.
- imPULSO Cardiovascular Health Award from the Spanish Heart Foundation, in the 'Administración' category, for its proactive efforts in preventing cardiovascular diseases and improving health outcomes for those affected.
- PREVENCIÓN Awards, competing in the 'Gran empresa del año' and 'Mejor empresa saludable' categories, in recognition of its commitment to health, safety, and workplace well-being.
- TOP WELLBEING COMPANY certification from Intrama, placing it among the top forty companies with the best corporate well-being and occupational health practices.





Outstanding contribution to diversity and equality

- Diversity Leading Company Seal, as one of the leading companies in diversity, equity and inclusion, and Empowering Women's Talent Seal, for its commitment to female talent, awarded by Equipos&Talent.
- Secured third place in the Diversity and Inclusion Awards Top no visible Diversity Company Intrama, for its training initiatives in equality, diversity, and inclusion.
- Ranked ninth in the Women Approved Ranking, published by the Instituto Más Mujeres, for its efforts to empower women to achieve their full professional potential through policies focused on equality, leadership, and workplace flexibility.
- Best Women Talent Company certification, recognising it as one of the 30 Spanish companies most committed to promoting the visibility and advancement of women in business, Top Diversity Company award, acknowledging it as one of the

50 companies most actively engaged in diversity and inclusion and TOP EX COMPANY, ranking among the 30 companies in Spain leading the way in implementing employee experience strategies.

Most relevant and creative advertising campaigns

- Received the TFW Award for Best Advertising Campaign, presented by Foundation, in the Public Entity category, for its creative 'Mimaos' campaign.
- Awarded silver for its '12 de octubre' campaign and bronze for 'Mimaos', both in the 'Ideas' category, as well as bronze for its 'Día de la Madre' campaign in the 'Craft' category at the Premios Nacionales de Creatividad 2024.
- Medialuna OCARE Award (Observatory of Communication on Corporate Social Responsibility), winning 'Best Creativity' for the #8MTodoEIAño campaign and 'Best CSR Communication Campaign with Social Content'.



02

Correos Group's Profile



Value creation

In 2024, Correos approved its **2024–2028 Strategic Plan**, designed to drive the transformation and financial strengthening of the company, while safeguarding its contribution to economic development,

social and territorial cohesion, and the resilience of the country.

The Plan seeks to reinforce the role of Correos as a **provider of essential public services** for citizens and

to **enhance its competitiveness** in the market. It is centred on ensuring compliance with the Universal Postal Service, increasing efficiency in parcel delivery, and expanding the range of services offered to citizens.

To achieve these objectives, the Plan is structured around three strategic pillars: **strengthening the postal service, boosting the parcels business, and diversifying sources of revenue.**



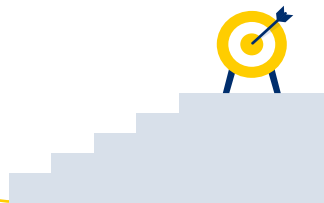
Recovery

To reverse the current decline in correspondence volumes and achieve **economic and financial** sustainability.



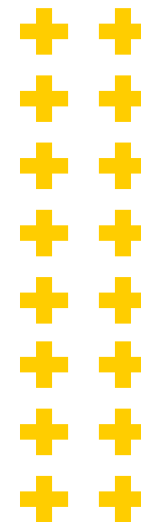
Repositioning

To **reconcile Correos' public service mission** by assuming an increasingly prominent role as a provider of **Services of General Economic Interest** for the public, leveraging its extensive territorial presence across the country and its **capacity to compete effectively and profitably** in areas where it operates alongside the private sector.



Transformation

To enhance **efficiency** by evolving the business model and **diversifying** Correos' activities to respond to new needs and demands.



Strengthening the postal service

- Ensure a long-term horizon of **activity and revenue that guarantees the sustainability of the network**, maintains Correos as the benchmark operator in the **postal sector**, and secures fair **compensation** for the deficit incurred in **providing the Universal Postal Service** in the context of declining mail volumes.
- Safeguard the **provision of a high-quality Universal Postal Service**, available across the national territory, delivered **efficiently** and at **affordable** prices.
- Promote the development of **services** that can be **delivered electronically** (notifications, bureaufaxes, registered mail) within a competitive market framework. **Enhance physical operations** and establish a robust business model for electronic notification services that preserves the recognised reliability of Correos.

In response to

- The substitution by electronic means and the decline in postal volumes
- Evolving communication behaviours
- Rural depopulation and the consequent reduction in local services
- Changes in national and international regulatory frameworks



Boosting parcels

- Increase the **operational efficiency** of the Correos Group across **the entire value chain**, from processing centres and logistics platforms to transport, delivery, and distribution units, with the aim of optimising costs and better **responding to customer expectations**.
- Improve **last-mile logistics and service quality** by expanding the **delivery point network** (PUDO), deploying additional Citypaq smart parcel lockers, optimising transport routes, and **increasing scheduled delivery** options to enhance **flexibility** and **convenience**. Strengthen customer confidence and service credibility to **position Correos as the trusted last-mile delivery operator of reference**.
- Implement an internationalisation plan to stimulate **cross-border trade**, capitalising on Correos' status as a postal operator with access to various international networks, to diversify traffic flows to and from global markets. Promote **bilateral agreements** and the development of extraterritorial offices (ETOE), increase **presence in strategic markets**, and establish Correos as a key reference operator for parcel delivery from third countries.

In response to

- Demand for higher quality and delivery urgency
- Increased price sensitivity of customers
- Persistent inflationary risks and rising energy prices
- Sustainable logistics and mobility
- Expansion of Chinese B2C e-commerce imports
- Growth of out-of-home delivery points



Diversifying Income

In the field of public services

- Leverage the **physical, human and organisational infrastructure** of Correos, uniquely positioned as the only State instrument capable of reaching every household daily, to deliver **Services of General Economic Interest**. In doing so, Correos facilitates citizen access to essential services at the local level, consolidating its role as a **territorial ally of the Public Administration**. This strategic value of the network, and the essential services it enables, becomes particularly significant considering the evolving demographic landscape, marked by increased life expectancy, and the emerging needs of citizens stemming from digital transformation, climate change and other emergency contexts. By serving as a **single point of access to the Administration and delivering basic financial services**, Correos contributes to financial and digital inclusion, promotes economic development, and enhances the well-being of citizens throughout Spain.

In the field of competing services

- Advance the development of **insurance** intermediation services through the postal network, positioning them as a fundamental tool for promoting economic development and the social welfare of all citizens.
- Consolidate the growth of the **Correos Frio** business line, specialising in temperature-controlled logistics for the agri-food and pharmaceutical sectors, thereby strengthening the company's presence in a high-potential market.
- Foster the expansion of **logistics** services for both domestic and international clients.
- Promote **Correos Market** as a key platform to facilitate e-commerce access for SMEs and entrepreneurs, supporting business activity and driving parcel sales.
- Explore **new business lines that respond to the demographic shifts** of an ageing and unevenly distributed population, by developing services that reinforce inclusion and support social cohesion.

In response to

- Ageing of the population
- Rural depopulation and the consequent reduction in local services
- Digital and financial gap
- Adaptation to Climate Change
- Increased preference for local and sustainable consumption
- Development of the silver economy
- Geopolitical context and the need for a country resilience network



Lines of business

GRI 2-6, 203-2, SDG 9, 11

The Correos Group is one of the leading providers of **physical and digital communication solutions, as well as parcel delivery services**, in Spain.



► Correos Group's Activities



Physical and digital communications

- Correspondence and registered products
- In built direct marketing services
- Distribution of publications
- Digital communication solutions
- Stamps
- Multichannel document management, printing and enveloping



Services for citizens

- Administrative Services
- Marketing of products and office convenience services at home
- Basic financial services
- Sale of insurance policies



Parcel services and logistics

- National and international parcels ordinary and urgent
- Logistics delivery and personalised services for companies
- Citypaq Network
- Correos Frío (temperature-controlled transport)
- Correos Logística



Digital Services and telecommunications

- Telecommunication infrastructure commercialisation
- Certified secure erasure service
- Correos Market and solutions for e-commerce

Physical and digital communication solutions

Correos leads the national postal market and is widely recognised for its **broad territorial coverage and proximity to citizens**. Through **a comprehensive and highly capillary network of logistics centres**, transportation systems, and **intake and delivery points**, the company provides **daily solutions to the communication** and business needs of citizens and enterprises across the country.

Providing comprehensive communication services

Operating in a multichannel context, Correos offers integrated communication services encompassing the **distribution of ordinary and registered mail, official notifications, direct marketing materials, and publications, as well as digital services**, thereby responding to the evolving expectations of an increasingly digitalised society.

In 2024, Correos **enhanced its physical and digital communication offer** with new value-added services designed

to address emerging customer requirements. Among these innovations is the extended information return feature associated with electronic proof of delivery. This functionality enables public administrations to optimise the management of administrative procedures by facilitating the digital processing of the full notification delivery cycle to citizens and businesses.

Facilitating companies' engagement with their customers

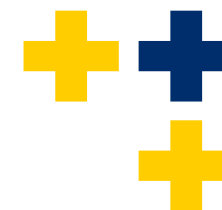
By combining the strengths of both the physical and digital environments, Correos supports businesses in **managing multichannel communication** strategies. Through the **Nexo platform**, companies can centralise, control and monitor all physical and electronic communications, ensuring security, legal compliance, and certified delivery options throughout the process.

Correos also supports **corporate communication efforts** through specialised advertising **distribution services**. These are reinforced by tools for audience segmentation, campaign monitoring, printing, handling, and return management, delivering a more effective and personalised promotional approach.

Combining tradition and modernity

The stamp remains one of the most emblematic symbols traditionally associated with the Post Office. Correos markets a wide range of philatelic and numismatic items through its Philatelic Service, the national branch network, the Correos online store, and the official website: www.correos.es. ➤

In the past year, **105 philatelic issues** were released. The **first** Correos **crypto stamp** was launched under the TUSELLO service, an initiative that enables the creation of personalised postal items and was dedicated to the cartoonist Francisco Ibáñez and his iconic character, Mortadelo. This innovative release combined a traditional physical stamp with five digital tokens, or NFTs, hosted on a blockchain network, each featuring a distinct representation of the comic character.



Citizen services with nationwide reach

Correos operates a network of **8,267 service points across the country**, comprising both rural offices and mobile postal services. This widespread presence ensures access to public services, **strengthens territorial cohesion, and contributes to economic development** in both urban and rural areas.

Bringing public services closer

Leveraging its extensive network, Correos serves as a **proximity hub**, enabling citizens to access services, purchase products, and carry out procedures with **public administrations and private companies** through its **offices and delivery personnel**.

Correos offers a broad portfolio of services in its offices that extend beyond traditional postal and parcel operations. These include the **Virtual Registration Service (ORVE)** for the electronic submission of documents to public administrations, currency exchange, the sale of lottery tickets, packaging and third-party products, as well as tailored solutions such



as the **Left-Luggage Service**, the **Buzón Ecommerce** (Ecommerce Mailbox, and the **Buzón Vacaciones** (Holiday Mailbox). These services consolidate the role of Correos as a close and flexible access point for citizens and businesses across the country, supporting everyday needs and economic activity.

In the past year, Correos renewed for a third consecutive year its agreement with the Ministry of Culture to manage the payment of the **Bono Cultural Joven (Youth Cultural Grant)** through **Tarjeta Correos Prepago (Correos Prepaid Card)**

Through its network of offices, Correos promotes **equal access to secure, high-quality and affordable basic services for all citizens.**





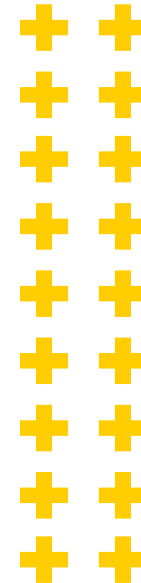
Bridging the financial gap

Correos plays a pivotal role in **fostering financial and administrative inclusion in rural areas**, through the range of products and services offered via its branch network and delivery personnel. **delivery professionals**, equipped with handheld devices, **bring most of the services available at post offices directly to residents' doorsteps**.

In the financial sphere, these services include **national and international money orders, Correos Cash**, which enables customers of leading banks to deposit and withdraw cash at post offices and at home, and the **Tarjeta Correos Prepago (Correos Prepaid Card)**, which supports essential operations such as purchases, transfers, and direct debits without requiring a bank account. Together with **Correos Pay**, these solutions enhance access to basic financial services, particularly in rural areas, and are designed to meet the needs of users with varying levels of digital literacy.

In 2024, the number of banks affiliated with **Correos Cash** was expanded,

contributing to the reduction of the financial divide. Additionally, Correos processed more than 26 million euros through **Correos Pay**, in collaboration with over 200 public entities and institutions.



► Commercial services at Correos offices ◀





Integrated parcel and logistics solutions

Correos provides a comprehensive portfolio of parcel delivery services, supported by its subsidiaries Correos Express and Correos Express Portugal, enabling agile responses to the evolving needs of e-commerce and express logistics.

The Group operates an **extensive network of centres** equipped with automated sorting systems and **state-of-the-art technologies for shipment processing, tracking and control**, underpinned by a **flexible, far-reaching logistics network** with both national and international reach.

In 2024, parcels strengthened their role as the primary engine of revenue growth for the Correos Group, **driven by automation and enhanced service quality**.

Simplifying parcel delivery for businesses

Correos offers companies a wide-ranging suite of parcel delivery solutions **tailored to different timeframes**

and operational requirements, complemented by value-added services that provide security and flexibility in managing deliveries and returns.

It also supports **technological integration** through platforms such as Atenea and web services, facilitating the management of high-volume shipments and collections. The service includes multiple delivery options —at home, in post offices, at rural service points, and through **Citypaq lockers**—, **to enhance the end-user experience**.

Designing services for the specific needs of individual customers

The range of services is completed with a **flat-rate parcel delivery** option for Spain and international destinations, specifically designed for private customers, offering fixed-price packaging regardless of weight.

Correos enhances convenience with tools such as the **Correos Modify** app, which allows recipients to change the delivery date and address, and the Correos app, which simplifies the contracting of services for parcel drop-off at post offices or Citypaq smart parcel lockers, customs payments, or appointment bookings.

Among the specialised services for the Camino de Santiago, Correos provides **Paq Mochila** for transporting backpacks and luggage between accommodations, **Paq Bicicleta** for shipping bicycles before and after the journey, **Paq Peregrino** for in-route parcels, and a **left-luggage** service, alongside a range of Camino-related products available in post offices and online.

In 2024, Correos carried out over 420,000 backpack transfers for pilgrims along the various routes of the Camino de Santiago, and more than 15,000 bookings were made for the left-luggage service. Additionally, the **Special Parcel Service** was extended to international destinations, offering a cost-effective, globally available shipping option with real-time tracking and the convenience of at-home collection - no printer required.

Boosting cross-border trade flows

Correos **maintains a presence in Asia** through its participation in **K Parcel** and **KCG eCommerce Solutions**, companies responsible for the consolidation, processing, and management of international parcel shipments originating in China and Hong Kong, particularly those linked to cross-border e-commerce.

The company has also sustained its role as the **preferred logistics partner for leading international marketplaces** in the distribution of their products throughout Spain. This positioning reflects the high standards of service quality, the broad range of delivery options, home delivery, post office collection, and Citypaq smart parcel lockers, as well as an integrated logistics offering that includes transport, customs clearance, and reverse logistics solutions.

To address the growing **volume of international imports driven by cross-border e-commerce**, the international exchange office at the **OIC Ramp 7 Centre** became fully operational in 2024, with the launch of a temporary bonded warehouse for shipments under customs supervision. In parallel, the storage area for

consignments subject to customs control at the CZA Centre in Las Palmas de Gran Canaria was expanded and demarcated. Correos also advanced new **agreements** with international online retailers and global consolidators for the distribution of parcels within Spain. These partnerships contributed **to increased revenue from imported parcel flows**.

Facilitates cross-border trade through the development of infrastructure that enables Correos to support economic development and ensure affordable and equitable access to parcel services for the public





Offering innovative solutions for refrigerated or frozen transport

Correos Frío delivers **temperature-controlled logistics** solutions tailored to the specific requirements of sectors such as pharmaceuticals, healthcare, and food

The company **ensures the transport of refrigerated and/or frozen goods** through a fleet of refrigerated vehicles for last-mile delivery, complemented by

the latest advances in passive refrigeration systems, including sensor-equipped insulated packaging and real-time monitoring of temperature and humidity, **ensuring strict maintenance of the cold chain**. Correos also holds certification in Good Distribution Practices for Medicinal Products for Human Use (GDPs).

For individual customers requiring timely delivery of temperature-sensitive items, such as food or pharmaceuticals, Correos

offers the **Paq Frío** service, providing guaranteed door-to-door transport for both refrigerated and frozen shipments.

In 2024, demand for frozen product transport solutions continued to grow in the food sector, where Correos provides a market-unique offering. Additionally, the company expanded its **refrigerated distribution routes for the delivery of medicines** to pharmacies in Ibiza, Palma de Mallorca, Getafe, and Parla.

Simplifying supply chain management

Through Correos Logística, the company provides an **integrated range of fulfilment services**, including the reception, storage, order preparation, stock management, and distribution of goods, targeting both B2B and B2C segments.

This portfolio also caters to the needs of companies in the **e-commerce sector**, which typically require more demanding order processing and delivery solutions despite lower shipment volumes. It is equally **adapted to the requirements of handling services and promotional logistics**, supporting campaigns and the distribution of commercial materials for all types of clients.

Correos Logística also enables urgent B2B **palletised freight transport** throughout Spain and Portugal, ensuring full traceability from the customer's facilities to the final recipient.

In 2024, the expansion of this business line was reflected in a significant increase in revenue from logistics operations.

Promoting e-commerce for small and medium-sized enterprises

Correos Market is the **Correos e-commerce platform** designed to boost the visibility and sales of **Spanish products**, bringing citizens closer to quality goods and cultural heritage, supported by the country's **largest distribution network**. With more than 66,000 listed products and 150,000 registered users, it offers businesses and self-employed professionals an additional sales channel.

The marketplace also **enables the online purchase of items available in post offices**, such as packaging, philatelic products, merchandising, solidarity goods, and environmental badges. In turn, post offices allow customers to acquire Correos Market products in person and request home delivery.

In 2024, Correos Market integrated the Bono Cultural Joven (Youth Cultural Grant) as a payment method for digital leisure products.

Correos also advances the digitalisation of companies through e-commerce solutions such as the **Vender en Marketplaces**

(sell at Marketplaces) platform, which centralises order management across multiple e-commerce portals, with deliveries handled via Correos logistics, as well as services **to facilitate payment and returns management**.

Providing convenient and sustainable delivery with Citypaq lockers

There is a growing demand from traders and e-commerce customers for alternative **home delivery solutions** that offer greater flexibility and convenience. As a complement to its network of over 8,000 service points, Correos operates **2,249 Citypaq smart parcel lockers for the collection and delivery of parcels**. These are strategically located across the country in both public spaces –such as local shops, supermarkets, train stations and universities– and private settings, including workplaces and residential communities.



► Correos Express and Correos Express Portugal parcel solutions ◀

Individuals

National services



10
Paq



24
EquiPaq



14
Paq



Islas
Docs



24
Paq



Islas
Express



24
ePaq



Islas
Marítimo



14
Paq Empresa



Businesses

Services for the Iberian Peninsula



Sectorial
solutions



10
Paq



Islas
Docs



14
Paq



Islas
Express



24
Paq



Islas
Marítimo



24
ePaq



14
Paq Empresa

International services



International Express



International Standard



Serving express parcel delivery needs

Correos Express is the Correos Group subsidiary specialising in urgent **B2B and B2C parcel delivery** solutions, both domestically and internationally, with guaranteed delivery times. Its service portfolio includes Paq 24 and ePaq24 –the most in-demand options, particularly for e-commerce home delivery– as well as time-definite services such as Paq 10 and Paq 14, and additional offerings like Paq Maleta, which ensures luggage delivery in under 48 hours.

In 2024, Correos Express reinforced its operational capabilities through **investments** in sorting technology, the **expansion of logistics hubs**, and the development of a **digital twin** to enhance transport network optimisation. The introduction of duo-trailer routes enabled load consolidation, improving logistical efficiency and reducing carbon emissions.

The company also expanded its parcel delivery and collection network through PUDO (Pick-Up and Drop-Off) locations, launching the **Paq Punto** service. This solution allows customers to collect parcels at any of the Group's more than 10,000 designated points in Spain. The service is being progressively rolled out in Portugal, ensuring complete coverage across the Iberian Peninsula.

Correos Express Portugal, with 11 post offices, focuses on express **B2C delivery of small parcels, primarily serving the e-commerce sector**, thereby consolidating a robust cross-border logistics offering.

In the past year, Correos Express Portugal further enhanced its **operational efficiency** by **optimising delivery** routes, equipping all facilities with **portable digital assistants** (PDAs), and upgrading **sorting** infrastructure at its Porto and Lisbon centres.

Telecommunication services

Correos Telecom, the Correos Group subsidiary operating in the **telecommunications** sector, delivers wholesale **high-capacity connectivity services**, alongside the **leasing of linear infrastructure**, such as dark fibre and rights of way, and **locations for telecommunications and radio broadcasting equipment**. These solutions support the expansion of fixed and mobile coverage in areas with limited market presence, **helping to reduce the digital divide across the territory**.

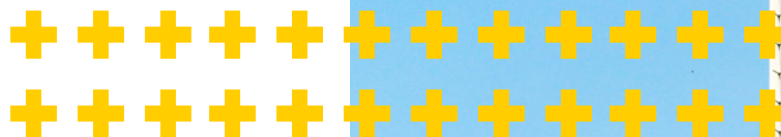
In 2024, demand for these services continued an upward trend, particularly in the rental of linear infrastructure and telecommunications sites.

Revenue growth was driven by new contracts signed with operators for the **deployment of FTTH headends** in post offices, with international clients **requiring fibre-optic backbone infrastructure**, and with integrators to provide **communications circuits** for large corporate clients.

Ensuring the security of digital information

Correos Telecom also offers retail services for businesses, such as **Secure Certified Erasure**, a customised solution for the **secure and verifiable deletion of data** on electronic devices. The service, the one certified by the Spain's National Cryptology Centre, ensures compliance with personal data protection regulations and the National Security Framework.

Finally, the subsidiary provides technical support to Correos Group companies in the implementation of major technological projects.



Innovation

Correos has embedded **innovation as a core pillar of its business strategy**, fostering a culture of transformation and supporting Spain's entrepreneurial ecosystem by generating synergies with start-ups.

Through **Correoslabs, its open innovation platform**, the company promotes the incubation of alternative business models and implements revitalisation initiatives in collaboration with external partners, intrapreneurship programmes with employees, and informative sessions on new products and services. Correoslabs acts as the interface between Correos and the entrepreneurial ecosystem, undertaking activities such as:

- Activation of the coworking community through collaborative and informative sessions.
- Intra-entrepreneurship and training programmes for employees.

- Generation of content and participation in open innovation events.
- Creation of strategic partnerships to drive the development of new, disruptive business lines.

Correoslabs also leads the **Lehnica Challenge**, the company's **business project acceleration programme**. This initiative is aimed at identifying **innovative and sustainable solutions for the logistics and distribution sector**, while contributing to the revitalisation of sparsely populated areas, commonly referred to as 'Empty Spain.'

In addition, Correoslabs **collaborates with external entrepreneurship initiatives**, such as CataPullUp and Hunger4Innovation, and promotes the organisation of events and workshops with start-ups to identify collaborative opportunities and generate disruptive ideas. It also takes part in major



innovation events including South Summit 2024, the Logistics 4.0 Conferences hosted by the Logistics Innovation Cluster of the Zona Franca Consortium, and the Innovation in the Public Sector Conference organised by Gobe, where it contributed as a jury member in the start-up accelerator.

Correoslabs provides access to its facilities, including workstations, meeting rooms and a multifunctional auditorium, for coworking and event use by start-ups, SMEs and freelancers. In 2024, this business model was consolidated, with turnover from these activities increasing by 50%.



03

Non-financial information statement



General information

- The Correos Group and its business model
- Economic value generated and distributed
- Business environment and market trends
- Material analyses and relationship with stakeholders
- Strategy
- Risk and opportunity management
- Sustainability framework



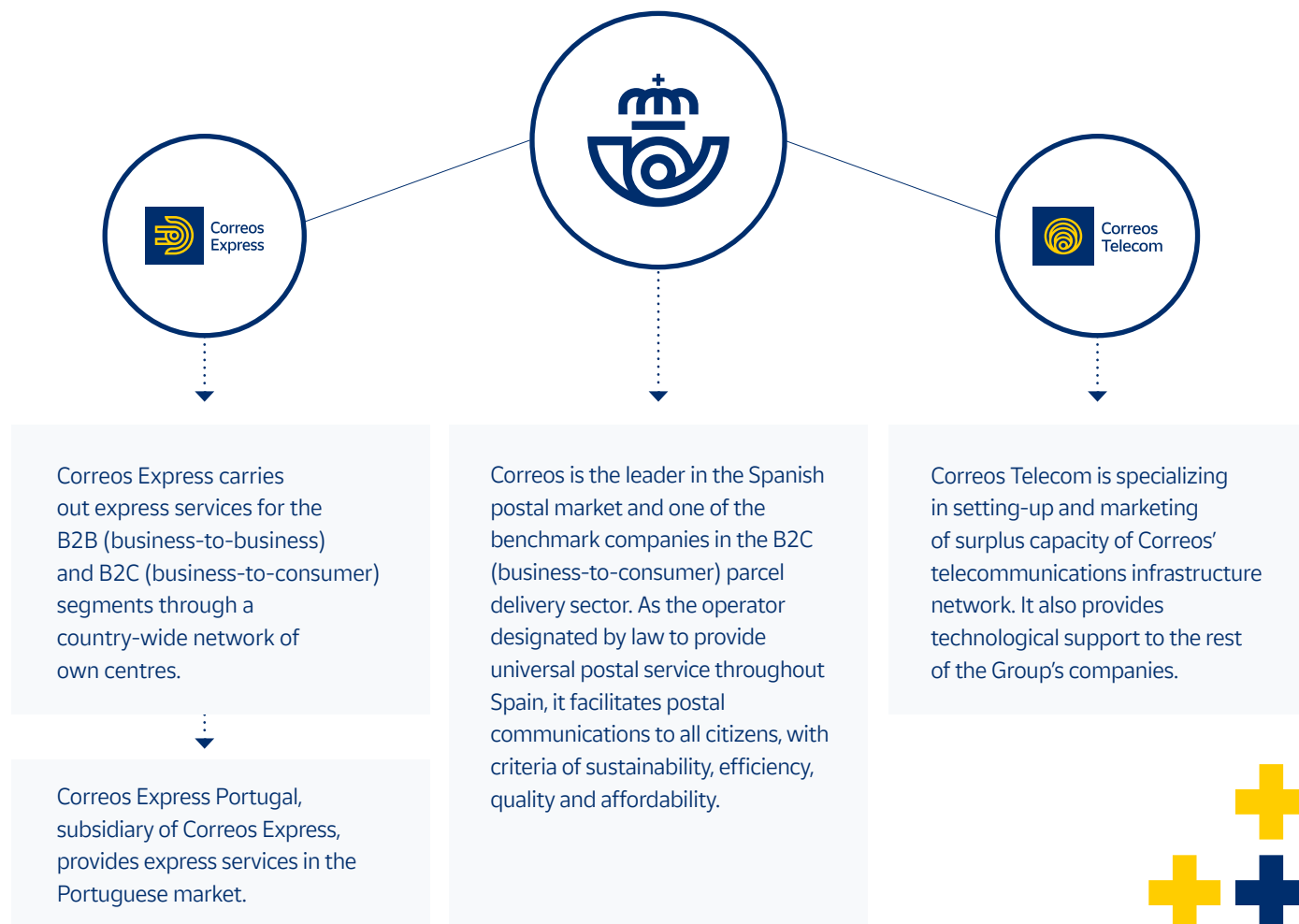
The Correos Group and its business model

GRI 2-1, 2-6

The Correos Group is one of the **biggest providers of physical and digital communication and parcel delivery services in Spain**. The Group comprises Correos and its subsidiaries, Correos Express, Correos Express Portugal and Correos Telecom.

The parent company of the Correos Group also has holdings in the Chinese companies KCG eCommerce Solutions and K Parcel. These shared companies provide integral management services for export parcels originating in China and Hong Kong as part of international e-commerce flows.

On 12 December 2024, the Board of Directors of Correos authorised the signing of the exclusive insurance agency contract for the marketing of insurance and pension plans, as an additional service to those offered by the branch network, in accordance with the 2024-2028 Strategic Plan. Consequently, the company's corporate purpose was updated in its articles of association, incorporating the activity of exclusive insurance agent, for the distribution of private insurance.



► Business model ◀



Economic value generated and distributed

GRI 2-6, 201-1, 201-4

Through its operations, the Correos Group has a direct economic impact on society, creating wealth that benefits both its employees and the country as a whole. Correos Group is one of the largest employers in the public sector, maintaining 50,279 direct jobs and spending €2.06 billion on salaries.

In 2024, the Group recorded net turnover of €2.10 billion. Despite the higher contribution from the parcels business and the reduction in operating expenses, the Group ended the year with a net loss of -€458.5 million. In Portugal the subsidiary Correos Express Portugal recorded a profit of €3.5 million, up 52.6% on the previous year.

The Group proceeded to deactivate tax credits, in accordance with Act 7/2024¹, amending Act 27/2014², reinstating the limitation approved by Royal Decree-Law 3/2016³ so that for the financial year 2024 the limit of 25% for the offset of tax loss carryforwards was applicable. Consequently, the resulting aggregate corporate income tax revenue for the year was €140.6 million.

The parent company Correos and the subsidiary Correos Express received subsidies for training subsidies of €1.4 million and €119,343 respectively.



¹ Law 7/2024, of December 20, establishing a Complementary Tax to guarantee a minimum overall level of taxation for multinational groups and large national groups, a Tax on the interest margin and commissions of certain financial institutions, and a Tax on liquids for electronic cigarettes and other tobacco-related products, and amending other tax regulations.

² Law 27/2014, of November 27, on Corporate Income Tax.

³ Royal Decree-Law 3/2016, of December 2, adopting tax measures aimed at consolidating public finances and other urgent social measures.

Business environment and market trends

GRI 2-6

Following the formation of the **new European Parliament** in 2024 and the publication of the **Letta⁴ and Draghi⁵ reports**, the European Union embarked on a reform agenda, which will run through 2025, geared towards boosting the continent's competitiveness in a new uncertain and challenging international context.

The aim was to reduce the innovation gap and **simultaneously** promote **decarbonisation and reindustrialisation**, focusing on strategic sectors. This rethink also extended to the European green agenda, with the aim of turning it into an instrument to **support economic growth**.

Spain's economic moment in the face of European uncertainty

The green transition or technological development are, as well as essential elements to promote European leadership, levers with which it is hoped to stimulate the **continent's economy**, which showed some **signs of exhaustion** last year.

In 2024 the Eurozone recorded a GDP increase of just 0.7%⁶, while traditional European powerhouses like Germany failed to avoid recession. In contrast, the **Spanish economy grew four times more**, 3.2%⁷ (despite the temporary effect

of flooding caused by the flooding from the isolated high-altitude depression or DANA), thanks to the performance of the labour market, the increase in household disposable income and private consumption, as well as a positive contribution from foreign trade, with record figures in tourism.

For 2025, the Government's **forecast** is for **GDP to grow by 2.6%**⁸, although this **growth** is expected to come almost entirely **from domestic demand**⁹, with inflation risks persisting, despite the gradual decline in interest rates¹⁰.

Global economic developments in 2025 will undoubtedly be influenced by **protectionist policies in the**

United States and the more than likely reaction of the countries concerned. The imposition of trade tariffs on different countries **is expected to reduce international trade flows** and economic activity and push up **inflation**. This could also put new stress on **global supply chains**, which many companies are already preparing for by diversifying their suppliers.

Along with China, **Europe could be one of the main victims of the trade war**, because of its dependence on trade with the United States, placing further stress on the fragility of economic growth.

⁴ Letta, Enrico (April 18, 2024). *Much more than a market*.

⁵ Draghi, Mario (September, 2024). *The future of European competitiveness*.

⁶ Eurostat (January 30, 2025). <https://ec.europa.eu/eurostat/en/web/products-euro-indicators/w/2-30012025-AP>.

⁷ National Statistics Institute (INE) (January 29, 2025). *Contabilidad Nacional Trimestral de España*.

⁸ Ministry of Economy, Trade, and Business (February 4, 2025). *El Gobierno eleva hasta el 2,6% la previsión de crecimiento para este año*.

⁹ Funcas (16/01/2025). *Funcas espera que el PIB español crezca este año un 2,4%, tres décimas más de lo previsto en octubre*.

¹⁰ Bank of Spain (December 17, 2024). *Proyecciones e informe trimestral de la economía española. Diciembre 2024*.



The recovery of e-commerce, a driver of the parcel market

Last year, **the weakness of the European economies was felt by postal operators.**

During the **first half of 2024**, the sector continued to be subject to the same restrictive conditions as in late 2023: high procurement and labour costs and declining consumer purchasing power.

This saw the **leading European operators** record **declining profit** for at least the first half of the year, due to increased operating costs and **declines in their postal or financial businesses**, which could not be offset by the growth in parcels.

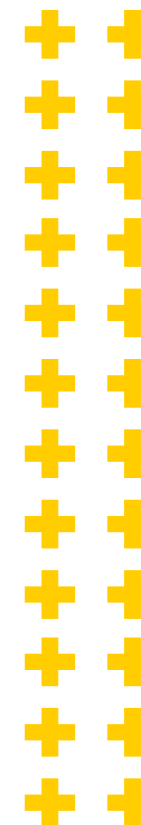
The **Spanish parcels market performed somewhat more positively**, again driven by **demand in the B2C segment** (as opposed to a decline in B2B) **and the growth of e-commerce.**

According to the National Commission for Markets and Competition (CNMC), in the first quarter of last year, **e-commerce turnover** increased by 13.7%, about half of the growth experienced in the same period of 2023, in a trend similar to the rest of Europe. However, in the second quarter, the increase was 12.8%¹¹, almost the same percentage as in 2023, revealing **a revival of consumption**, which seemed to consolidate in the second part of the year¹².

Online orders in Spain during **the last Christmas campaign** may have increased by 22%, according to data provided by the company Salesforce¹³, **surpassing the initial forecasts** for the sector. In this regard, both **Correos and Correos Express** saw **record volumes**, making their hub and distribution networks available to major online retailers to ensure they could meet the demanding delivery deadlines of the busiest season of the year.

For the **next few years**, the consulting firm Forrester expects Internet sales in France, Germany, Italy, Spain and the United Kingdom to grow by 45% by 2029¹⁴. Similarly, in **Portugal**, the expansion of e-commerce is expected to continue, which would allow the Group's subsidiary, **Correos Express Portugal**, **to maintain the increase in turnover and volumes recorded in 2024**, with an increase in its market share.

Against this forecast of increasing demand, **further increases in operating costs** in 2025 cannot be ruled out, due to inflation, the introduction of new regulations, international tensions or higher labour costs.



¹¹ National Commission for Markets and Competition (CNMC), (January 10, 2025). El comercio electrónico superó en España los 23.000 millones de euros en el segundo trimestre del 2024.

¹² El Mercantil (November 7, 2024). El ecommerce se reactiva y llevará a máximos los envíos de la campaña navideña.

¹³ Marketing Directo (January 11, 2025). <https://www.marketingdirecto.com/anunciantes-general/publicaciones/navidad-2024-records-ventas-e-commerce-espana-media-gasto>.

¹⁴ Ecommercenews (February 4, 2025). El comercio electrónico europeo crecerá un 45% hasta 2029.

The quest for greater efficiency in the parcels sector

In the Spanish parcel market, high competition and the demand for heavy investment in technology led to new **takeovers of smaller operators** by companies in the sector last year, in order to strengthen their regional structure or to complement their service portfolio for the entire customer value chain.

A number of companies, especially international ones, made acquisitions in virtually all segments of the logistics business, ranging from the **fulfilment to healthcare** logistics and **cold** transport, with **great potential for growth** over the coming years.

As a result of this inorganic growth, some recovery of **investment in infrastructure** (**warehouses**, specialised **reverse logistics** centres and **urban micro-hubs**) was observed in response to increased demand for ultra-fast delivery services, efficient returns management and more

convenient delivery solutions for recipients. Following a general trend in all European countries, parcel operators and large marketplaces concentrated on **expanding their networks of out-of-home delivery points**, with Correos' network (including its **Citypaq smart parcel lockers and offices**), one of the most extensive in Spain, with extensive accessibility, physically and in terms of opening hours.

In this regard, faced with falling letter mail volumes and the growth in parcels, some European postal operators opted for **shared network model** of collection and delivery points. These alliances, which took place in various countries, also reached the Iberian Peninsula.

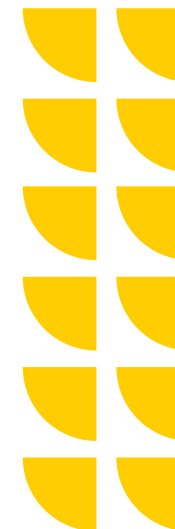
At the same time, there continued to be evidence of **increased competitive pressure** in that sector due to the entry of **new players in the field of urban delivery**, such as ride-hailing companies, following the Supreme Court's authorisation for the distribution of small goods.

In order to increase **operational efficiency**, companies in the sector

incorporated more **robotisation**, especially for warehousing and fulfilment tasks. Investment in technology also proved to be a determining factor in guaranteeing business **security**, with logistics one of the sectors that suffers the most from cyber-attacks in Spain.

The exploration of new uses of **Artificial Intelligence** (subject to the new European Artificial Intelligence Regulation¹⁵) to improve **demand forecasting** and customer insight remained important throughout the past year. Other technologies that have proven to be very useful in the sector are **Big Data and digital twins**, which facilitate the automation of processes, the optimisation of resources and sustainability in all phases of the logistics chain, as seen by the **European SENATOR project led by Correos**.

In the coming years, it is also foreseeable that trials for the **use of autonomous vehicles** in urban last-mile distribution tasks will continue, with the aim of reducing operating costs and addressing the endemic driver shortage.



¹⁵ Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised standards on artificial intelligence.



Expansion of international parcel services

In recent years, inflation and the loss of purchasing power among Europeans has contributed to a shift in their online spending habits, with more and more consumers turning to Chinese companies for cheaper goods.

According to the European Commission, **around 4.6 billion low-value shipments** (no more than 150 euros) entered the EU market last year alone, double the figure in 2023 and three times that of 2022. **91% of these shipments came from Chinese sellers.**

This trend, which is expected to increase in the coming years, may represent a danger to consumer safety, as many of these products do not comply with European legislation. In addition, there are **risks of unfair competition and even environmental risks** due to the carbon emissions, over-packaging and waste

associated with these **express delivery and fast-moving consumer goods.**

In early 2025, the Commission called for the prompt adoption of the customs union reform package and the **strengthening of control capacities on these massive shipments**, with improved data exchange. Brussels also proposed the introduction of a handling fee, to address the increasing costs faced by customs authorities for supervision¹⁶.

Over the last two years, Chinese retailers **Shein and Temu have been at the centre of** this phenomenon. The latter overtook AliExpress as the second largest global seller in 2024, **tripling its market share.** What's more, according to the latest International Post Corporation (IPC)¹⁷ Cross-Border E-Commerce Shopper Survey, China's share of global online sales grew for the second consecutive year to 40%, after years of decline. In contrast, the share of exports from European countries fell.

The same report shows that **Spain is among the eight** EU countries whose

consumers **make the most purchases from Chinese platforms** (51%). A sign that Spain has become a key market for these sellers is that in 2024 Cainiao, the logistics division of AliExpress, expanded its shipment processing capacity in the country and began offering cost-effective 24-hour delivery services.

The growth of Chinese shipments to Spain also has **implications for the business model of parcel operators.** The immense volumes that their warehouses and distribution networks have to handle, and the increasing demands of these customers for quality, urgency and home delivery, pose an additional challenge to their operational capacity, especially at peak times of the year, **putting pressure on industry margins.**

¹⁶ European Commission (February 5, 2025). [Commission announces actions for safe and sustainable e-commerce imports.](#)

¹⁷ International Post Corporation (January 9, 2025). [IPC Cross-Border E-Commerce Shopper Survey.](#)

Debate on the new European postal model

In recent years, the **European postal sector** has been engaged in a profound **reflection on the role** it should play **in society**, with **two opposing trends**.

On the one hand, in 2024 the UK or the Netherlands reviewed their regulatory framework and both operators and regulators questioned the viability of the current model, calling for **regulatory changes to reduce the scope of the universal postal service**, in line with current consumer needs. Similarly, Germany adopted a new postal law, adapting the obligations of the designated operator to the current context of declining letter mail.

In contrast, other countries such as Italy, France and Belgium have in recent years opted to **extend the powers of their national postal operators** by establishing additional compensation for these

new obligations, for which they act as instruments of the State to serve the public.

Along similar lines, **in Spain**, following the **floods caused by the cut-off low and the ensuing crisis** in October 2024, **the government assigned to Correos a series of functions to** assist the inhabitants of the affected localities¹⁸. Subsequently, Royal Decree-Law 9/2024¹⁹, approved in December 2024, established a new regime for the **provision of Services of General Economic Interest** for the company. Despite their repeal during the parliamentary procedure, these provisions are expected to be restored in 2025 through future legislation.

These new services would be related to **accessibility to government procedures** and financial solutions, especially **in rural areas**, and the accreditation of **digital identity**. Correos also expects to start operating in the **insurance sector and as an e-money institution** in 2025, thus broadening the diversification of its portfolio of services to the public.



In 2025, **it will also be necessary to determine** how the universal postal service in Spain, entrusted to Correos until 31 December under Act 43/2010, will be provided in the coming years.

¹⁸ Royal Decree-Law 7/2024, of November 11, adopting urgent measures to promote the Immediate Response, Reconstruction, and Relaunch Plan for the damage caused by the Isolated Depression at High Levels (DANA) in various municipalities between October 28 and November 4, 2024, and Royal Decree-Law 8/2024, of November 28, adopting complementary urgent measures within the framework of the Immediate Response, Reconstruction, and Relaunch Plan for the damage caused by the Isolated Depression at High Levels (DANA) in various municipalities between October 28 and November 4, 2024.

¹⁹ Royal Decree-Law 9/2024, of December 23, adopting urgent measures in economic, tax, transportation, and social security matters, and extending certain measures to address to situations of social vulnerability.

Evolution of demand in the Spanish telecommunications market

The Spanish telecommunications market is subject to the competitive dynamics of the European sector. In 2024 the price war between companies continued and saw **leading operators in the Spanish market lose share in the provision of retail services to emerging providers.**

Last year also saw the continuation of the transformation and concentration process in which the main companies in the sector are immersed, following the authorisation of the **merger** between Orange and MásMóvil and the acquisition of Vodafone España by the Zegona fund. Meanwhile, the **SEPI Group**, the sole shareholder of the Correos Group, completed the **purchase of 10% of Telefónica, becoming its main shareholder.**

In the **wholesale services** segment, intense competition was also noted in the **telecommunications infrastructure rental and connectivity services** business, **in which the Group's subsidiary Correos Telecom operates**, marketing this type of infrastructure to wholesale companies, data centres and cloud service providers. The positive evolution of demand saw the subsidiary **increase its revenues, especially in the dark fibre rental segment.**

The **strengthening of neutral operators**, specialised in infrastructure development and maintenance, together with the emergence of new entrants, such as Bluevía (majority owned by Telefónica), also contributed to the increase in competition.

Very high capacity networks in Spain (in particular, fibre-to-the-home or FTTH) continued to grow coverage and reach, allowing for the improvement of the services offered to end customers. Both the coverage of these networks and the

demand for high-performance services by Spanish consumers continued to exceed the European average.

Thus, Spain is the **fourth** OECD country with the **highest percentage of fixed fibre broadband connections**, a quarter of which have a download speed of 1 Gbit/s or more. It is also the leading nation in Europe for active broadband connections with speeds above 100Mb/s (95% of the total)²⁰.

Due to growing demand for connection speeds above 1 Gbit/s and the development of technologies like Internet of Things (IoT), Edge Computing and Artificial Intelligence, **the expansion of fibre optic and 5G networks is expected to continue** over the coming years, especially in rural areas, where the **capillarity of the Correos Group's infrastructure** offers an important competitive advantage. In addition, Spain could start to position itself in the **development of 6G networks.**

Finally, market operators are expected to broaden their diversification, with the incorporation of services relating to digital identity, cybersecurity, digital content or **financial services, such as those being considered by the Correos Group**, in order to foster synergies between networks and improve the customer experience.



²⁰ National Commission for Markets and Competition (July 27, 2025). Telecomunicaciones y audiovisual. Informe económico-sectorial 2023.

Future trends

In its business environment, the Correos Group has identified a number of external factors with a potential short, medium or long-term impact on its activity and on the markets in which it operates. These trends can represent both a challenge and an opportunity, depending on the strategic responses adopted by the:



Economic challenges

- Inflationary pressures
- Rising cost of credit
- Energy crisis
- Disappearance of companies
- Supply crisis
- Economic recession and reduced consumption
- Diversification and re-localisation of supply chains
- European funds as catalysts for growth
- Public-private partnerships

Climate emergency

- Decarbonisation of the economy
- Sustainable logistics and mobility
- Energy transition
- Circular economy and sustainable packaging
- Spain's climate resilience and water management
- Ecosystem recovery
- Extreme weather events
- Biomaterials and nature-based solutions
- Sustainable policies in the public sector

Demographic and social challenges

- Ageing of the population
- Rural depopulation and loss of services in rural areas
- Sustainable urbanism, population concentration and smart cities
- Increasing social inequality
- Digital and financial divide
- Food crisis and migration
- Gender gap and inclusion





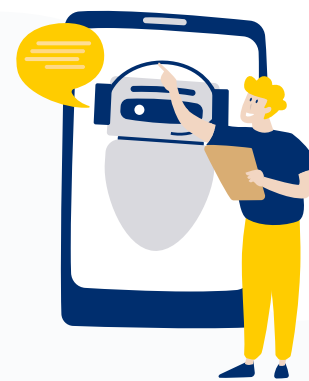
Activist citizens

- Increased preference for local and sustainable consumption
- Increased price sensitivity
- Sustainable consumption
- Globalisation concerns
- Revival of a community sense
- Increased demand for corporate transparency and sustainability
- Development of the 'silver' economy



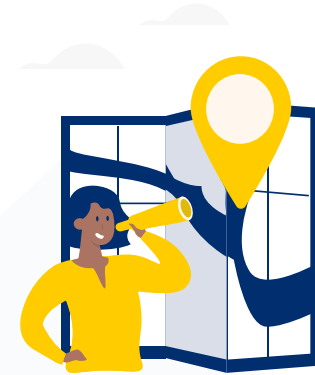
Resilient and responsible companies

- WFH and remote operations
- Importance of employee health, safety and well-being
- Retention of specialised talent
- Business activism
- Open Innovation
- Servification and exchange of assets and services model
- Sustainable finance
- Protection of human rights



Digitalisation of the economy and society

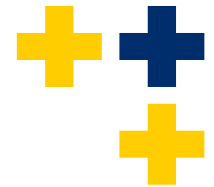
- Electronic substitution of postal communications
- Blockchain and Big Data
- 5G, IoT and digital twins
- Artificial Intelligence
- Cloud computing and edge computing
- Cybersecurity and privacy
- Quick e-commerce and omnichannel services
- Metaverse and extended reality
- Autonomous driving, drones and robotisation



Geopolitical and regulatory evolution

- National and international regulatory changes
- Macroeconomic uncertainty
- Geopolitical risks and military conflicts
- Transformation of the European tax and customs framework
- Economic protectionism
- Political tensions, polarisation and strengthening of democracies

Material analyses and relationship with stakeholders




GRI 2-2, 2-3, 2-5, 2-12, 2-14, 3-1, 3-2

The contents of the Correos Group's Non-Financial Information Statement (NFIS) are for the year from 1 January to 31 December 2024, covering the principal activities of Correos and the subsidiaries Correos Express, Correos Express Portugal and Correos Telecom.

The Correos Group's Statement of non-financial information complies with the **information requirements provided by Act 11/2018**²¹, referring to environmental and social issues, respect for human rights, fight against corruption and bribery, equality, non-discrimination and the inclusion of people with disabilities and universal accessibility.

After review by all management areas of the Correos Group, also in accordance

with Act 11/2018, this Statement of non-financial information is presented for approval, as a separate agenda item, at the Correos General Meeting of Shareholders. Furthermore, its contents are subject to **independent external verification** , as required by the aforementioned Act.

The determination of important issues and their scope for the preparation of the Statement of non-financial information is based on a **regular process of internal and external assessment**, with the assistance of an external company, to **identify and prioritise the economic, social, environmental and governance issues that have the greatest impact** on the Group's financial performance and stakeholders.

The last of these analyses, completed in January 2023 and conducted using the **dual materiality** approach (in accordance with the requirements of the Corporate Sustainability Reporting Directive²² and its Delegated Regulation 2023/2772²³), comprised:

- Identification of trends, legal and voluntary reporting requirements, industry benchmarks and expert opinions, among other sources of information, cross-checked against the corporate risk map and the SDG Alignment Model.
- Consultation with representatives of the Group's senior management, employees, shareholders, the public sector, customers and suppliers to

assess externally and internally the Group's main impacts on the issues identified and the actual or potential effects of these issues on the Group's strategy and financial performance. The results of this analysis were presented to and validated by senior management.

- The weighting of issues based on the results of these consultations and their reflection in a dual materiality matrix.

²¹ Act 11/2018, of December 28, amending the Commercial Code, the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Auditing, regarding non-financial information and diversity.

²² Council of December 1445, 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to sustainability reporting by companies.

²³ Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards.

From this materiality analysis it was concluded that, according to the stakeholders of the Correos Group, **the five issues on which business activities have the greatest impact, positive or negative, on their environment** are transparency, ethics and the fight against corruption; service security and cybersecurity; safety, health and well-being; contribution to the community and local economy; and innovation, new technologies and digital transformation.

The analysis also concluded that the **five issues with the greatest potential to influence the Group's development, performance and financial position** in the short, medium and long term are diversification and international growth; business sustainability; response to climate change; energy efficiency and sustainable buildings; and service security and cybersecurity.

From the joint assessment of the issues with the greatest impact on stakeholders (impact of the business activity on the environment) and those with the greatest influence on the company's financial performance (impact of the environment on the business activity), their **positioning in the materiality matrix** was established.

These issues have been incorporated into this Non-Financial Information Statement and the Integrated Annual Report 2024, which is expected to be published in June 2025.

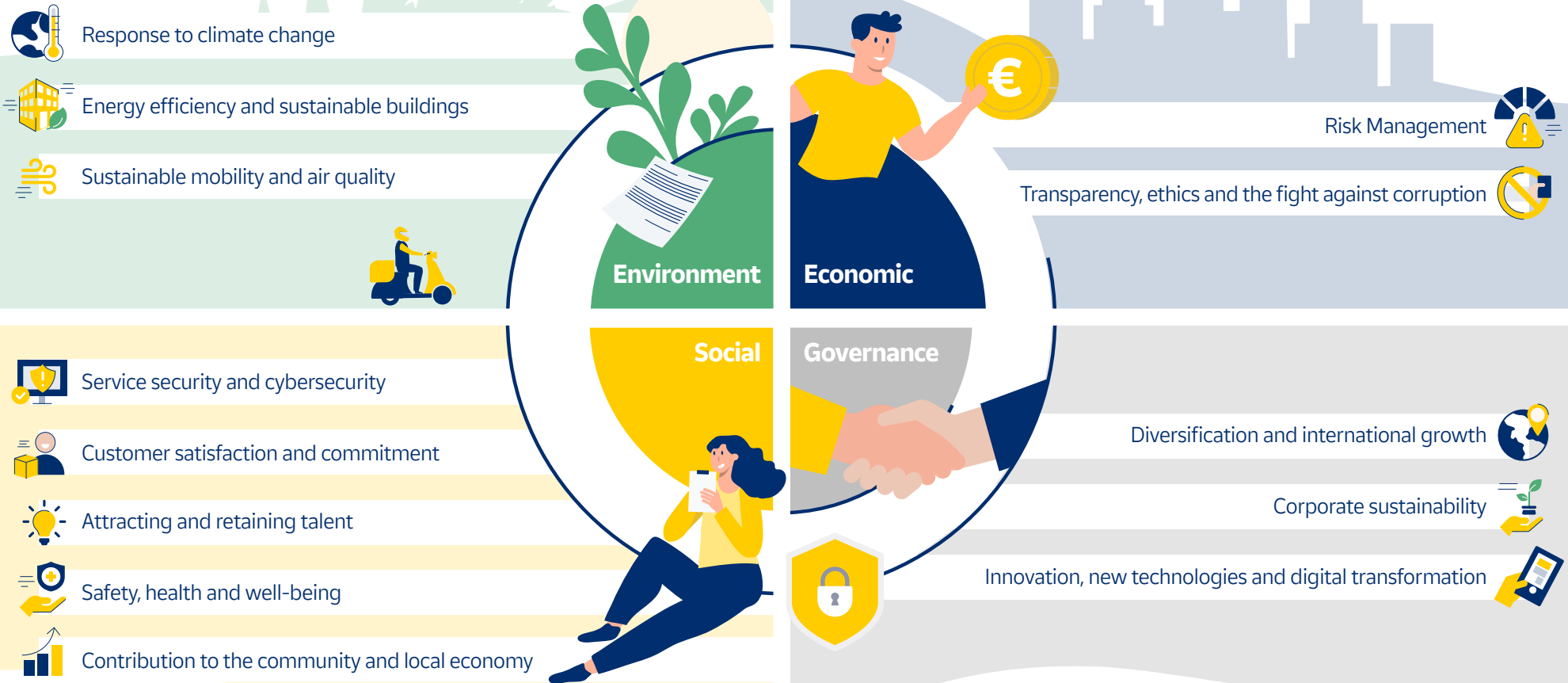
The 20 issues that make up the materiality matrix were rated as moderately, medium or highly relevant by all stakeholders, with 13 of them being considered a priority. These **13 priority issues are included in the Sustainability Master Plan** and are closely linked to the company's vision and purpose.



► Double materiality matrix ◀



► Relevant issues ◀

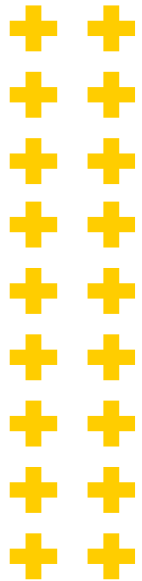


| Subject | Chapter of the report | Business or stakeholder impact |
|---|--|--------------------------------|
| ● Diversification and international growth | The Correos Group and its business model. Business environment and market trends. Strategy. Integrated annual report. | Maximum |
| ● Corporate sustainability | Business environment and market trends. Strategy. Risk and opportunity management. Sustainability framework. Integrated annual report. | Maximum |
| ● Response to climate change | Risk and opportunity management. Sustainability framework. Environmental performance. | Maximum |
| ● Energy efficiency and sustainable buildings | Sustainability framework. Environmental performance. | Maximum |
| ● Service security and cybersecurity | Risk and opportunity management. Customers and users. | High |
| ● Customer satisfaction and commitment | Customers and users. Integrated annual report. | High |
| ● Sustainable mobility and air quality | Sustainability framework. Environmental performance. | High |
| ● Risk Management | Risk and opportunity management. Environmental performance. Our team. Value chain. Customers and users. Business conduct | High |
| ● Transparency, ethics and the fight against corruption | Sustainability framework. Business conduct | High |
| ● Innovation, new technologies and digital transformation | Business environment and market trends. Environmental performance. Customers and users. Integrated annual report. | High |
| ● Attracting and retaining talent | Our team | High |
| ● Safety, health and well-being | Our team | High |
| ● Contribution to the community and local economy | Sustainability framework. Our team. Value chain. Customers and users. | High |
| ● Responsible recruitment | Value chain | Medium |
| ● Responsible government | Sustainability framework. Business conduct | Medium |
| ● Eco-design, circular economy and sustainable resource and waste management | Sustainability framework. Environmental performance. | Medium |
| ● Fair competition and responsible influence | Business conduct | Medium |
| ● Defence and protection of biodiversity | Environmental performance. | Medium |
| ● Human rights | Value chain. Business conduct | Moderate |
| ● Diversity, equality, inclusion and social dialogue | Sustainability framework. Our team | Moderate |

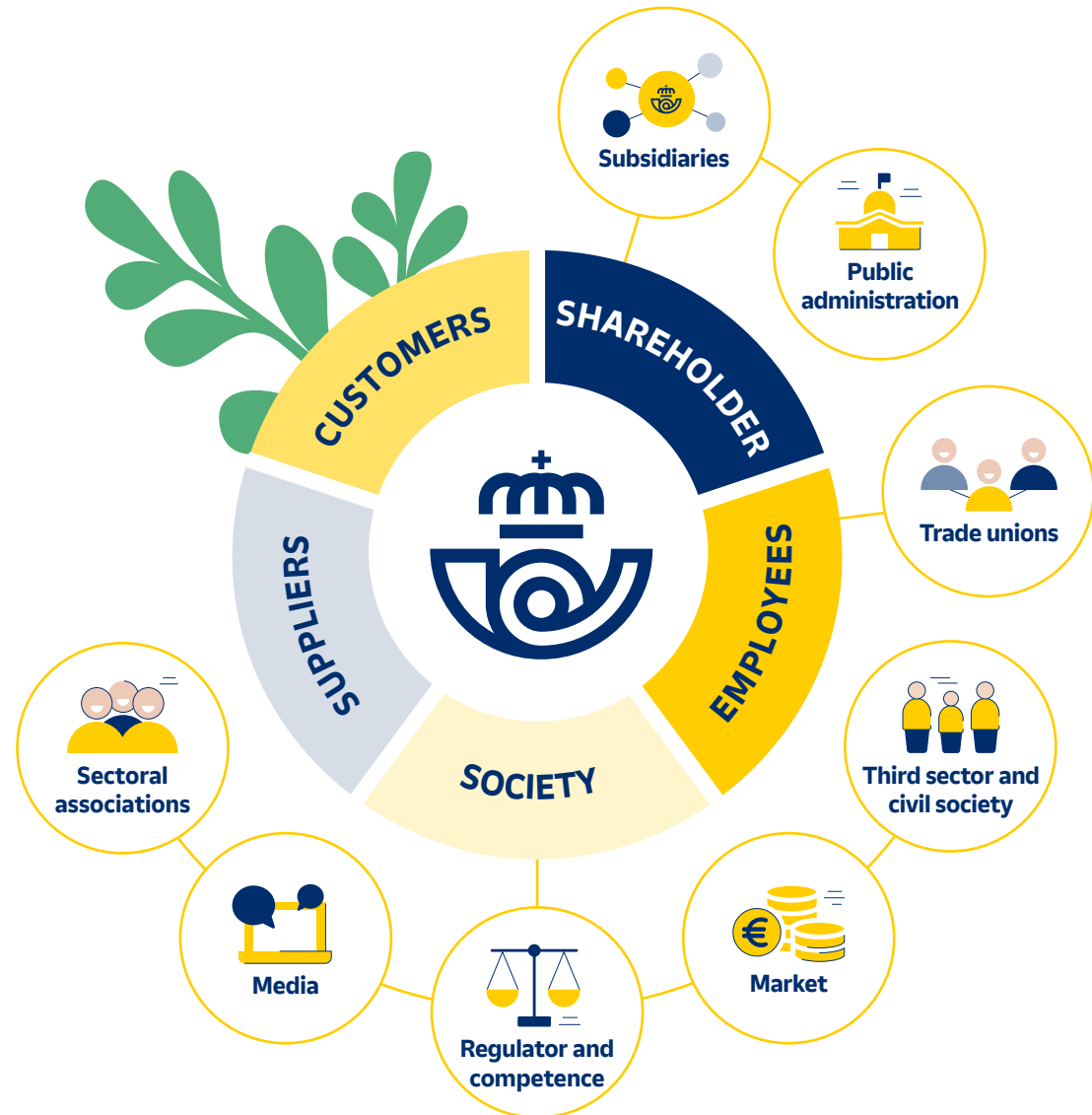
Relationship with stakeholders

GRI 2-29

Correos Group maintains a **relationship of trust and transparency** with its stakeholders, based on continuous dialogue, encouraging knowledge of their expectations and communication of the achievements made with respect to the commitments undertaken.



► Correos Group's stakeholders



► Main communication channels with the Correos Group's stakeholders ◀



Shareholder

- Partnerships and collaborative projects
- Ethical channel
- Board of Directors
- Email
- Consolidated Financial Statements
- Integrated Annual Report
- Corporate Intranet/Web
- General Meeting of Shareholders
- Press releases, reports and interviews
- Annual Audit Plan
- Annual Operational Plan and Medium Term Plan
- Meetings



Employees

- Training actions
- Partnerships and collaborative projects
- Newsletters and surveys
- Suggestion boxes
- Ethical channel
- Personalised letters
- Representative committees
- Email
- Consolidated Financial Statements
- Informal meetings
- Integrated Annual Report
- Corporate Intranet/Web
- SMS and WhatsApp messages
- Press releases, reports and interviews
- Internal briefing notes
- Participation programmes
- Social media
- Meetings



Customers

- Partnerships and collaborative projects
- Newsletters and surveys
- Suggestion boxes
- Advertising campaigns and branded content
- Ethical channel
- Customer service channels and points
- Email
- Consolidated Financial Statements
- Informal meetings
- Fairs, forums and other meetings
- Integrated Annual Report
- Corporate Intranet/Web
- SMS and WhatsApp messages
- Social media
- Meetings
- Press releases, reports and interviews
- Institutional control (Parliament, Ombudsman)



Company

- Partnerships and collaborative projects
- Advertising campaigns and branded content
- Ethical channel
- Canales y puntos de atención al cliente
- Email
- Consolidated Financial Statements
- Informal meetings
- Fairs, forums and other meetings
- Integrated Annual Report
- Corporate Intranet/Web
- Social media
- Meetings
- Press releases, reports and interviews
- Institutional control (Parliament, Ombudsman)

Strategy

GRI 2-29

Correos's 2024-2028 Strategic Plan, approved in July 2024 by its shareholder, Sociedad Estatal de Participaciones Industriales (SEPI), is focused on the transformation and financial strengthening of the company, preserving its relevant role in economic growth, social and territorial cohesion and the resilience of the country.

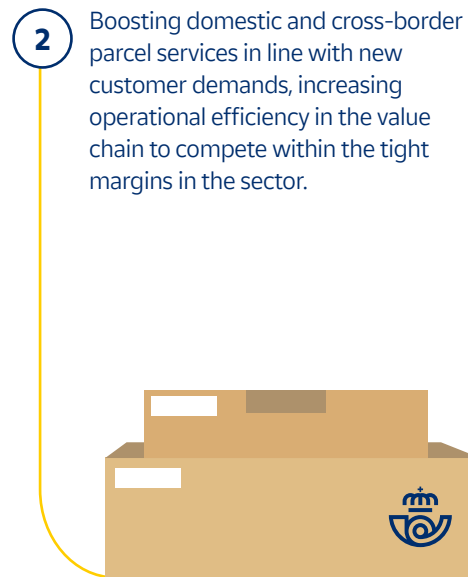
This new Plan brings together the axes of the Strategic Framework Agreement previously signed between SEPI, Correos and the trade unions with majority representation in the company, as well as contributions from the rest of the trade unions.

The plan has the dual goal of strengthening Correos' mission as a provider

of essential services to citizens, thanks to its broad territorial presence, helping to bridge the digital divide and the demographic challenge, while improving its competitiveness and profitability in the areas where it competes with the private sector, with innovative, efficient and sustainable products and services.

Both goals, being a guarantor of public service and operating in an increasingly competitive market, rest on the levers of operational efficiency, digital transformation, people and sustainability.

Its lines of action are grouped into **three axes**:





Risk and opportunity management

GRI 2-12, 2-13, 2-17, 2-23, 2-24, 3-3

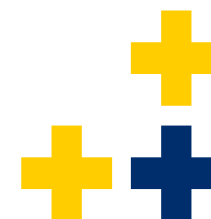
The **risk management system** in the Correos Group is driven by the Management Committee and supervised by the Board of Directors, through the Audit and Control Committee. It consists of a process of continuous improvement, aimed at identifying, controlling, preventing and guaranteeing the effectiveness of the response to the potential materialisation of risk, in order to facilitate the achievement of strategic objectives.

To this end, the company has a **Risk Management and Control Policy**, which adopts the guidelines of the **international COSO framework**, as well as specific procedures, through a structure of responsibilities focused on **proactive, top-down risk management**.

The risks identified, classified according to criteria of impact, probability and types of control, are monitored periodically, while promoting a corporate culture of risk mitigation through internal

communication, awareness-raising and continuous training.

The **Risk Committee** regularly monitors the adequacy of the identification and management of relevant risks. On an annual basis, the Audit and Control Committee of the Board of Directors validates the corporate risk map. This map contains the main risks by criticality, according to their residual value, grouped into the categories of strategic, operational, financial and compliance risks.



Sustainability framework

GRI 2-12, 2-13, 2-23, 2-24, 2-25, 3-3, SDG 8, 9, 11, 12, 13

2024-2028 Sustainability Master Plan

In 2024, the company's **new Strategic Plan** was formulated, so **the Sustainability Master Plan was revised** to ensure the **optimal alignment of the actions and investments** foreseen in both programmes.

The Sustainability Master Plan extended its scope to 2028, in line with the Strategic Plan, adapting the time horizon of its goals. In addition, it strengthened the ambition levels of its social and governance pillars, while addressing the latest regulatory requirements in terms of circularity, due diligence and sustainable mobility.

The Plan reflects the company's commitment to **responsible environmental and social management** of all its activities and to promoting a **positive impact** on its various stakeholders, within the

framework of a **culture of ethics, integrity and good governance**.

The environmental, social and governance goals set are closely linked to the issues considered most relevant in the company's dual materiality matrix, and therefore address the main sustainability impacts, risks and opportunities identified by Correos or its stakeholders.

In the field of environmental management these issues include responding to climate change, through both mitigation and adaptation; improving air quality, through more sustainable mobility; and energy efficiency in buildings, by promoting consumption reduction and self-generation of electricity.

In relation to social issues, it addresses talent attraction and retention; diversity; career development; employee safety, health and well-being; contribution to the local community and economy; and customer satisfaction, through efficient and quality provision and the incorporation of new services of general interest.



Goals linked to governance issues include strengthening the sustainability governance model and reinforcing environmental and human rights due diligence for correct risk management; enhancing cybersecurity; and improving sustainability reporting systems and stakeholder communication to drive transparency and ethics.



► Sustainability Master Plan's Goals ◀

Environmental

Towards an efficient, low-emission and circular business model and value chain



- **21% reduction of scope 1 and 2 emissions**
- **12% reduction of scope 3 emissions**
- **50% of fleet sustainable**
- **21% of centres fitted with photovoltaic self-consumption**
- Rollout of **remote management in offices**
- **100% sustainable packaging**
- **Zero waste-certified logistics centres**

Social

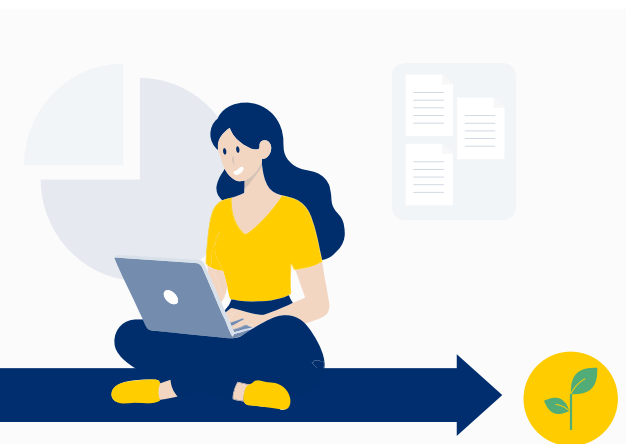
Generate a positive impact on our team and on society



- Generating **local value**
- Services of **general interest**
- **Gender balance and people development**

Governance

Developing a solvent and transformative governance model



- **Optimising ESG management at a high level**
- **Improving risk management**
- **Guarantee regulatory compliance**
- **Improve ESG reporting**
- **Improve ESG transparency with stakeholders**



Alignment with the Sustainable Development Goals

The lines of work and goals included in **the Sustainability Master Plan** also touch on meeting the goals of the 2030 Agenda. As one of Spain's leading companies and a provider of an essential public service for social development and territorial structuring, Correos believes that it can make a significant contribution to the Sustainable Development Goals, prioritising **those where its actions have the greatest impact**.

Correos **strategically** supports the achievement of the Sustainable Development Goals through the provision of the universal postal service and other useful services for citizens throughout Spain (**Goal 9. Industry, innovation and infrastructure** and Target 9.1, as well as **Goal 11. Sustainable cities and communities** and Targets 11.1 and 11.6), allocating infrastructure, resources and human capital to this end, with one of the largest workforces in Spain (**Goal 8. Decent work and economic growth** and Target 8.2.).

It makes a **meaningful contribution** to the business fabric by promoting sustainable public procurement and local consumption (**Goal 12. Responsible consumption and production** and Target 12.7. Correos also has one of the largest electric vehicle fleets in the sector (**Goal 13. Climate Action** and Target 13.2), leading the sector's decarbonisation efforts in Spain.

The company is also part of a global network with more than 660,000 offices and 5 million employees, which plays an **essential role in the communication and development of nations**.

This was the theme of World Post Day 2024, coinciding with the 150th anniversary of the Universal Postal Union (UPU), the United Nations agency dedicated to cooperation in the postal sector to **promote cohesion and progress among countries**. Last year, Correos marked this celebration by issuing a stamp dedicated to the anniversary of the UPU, in recognition of its contribution to the development of peoples.

► Correos' contribution to the Sustainable Development Goals ◀

Strategic contribution



Goal

8.2. Achieve higher levels of economic **productivity** through diversification, **technological upgrading and innovation**, including through a focus on high-value added and **labour-intensive sectors**.

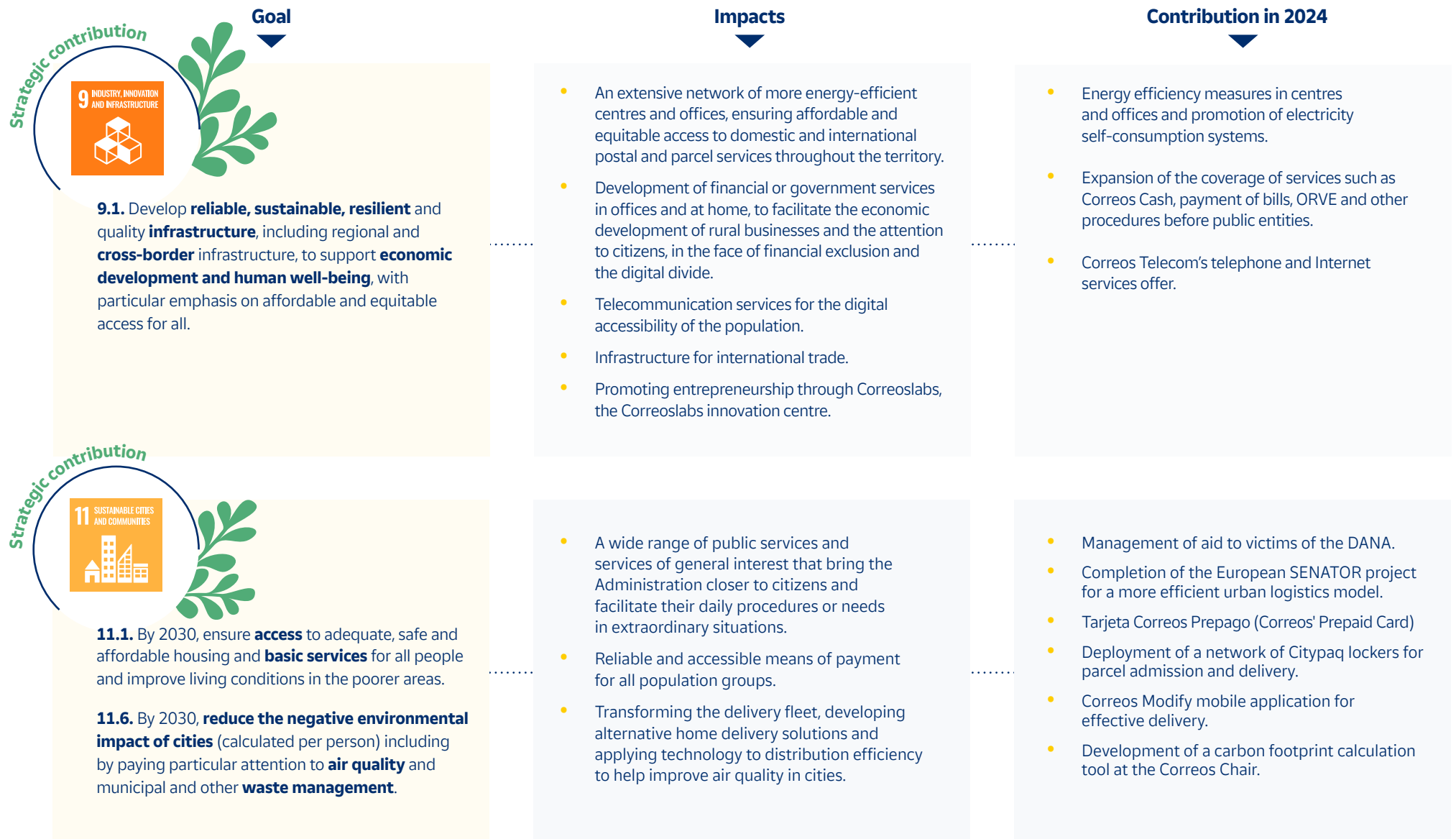
Impacts

- Generation and maintenance of more than 50,000 jobs.
- Training and professional development to incorporate the latest technological advances and technical skills into the sector.
- Fostering talent and innovation.
- Promotion of occupational health and safety.
- Diverse and inclusive working environment.

Contribution in 2024

- Training to support citizen services, foster cybersecurity and promote digitisation.
- Talent management cycle and Click programmes for personal development, 'Women in Correos' and 'Young Talent' for internships.
- 'Healthy company' project
- Emotional support programme
- Partnerships and adherence to national and international initiatives for diversity and inclusion
- Benefits360 Platform.







Environmental information

- Environmental performance



Environmental performance

GRI 2-23, 2-24, 2-25, 3-2, 3-3, 302-4, 305-5, 308-2, SDG 11, 12, 13, 15

The Correos Group is committed to promoting the sustainability of its activities, from a **threefold approach that encompasses environmental, social and good governance aspects**.

In the environmental aspect, **for almost three decades Correos has led the sector's decarbonisation efforts** by assessing new technologies provided by the market, contributing to the conception of smart mobility and promoting greater energy efficiency; in this sense, Correos has become a reference company in the public sector.

Similarly, its efforts are geared towards building a **circular business model** and becoming a **zero waste company**, through the efficient use of natural resources and waste recovery.

To this end, the environmental pillar of the 2024-2028 Sustainability Master Plan envisages **three fundamental lines of action**:

- **Action plan for decarbonisation**

This ambitious roadmap guides the company in its contribution to **meeting the goals of the Paris Agreement**. It includes transforming the company's own fleet of vehicles, development of employee mobility plans, reducing emissions from subcontracted transport, assessing of new technologies and fuels for transport, increasing renewable energy generation in operational centres, deploying remote management systems in offices or replacing equipment in buildings with more energy-efficient models.

- **Circular Economy Action Plan**

It includes a set of measures aimed at integrating circular economy criteria in the value chain, in order to become a **zero waste company**, while collaborating with customers and suppliers in achieving their own

circular economy goals. It involves establishing circularity requirements in the acquisition and use of materials and packaging, promoting greater digitalisation of processes, improving the waste management and recovery model, as well as certifying waste processing centres as zero waste.

- **Environmental Management Action Plan**

This line of work aims to **reduce the company's global environmental footprint** by acting comprehensively on operations, products and services. It includes various actions that affect mitigation and adaptation to climate change, as well as the management of impacts on water and biodiversity.

The actions carried out in these three areas are aimed both at mitigating the **company's main impacts** on the environment and its associated risks and at promoting emerging opportunities to

lead the ecological transition of the sector and facilitate the implementation of a circular economy.

Any impacts, risks and opportunities are assessed annually and benchmarked against the main international reference frameworks (Paris Agreement, Sustainable Development Goals, European Green Deal, Fit for 55, etc.) and national (Integrated National Energy and Climate Plan, Climate Change and Energy Transition Act, as well as other regulations, initiatives and business collaborations) frameworks.

In this way, any plans on investments on this matter shall be oriented towards those initiatives that allow for better risk mitigation by maximising the precautionary principle.

Main environmental impacts

The Correos Group has identified as the most relevant environmental impacts of its activity the generation of CO₂, NO_x and particle **emissions**; the **consumption of natural resources**, mainly for energy supply; and the production of **waste**.



| Impact | | Objective | | Impact management |
|--|-----|---|-----|--|
| Generation of CO ₂ , NO _x and PM ₁₀ | ... | Improving urban air quality and the health of city dwellers | ... | Reducing CO ₂ , NO _x and PM ₁₀ emissions through sustainable mobility |
| Energy consumption | ... | Fighting climate change | ... | Reducing CO ₂ emissions through energy efficiency |
| Waste generation | ... | Promoting the circular economy | ... | Reducing waste generation and making more efficient use of natural resources |



Environmental management and supervision system

The Group's companies have environmental management systems and procedures for assessing and mitigating these impacts, as well as for the planning, prioritisation and monitoring of the lines of action to be developed.

In 2024, environmental management systems were already **certified in accordance with the standard UNE-EN ISO 14001:2015** 'Environmental management systems'

- At **12 Correos centres and post offices**.
- At **6 Correos Express operational centres**.
- At the business of marketing, design, operation and maintenance of the fibre optic **telecommunications infrastructure network** of Correos Telecom.

With regard to **reducing CO₂ emissions, monitoring implemented measures** is also based on:

- Verification of emissions measurements in accordance with the **UNE-EN ISO 14064 2019** 'Greenhouse gases' standard, both at Correos and Correos Express.
- **Registering of Correos and Correos Express in the 'Registry of carbon footprint, offsetting and carbon dioxide absorption projects'** of the Ministry for Ecological Transition and the Demographic Challenge, as well as obtaining the 'Calculation and Reduction' stamp.
- Voluntary reporting of emissions to **CDP**, the international framework for measuring climate performance, in which Correos maintained its B category.

Sustainability performance assessment of the postal sector

As key players in the transport sector, postal operators began collaborating in 2008 in the Environmental Measurement and Monitoring System (EMMS) emissions reduction programme promoted by the **International Post Corporation**, an association of the world's leading postal operators.

After achieving it in 2014, a new target was set for 2025, which was the **first industry target to be recognised by the Science Based Targets initiative (SBTi)** as science-based, to help avoid global warming by more than 2°C by 2100.

Subsequently, in 2019, this framework evolved into the **Sustainability Measurement and Management System (SMMS)** programme, which currently involves 26 partners, including Correos.

The **SMMS programme** aims to improve the sustainability performance of Posts. To this end, it annually assesses its performance **in seven areas of action** that are, in turn, **aligned with the five most relevant Sustainable Development Goals for the postal sector**, encouraging their achievement.

Since the start of the cooperation in 2008 until 2023, the Posts have managed to reduce their carbon footprint by almost 40%. Currently, the participants have made several **commitments for 2030**, related to the **reduction of CO₂ emissions** (under the SBTi initiative, aiming for an additional 50% reduction compared to 2019), **energy efficiency, circular economy or professional development and learning**, among others.

In their journey to decarbonisation, one of the priorities for postal operators is to progressively replace their current fleet with vehicles powered by alternative fuels or technologies, mainly electric. Therefore, SMMS partners have committed to have a **fleet composed of at least 50% alternative fuel vehicles by 2030**. SMMS participants are well positioned to achieve this goal, as these vehicles already accounted for **28% of their combined fleet** at the start of 2024.

Sustainability Measurement and Management System programme

7 areas of action



1. Occupational health and safety



2. Professional development and learning



3. Circular economy



4. Sustainable procurement



5. Efficient use of resources



6. Climate change management



7. Air quality

Relevant Sustainable Development Goals



SDG 8. Decent work and economic growth



SDG 9. Industry, innovation and infrastructure



SDG 11. Sustainable cities and communities



SDG 12. Responsible consumption and production



SDG 13. Climate action



In its latest edition, Correos continued to be one of the most advanced postal operators in the programme, obtaining **eighth place in the qualitative assessment** of competence in sustainability management, with a score of 82% (close to the target of 90% to be achieved by 2030). Thus, its **performance** in aspects such as **professional development and learning, circular economy or air quality stood out**, with an above-average score in all the areas monitored.

The company also recorded improvements in the quantitative assessment, outperforming the average of postal companies in absolute reduction of Scope 1 and 2 emissions and contributing **significant increases in the percentages of electric and alternative vehicles**.

► 2030 targets of the SMMS programme



Adaptation to and mitigation of climate change

GRI 302-4, 305-5, 308-2

According to the latest National Inventory of Greenhouse Gas (GHG)²⁴ Emissions, **transport is still responsible for one third of Spain's total emissions**. The latest revision of the National Integrated Energy and Climate Plan (PNIEC) 2023-2030 sets a target to **reduce emissions at national level by 55% by 2030** (compared to 2005) and **42% in the diffuse sectors, including transport**, increasing the effort by more than a third compared to the previous plan.

With a strong commitment to sustainable mobility, **transport** is seen as **one of the two sectors**, together with power generation, **that will contribute most to cutting GHG emissions** in the coming years. According to the PNIEC, this journey

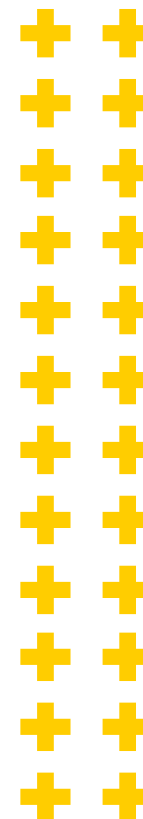
is consistent with the aspiration to 'make Spain climate neutral by 2050'²⁵ and with the European Union's increased ambition in its various policy instruments.

However, it is clear that these decarbonisation targets pose a **major challenge for the sector**. The **current technological availability** and degree of **deployment of electric mobility infrastructures** continue to pose enormous challenges for long-haul transport, requiring a **combination of solutions** to be evaluated and mixed combined to jointly contribute to the overall goals.

At the same time, in last mile transport, the **demand from more urgent deliveries** requires increased investment in **fleet renewal** and efforts in **operational optimisation and technological innovation**, to counteract the possible increases in emissions, with a **continuous improvement in delivery efficiency**.

In this context, Correos considers it essential to start a **decarbonisation journey, based on science and in line with the commitments of the Paris Agreement**, which allows it to contribute to climate change mitigation and the progressive reduction of the carbon footprint of its activity, combining the effect of various levers.

Thus, the company has set a global target for 2028 to **reduce** its combined **scope 1 and 2²⁶ emissions by 21%** (representing a **minimum annual reduction of 4.2%**) and **12.5% in scope 3²⁷ emissions (2.5% per year)**, compared to 2023.



²⁴ Ministry for the Ecological Transition and the Demographic Challenge (July 20, 2024). *Inventario nacional de emisiones de gases de efecto invernadero: Informe resumen*. Edición 1990-2023.

²⁵ Ministry for the Ecological Transition and the Demographic Challenge (September 2024). Integrated national energy and climate plan 2023-2030. https://www.miteco.gob.es/content/dam/miteco/es/energia/files-1/pniec-2023-2030/PNIEC_2024_240924.pdf.

²⁶ Scope 1 and 2 emissions are the company's direct emissions. In the case of Correos, they primarily include those from energy consumption at its facilities and the burning of fossil fuels by its own fleet.

²⁷ Scope 3 emissions are emissions primarily from indirect activities associated with the supply chain, business travel, and other aspects external to the company's own facilities.



Decarbonisation journey

The definition of this journey has **taken into account the Science Based Targets initiative (SBTi)**, which mobilises the private sector for urgent action on climate change. This initiative, backed by international regulations and recommendations from the Paris Agreement, aims to limit global warming to below 2°C, and ideally to 1.5°C with respect to pre-industrial levels, and sets specific emission reduction targets based on climate science.

The targets set by Correos until 2028 are based on an analysis, prepared in 2022 with external advice, to align its decarbonisation journey with this globally recognised guidance.

Thus, the **levers** identified for the achievement of the **reduction** targets, **in scopes 1 and 2**, include:

- **Increasing the energy efficiency** of the facilities by implementing measures to reduce consumption, such as the modernisation of equipment and systems for lighting, heating and cooling.
- **Transitioning to renewable energy sources**, increasing the use of renewable energy to power operations, and reducing dependence on fossil fuels and their associated emissions.
- **Transformation of the Correos' fleet** to make it more fuel efficient and increase the number of electric or alternative vehicles to fossil fuels in operations, while also increasing the electric charging infrastructure available in own facilities and optimising the use of existing public ones.
- **Optimisation of routes and reduction of kilometres fuelled by fossil fuels**, through an advanced route management and telemetry system for route and fuel use planning, consolidation of shipments and loads to maximise vehicle capacity and training in efficient driving techniques.
- **Fleet fuel management**, improving fossil fuel utilisation practices and the use of alternative fuels such as natural gas, biofuels or electricity, while continuing to explore complementary measures such as synthetic fuels, thus mitigating possible delays in the technological availability required in the previous levers.

► Correos' carbon footprint ◀


165,124 tCO₂e
 Total Correos' emissions

23% Own emissions
 Scope 1 and 2



23%
 Own fleet

- Fuels



0.4%
 Buildings

- Electricity
- Heating and air-conditioning (HVAC) systems

77% Emissions in the value chain
 Scope 3



39%
 Outsourced freight transport

- Fuels



38%
 Employee travel and commuting

- Fuels



0.1%
 Others

- Fuel and energy related activities
- Capital goods
- Waste in operations



More than two thirds of **Correos' carbon footprint** corresponds to **emissions generated in the value chain** (scope 3). Of this figure, around 39% of total CO₂ emissions are accounted for by medium and long distance journeys made by **transport providers**, for whom vehicles is encouraged in the procurement procedure.

The second largest component is business travel and **employee commuting**, which accounts for **38%** of emissions. This is explained by the **extensive territorial coverage of** the company's services, with a presence in all the country's towns and cities, through the service points and distribution network, where more than 83% of the workforce works. As a result, there is a high volume of daily commuting by these professionals to their workplaces, the dispersion of which makes it difficult to group journeys or to implement other measures to make their mobility more sustainable.

In order to assess how employees commute to work and their preferences

for more sustainable mobility, a **mobility survey** is conducted to identify changes and additional solutions to be implemented. The subsidiary Correos Express also conducts its own survey on the sustainable mobility habits of its professionals.

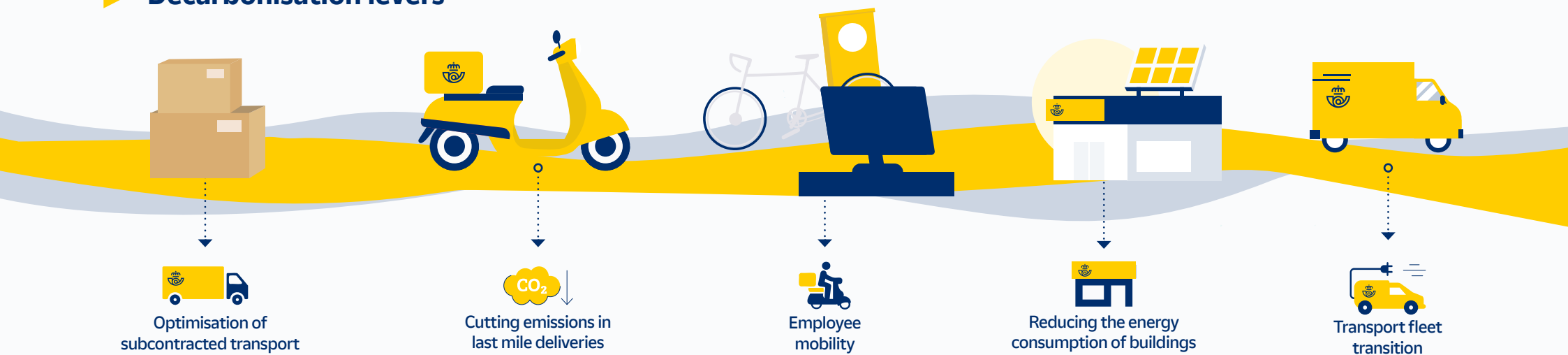


In line with the relevance of these emissions streams, Correos plans to act on

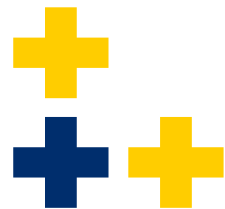
the following **levers to reduce emissions in scope 3** by 2028:

- **Optimisation of subcontracted land, sea and air transport**, by prioritising sustainability criteria in subcontracting and prioritizing transport providers to implement practices that reduce their emissions, such as route optimisation, load consolidation and the use of zero or low-emission vehicles.
- **Reducing emissions in business travel** by promoting more sustainable practices, such as prioritising rail over air travel, using video-conferencing technologies and promoting public transport or low-emission vehicles for journeys that must be carried out.
- **Developing employee transport**, encouraging carpooling for daily commuting, promoting teleworking where possible, as well as promoting public transport and other more efficient types of vehicles, such as bicycles. In addition, it involves improving the systems for measuring the emissions associated with these journeys.
- **Improving waste management in the supply chain**, promoting reduction and recycling practices to minimise associated emissions.
- **Strategic collaboration with suppliers and customers** to share emission reduction targets and to encourage more sustainable practices along the entire value chain.

► Decarbonisation levers



The company also aims to improve the information provided to customers on their carbon footprint and its reduction over time. The aim of the **Correos Chair in partnership with the University of Alcalá** is the transfer of knowledge and the application of R&D&I to daily operations. Within the framework of the projects of this programme, in 2024, a **carbon footprint calculation software** was developed, **considering all stages of the value chain**, including the treatment and transport of shipments managed by the company. The aim is to provide detailed information to customers to enable them to adapt their own decarbonisation strategies, and to support them in achieving their objectives and anticipating future European and national regulatory requirements.



Carbon footprint offsetting

In addition to reducing CO₂ emissions, the company is considering other measures to move more quickly towards the goal of climate change mitigation, using **residual emissions offsetting** programmes, with the purchase of carbon credits on the voluntary market.

Thus, the **Correos Offsets** programme makes it possible to neutralise CO₂ emissions from customer deliveries from offices, and from those generated in the production of Forests Line packaging. The projects selected for the purchase of credits seek **a triple impact –environmental, economic and social–** in the communities in which they are developed, with the generation of new employment opportunities, the improvement of air or water quality, the preservation of biodiversity, access to energy or to health and education services, among others. In 2024, the 3 programmes selected, aimed at developing wind energy and agroforestry projects in Uruguay, Brazil and Spain, enabled Correos to **offset 8,560 tonnes of CO₂, equivalent to 5% of the company's total emissions**.



Correos offset
**8,560 tons of
CO₂, 5% of
its total
carbon footprint**



Energy efficiency

The Correos Group has work centres all over the country, so optimising the energy requirements of these buildings is an important instrument for decarbonising the activity.

With this purpose, since 2018, 100% of the electricity purchased by the Group comes from **fully renewable energy sources** with a guarantee of origin.

Likewise, 515 offices, those with the highest energy consumption, have an **energy remote management platform** that enables them to reduce consumption in air conditioning and lighting, achieving an average saving of more than 20% during the past year. In 2024, Correos Express carried out **energy audits** in 7 of its centres (12% of the total).

Since 2021, Correos has had **solar photovoltaic plants** for electricity generation, in the form of self-consumption, at the automated processing centre in Madrid, the largest in the network, as well as at the Rampa 7 international centre and at two other properties in Madrid and San Cristóbal de La Laguna (Santa Cruz de Tenerife).

During 2024, the Madrid automated treatment centre generated 726,000 kWh of power from photovoltaic sources, 23.5% of its total electricity consumption. In 2025, five additional power plants are scheduled to be commissioned in various centres in Barcelona, Valencia, Alicante and Seville, with the system being deployed in 21 of the company's buildings over the next three years.

On the other hand, in order to meet the requirements of the electric fleet during operations, the company has nearly 3,000 parking spaces with electric charging infrastructures (644 for four-wheeled vehicles and 2,344 for motorcycles), available 24 hours a day in logistics centres or distribution units throughout the country, which will be expanded in the coming years.

The Correos Group complements these measures with:

- The promotion of a **sustainable procurement** policy, especially for energy and transport supplies (compliant with the Correos Group Framework of Responsible Procurement Criteria).

- The replacement of **lighting systems** with LED technology and air conditioning systems, as well as the implementation of other additional energy efficiency equipment, in the Correos, Correos Express and Correos Nexea offices and centres.

- **Awareness-raising for employees** through:

- Dissemination of individualised **reports on energy consumption** (electricity, natural gas and diesel) of the main Correos workplaces, through the corporate intranet, accessible to all employees.
- Environmental training and awareness-raising through the Energy Saving and Efficiency Guidelines and the recommendations disseminated through internal communication channels.

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Pollution and air quality

GRI 305-5, 305-7, 308-2

The **last mile parcel transport and delivery** involves the emission of CO₂, NO_x, SO_x and particulate matter into the atmosphere. This activity also represents a **growing challenge for urban mobility**, exacerbated by the rise of e-commerce and an increased demand of home delivery.

Correos is the only company in the sector that has **distribution units** close to businesses and citizens **throughout the entire country**. This capillarity **allows for more agile and efficient last mile delivery**, which in urban centres is carried **out on foot or in zero or low-emission vehicles**, thus reducing pollution, noise and congestion.

The company's lines of action to improve air quality are aimed at implementing a more sustainable and intelligent mobility model, accelerating the **transition of the delivery fleet**, addressing employee mobility, promoting the **development of zero-emission delivery routes** and encouraging **logistics optimisation** in urban centres (through **technology and out-of-home delivery networks**).





Delivery fleet transition

Since it incorporated its first electric vehicle in 1992, Correos has consolidated its position as one of the companies with **the largest zero-emission fleet** in the Spanish parcel delivery sector. In 2024, it had **2,495 electric vehicles** and 300 hybrids of different types. In this way, the company is advancing towards its goal of having 25% of the fleet made up of electric vehicles and 50% with alternative technologies by 2028.

Last year, Correos continued to evaluate **new types of electric vehicles** for last-mile deliveries. To this end, a **pilot project** was carried out **with cargo tricycles** in distribution units in Seville, in order to adapt their design to the operational needs, both in terms of capacity for transporting postal items and parcels, as well as reloading times. The tests, which will run through 2025, will identify the ideal delivery sections for this type of vehicle.

In addition, **150 electric motor-assisted delivery trolleys** were procured to facilitate distribution on foot, following successful trials in 2022.

The company is also evaluating **alternative fuels** for both long-haul and last-mile delivery fleets through partnerships with manufacturers. This type of cooperation allows for the examination of other technological alternatives to fossil fuel transport and at the same time offers suppliers the possibility to test their solutions in demanding networks such as the Correos network, which is present throughout the country.

Correos purchased **150 electric assisted delivery trolleys** to facilitate **delivery on foot**

Optimising logistics in urban areas

In recent years, the growing demand for home delivery of parcels and the inefficient overlapping of distribution networks of different operators has led to increased traffic congestion in cities, impacting on the quality of life of city dwellers.

In order to provide solutions to this challenge, between 2020 and 2024, Correos has led the **European project SENATOR** (Smart Network Operator Platform enabling Shared, Integrated and more Sustainable Urban Freight Logistics), funded by the European Commission under the Horizon 2020 framework, in which the subsidiaries Correos Express and Correos Telecom have also participated.

The goal of this program has been to create a **more sustainable urban logistics model**, designing a platform that would allow the **planning and integration** of all **urban logistics operations**. Thus, the most notable **functionalities provided by the tool developed** within the SENATOR framework include:

- **Real-time delivery information** tracking and **route optimisation**, particularly applied to urban **refrigerated deliveries** or **express reverse logistics** and its integration with other regular distribution networks.
- The use of a digital platform for configuring routes adjusted to situations or areas with **special delivery needs** (such as low-emission zones), facilitating urban traffic planning and delivery of consignments adapted to new regulatory requirements.
- The possibility of using such solutions as on-the-job **training** for new delivery professionals in a sector with a high turnover of staff.
- **Improved load balancing** (between Correos and its subsidiary or between different operators that reach collaboration agreements), thus bringing benefits to cities, both in terms of improving air quality and mobility.
- **Aggregate visualisation of the traffic density of goods** and shipments delivered in cities, useful for the improvement of sustainable urban mobility and logistics plans of municipalities.



As a finalisation of the project, several **pilot programmes** were developed between 2023 and the end of 2024 **in the participating cities of Dublin and Zaragoza**. These tests focused on assessing the potential operational improvements brought by the platform for parcel delivery companies and the extent to which transport emissions could be reduced.

Regarding the **Spanish use case**, 4 pilot projects were carried out (the first of which was segmented into 4 phases) that evaluated the improvement of urban mobility by simulating the **real daily operations developed by Correos and Correos Express**, the efficiency of route planning that integrated collection events and the operation of a mobile app to facilitate the work of delivery drivers. This was done using geo-located and anonymised information on deliveries, as well as data from vehicles and handheld computing devices (PDAs) used by Correos postal delivery officers.

The last one focused on the study of network balancing (virtual freight exchange), load balancing between operators and **consolidation of deliveries of the regional wholesale market MercaZaragoza**, for a more efficient distribution of fresh goods. It also enabled the digitisation of loading and unloading zones through the deployment of sensors in certain areas of the city centre and their corresponding telematic management.

The results of these tests showed:

- **Significant reductions** in kilometres travelled and pollutant **emissions**.
- Increasing **delivery productivity, cost savings** and greater economies of scale.
- Optimising the distribution of **shipments at the second delivery attempt**.
- Easy **accessibility of information** for operators without the need for powerful technological infrastructures.

- Optimising of the use of **car parks** and **loading and unloading areas**.
- **Improving the performance** of new delivery professionals.
- Generating **useful information for municipal mobility and urban planning**.

As in previous years, the project's progress was disseminated through its **website** and social media, as well as at various sectoral events, such as Transport Research Arena, held in Dublin (Ireland), CIVITAS Forum 2024, held in Parma (Italy), or Smart City Expo World Congress (SCEW), held in Barcelona.



Delivery efficiency

Correos, the parcel delivery company that travels the most kilometres on foot in Spain for last-mile deliveries (**zero-emission shipments**), also reduces the impact of its operations by **limiting the number of kilometres traveled and the number of trips**, through high levels of effective delivery of shipments. This improves mobility and air quality as well as customer satisfaction. To this end, the company relies on:

- An extensive network of **more than 10,300 points of admission and delivery** in urban and rural environments, including **post offices** and **Citypaq smart parcel lockers** as an alternative to home delivery.

This network, the most accessible in the sector also due to its extensive opening hours, **prevents citizens from having to travel**, making it easier for them to receive their deliveries. The use of this network by major e-commerce platforms also allows them to offer their customers **more convenient pick-up options** for their orders.

- The use of technologies that enable **effective delivery at the first attempt**.

One of them is the **Correos Modify**  app, with which the recipient can easily modify the address to which they wish to have their parcels delivered, so that their needs are better catered to. Likewise, **sensor and geolocation** systems and tools based on **artificial intelligence and Big Data** facilitate the **optimisation of routes and demand prediction**. Similarly, Correos Express uses a **dynamic delivery management** system to optimise distribution areas and resource consumption.

- **Training** of delivery professionals.

An **efficient and safe driving** also makes it possible to reduce emissions and energy consumption, extend the useful life of vehicles and reduce the accident rate, for which efficient driving or efficient mobility training is provided to delivery personnel and **ADAS (advanced driving assistance systems) technology** is used.



In addition to making last mile delivery more efficient, the Group acts on the emissions generated by medium and long distance transport. In 2024, the use of dynamic procurement systems (DPS) continued to allow Correos and Correos Express to contract, through various suppliers, transportation routes with zero or low-emission vehicles, contributing to achieving the decarbonization goals of both companies.

Besides, **Correos Express** is also developing a project to catalogue routes, in order to prioritise the contracting of those that use hybrid or electric vehicles, delivery on foot or by bicycle, with the aim that they will represent 10% of its contracted routes by 2031. **Correos Express Portugal and Correos Telecom** also promote the use of zero or low-emission vehicles in their procurement processes for transport providers.

Biodiversity and ecosystems

GRI 304-3

The impact on biodiversity of the operational centres of the Correos Group companies is limited and does not generally affect protected areas.

In addition, the **Línea Bosques** (Forest Line) packaging line, sold in post offices and online, contributes to the financing of **forest preservation projects**, through which it helps to improve air quality and the maintenance of ecosystems.

In the case of the subsidiary **Correos Telecom**, one of the objectives of its environmental management policy is the efficient use of natural resources and the appropriate management of the waste generated by its activity, promoting environmental control of the work carried out by its suppliers, so as to **minimise the impact on the landscape and biodiversity**.



Resource use and circular economy

GRI 306-2

Correos aims to be a **'zero waste' company** by promoting a circular business model, maximising the value of materials for as long as possible, and encouraging recycling and reusing waste.

To this end, it is developing two complementary lines of work, consisting of improving waste management and segregation to **increase recovery** and the **integration of circularity criteria** in the value chain.

Correos and Correos Express recovered over 90% of their total waste

'Zero' waste

The company aims to make waste management increasingly efficient, improving identification and classification processes to ensure the correct traceability of materials until the end of their useful life. To this end, both Correos and the rest of the Group's companies provide training for employees and carry out **awareness-raising** activities.

Since 2022, the existing framework agreement for the **centralised management of waste** generated at **Correos and Correos Express workplaces** has enabled waste treatment to be concentrated and homogenised, as well as increasing the recovery and recycling of material flows. Thus, in 2024, **93% of the total waste from Correos and 94% from Correos Express**, i.e. **more than 4,000 tonnes**, was **recycled or reused**.

In addition, the Group's asset management regulations allow the **recovery of materials** such as paper, cardboard and plastic, making it possible to sell them and encouraging them to be put to new uses.

In order to promote the continuous improvement of these processes, Correos plans to progressively carry out the **external certification of its 19 automated treatment centres as 'zero waste' or 'zero waste to landfill'**, which implies guaranteeing the recovery of more than 90% of the waste generated in these centres.

► 'Zero-waste' certification



Incorporating circularity in the value chain

The integration of **circularity** criteria in **the value chain**, in collaboration with suppliers and customers, enables greater efficiency in the use of natural resources, both in operations and in the design and use of products and services, increasing the proportions of recycled and recyclable raw materials used.

The company encourages the **replacement of a linear business model with a circular one** by prioritizing pay-as-you-go models for assets, materials valorisation or supply chain sustainability. Thus, it promotes the reuse of computer hardware, as well as the use of alternative materials or the internal reuse of obsolete packaging models to avoid their destruction. This approach minimises and ultimately avoids waste generation.

In addition, **process** optimisation and **digitisation makes it possible to reduce the consumption of natural resources**, combining process robotics with technologies such as Artificial Intelligence, machine learning and data analytics, while improving the customer experience at the same time.

This is complemented by the **adoption of more energy-efficient technologies**. During the past year Correos completed the renewal of the infrastructure of servers and storage systems that support business applications, helping to reduce electricity consumption, improve performance and minimise environmental impact. Similarly, the data processing centres contracted to house the company's infrastructures offset the CO₂ emissions of its scopes 1 and 3 and guarantee the use of electricity from renewable sources.



► Implement circular economy to be 'zero waste' ◀

Waste management, segregation and recovery



Waste concentration model



'Zero waste' centres



Waste recovery



Training and awareness raising for correct segregation

Integration of circularity criteria in the value chain



Life cycle analysis of products and services



Elimination of single-use plastics



Marketing of the Línea Bosques (Forest Line) range of packaging



Digitisation of processes to reduce paper use



In 2024, Correos continued the progressive replacement of its plastic packaging to replacement products made exclusively from paper or cardboard. This is intended to reduce the use of non-recyclable materials while maintaining the safety and security of shipments.

In view of the increase in the use of raw materials for the packaging of shipments, the **Línea Bosques** (Forest Line) of packaging, marketed in the post office network and on the Correos website, offers customers a **more responsible consumption alternative**. Manufactured with **minimum ink use** (the inks used are water-based and toxic-free) and **fully recyclable materials**, a large part of them (such as the cardboard boxes) are also made of **100% recycled material**.

Likewise, when contracting of the **suppliers of the different products of this line** values the accreditation of the compensation of the carbon emissions produced from their manufacture to their delivery, as well as the **registration in the 'Registry of carbon footprint, compensation and carbon dioxide absorption projects'** of the Ministry

for Ecological Transition and the Demographic Challenge.

Similarly, **Correos Market** customers can select **fully recyclable packaging** for their shipments as an alternative to plastic packaging (which is also made from 100% recyclable and recycled material). Correos also uses **paper with FSC® chain of custody certificates (FSC-C126784)** and **PEFC (PEFC/14-38-00217)** as a sign of its commitment to responsible forest management in its printing and enveloping activities for corporate mass communications.

In addition, the use of self-adhesive labels on mail began to be phased out last year, reducing the use of paper, and progress was made in replacing the paper acknowledgement of receipt with a proof of delivery sent by e-mail.

Lastly, Correos Express prioritises the **efficient use of natural resources in the manufacture of advertising and promotional materials**, using recycled cardboard in its customer welcome packs.



Environmental indicators

GRI 2-4, 2-27, 301-1, 302-1, 303-5, 305-1, 305-2, 305-3, 305-7, 306-3

| Greenhouse gas emissions (tCO ₂) | Correos ¹ | | Correos Express ² | | Correos Express Portugal ³ | | Correos Telecom ⁴ | |
|---|----------------------|---------|------------------------------|--------|---------------------------------------|------|------------------------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Direct (Scope 1) | 37,456 | 36,165 | 17 | 13 | ND | ND | 18 | 17 |
| Indirect (Scope 2) | 629 | 506 | 0 | 0 | ND | ND | NA | NA |
| Other indirect emissions (Scope 3) | 127,039 | 136,721 | 54,193 | 44,977 | ND | ND | ND | ND |

¹ Correos and Correos Telecom figures for 2023 have been updated.

² Although vehicle emissions are not a material issue for Correos Express, as it does not have its own fleet, they are measured as part of the carbon footprint calculation.

³ Emissions from vehicles are not a material issue for Correos Express Portugal, as it does not have its own fleet.

⁴ Correos Telecom does not generate its own Scope 2 emissions as it shares its buildings with the parent company Correos.

Emissions with official data and emission factors (MITECO and Red Eléctrica de España) available at the closing date of this report. CO₂ emissions are calculated using the GHG Protocol. Once the verification of the 2024 financial year has been completed, in accordance with the UNE-EN ISO 14064-1:2019 'Greenhouse gases' standard, the data will be updated, if applicable, in the Statement of non-financial information for the following financial year.

| Other emissions to the atmosphere (kg) | Correos | | Correos Express ¹ | | Correos Express Portugal | | Correos Telecom ² | |
|---|---------|---------|------------------------------|------|--------------------------|------|------------------------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| SO _x | 217 | 196 | NA | NA | NA | NA | NA | NA |
| NO _x | 144,056 | 134,515 | NA | NA | NA | NA | NA | NA |
| Particulate matter | 11,672 | 12,023 | NA | NA | NA | NA | NA | NA |

¹ Emissions are calculated using the CORINAIR methodology on the basis of invoiced consumption.

² Emissions of SO_x, NO_x and particulate matter are not a significant impact for Correos Express Portugal and Correos Telecom.

Emissions are calculated using the CORINAIR methodology on the basis of invoiced consumption.



| Use of raw materials | Correos ¹ | | Correos Express | | Correos Express Portugal | | Correos Telecom ² | |
|-------------------------|----------------------|-----------|-----------------|---------|--------------------------|------|------------------------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Water (m ³) | 313,014 | 312,164 | 8,573 | 7,147 | ND | ND | NA | NA |
| Papel (kg) | 3,713,017 | 2,888,998 | 45,578 | 46,345 | ND | ND | 20 | 20 |
| Carton (kg) | 0 | 0 | ND | 303,112 | ND | ND | 0 | 0 |
| Ink (units) | 16,348 | 26,072 | 1,002 | 684 | ND | ND | 0 | 0 |

¹ Estimated consumption data for Correos.

² Correos Telecom does not measure its own water use, as it shares its buildings with the parent company Correos.

Consumption is calculated based on turnover.

| Energy consumption (MWh) | Correos ¹ | | Correos Express ² | | Correos Express Portugal | | Correos Telecom ³ | |
|-----------------------------------|----------------------|---------|------------------------------|-------|--------------------------|------|------------------------------|-------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Electricity | 104,383 | 107,720 | 4,278 | 6,272 | ND | ND | 1,551 | 1,465 |
| Natural Gas | 14,546 | 15,468 | NA | NA | ND | ND | NA | NA |
| Diesel C | 7,190 | 9,810 | NA | NA | ND | ND | NA | NA |
| Automotive diesel | 110,958 | 99,008 | NA | NA | ND | ND | NA | NA |
| Gasoline | 8,771 | 10,980 | NA | NA | ND | ND | 72 | 67 |
| Other (coal, pro-pane and butane) | 74 | 109 | NA | NA | ND | ND | NA | NA |

¹ The 2023 electricity consumption data for Correos Telecom and gasoline consumption data for Correos Telecom have been updated.

² Correos Express does not consume fossil fuels as it does not have its own fleet of vehicles.

³ Correos Telecom's electricity consumption corresponds to the marketed sites.

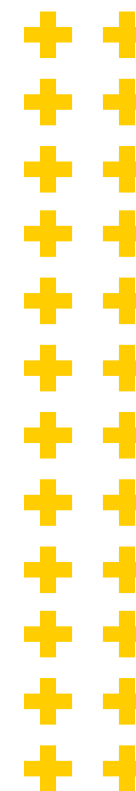
Consumption is calculated on the basis of the invoiced amount and the guarantee certificates of renewable origin.

| Waste generated (kg) | Correos | | Correos Express | | Correos Express Portugal | | Correos Telecom ¹ | |
|--------------------------------|------------------|------------------|------------------|------------------|--------------------------|-----------|------------------------------|------------|
| | Non-hazardous | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Non-hazardous | 4,304,020 | 3,534,781 | 2,257,000 | 1,202,838 | ND | ND | 160 | 238 |
| Waste sent to the landfill | 280,812 | 196,501 | 0 | 0 | ND | ND | 160 | 238 |
| Waste not sent to the landfill | 4,023,208 | 3,338,280 | 2,257,000 | 1,202,838 | ND | ND | 0 | 0 |
| Hazardous | 12,941 | 15,359 | 1 | 176 | ND | ND | NA | NA |
| Waste sent to the landfill | 896 | 2,115 | 1 | 88 | ND | ND | NA | NA |
| Waste not sent to the landfill | 12,045 | 13,244 | 0 | 88 | ND | ND | NA | NA |

¹ Correos Telecom shares its buildings with the parent company Correos, so the waste data relate only to waste generated on construction sites.

| Resources earmarked for environmental risk prevention (thousands of euros) | Correos ¹ | | Correos Express | | Correos Express Portugal | | Correos Telecom | |
|---|----------------------|---------|-----------------|------|--------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Expenses | 2,652.9 | 2,359.8 | 164.3 | 94.5 | ND | ND | 0 | 0 |
| Investments | 4,499.9 | 1,931.9 | 0 | 0 | ND | ND | 0 | 0 |
| Subsidies | 105.5 | 76.5 | 0 | 0 | ND | ND | 0 | 0 |

¹ No provisions or guarantees have been made for environmental risks. In 2024, none of the Group's companies faced significant penalties for non-compliance with environmental regulations.



Social information

- Our team
- Value chain
- Customers and users



Our team

GRI 2-23, 2-24, 2-25, 2-27, 3-2, 3-3, SDG 8

The Correos Group contributes to the creation and maintenance of employment. As one of the largest public groups in terms of size and human capital, **integrated people management** is one of the essential elements of its strategy. Its main employment impacts are related to **job stability, talent attraction and retention, professional training and development, diversity and inclusion**, as well as **occupational health and safety**.

These issues are managed in accordance with current labour legislation and the main reference frameworks in the Spanish public sector and in the international postal sector.



Organisation of social dialogue

GRI 2-29, 2-30, 402-1, 403-4

Correos has enacted a '**Framework Agreement on Labour Relations**', in force since March 2000, which establishes, among other things, the essential criteria for permanent dialogue between trade unions and the company, specifying the methodology, means and criteria for a homogeneous treatment of trade union rights in the company

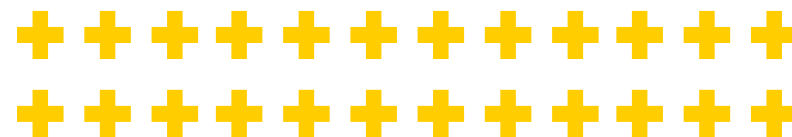
This agreement regulates the levels of dialogue at the state level, with the trade union sections of the trade unions established throughout the country, through their general secretaries and state executive bodies and, at the more local level, through the provincial secretaries and executive bodies, in addition to the unitary bodies (Works Councils and Staff Boards).

The agreement also sets out the composition of the highest levels of employee workers' representative bodies—the 12-member Negotiating Committee—and for the civil servants—the 18-member Sectoral Committee.

For its part, the **collective agreement for postal workers** sets out the general principles of trade union participation and collective bargaining and the functions of the central (central employment, social action, training, equality, working time, transfer competition and occupational health) and provincial (employment and working time commissions, together with provincial health and safety committees) joint committees.

The agreement contains a specific section on **health, safety and occupational risk prevention** policy, the company's own prevention plan and service, the prevention representatives and the rights to information and consultation in

this area (channelled through the state occupational health commission and provincial health and safety committees, with equal representation of the company and trade unions). The annual goals set for occupational risk prevention are presented within the national commission, where they are monitored on a quarterly basis, together with the rest of the issues.



Strategic Framework Agreement for Correos

On 22 July 2024, the '**Strategic Framework Agreement 2024-2028** for the recovery, repositioning and transformation of Correos' was signed between the Ministry of Finance, the SEPI Group, Correos and two trade unions, CCOO and UGT. This commitment established the priority lines of action and resources needed to transform the company and make it a fundamental axis of the 2030 Agenda and the country strategy.

As a result of this consensus-building process and of the exchange of initiatives in the meetings held within the sectoral table, on 31 July, both the Board of Directors of Correos and SEPI approved the company's **2024-2028 Strategic Plan**.

Finally, as part of the commitment reached in the Strategic Framework Agreement 2024-2028, on 31 December, Correos and the majority of trade unions (CCOO, UGT, CSIF and Sindicato Libre) signed a '**Framework Agreement between Correos and Trade Unions on the basic lines to be transferred to the 4th Collective Bargaining Agreement**', defining the

new **labour framework and plan for personnel**, essential for the development of the company's Strategic Plan.

The plan for personnel aims to adapt the Correos workforce to a more diversified and competitive business model that is capable of providing new services of general economic interest, through a younger and more qualified staff.

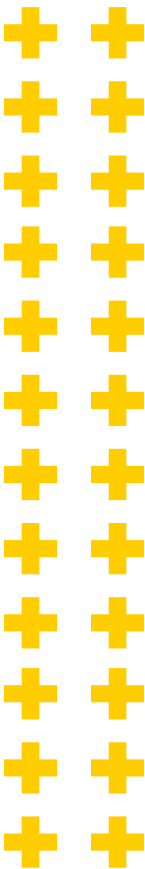
According to the agreement, a first negotiation phase to be carried out during the first quarter of 2025 will address the conditions relating to the voluntary termination plan, the employment cycle, a work organisation that responds to new customer demands, a career plan as a lever for attracting and retaining talent and an incentive plan will be developed. In a second phase, the rest of the issues to be included in the new collective agreement will be negotiated.

In addition, during 2024, other meetings were held at the different bargaining tables to discuss, among other matters, pay increases, temporary hiring, stabilisation of temporary employees and the replacement programme.

Scope of collective agreements

In 2024, the percentage of Correos **workers covered by collective bargaining agreements** was 93%. The small number of employees who are not covered by collective bargaining agreements are governed by the provisions of Royal Legislative Decree 2/2015²⁸. For Correos Express and Correos Express Portugal the percentage of employees covered is 100%.

The collective **bargaining agreements applicable to** Correos Express are those for road freight transport in the provinces where the company's centres are located (48 at present), as well as the 2nd General Agreement for road freight transport companies at state level. At Correos Express Portugal, the collective agreement for road freight transport in Portugal applies, while Correos Telecom does not apply any collective agreement.



²⁸ Royal Legislative Decree 2/2015, of October 23, approving the revised text of the Workers' Statute Law.

All employees and civil servants of Correos have trade union representation.

In **Correos Express**, 48 workplaces have legal worker representatives (where 99% of the workforce works), of which 7 are constituted as works councils and the rest are channelled through staff representatives (a total of 118). The dialogue is carried out through two trade union sections at national level and two more in Madrid. In the area of health and safety, 45 workplaces have prevention representatives, with a health and safety committee in 7 of them.

The main issues discussed last year by Correos Express and the various trade unions were related to access to employment, job qualification, working time, equality and protection against harassment, training and seniority.

At **Correos Telecom and Correos Express Portugal**, workers have not promoted their union representation and relationships between employers and employees are channelled directly through the area managers, who receive proposals.

Organisation and flexibility of working hours

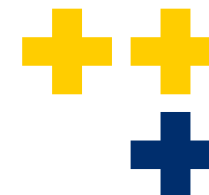
A wide **variety of working hours** coexist within Correos, due to the heterogeneous nature of the services provided. Insofar as the organisation of work and the obligations of public service provision allow, the company makes it possible to work a continuous working day, from Monday to Friday in morning, afternoon or evening shifts, with the majority of employees working this type of working day.

In order to achieve a good work-life balance and efficient working practices, the collective agreement provides for the **negotiation, participation and information powers of the working time committee**. Similarly, any substantial modification of working days, working hours and/or shifts is subject to review by the central employment committee or the provincial employment committees.

At **Correos Express**, operational staff work round the clock in morning, afternoon and evening shifts, while management and supervisory staff work split shifts.

At **Correos Express Portugal** the working day is split according to national legislation. At **Correos Telecom**, working time is organised according to the projects assigned, within the legal limit, which makes the working day more flexible.

The criteria and conditions for establishing a remote work programme in the Group's companies, as well as the policies relating to the right to digital disconnection, will be developed in accordance with the provisions of Act 10/2021²⁹ and in accordance with the instructions for application as a state company.



²⁹ Act 10/2021, of July 9, on remote work.

Correos Group's Employment

GRI 2-7, 2-8, 203-2

At the end of 2024, **Correos Group had an average workforce of 50,279 (FTE)**.

The parent company, Correos, accounted for 48,203 professionals, 93% of whom were employees and 7% civil servants.

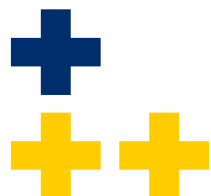
Development of electoral processes

With the occasion of the regional elections to the Parliaments of Galicia, the Basque Country and Catalonia and the elections to the European Parliament, Correos adopted the organisational measures required to enable the **correct**

development of activities related to the management of postal voting, executing reinforcement contracts, both for the attention to citizens in offices and for the processing and distribution of electoral items.

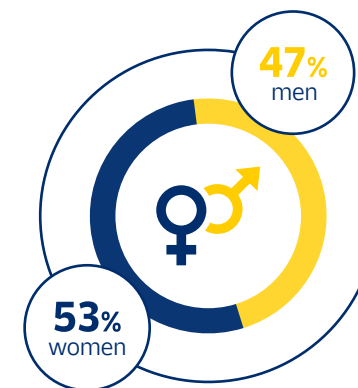
In order to **guarantee the fulfilment of all the public service obligations entrusted to it**, reinforced the service in the centres and the attention in offices, enhanced the use of the appointment system and incorporated additional portable digital devices (PDAs) in the distribution network and busiest offices, in order to speed up the admission and delivery of electoral documentation. Transport routes were also adapted and other measures such as having the offices open and making special deliveries on local holidays were implemented. In addition, a specialised support service for citizens was set up to deal with the high volume of enquiries related to postal voting efficiently and swiftly.

Correos admitted more than **127,000 postal vote applications** for the regional elections, as well as more than **632,000 applications** for the European Parliament elections.



► Correos Group's average staff

grupoCorreos
50,279
Staff (FTE)



48,203

Correos



1,843

Correos Express



181

Correos Express Portugal



52

Correos Telecom



Talent support and professional development

GRI 3-3, 404-3, 405-1

Attracting, developing and retaining talent are essential elements to support the achievement of **strategic goals**. The annual talent management cycle applied by the Correos Group consists of three processes: **the talent review**, the **performance evaluation objectives system** and the **training and professional development plans**.

Talent review

The process of identifying and analysing needs or **talent review** consists of the evaluation that each area of the company carries out on its **present and future strategic challenges**, the associated key skills and knowledge and, therefore, the **priorities in talent management**. Through a virtual interview and the talent identification questionnaire, employees can also communicate their expectations and interests in relation to their own development or that of their teams, for the subsequent definition of their training and development plans.



In 2024, team leaders completed more than 4,800 **talent identification questionnaires** at Correos and **more than 5,300 at the entire Group**. In addition, nearly **13,000 responses to the virtual interview** were received from workers. Participating professionals expressed an overall satisfaction level of 7 out of 10.

Performance appraisal objectives system

The **Performance Evaluation Goals System** (PEGS) is one of the key processes of the talent cycle and allows **linking individual performance to strategic goals**, through the application of **management by objectives**.

To facilitate cascading communication of the company's plans and challenges, we promote **goal and performance meetings between managers and their teams**, which foster **internal communication** and the exchange of expectations and enable employees to receive regular feedback to advance their professional development.

Professional development programmes

The **eTalent** portal is the platform used for the management of selection and development processes in Correos, both for internal and external professionals. It is available on the corporate intranet and on the corporate website, through the **Talent Community**, the space for attracting talent, which received more than 810,000 visits in 2024.

The company provides its professionals with different tools to enhance their professional training and promotion, such as the **'click' programmes for individual development**, **'Women in Correos'** for diversity and inclusion, **'Young Talent'** for business internships or the **substitution programme**, among others.

1. The 'Click Programme' for individual development aims to provide opportunities for personal and professional growth by promoting the acquisition of new skills and competencies. This programme enables voluntary participation in the **definition of a development plan**, aligning professional interests and expectations with strategic business goals.

Last year more than 1,000 participants were assigned to each of the **professional development** pathways, inviting them to participate in different initiatives and meaningful experiences, **to impulse personal growth** and contribute to increasing their capacity to take on new personal and professional challenges in the future.

Some of the shares offered in 2024 included:

- The **Development Centre**, a workshop attended by more than 150 people to deepen their strengths and areas for improvement and to establish an individual development plan.
- The **Talent Meetings**, dynamic and interactive sessions given by experts on different topics, such as intergenerational leadership.
- The **+Close to Businesses** initiative, in which more than 100 participants took part in immersive workshops in offices, distribution units or treatment centres.
- The **sponsoring programme**, which provided more than 170 employees with personalised support from key people in the company during the

implementation of their individual development plan.

- Group, individual and team **coaching** sessions, offered to more than 360 people.

In 2024, the Digital Talent Assessment pilot project was also developed, in which around 180 professionals participated, with the aim of identifying and enhancing their strengths with regard to new roles in the digital sphere.

In the last quarter of 2024, the more than 13,000 people who responded to the virtual interview gained access to this programme and to the actions to be developed in 2025, such as the training of the Click Community on the Virtual Campus.

2. The 'Women in Correos' project promotes gender diversity and inclusion, encouraging greater female participation in all areas of the company. Last year, initiatives such as cross-mentoring with mentors and mentees from different companies, STEM (Science, Technology, Engineering and Mathematics) talks given by female employees in the field of technology or engineering or promoting

the visibility of female role models were carried out.

3. The 'Young Talent' programme is aimed at **university students who wish to complement** their education with **practical work experience in a corporate environment**. This approach not only benefits participants by providing practical experience and guidance, but also brings value to companies of the Correos Group, by enriching them with new perspectives and knowledge.

More than **1,000** employees joined the **'Click Programme'** to boost their **personal and professional development**



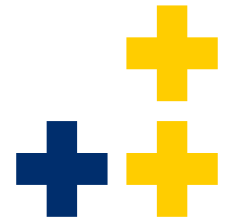
In 2024, more than 70 students joined the programme, thanks to the more than 30 collaboration agreements with different academic and university institutions.

Correos Express and Correos Telecom also have 'Young Talent' programmes, through agreements with universities or vocational training centres (in the case of Correos Express, in the administrative, logistics or commercial post offices), in which around **40 students** took part.

4. The Correos **substitution programme** offers operational professionals the opportunity to **gain experience and knowledge in positions of responsibility** in offices, distribution units and centres. After successfully passing a selection process, these employees receive a specific training programme with theoretical and practical contents in order to be able to fill temporary middle management positions, thus ensure business continuity.

These actions enabled Correos to **once again be recognised as one of the 100 best companies to work for** by university and vocational training students and employees, according to the latest Merco Talento Universitario

and Merco Talento reports. It was also the **seventh most recognised Spanish company** in the InfoJobs Awards and the **first in the freight transport sector**, according to the Randstad and Merco consultancy firms.



Encouraging internal promotion and selection

The Correos Group considers internal promotion as one of the mechanisms for **boosting and using talent**, prioritising the filling of vacant positions with internal candidates who fit the required profile. The Group's companies also have **induction and follow-up programmes** and individual support processes to promote the development and guide the person who joins or changes position within the company.

Besides, Correos continuously **monitors the 'voices of the employees'**, analysing the feedback received through different channels and throughout their life cycle in the company, thus improving their experience and engagement. As of 2024, the candidates who took part in selection processes gave a score of 49 for the quality of the internal processes and 34 for the quality of the external processes, using a Net Promoter Score (ranging from -100 to 100).

In 2024, the following calls were launched to encourage mobility and internal promotion:

- Stabilisation of employment**

In July 2024, the company published a call for a extraordinary selective process for the stabilisation of temporary employment, through the competition system, in accordance with the provisions of Act 20/2021³⁰ for the **reduction of temporary employment in public employment**. The resolution of this call took place in November 2024 and the 91 persons selected took up their posts in December.

- Team leaders**

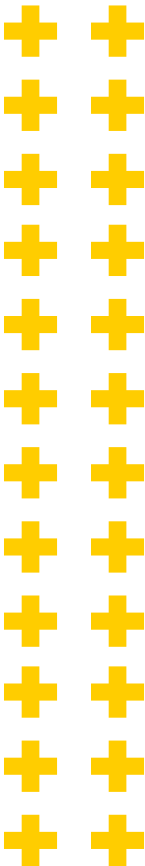
In February 2024, 628 team leader posts (235 in offices, 263 in distribution and 130 in centres), advertised in the previous year, were awarded in February 2024, effective 1 March. With this call, Correos strengthened its operational management structure, while promoting the professional

development of a significant number of employees who were **promoted to positions of greater responsibility**.

- Transfer competition**

The transfer competition is a continuous process that allows to meet the expectations of **functional or geographical mobility** of an important part of the professionals of Correos, both civil servants and permanent employees (including all types of hiring), who apply for basic jobs in the field of offices, distribution and processing centres.

Last year, the deadline for submitting applications for the 2022 transfer competition was extended to allow the 7,757 workers who joined as permanent staff on 23 October 2023 to participate. A total of 8,674 people applied, with allocations expected to be made in 2025.



³⁰ Act 20/2021 of 28 December on urgent measures to reduce the temporary nature of public employment.

Channels of corporate culture

The different internal communication channels are a tool to make employees aware of the corporate goals, values and achievements. The **Correos informa** e-mail box disseminates relevant information, including commercial campaigns, new products and services, agreements with companies, institutions and Administrations, improvements in infrastructures, recognitions, as well as solidarity or sustainable initiatives.

Conecta, the corporate intranet, is the space where information on the company's management, new plans and projects and corporate processes can be consulted and shared. This two-way communication channel allows employees to express their opinions and suggestions through comments on published news items.

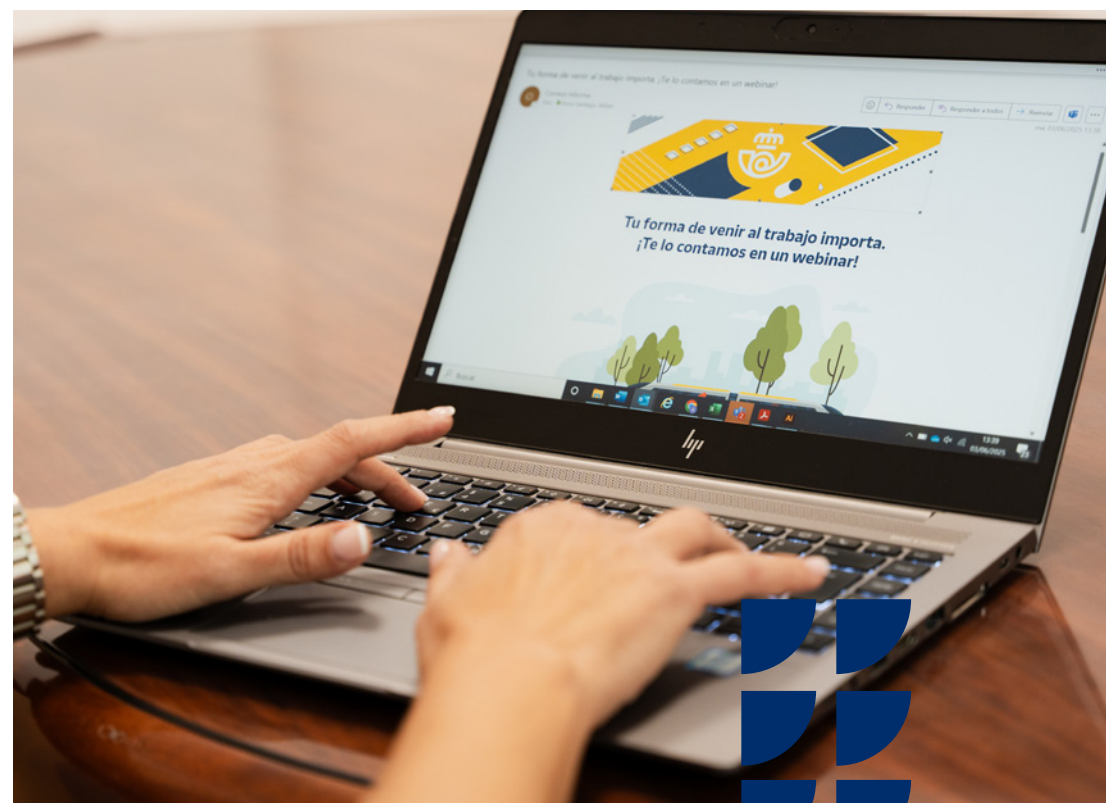
In 2024, the company launched the new monthly corporate newsletter Radar Correos, which offers informative articles on business initiatives and new businesses,

as well as a podcast featuring interviews called 'Territorio Amarillo' (Yellow Territory).

The company has **screens in post offices and centres throughout the country**, displaying videos and images with the most important corporate information. These communications are complemented by the information disseminated via the **notice boards** located in the different work centres.

In addition, there are **participation campaigns** aimed at employees or their families, such as the children's drawing contest or various external events open to employees, or initiatives as the TechKids workshop on technology held in the Correoslabs premises. This last space was also the venue for the first session of the Lions of Change programme, aimed at 50 professionals from all the company's territorial areas and divisions, to promote cultural transformation.

The Group's subsidiaries also have **suggestion boxes** and other communication channels, such as regular meetings with managers, notice boards, personalised letters,



SMS or e-mails. Correos Express and Correos Telecom also have an **employee portal**, where news of interest is published (in addition to being disseminated by e-mail) and contributions and proposals are collected.



Training for new strategic challenges

GRI 3-3, 205-2, 404-1

The Correos Group annual training plan focuses on responding to the strategic needs of the business and the professional development of its personnel. In 2024, the training of Correos professionals aimed at contributing to the strengthening of the public service, diversification and international expansion, applying new digital training methodologies and robotisation in its management.

Last year, **385,893 people attended 456 training actions, amounting to 1.5 million teaching hours**. These figures represent an average of 29 hours received per person. The degree of satisfaction of participants was 8.3 out of 10.

59% percent of the attendees took these courses online, which accounted for 82 percent of the training hours. In 2024, the Virtual Campus, Correos' online training platform, incorporated a new access system and a renewed, more intuitive and accessible design.

Face-to-face training was promoted as the preferred learning methodology in those actions related to the development of personal skills. In addition, the company offers **m-learning training through portable digital devices (PDAs)** used by delivery and treatment centre staff.

In the past year, specific training actions were provided to support citizen services. Thus, he highlighted the continuity of **training on the management of postal voting**, with nearly 13,000 people trained to support care in electoral processes, as well as the programme for staff involved in the activities contemplated in Royal Decree-Law 7/2024³¹, which included the necessary training to attend to the needs of citizens, the management of aid and the emotional care of the company's professionals in emergency situations.

In this line of supporting businesses, a programme on the **safe transport of dangerous goods by air** was deployed, endorsed by the Spanish Aviation Safety Agency (AESA) and received by more than 13,800 professionals in customer service, classification and middle management positions involved in the admission,

handling and storage of shipments. Similarly, training actions were organised in airport security in civil aviation (AVSEC), **airport security** at airports (AVSAF) and operational security, enabling more than 200 employees of international processing centres to be accredited to manage these activities in accordance with the regulations in force.

In the area of **cybersecurity**, courses were given on information security (with more than 25,800 students) or secure e-mail management (Phishing: detection and response). As part of the technology adoption programme, more than 5,000 people participated in training on Microsoft tools and applications. In addition, 100 postal professionals took part in Microsoft's **IMPACTA 365 programme** for public companies, which aims to develop job skills through the use of this application ecosystem.

In relation to **career and development plans for employees in the technology field**, 6 training actions were also carried out, with more than 580 training hours, on the management of IT projects.

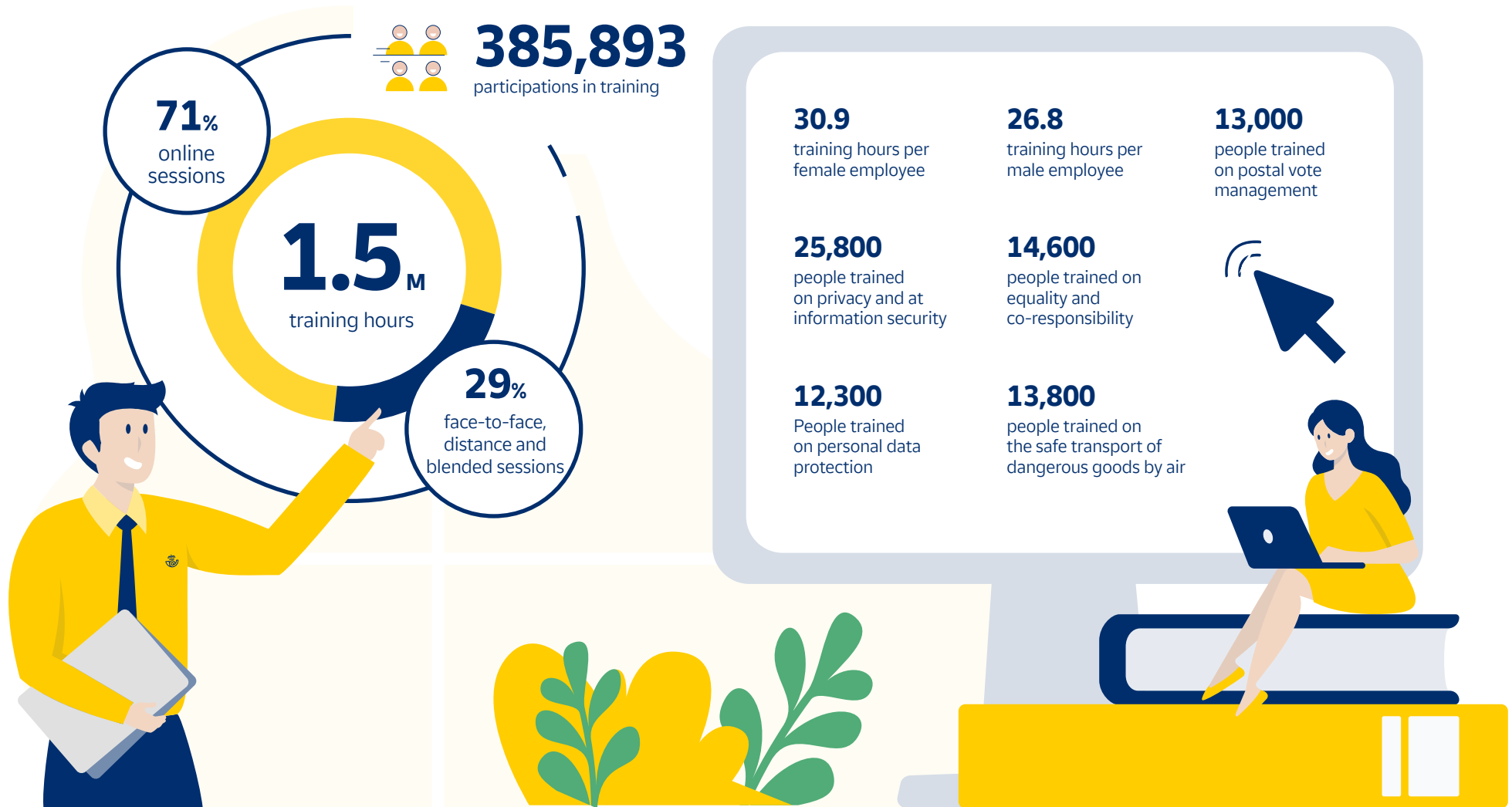
Training related to the employment cycle

included training for participants in the replacement programme for team leader positions in distribution, offices and centres, through theoretical and practical on-the-job content.

12,300 employees were trained in data protection and 25,800 in information security

³¹ Royal Decree-Law 7/2024, of November 11, adopting urgent measures to promote the Immediate Response, Reconstruction, and Relaunch Plan for the damage caused by the Isolated Depression at High Levels (DANA) in various municipalities between October 28 and November 4, 2024.

► Training at Correos ◀



Likewise, the Correos Virtual Campus has a space called the '**Click Community**', aimed at participants in the Click professional development programme, which provides access to different training resources for self-learning. By 2024 it had more than 12,000 subscribers.

Within the framework of the **skills programme**, more than 1,800 people from the technical-administrative structure were trained, combining different modalities, according to the individual and general needs identified by their managers. During the last quarter of the year, a **pilot training action on leadership skills** was also carried out with 56 employees of the centres to reinforce their team management skills.

The **actions open** to all groups, aimed at supporting professional development outside the working day, were attended by nearly 42,600 people, who received more than 309,000 hours of training. Topics covered included 'Responsible and safe driving', 'Sustainability at Correos', 'Equality and co-responsibility' (attended by 14,600 people), 'Correos: Healthy Enterprise' and 'Technologies and Secure Networking'.

In addition, various courses were given to acquire and/or reinforce knowledge of the **Group's regulations and internal policies** on prevention (more than 8,700 attendees), personal data protection (close to 12,300 attendees) or criminal risks (more than 2,700 attendees), as well as training in the use of the new digital system for recording working hours (more than 37,700 attendees).

In addition, more than 2,700 training hours were offered on languages, custom regulations, finance, public procurement regulations and the environment, in online and in-classroom modalities.

In 2024, the Regional Ministry of Economy, Finance and Employment of the Autonomous Community of Madrid granted Correos funding to carry out **specialised training actions for qualification and requalification**, within the framework of the Recovery, Transformation and Resilience Plan, financed by the European Union (**NextGenerationEU Funds**).

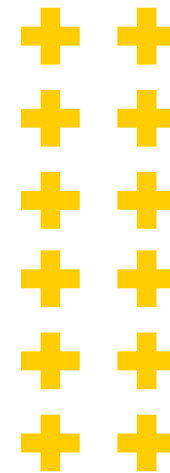
For its part, **Correos Express** provided 344 training actions last year on leadership and team management skills, occupational risk prevention, **cybersecurity**, risk

control and management (COSO), critical infrastructure security, **equality in the workplace, carbon footprint and climate change**, artificial intelligence and innovation, languages or the **ISO standards in which the company is certified**, among other subjects.

In total, 6,825 attendances were recorded, with 31,635 teaching hours, in the different training modalities (distance, online, virtual and face-to-face), representing 4.6 training hours per employee, with a satisfaction index of 95.5 out of 100. In addition, in order to facilitate the adaptation of new recruits to the job, specific training itineraries by profile continued to be offered.

Correos Express Portugal also offered health and safety, security and cyber security, technical and marketing skills or language courses, with 3,449 training hours and 1,699 attendances.

The online and face-to-face training actions carried out by **Correos Telecom**, with 171 attendances and 1,943 hours delivered, addressed topics such as ISO 9001 and 14001 certification systems, public procurement, or digital tools, as well as skills training.



Diverse and inclusive management

GRI 2-23, 2-24, 3-3, 401-2, 405-1

Correos actively promotes an **inclusive work environment** and aims to foster a management model and leadership style among its professionals that favours a plurality of ideas and perspectives. As a public company, it aims to reflect an increasingly diverse, heterogeneous, global and inclusive society, **promoting equal treatment and opportunities** for all people.

From this perspective, the integration of diversity, equality and inclusion in business policies and processes becomes an accelerating lever for change management, necessary for the achievement of a new business model.

The company has a **diversity and inclusion agenda**, which complements the measures contained in the collective bargaining agreement, the General Agreement for civil servants and the Equality II Plan. Through this roadmap, it acts on **five dimensions** (gender,

generational, abilities, cultural and LGBTIQ+ diversity), in turn supported by **seven work axes**.

- **Career advancement**, addressing potential inequalities.
- **Diversity training**. In 2024, information resources related to diversity, inclusion and female empowerment were expanded in the Virtual Campus and the courses 'Conciliation and Co-responsibility' and 'Correos against Gender Violence' were made available to the entire workforce. An **online course on the axes of diversity** was also added to the training itinerary, which was completed by more than 14,600 people.
- **Promoting talent 'without labels'**, through the 'Click' or 'Young talent' programmes.
- Fostering an **inclusive and diverse culture**, based on respect.
- **Promoting sustainability**, as well as the achievement of the
- **Promoting a healthy environment**, committing to becoming a 'healthy company'. As in previous years, the company joined the World Breast Cancer Day with an information and awareness campaign on the importance of early detection. On the occasion of World Cancer Day, an awareness day was also held, organised by the Spanish Association Against Cancer (AECC as per its Spanish acronym).
- **Internal and external communication and awareness-raising** through specific content on the corporate intranet, gender, LGBTIQ+ or cultural inclusive language guides, as well as holding campaigns such as #8Mtodoelaño (#IWDEveryDay), generational diversity, European month of diversity, month of LGBTIQ+ history, rural women, people with disabilities and against violence against women, among others.



► Diversity and inclusion agenda ◀



Communication

Internal and external communication and awareness-raising



Healthy company

Health promotion to become a 'healthy company'



Culture

Creating an inclusive culture



Training

Diversity training throughout the employee's life cycle

Work axes



Talent

Promoting talent 'without labels'



Sustainability

Promoting sustainability, as well as the achievement of the 2030 Agenda, the promotion of women and solutions to the demographic challenge



Professional development

Identifying and addressing potential inequalities



Dimensions



Gender



LGBTIQ+



Cultural



Functional



Generational



The diversity and inclusion agenda is characterised by being **global** (acting on several dimensions), **transversal** (impacting all areas of the company), **social** and **committed to internal and external initiatives** that support these principles. National and international standards and programmes to which the company adheres include:

- **The seven Women's Empowerment Principles (WEPs)**, developed by the United Nations Global Compact in partnership with UN Women. By signing up to them, Correos shows its commitment to the 2030 Agenda to promote equality in the workplace and encourage practices that empower women, including equal pay and career opportunities and zero tolerance of any kind of harassment.
- **The Target Gender Equality accelerator programme**, an initiative of the United Nations Global Compact, which aims to help companies achieve ambitious targets for women's representation and leadership.
- The **Diversity Charter**, a code of 10 principles through which companies and institutions are committed to promoting the principles of equality, diversity and inclusion in the workplace. This initiative is supported by the European Commission.
- The **X Digital Talent project**, in which Correos is part of its advisory board. This is a lifelong learning programme aimed at improving the knowledge and technological skills of people with disabilities, under the coordination of the ONCE Foundation and its associations Inserta Empleo and Inserta Innovación and with the support of the European Social Fund.
- The Generation and Talent Observatory's **Code of Principles on Generational Diversity**, which promotes people management based on equal opportunities and respect for all generations.



- **The United Nations LGBTIQ+ Standards of Conduct of the United Nations.** Correos was one of the first public companies to sign this commitment, an internationally recognised standard, comprised of five principles, on the responsibility of companies in the visibility, respect and non-discrimination of the rights of LGBTIQ+ people in the workplace, the marketplace and the community.
- **The Business Network for LGBTIQ+ Diversity and Inclusion** (REDI, as per its Spanish acronym). The company is committed to its goal of promoting diversity management and inclusion of the LGBTIQ+ community in the workplace.

As a result of the progress made through this diversity and inclusion agenda, Correos received the following **awards** last year:

- The **Diversity Leading Company Seal**, as one of the leading companies in diversity, equity and inclusion, and the **Empowering Women's Talent Seal**, for its commitment to female talent, awarded by the company Equipos&Talento.

- Certifications granted by Intrama: **Best Women Talent Company**, as one of the 30 Spanish companies most committed to the visibility and promotion of women in the company, **Top Diversity Company**, as one of the 50 companies most involved in diversity and inclusion, and **TOP EX COMPANY**, as one of the 30 companies in Spain most committed to the implementation of **employee experience** strategies.
- Secured third place in the Diversity and Inclusion Awards Top no visible Diversity Company Intrama, for its training initiatives in equality, diversity, and inclusion.
- Ranked ninth in the Women Approved Ranking by the Instituto Más Mujeres, that recognizes companies that empower women to achieve their full professional potential through policies focused on equality, leadership programmes, and workplace flexibility.



Equality and prevention of discrimination

With respect to gender equality, in 2024, Correos had **25,919 female employees, representing 54% of its total workforce** (53% in the workforce of the entire Correos Group).

The company's 2nd **Equality Plan** is based on the analysis and negotiation of the **equality diagnosis**, in which various aspects were analysed regarding general employment conditions; selection and recruitment processes; training and professional promotion; sexual harassment and gender-based discriminatory harassment; occupational risk prevention with a gender perspective; as well as working conditions and the co-responsible exercise of the rights of personal, family and working life, among other aspects.

Based on this diagnosis, goals and preferred lines of action were set in each of these areas, involving

process re-engineering, improving communication, awareness-raising and training.

The measures to be developed included, among others, the negotiation for the revision of the **protocol against sexual harassment**, gender-based harassment and moral or workplace harassment at Correos, adjusting it to the newly recognized sexual identities and the latest legal modifications (Royal Decree 1026/2024³² on the development of the obligation to have a planned set of measures and resources to achieve real and effective equality for the LGBTIQ+ community); training and awareness-raising in inclusive communication; the review of the different causes associated with age brackets in selection processes; and the promotion of greater participation of women with disabilities in selection processes.

The **Monitoring Committee for the 2nd Equality Plan**, which is a joint committee with representation from both the company and the employees, is the body

responsible for the monitoring, follow-up and evaluation of the implementation of this Plan.

For its part, the **Correos Express Equality Plan** includes specific lines of action to ensure equal opportunities in the selection, promotion and professional development processes; to offer specific training on equality; to facilitate the reconciliation of work and family life; to offer protection measures for female workers in situations of gender violence; and to adapt internal and external communication to ensure its gender neutrality. Like Correos, the subsidiary has its own Code of prevention and protocol against bullying.

Since 2023, **Correos Telecom** has been subject to regulations regarding the elaboration and implementation of an **Equality Plan**, under negotiation during 2024, together with its own protocol against sexual and gender-based harassment.

Correos Express Portugal, as it is not included in the scope of application of this regulation, does not have specific plans in

place, although it promotes management that fosters equal opportunities.

In addition, the **Correos Group's general Code of Conduct** establishes the company's diversity and inclusion principles to **prevent any type of discrimination** or harassment and to guarantee equal treatment and opportunities, **promoting diversity as a strategic pillar**, as well as **respect for human rights** and fundamental freedoms as a basis for this commitment.

In order to contribute to equal employment opportunity for all, in 2024, the Group's companies integrated **1,179 people with functional diversity** in their workforce collaborating, as a measure contemplated by the regulations³³, with Foundations, Special Employment Centres and Occupational Centres, which promote their full integration into the workplace.

³² Royal Decree 1026/2024, of October 8, which develops the planned set of measures for equality and non-discrimination of LGBTI people in companies.

³³ Royal Legislative Decree 1/2013, of 29 November, approving the Revised Text of the Law on the General Rights of persons with disability and their social inclusion.

Work-life balance

Correos encourages **personal and professional work-life balance** through training and awareness-raising activities, the availability of remote work in those positions that allow it, as well as through measures included in internal regulations. The latter, applicable to all employees, in many cases provide for **improvements with respect to current labour legislation** (extension of breastfeeding leave, reduction of working hours to care for a family member or minor with a serious illness, leave of absence, etc.), and in 2024 the new provisions on leaves set forth in Royal Decree-Law 2/2024³⁴ were incorporated.



In the field of training, the company promotes the use of online methodology and virtual tools for its delivery, which, in addition to access to courses, favours work-life balance.

The company also contemplates specific policies for the assistance and **protection of victims of domestic violence**, favouring swift treatment that guarantees confidentiality, with measures such as reduced working hours and special consideration of the victim's absences, leave of absence due to violence against women or guaranteed job transfers.

It also includes **the risk of sexual violence and harassment in the risk assessments** of jobs, with the aim of guaranteeing and protecting the right to sexual freedom and the eradication of all sexual violence, in compliance with Organic Law 10/2022³⁵. In addition, **the 2nd Correos Equality Plan includes specific measures for victims of gender-based violence**, such as the

application for interest-free advances or loans from the social action plan at any time of the year.

The Company is a **member of the 'Companies for a society free of gender-based violence' initiative**, promoted by the Government Delegation against Gender-Based Violence. On the occasion of the International Day for the Eradication of Violence against Women, Correos contributes to raising social awareness with informative campaigns on how to detect gender-based violence and the victim support measures that the company offers its professionals. The 'Correos is here to help you' guide and a leaflet summarising the essential information for requesting support and assistance are available on the corporate intranet, as well as a training resource on this subject on the Virtual Campus.

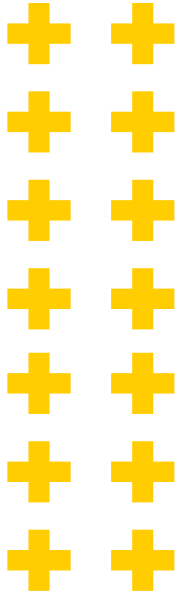


³⁴ Royal Decree-Law 2/2024, of May 21, adopting urgent measures to simplify and improve the level of assistance for unemployment benefits and to complete the transposition of Directive (EU) 2019/1158 of the European Parliament and of the Council of June 20, 2019, on the reconciliation of work and family life for parents and carers, and repealing Council Directive 2010/18/EU.

³⁵ Organic Law 10/2022, of September 6, on the comprehensive guarantee of sexual freedom.

Social benefits for employees

In December 2024, the Correos Group made available to all its professionals a platform called **Benefits360**, which offers more than 20 types of **tax benefits, discounts and wellness programmes** in four categories:



1 Social action

The purpose of these fundings is to meet the different needs of workers and their families in terms of health treatment, children's education, books and school materials or care for children with disabilities. Employees, either fixed or temporary and depending on their seniority, also benefits from university study or death grants (already included in the MUFACE grants for civil servants). In addition, employees with a permanent employment relationship have the possibility to apply for interest-free loans. As part of the 2024 call for social action, Correos awarded **14,074 grants** and **Correos Express** another **41**.



2 Financial well-being

Life and accident insurance policies are offered at advantageous conditions, as well as pension plans, salary advances, exclusive discounts and special promotions on leisure, culture, health, sports equipment and consumer goods.



3 Physical and emotional well-being

In order to provide comprehensive health care, early detection campaigns for colon and prostate cancer are offered, as well as an emotional support programme.



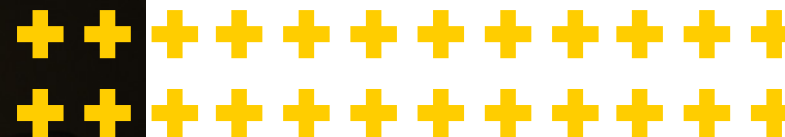
4 Tax benefit

The platform includes a new voluntary flexible remuneration and tax benefits plan, whereby each professional can design the composition of their remuneration package to suit his or her personal needs. Some of the concepts included are the possibility of taking out health insurance, to which will be added from 2025 onwards a childcare or nursery school service and a public transport card subscription. Non-fiscal benefits are also provided for civil servants.



In its first months of operation, more than 5,200 people showed interest in accessing these benefits and more than 1,300 employees took out health insurance.

Correos and Correos Telecom have a **pension plan** for their employees. However, since 2012, in compliance with Royal Decree-Law 20/2011³⁶, no contributions have been made to this plan, although employees may make them voluntarily. The Group's other subsidiaries do not have pension plans.



The new platform **Benefits 360** allows access to **well-being programs, tax benefits, and various discounts.**

³⁶ Royal Decree-Law 20/2011, of 30 December, on urgent budgetary, tax and financial measures to correct the public deficit.

Safe and healthy working environment

GRI 2-8, 2-25, 3-3, 403-1, 403-2, 403-5, 403-6

Correos has an **Occupational Health and Safety Policy**, approved at the highest corporate level and available on the corporate intranet, which reflects its commitment to the well-being of its workers, promoting actions that foster a culture of health.

The protection and promotion of the health of the company's employees is a transversal and priority goal, which is materialised in the development of effective strategies that aim to integrate prevention at all hierarchical levels. In this way, the aim is not only to comply with occupational risk prevention regulations, but also to ensure the well-being and health of the people who form part of the company.

For 25 years, Correos has had its **own occupational risk prevention service** (for the four specialities of safety at work, industrial hygiene, ergonomics and applied psychosociology and occupational medicine), distributed throughout the country, to identify any risk situation that



could affect the health and safety of workers and customers.

The company annually sets a goal at strategic level for reducing medical absenteeism and also sets annual targets for accidents and prevention, in accordance with the prevention plan procedure.

Within the framework of the **'Healthy Company' project**, which promotes

habits aimed at improving the health of professionals from a multidisciplinary approach, encompassing both physical and emotional well-being, the following actions were carried out last year:

- **Collaboration with universities** for training internships in Correos intended to healthcare professionals specialised in occupational medicine.
- **Training and awareness-raising**, through the open call course **'Correos: Healthy Company'**, which informed about techniques to improve physical, mental and emotional well-being, as well as healthy habits. Last year, 8,648 people were trained, with a total of 86,480 hours of training.

- The **'Correos against brain strokes' project**, promoted together with the Funda-ción Freno al Ictus. As a continuation of the cardiovascular and cerebrovascular risk awareness campaigns launched in 2023, the **Rampa 7** centre **also received the 'Protected Brains' certificate**, reinforcing Correos' commitment to the health of its employees and the prevention of this serious condition. This training will gradually be extended to other workplaces.

In addition, Correos joined in the celebration of different World Days with the aim of inform-ing and **raising awareness of the importance of prevention** in conditions such as cancer. In addition, **workshops and talks** were organised and infographics, documents and videos with recommendations were made available to all professionals on the corporate intranet on the occasion of World Sleep Day, World Health Day, Occupational Safety and Health Week, World First Aid Day and World Mental Health Day, among others.

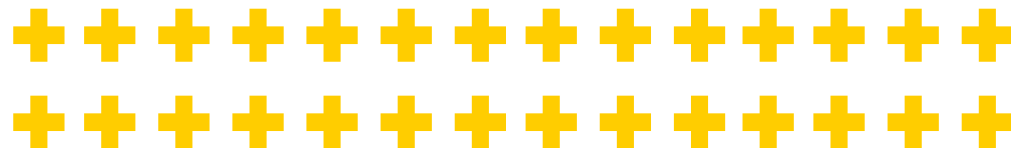
Occupational health and safety certifications

Correos Group companies have an internally and externally audited **occupational risk prevention management system**.

In addition, Correos has the **Healthy Company certification**, which is renewed every two years, obtaining a score of 93.3% in its latest review.

Correos Express obtained ISO 45001:2018 certification for its occupational health and safety management system at its post offices in Getafe, Benavente, Seville and at its headquarters in Madrid.

These certifications demonstrate the commitment of the Group companies to actively and continuously improve the comprehensive health of their employees and to create a safe working environment.



Correos Express obtained the ISO 45001:2018 certification for its occupational health and safety management system

Efficient preventive management

In the area of **health and safety**, over the past year Correos, developed, among others, the following actions:

1. Health monitoring

- The annual **health monitoring plan** offers medical check-ups to all company employees, including, on a voluntary basis, an early detection test for prostate cancer for all men over 45 years of age and an early detection test for colon cancer for those over 50 years of age or with a personal or family history of this condition. In 2024, 16,431 **medical examinations** were carried out, adapted to different positions and personal circumstances.
- The annual **flu vaccination** campaign, especially aimed at vulnerable groups, in which 1,403 flu vaccines were administered.
- The **reorganisation of the health surveillance structure**, with the creation of territorial health surveillance coordinators, in order to homogenise processes and improve management.

2. Assessment and information on occupational risks and preventive measures

- **Training** 20,482 people in **occupational risk prevention**, with **149,635 teaching hours**. This included the training of over 2,821 middle managers and 24 members of provincial health and safety committees at the basic level of health and safety. A course on healthy lifestyle habits was also offered and the 'How much do you know about H&S?' competition was held, in which more than 1,200 employees took part.
- The delivery of 85,569 **health and safety sheets** to 31,284 employees, including specific information broken down by job and work centre on risks, preventive measures and protocols for emergency situations.
- The dissemination of **preventive recommendations** on specific risks related to **screens in workplaces**.
- **Risk assessment** in 442 centres, as well as 214 psychosocial risk assessments, 25 ergonomics assessments, 409 emergency plans

and 324 specific studies. Aspects relating to occupational risk prevention were also verified in 694 internal audits.

- The **assessment**, according to **occupational safety criteria**, of various **prototypes or pilot tests** (such as electric cargo tricycles, a new stamp cancelling machine or the provision of the new Correos XL service).

3. The implementation and review of prevention and security protocols

- The application of the **protocol for action in the event of adverse weather conditions, which includes extraordinary organisational measures** in those geographical areas and on days when orange or red weather alerts are registered, **and the dissemination of awareness campaigns** to try to minimise accidents due to extreme weather conditions (heat, cold, rain, snow, wind, etc.).

- The **updating of some protocols** such as the procedure for managing PPE, for pregnant workers, for work in confined spaces, for action in the event of dog attacks or in the event of serious and imminent risk.



4. Management and prevention of medical absenteeism

- Launching the **2024 Focus Units programme**, at special monitoring of units with higher rates of medical leave.

In recent years, it has become more important to take care of people's psychological conditions in order to maintain and improve their well-being at work. Correos recognises the importance of employees' **mental health** as a vital aspect of a happy, healthy and fulfilled life.

Since 2022, the company has offered an **Emotional Support Programme**, providing psychological support to all company employees. In 2024, in addition to telephone and telematic sessions, free and confidential face-to-face sessions with mental health professionals were added.

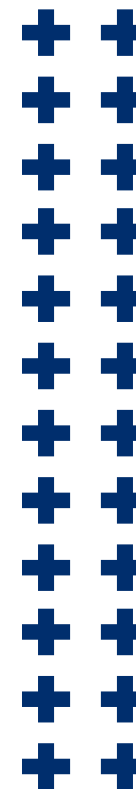


As the main causes of accidents in Correos are falling at same level, traffic accidents and overexertion, directly related to the activity of sorting and delivery professionals on foot or by vehicle, the company regularly provides **training in road safety**, in **risk prevention for delivery** specifically for distribution by **motorbike**, as well as in manual or mechanical **load handling**.

In addition, since 2024 the company has been working on the implementation of a **Road Safety Management Plan**, based on the requirements of the UNE-ISO 39001 standard: 2013 Road safety management system. Its goals include the reduction of road accidents occurring while commuting or on a mission, and their consequences, as well as the minimisation of road risks. For the implementation of this system, which is planned for 2025, measures such as the definition of a road safety policy and the creation of a road safety committee are envisaged.

Last year Correos received the following awards for its work in occupational risk prevention:

- **TOP WELLBEING COMPANY** certification, placing it among the top forty companies with the best corporate well-being and occupational health practices.
- **ImPULSO Cardiovascular Health Award** from the Spanish Heart Foundation, in the Public Entity category, for its proactive efforts in preventing cardiovascular diseases and improving health outcomes for any employees affected.
- **Ágora Bienestar Award** in the 'Company committed to wellbeing, large company' category, recognising its innovation in workplace well-being.
- Recognition as a finalist in the PREVENCIÓN AWARDS, in the categories 'large company of the year' and **'best healthy company'**.



► Correos healthy company ◀

Workplace risk prevention

- Review and update of prevention plan procedures
- Own prevention service with 4 specialities

Safety, hygiene, ergonomics and applied psychosociology

- Occupational risk assessments
- Emergency plans
- Training, communication and awareness-raising
- Road safety plan
- Preventive measures against adverse weather conditions

Health monitoring

- Periodic medical check-ups
- Health care and first aid
- Re-training for vulnerable and pregnant workers



Physical well-being

- Annual flu vaccination campaign
- Healthy eating
- Physical activity and postural hygiene
- Management of temporary incapacity
- Women's health: breast cancer prevention
- Installation of defibrillators



Emotional well-being

- Positive attitude
- Self-knowledge
- Positive change management
- Managing emotions


214

psychosocial risk assessments

409

emergency plans

324

specific risk studies (noise, ergonomics, work equipment, ATEX)

16,431

preventive medical check-ups carried out

442

sites where risk assessments were carried out

149,635

training hours in prevention

85,569

health and safety data sheets submitted, including risks by job and work centre



Psychological support service



Fundación Freno al Ictus 'brain-protected space' certification



The Group's **subsidiaries** have **occupational risk prevention systems**, the management of which is integrated at all organisational levels. **Correos Express has its own prevention service** for occupational safety, industrial hygiene and ergonomics-psychosociology. In the case of occupational medicine, it relies on an external prevention service, as does Correos Express Portugal Correos Telecom for all specialities.

In terms of occupational risk prevention training, last year **Correos Express** taught courses on subjects such as fire extinction and first aid, ergonomic handling of goods, emergency response guidelines and the use of defibrillators and CPRs, with a total of 1,428 teaching hours and 455 people trained. It also provided 383 health and safety information sheets to its professionals, carried out 924 medical check-ups, conducted risk assessments in 12 centres and carried out specific studies on lighting and thermo-hygrometric conditions. It also launched a tool for employees to report risk situations confidentially, which was implemented in addition to the notification channel to the prevention delegates.

In the case of **Correos Telecom**, its occupational risk prevention plan extends to its suppliers, **maintaining a zero workplace accident rate in recent years**. This subsidiary carried out voluntary medical check-ups for its professionals, which it complemented with training in occupational risk prevention and regular information on healthy habits, as well as auditing the equipment and tools used by professionals who carry out telecommunications infrastructure maintenance tasks in order to guarantee their safety.

Risk prevention for workers and supplier workers

With the aim of developing the **Coordination of Business Activities (CAE)** in terms of accident prevention and employees health protection, both our own and those of collaborating companies, the Group's companies have specific procedures (Correos Express updated its own in 2024) and computer applications for the document management and control of compliance with this coordination.

These procedures set out which documents can be accessed through the tool, and are available to contractors and subcontractors, structured according to the type of commercial or business relationship being maintained.

The subsidiary **Correos Telecom** also has a zero accident programme for all subcontracting companies, as part of the procedure in which all documents requested from these companies in terms of health and safety are verified.

Labour indicators

GRI 2-7, 2-21, 401-2, 401-3, 403-9, 403-10, 404-1, 405-1, 405-2

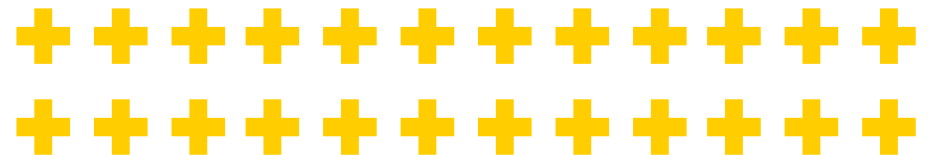
| | Correos | | Correos Express | | Correos Express Portugal | | Correos Telecom | |
|--|---------|--------|-----------------|-------|--------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Staff by gender | | | | | | | | |
| Women | 25,919 | 25,725 | 612 | 600 | 55 | 53 | 14 | 13 |
| Men | 22,284 | 22,368 | 1,231 | 1,300 | 126 | 124 | 38 | 37 |
| Staff by age | | | | | | | | |
| Up to 35 | 4,537 | 4,805 | 431 | 509 | 60 | 59 | 8 | 7 |
| 36 to 45 | 11,630 | 11,663 | 470 | 490 | 56 | 53 | 16 | 15 |
| 46 to 60 | 26,898 | 27,087 | 817 | 804 | 61 | 60 | 25 | 26 |
| More than 61 | 5,138 | 4,539 | 125 | 98 | 3 | 5 | 3 | 1 |
| Staff by nationality | | | | | | | | |
| Spanish | 47,992 | 47,888 | 1,711 | 1,700 | 157 | 156 | 50 | 48 |
| Other nationalities | 211 | 206 | 131 | 201 | 24 | 21 | 2 | 2 |
| Staff by professional category¹ | | | | | | | | |
| Management and staff not covered by the collective agreement | 156 | 160 | 21 | 20 | 4 | 4 | 1 | 1 |
| Senior technical staff and managers | 553 | 526 | 21 | 20 | 43 | 42 | 5 | 5 |
| Mid-level technical and managerial staff | 810 | 799 | 529 | 501 | 70 | 66 | 45 | 43 |
| Middle management | 5,923 | 5,685 | 225 | 213 | - | - | - | - |
| Operational staff | 40,721 | 40,877 | 1,040 | 1,142 | 64 | 65 | 1 | 2 |
| General services staff | 40 | 47 | 8 | 5 | - | - | - | - |

The sums of the employment figures are in some cases altered by decimals.

¹ In Correos Express Portugal the category Senior technical staff and managers includes middle managers.

| | Correos | | Correos Express | | Correos Express Portugal | | Correos Telecom | |
|--|---------|--------|-----------------|-------|--------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Staff by type of contract and gender | | | | | | | | |
| Fixed staff | | | | | | | | |
| Women | 21,305 | 19,385 | 559 | 507 | 55 | 53 | 14 | 13 |
| Men | 18,355 | 16,736 | 1,108 | 1,054 | 126 | 124 | 38 | 35 |
| Temporary staff | | | | | | | | |
| Women | 4,614 | 6,341 | 53 | 93 | 0 | 0 | 0 | 0 |
| Men | 3,929 | 5,633 | 123 | 246 | 0 | 0 | 0 | 1 |
| Staff by type of working hours day and gender | | | | | | | | |
| Full time | | | | | | | | |
| Women | 23,770 | 23,420 | 479 | 514 | 55 | 53 | 14 | 13 |
| Men | 21,153 | 20,995 | 1,055 | 1,131 | 117 | 115 | 38 | 37 |
| Part-time | | | | | | | | |
| Women | 2,149 | 2,306 | 134 | 86 | 0 | 0 | 0 | 0 |
| Men | 1,131 | 1,373 | 176 | 170 | 10 | 9 | 0 | 0 |

The sums of the employment figures are in some cases altered by decimals.



| | Correos | | Correos Express | | Correos Express Portugal | | Correos Telecom | |
|---|---------|--------|-----------------|------|--------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Staff by type of contract and age | | | | | | | | |
| Fixed staff | | | | | | | | |
| Up to 35 | 2,609 | 2,102 | 338 | 318 | 60 | 59 | 8 | 6 |
| 36 to 45 | 9,465 | 8,233 | 432 | 411 | 56 | 53 | 16 | 15 |
| 46 to 60 | 23,196 | 21,931 | 774 | 737 | 61 | 60 | 25 | 26 |
| More than 61 | 4,391 | 3,854 | 122 | 94 | 3 | 5 | 3 | 1 |
| Temporary staff | | | | | | | | |
| Up to 35 | 1,929 | 2,704 | 93 | 190 | 0 | 0 | 0 | 1 |
| 36 to 45 | 2,165 | 3,429 | 38 | 79 | 0 | 0 | 0 | 0 |
| 46 to 60 | 3,702 | 5,156 | 44 | 67 | 0 | 0 | 0 | 0 |
| More than 61 | 747 | 685 | 2 | 4 | 0 | 0 | 0 | 0 |
| Staff by type of working hours and age | | | | | | | | |
| Full time | | | | | | | | |
| Up to 35 | 3,835 | 3,955 | 310 | 385 | 55 | 55 | 8 | 7 |
| 36 to 45 | 10,668 | 10,557 | 387 | 430 | 54 | 51 | 16 | 15 |
| 46 to 60 | 25,486 | 25,558 | 725 | 739 | 58 | 57 | 25 | 26 |
| More than 61 | 4,935 | 4,346 | 112 | 90 | 3 | 5 | 3 | 1 |
| Part-time | | | | | | | | |
| Up to 35 | 703 | 851 | 121 | 124 | 5 | 4 | 0 | 0 |
| 36 to 45 | 962 | 1,106 | 83 | 59 | 2 | 1 | 0 | 0 |
| 46 to 60 | 1,412 | 1,529 | 93 | 64 | 3 | 3 | 0 | 0 |
| More than 61 | 203 | 193 | 12 | 8 | 0 | 0 | 0 | 0 |

The sums of the employment figures are in some cases altered by decimals.

| | Correos | | Correos Express | | Correos Express Portugal ¹ | | Correos Telecom | |
|---|---------|--------|-----------------|------|---------------------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Staff by type of contract and professional category | | | | | | | | |
| Fixed staff | | | | | | | | |
| Management and staff not covered by the collective agree-ment | 155 | 158 | 21 | 20 | 4 | 4 | 1 | 1 |
| Senior technical staff and managers | 550 | 523 | 20 | 17 | 43 | 42 | 5 | 5 |
| Mid-level technical and managerial staff | 792 | 779 | 504 | 464 | 70 | 66 | 45 | 41 |
| Middle management | 5,891 | 5,655 | 219 | 202 | - | - | - | - |
| Operational staff | 32,250 | 28,977 | 894 | 852 | 64 | 65 | 1 | 2 |
| General services staff | 23 | 29 | 8 | 5 | - | - | - | - |
| Temporary staff | | | | | | | | |
| Management and staff not covered by the collective agree-ment | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior technical staff and managers | 3 | 4 | 1 | 2 | 0 | 0 | 0 | 0 |
| Mid-level technical and managerial staff | 18 | 20 | 25 | 37 | 0 | 0 | 0 | 1 |
| Middle management | 33 | 30 | 6 | 11 | - | - | 0 | - |
| Operational staff | 8,470 | 11,900 | 145 | 290 | 0 | 0 | 0 | 0 |
| General services staff | 17 | 18 | 0 | 0 | - | - | 0 | - |
| Staff by type of working hours and professional category | | | | | | | | |
| Full time | | | | | | | | |
| Management and staff not covered by the collective agree-ment | 156 | 159 | 21 | 20 | 4 | 4 | 1 | 1 |
| Senior technical staff and managers | 552 | 525 | 21 | 19 | 43 | 42 | 5 | 5 |
| Mid-level technical and managerial staff | 810 | 798 | 455 | 474 | 70 | 66 | 45 | 43 |
| Middle management | 5,921 | 5,684 | 219 | 210 | - | - | - | - |

| | Correos | | Correos Express | | Correos Express Portugal ¹ | | Correos Telecom | |
|---|---------|--------|-----------------|------|---------------------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Operational staff | 37,455 | 37,214 | 811 | 915 | 54 | 56 | 1 | 2 |
| General services staff | 30 | 35 | 7 | 5 | - | - | - | - |
| Part-time | | | | | | | | |
| Management and staff not covered by the collective agree-ment | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior technical staff and managers | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mid-level technical and managerial staff | 0 | 1 | 74 | 26 | 0 | 0 | 0 | 0 |
| Middle management | 2 | 1 | 6 | 2 | - | - | - | - |
| Operational staff | 3,266 | 3,663 | 228 | 226 | 10 | 9 | 0 | 0 |
| General services staff | 10 | 12 | 1 | 0 | - | - | - | - |

The sums of the employment figures are in some cases altered by decimals.

¹ In the case of Correos Express Portugal the category Senior technical staff and managers includes middle managers.



| | Correos | | Correos Express | | Correos Express Portugal ² | | Correos Telecom | |
|--|---------|------|-----------------|-------|---------------------------------------|-------|-----------------|-------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Dismissals by gender (%)¹ | | | | | | | | |
| Women | 0.07 | 0.04 | 0.98 | 0.83 | 30.56 | 12.12 | 0.00 | 0.00 |
| Men | 0.22 | 0.19 | 2.76 | 2.31 | 19.30 | 19.25 | 0.00 | 5.48 |
| Dismissals by age (%) | | | | | | | | |
| Up to 35 | 0.22 | 0.10 | 3.46 | 3.54 | 15.22 | 23.26 | 0.00 | 27.75 |
| 36 to 45 | 0.13 | 0.15 | 2.53 | 1.43 | 13.51 | 18.46 | 0.00 | 0.00 |
| 46 to 60 | 0.14 | 0.10 | 1.59 | 1.12 | 41.67 | 7.04 | 0.00 | 0.00 |
| More than 61 | 0.04 | 0.09 | 0.00 | 1.02 | 25.00 | 33.33 | 0.00 | 0.00 |
| Dismissals by professional category (%) | | | | | | | | |
| Management and staff not covered by the collective agreement | 5.75 | 1.25 | 17.17 | 9.81 | 20.00 | 33.33 | 0.00 | 0.00 |
| Senior technical staff and managers | 1.08 | 0.00 | 4.10 | 10.22 | 18.52 | 14.29 | 0.00 | 0.00 |
| Mid-level technical and managerial staff | 0.12 | 0.25 | 1.32 | 0.40 | 20.65 | 11.11 | 0.00 | 4.69 |
| Middle management | 0.15 | 0.07 | 0.86 | 0.94 | - | - | - | - |
| Operational staff | 0.10 | 0.11 | 2.69 | 2.36 | 23.15 | 22.83 | 0.00 | 0.00 |
| General services staff | 0.00 | 0.00 | 0.00 | 0.00 | - | - | - | - |

¹ Dismissals = number of dismissals of (women, men) / total number of members of the corresponding group (women, men).

² In Correos Express Portugal the category Senior technical staff and managers includes middle managers

| Correos | 2024 | | | 2023 | | |
|--|---------|---------|--------------------|---------|---------|--------------------|
| Average remuneration by occupational category and gender (euros) ^{1, 2} | | | | | | |
| Staff | Men | Women | Gender pay gap (%) | Men | Women | Gender pay gap (%) |
| Management | 161,466 | 140,802 | 13 | 153,065 | 139,442 | 9 |
| Deputy Manager | 105,742 | 101,449 | 4 | 91,983 | 92,541 | -1 |
| Unit Manager | 83,768 | - | -1 | 81,960 | - | - |
| Management | 88,092 | 85,630 | 3 | 81,913 | 81,513 | 0 |
| Area Manager | 67,724 | 67,347 | 1 | 62,929 | 63,015 | 0 |
| Senior Technician 1 | 58,099 | 54,561 | 6 | 53,983 | 52,806 | 2 |
| Senior Technician 2 | 53,347 | 50,946 | 5 | 47,904 | 46,535 | 3 |
| Senior Technician 3 | 48,121 | 48,666 | -1 | 45,152 | 43,808 | 3 |
| Senior Technician 4 | 41,447 | 40,942 | 1 | 37,213 | 34,056 | 8 |
| Medium Technician 1 | 45,456 | 46,942 | -3 | 44,727 | 45,521 | -2 |
| Medium Technician 2 | 41,292 | 40,757 | 1 | 36,673 | 30,763 | 16 |
| Medium Technician 3 | 38,338 | 37,585 | 2 | 33,223 | 36,098 | -9 |
| Medium Technician 4 | 35,552 | 34,967 | 2 | 32,467 | 30,494 | 6 |
| Head of Network Sector 1 | 0 | 0 | - | 0 | 0 | - |
| Head of Network Sector 2 | 0 | 0 | - | 0 | 0 | - |
| Head of Network Sector 3 | 0 | 0 | - | 0 | 0 | - |
| Head of Network Sector 4 | 39,244 | 40,243 | 3 | 38,329 | 38,902 | -1 |
| Corporate Support Officer 1 | 0 | 0 | - | 0 | 0 | - |
| Corporate Support Officer 2 | 56,525 | 0 | 15 | 48,087 | 0 | - |
| Corporate Support Officer 3 | 43,915 | 45,638 | -4 | 42,015 | 42,481 | -1 |

Continue >

| Correos | 2024 | | | 2023 | | |
|--|--------|--------|-----|--------|--------|-----|
| Corporate Support Officer 4 | 0 | - | - | - | 31,448 | 26 |
| Corporate Support Officer 5 | 37,483 | 0 | - | 39,616 | 0 | - |
| Sales Coordinator 1 | 0 | 0 | - | 0 | 0 | - |
| Sales Coordinator 2 | 47,894 | 47,453 | 1 | 42,458 | 42,077 | 1 |
| Sales Coordinator 3 | 46,319 | 47,135 | -2 | 45,997 | 41,427 | 10 |
| Sales Coordinator 4 | 40,901 | - | -17 | 36,014 | - | -23 |
| Head of Sector Dis-tribution/Centres 1 | 38,733 | 38,911 | 0 | 0 | 0 | - |
| Head of Sector Dis-tribution/Centres 2 | 47,673 | - | -14 | 45,790 | 51,858 | -13 |
| Head of Sector Dis-tribution/Centres 3 | 43,382 | 46,160 | -6 | 46,704 | 38,359 | 18 |
| Head of Sector Dis-tribution/Centres 4 | 43,008 | 44,338 | -3 | 41,917 | 42,181 | -1 |
| Head of Sector Dis-tribution/Centres 5 | 40,887 | 40,701 | 0 | 39,685 | 37,479 | 6 |
| Head of Administra-tive Unit 1 | 36,235 | 34,966 | 4 | 28,524 | 32,068 | -12 |
| Head of Administra-tive Unit 2 | 33,307 | 36,300 | -9 | 32,194 | 32,092 | 0 |
| Head of Administra-tive Unit 3 | 33,553 | 34,836 | -4 | 32,283 | 31,346 | 3 |
| Head of Administra-tive Unit 4 | 34,368 | 32,385 | 6 | 28,993 | 31,105 | -7 |
| Head of Administra-tive Unit 5 | 0 | - | - | 0 | - | - |
| Sales Management 1 | 0 | - | - | - | 40,406 | 10 |
| Sales Management 2 | 0 | 0 | - | 0 | 0 | - |
| Sales Management 3 | 36,399 | 36,592 | -1 | 33,661 | 33,292 | 1 |
| Deputy Office Man-ager 1 | 40,771 | 42,303 | -4 | 41,133 | 42,243 | -3 |
| Deputy Office Man-ager 2 | 39,528 | 43,489 | -10 | 36,615 | 36,784 | 0 |
| Deputy Office Man-ager 3 | 35,719 | 34,892 | 2 | 32,826 | 32,441 | 1 |
| Deputy Office Man-ager 4 | 32,759 | 32,342 | 1 | 30,742 | 30,483 | 1 |

Continue >

| Correos | 2024 | | | 2023 | | |
|-------------------------------------|--------|--------|----|--------|--------|-----|
| Deputy Office Man-ager 5 | 31,730 | 31,419 | 1 | 30,040 | 29,348 | 2 |
| Deputy Office Man-ager 6 | 29,897 | 29,507 | 1 | 28,078 | 27,450 | 2 |
| Banking Manage-ment 1 | 0 | 0 | - | 0 | 0 | - |
| Banking Manage-ment 2 | 0 | 0 | - | 0 | 0 | - |
| Head of Distribution Unit/Centres 1 | 0 | 0 | - | 35,465 | 36,854 | -4 |
| Head of Distribution Unit/Centres 2 | 35,865 | 35,974 | 0 | 35,405 | 32,974 | 7 |
| Head of Distribution Unit/Centres 3 | 33,472 | 33,564 | 0 | 31,760 | 31,698 | 0 |
| Head of Distribution Unit/Centres 4 | 33,493 | 32,943 | 2 | 30,735 | 30,774 | 0 |
| Head of Distribution Unit/Centres 5 | 0 | 0 | - | 0 | 0 | - |
| Team Leader 1 | 31,509 | 0 | - | 25,125 | 21,808 | 13 |
| Team Leader 2 | 29,106 | 29,523 | -1 | 26,992 | 26,704 | 1 |
| Team Leader 3 | 0 | 0 | - | 0 | 0 | - |
| Corporate Support Manager 1 | 30,536 | 29,175 | 4 | 26,430 | 28,418 | -8 |
| Corporate Support Manager 2 | 32,630 | 31,694 | 3 | 26,477 | 27,249 | -3 |
| Corporate Support Manager 3 | 26,509 | 26,441 | 0 | 26,143 | 25,191 | 4 |
| Customer Service 1 | 0 | 0 | - | 0 | 0 | - |
| Customer Service 2 | 24,411 | 24,908 | -2 | 11,393 | 13,122 | -15 |
| Administration 1 | 0 | 0 | - | 0 | 0 | - |
| Administration 2 | 23,585 | 24,735 | -5 | 23,752 | 22,858 | 4 |
| Cast 1 | 24,719 | 25,482 | -3 | 16,297 | 16,160 | 1 |
| Cast 2 | 23,243 | 23,812 | -2 | 16,020 | 17,363 | -8 |
| Agent/classification 1 | 24,487 | 22,315 | 9 | 11,389 | 10,639 | 7 |
| Agent/classification 2 | 22,678 | 22,631 | 0 | 10,775 | 12,267 | -14 |

Continúa >

| Correos | 2024 | | | 2023 | | |
|---|--------|--------|-----|--------|--------|-----|
| Labourer | 21,512 | - | 6 | - | - | 1 |
| Cleaner | 0 | 21,527 | - | 0 | 15,818 | - |
| Nexea Correos Staff | | | | | | |
| Project Manager | 46,142 | 0 | - | 44,169 | 0 | - |
| Technical analyst manager and project manager | 39,399 | - | 17 | 35,561 | - | 10 |
| Qualified technician | 28,923 | 29,426 | -2 | 27,770 | 28,231 | -2 |
| Specialist technician | - | 0 | - | - | - | 12 |
| Technical assistant | - | 19,741 | -5 | - | 19,758 | -5 |
| Head of administra-tion | 0 | - | - | 0 | - | - |
| Qualified administra-tion officer | 0 | 30,127 | - | 0 | 28,285 | - |
| Specialist admin-istration officer | - | 28,258 | -33 | - | 28,372 | -32 |
| Administrative assis-tant | 0 | 26,415 | - | 0 | 26,467 | - |
| Commercial manager | - | - | - | - | 0 | - |
| Commercial | - | - | - | 0 | - | - |
| Warehouse manager | - | 0 | - | - | 0 | - |
| Warehouse staff | - | 0 | - | - | 0 | - |
| Forklift Operator | 18,832 | 0 | - | 15,899 | 0 | - |
| Workshop Assistant | 0 | - | - | - | 16,689 | -29 |
| Team Leader | 36,426 | 0 | - | 34,116 | 0 | - |
| Qualified digital printing officer | 27,136 | 0 | - | 24,439 | 0 | - |
| Digital Printing Of-ficer | 20,398 | 19,825 | 3 | 17,373 | 16,910 | 3 |
| Specialist digital printing officer | 0 | 0 | - | 22,533 | 22,965 | -2 |
| Address | 71,999 | - | -4 | 69,242 | - | -3 |

| Correos | 2024 | | | 2023 | | |
|--|---------|--------|--------------------|--------|--------|--------------------|
| Average remuneration by occupational category and gender (euros) ^{1, 2} | | | | | | |
| Civil servants | Men | Women | Gender pay gap (%) | Men | Women | Gender pay gap (%) |
| Deputy Director | 102,424 | - | 4 | 91,747 | 0 | - |
| Management | - | - | -7 | 0 | 0 | - |
| Area Manager | 74,665 | 74,617 | 0 | 70,427 | 74,426 | -6 |
| Senior Technician 1 | 65,808 | 59,796 | 9 | 69,388 | 57,380 | 17 |
| Senior Technician 2 | 58,367 | 51,670 | 11 | 55,583 | 45,196 | 19 |
| Senior Technician 3 | 52,087 | 51,535 | 1 | 45,101 | 49,740 | -10 |
| Senior Technician 4 | 56,839 | 48,182 | 15 | 52,092 | 42,974 | 18 |
| Medium Technician 1 | 50,066 | 0 | - | 48,493 | 0 | - |
| Medium Technician 2 | 44,018 | 0 | - | 40,705 | 0 | - |
| Medium Technician 3 | 42,021 | 42,039 | 0 | 37,635 | 40,849 | -9 |
| Medium Technician 4 | 39,650 | 39,642 | 0 | 36,685 | 33,614 | 8 |
| Head of Network Sector 1 | 0 | 0 | - | 0 | 0 | - |
| Head of Network Sector 2 | 0 | 0 | - | - | 0 | - |
| Head of Network Sector 3 | 50,435 | 0 | - | 49,279 | 0 | - |
| Head of Network Sector 4 | 42,263 | 41,465 | 2 | 42,223 | 34,076 | 19 |
| Corporate Support Officer 1 | 0 | 0 | - | - | 0 | - |
| Corporate Support Officer 2 | - | - | 0 | - | - | 0 |
| Corporate Support Officer 3 | 0 | 0 | - | 0 | 0 | - |
| Corporate Support Officer 4 | - | 0 | - | - | 0 | - |
| Corporate Support Officer 5 | 36,130 | 41,024 | -14 | - | 40,181 | 3 |
| Sales Coordinator 1 | 0 | 0 | - | 0 | 0 | - |
| Sales Coordinator 2 | - | 0 | - | - | 0 | - |

| Correos | 2024 | | | 2023 | | |
|--|--------|--------|--------------------|--------|--------|--------------------|
| Average remuneration by occupational category and gender (euros) ^{1, 2} | | | | | | |
| Civil servants | Men | Women | Gender pay gap (%) | Men | Women | Gender pay gap (%) |
| Sales Coordinator 3 | 47,209 | 47,490 | -1 | 40,644 | 44,888 | -10 |
| Sales Coordinator 4 | 41,849 | 0 | - | 39,914 | 0 | - |
| Head of Sector Dis-tribution/Centres 1 | 0 | 0 | - | 0 | 0 | - |
| Head of Sector Dis-tribution/Centres 2 | 53,726 | - | 4 | 49,090 | - | -4 |
| Head of Sector Dis-tribution/Centres 3 | 39,441 | - | -17 | 39,373 | - | -16 |
| Head of Sector Dis-tribution/Centres 4 | 33,244 | 28,237 | 15 | 36,092 | 21,330 | 41 |
| Head of Sector Dis-tribution/Centres 5 | 40,080 | 40,660 | -1 | 33,918 | 40,244 | -19 |
| Head of Administra-tive Unit 1 | 0 | 32,093 | - | 30,926 | 22,347 | 28 |
| Head of Administra-tive Unit 2 | 37,775 | - | 3 | 36,720 | 19,654 | 46 |
| Head of Administra-tive Unit 3 | 36,476 | 36,409 | 0 | 30,786 | 32,018 | -4 |
| Head of Administra-tive Unit 4 | 37,503 | 0 | - | 37,967 | - | 34 |
| Head of Administra-tive Unit 5 | 0 | 0 | - | 0 | 0 | - |
| Sales Management 1 | 42,583 | - | -3 | 40,553 | - | 0 |
| Sales Management 2 | 0 | 0 | - | 0 | 0 | - |
| Sales Management 3 | 35,933 | 32,732 | 9 | 34,875 | 30,653 | 12 |
| Deputy Office Man-ager 1 | - | 45,845 | -2 | - | 44,693 | -3 |
| Deputy Office Man-ager 2 | 40,942 | 39,662 | 3 | 38,999 | 30,557 | 22 |
| Deputy Office Man-ager 3 | 37,724 | 35,879 | 5 | 31,976 | 24,520 | 23 |
| Deputy Office Man-ager 4 | 34,526 | 33,600 | 3 | 28,612 | 28,023 | 2 |
| Deputy Office Man-ager 5 | 31,876 | 31,590 | 1 | 28,349 | 25,207 | 11 |
| Deputy Office Man-ager 6 | 30,062 | 30,718 | -2 | 26,012 | 25,913 | 0 |
| Banking Management 1 | 0 | 0 | - | 0 | 0 | - |

| Correos | 2024 | | | 2023 | | |
|--|--------|--------|--------------------|--------|--------|--------------------|
| Average remuneration by occupational category and gender (euros) ^{1, 2} | | | | | | |
| Civil servants | Men | Women | Gender pay gap (%) | Men | Women | Gender pay gap (%) |
| Banking Management 2 | 0 | 0 | - | 0 | 0 | - |
| Head of Distribution Unit/Centres 1 | - | 0 | - | - | 0 | - |
| Head of Distribution Unit/Centres 2 | 35,737 | - | 0 | 32,581 | - | -6 |
| Head of Distribution Unit/Centres 3 | 32,548 | 31,293 | 4 | 26,746 | 22,471 | 16 |
| Head of Distribution Unit/Centres 4 | 32,126 | 30,637 | 5 | 25,870 | 26,872 | -4 |
| Head of Distribution Unit/Centres 5 | 0 | 0 | - | 0 | 0 | - |
| Team Leader 1 | - | 0 | - | - | 0 | - |
| Team Leader 2 | 29,067 | 28,572 | 2 | 25,415 | 23,604 | 7 |
| Team Leader 3 | 0 | 0 | - | 0 | 0 | - |
| Corporate Support Manager 1 | 31,246 | 30,060 | 4 | 31,357 | 21,471 | 32 |
| Corporate Support Manager 2 | 30,079 | 31,168 | -4 | 28,994 | 30,387 | -5 |
| Corporate Support Manager 3 | 30,479 | 29,125 | 4 | 29,208 | 24,427 | 16 |
| Customer Service 1 | 0 | 0 | - | 0 | 0 | - |
| Customer Service 2 | 27,169 | 26,641 | 2 | 23,036 | 21,738 | 6 |
| Administration 1 | 0 | 0 | - | 0 | 0 | - |
| Administration 2 | 26,309 | 0 | - | 24,705 | 13,229 | 46 |
| Cast 1 | 27,526 | 28,721 | -4 | 23,157 | 24,476 | -6 |
| Cast 2 | 24,788 | 24,695 | 0 | 21,056 | 20,320 | 3 |
| Agent/classification 1 | 22,748 | 19,685 | 13 | 18,782 | - | -17 |
| Agent/classification 2 | 24,768 | 23,639 | 5 | 20,788 | 18,228 | 12 |

¹ The cases in which data is not provided are due to the impossibility of breaking down remuneration by gender, due to the low proportion of women or men in these professional categories, so that they could be clearly identifiable, not allowing their personal data to be preserved, in accordance with current legislation.

² The assumptions in which the salary data is 0 represent the absence of employees in that category.

The pay register analyses salaries of civil servants and employees separately. The tables show the final average values of the analysis, for each occupational group, stating the pay gap between men and women for the different positions of equal value, expressed as a percentage.

The 2023 pay register was compiled using average cash salary data (actual salaries received). A new, more accurate methodology has been adopted in 2024, using average equalised wage data (wages in terms of homogeneity), without it having been possible to reformulate the 2023 data in comparable terms. This methodological change explains the differences between 2024 and 2023 data for some professional categories, especially in the operational staff group.

The pay gap study concludes that in Correos there is equal pay for women and men across the entire workforce, in compliance with article 28.3 of the Workers' Statute and Royal Decree 902/2020, guaranteeing the absence of wage discrimination.



| Correos Express | 2024 | | | 2023 | | |
|---|--------|--------|--------------------|--------|--------|--------------------|
| Average remuneration by occupational category and gender (euros) ¹ | | | | | | |
| | Men | Women | Gender pay gap (%) | Men | Women | Gender pay gap (%) |
| Management and staff not covered by the collective agreement | 61,470 | 65,960 | -7 | 62,061 | 84,067 | -35 |
| Senior technical staff and managers | 24,230 | 24,350 | 0 | 24,012 | 23,790 | 1 |
| Mid-level technical and managerial staff | 22,500 | 22,540 | 0 | 22,307 | 22,063 | 1 |
| Middle management | 24,460 | 23,840 | 3 | 23,916 | 24,247 | -1 |
| Operational staff | 21,250 | 20,910 | 2 | 20,678 | 20,341 | 2 |
| General services staff | 23,990 | 23,440 | 2 | 23,202 | 22,453 | 3 |

¹The study concludes that there is no pay gap between women and men in Correos Express' workforce for the year 2024. The gaps detected are due to supplemental pays arising from individual work performance or to specific situations within the professional group such as medical leave, leave of absence, among others.

| Correos Express Portugal | 2024 | | | 2023 | | |
|--|--------|--------|--------------------|--------|--------|--------------------|
| Average remuneration by occupational category and gender (euros) ^{1, 2} | | | | | | |
| | Men | Women | Gender pay gap (%) | Men | Women | Gender pay gap (%) |
| Management and staff not covered by the collective agreement | 85,844 | 56,270 | 34 | 60,164 | 53,168 | 12 |
| Senior technical staff and managers | 21,081 | 20,299 | 4 | 21,822 | 18,983 | 13 |
| Mid-level technical and managerial staff | 12,730 | 12,659 | 1 | 12,171 | 11,856 | 3 |
| Middle management | - | - | - | - | - | - |
| Operational staff | 10,699 | 10,453 | 2 | 10,385 | 10,870 | -5 |
| General services staff | - | - | - | - | - | - |

¹The cases in which data is not provided are due to the impossibility of breaking down remuneration by gender, due to the low proportion of women or men in these professional categories, so that they could be clearly identifiable, not allowing their personal data to be preserved, in accordance with current legislation.

² The category Senior technical and managerial staff includes middle managers.

| Correos Telecom | 2024 | | | 2023 | | |
|--|--------|--------|--------------------|--------|--------|--------------------|
| Average remuneration by occupational category and gender (euros) ^{1, 2} | | | | | | |
| | Men | Women | Gender pay gap (%) | Men | Women | Gender pay gap (%) |
| Address | - | 0 | - | - | 0 | - |
| Head of Area | 72,164 | 57,202 | 21 | 69,757 | 55,316 | 21 |
| Team Leader | - | 0 | - | - | 0 | - |
| Project Manager | 52,324 | 49,594 | 5 | 49,835 | 48,203 | 3 |
| Account Manage-ment | 36,876 | - | -11 | 35,849 | - | -10 |
| Engineer | 42,290 | 43,105 | -2 | 39,694 | 38,877 | 8 |
| Technician | 34,236 | 33,509 | 2 | 32,100 | 29,558 | 8 |
| Administrative | 0 | 0 | - | 0 | 21,976 | - |

¹ The cases in which data is not provided are due to the impossibility of breaking down remuneration by gender, due to the low proportion of women or men in these professional categories, so that they could be clearly identifiable, not allowing their personal data to be preserved, in accordance with current legislation.

² The pay gap study concludes that there is no pay gap between women and men in Correos Telecom workforce for the year 2024.

| | Correos | | Correos Express | | Correos Express Portugal | | Correos Telecom | |
|---|---------|-------|-----------------|------|--------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Average number of training hours per professional category | | | | | | | | |
| Management and staff not covered by the collective agreement | 52.4 | 76.4 | 6.9 | 13.0 | 16.2 | 0.0 | 5.0 | 5.6 |
| Senior technical staff and managers | 33.4 | 31.6 | 5.8 | 21.6 | 35.3 | 18.7 | 117.6 | 31.2 |
| Mid-level technical and managerial staff | 34.3 | 33.2 | 5.4 | 10.2 | 21.7 | 14.5 | 38.7 | 41.4 |
| Middle management | 94.1 | 102.1 | 5.0 | 7.7 | - | - | - | - |
| Operational staff | 20.5 | 13.6 | 2.8 | 2.6 | 5.4 | 16.9 | 25.0 | 29.7 |
| General services staff | 0.0 | 0.0 | 2.8 | 32.2 | - | - | - | - |
| Average number of training hours by gender | | | | | | | | |
| Women | 30.9 | 23.2 | 4.9 | 24.0 | 17.5 | 14.4 | 59.3 | 31.8 |
| Men | 26.8 | 19.4 | 4.5 | 17.5 | 12.8 | 18.2 | 29.5 | 41.0 |

| | Correos | | Correos Express | | Correos Express Portugal | | Correos Telecom | |
|---|---------|------|-----------------|------|--------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Parental leave by gender¹ | | | | | | | | |
| Women | 400 | 250 | 22 | 16 | 0 | 3 | 0 | 0 |
| Men ² | 564 | 491 | 37 | 52 | 11 | 7 | 1 | 2 |

¹ 100% of employees who took paternity/maternity leave returned to work at the end of their leave, except in the case of Correos Express Portugal.

² The data include both paternity leave and transferred maternity leave.

| | Correos | | Correos Express | | Correos Express Portugal ⁴ | | Correos Telecom | |
|--|---------|---------|-----------------|------|---------------------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Occupational accident frequency rate ¹ | 34.7 | 31.2 | 21.4 | 25.6 | 14.0 | 9.0 | 0.0 | 0.0 |
| Occupational accident severity rate ² | 1.6 | 1.4 | 0.5 | 0.6 | 0.6 | 0.3 | 0.0 | 0.0 |
| Absenteeism (thousands of working days) ³ | 1,648.5 | 1,429.0 | 64.2 | 45.6 | 1.4 | 1.3 | 0.0 | 0.0 |

¹ IF = [Number of accidents with sick leave (excluding commuting accidents and relapses) / Number of actual hours worked]*106.

² MI= Number of working days lost due to accidents at work (including 'aggravating circumstances due to death/permanent incapacity of the worker') / Number of actual hours worked]*103.

³ Effective working days lost due to medical absenteeism (common illness + occupational accident) / 1000

⁴ Correos Express Portugal's 2023 figures for frequency and severity rates have been modified.

| | Correos ² | | Correos Express | | Correos Express Portugal ³ | | Correos Telecom | |
|---|----------------------|-------|-----------------|------|---------------------------------------|------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Occupational accidents by gender¹ | | | | | | | | |
| Women | | | | | | | | |
| Fatal accidents | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Very serious accidents | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Serious accidents | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minor accidents | 2,048 | 1,887 | 24 | 36 | 0 | 1 | 0 | 0 |
| Accidents with medi-cal leave | 2,052 | 1,889 | 24 | 36 | 1 | 1 | 0 | 0 |
| Men | | | | | | | | |
| Fatal accidents | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Very serious accidents | 0 | 0 | 0 | 0 | 2 | 1 | 0 | 0 |
| Serious accidents | 5 | 6 | 0 | 0 | 2 | 2 | 0 | 0 |
| Minor accidents | 1,778 | 1,580 | 60 | 69 | 0 | 5 | 0 | 0 |
| Accidents with medi-cal leave | 1,785 | 1,587 | 60 | 69 | 4 | 8 | 0 | 0 |

¹ Number of accidents with sick leave (during the working hours or the commute).

² In 2024 3 fatal accidents were recorded in Correos; 2 due to traffic accidents in the commute to work (1 woman and 1 man) and 1 accident (1 man) during working hours due to non-traumatic pathology due to physiological causes.

³ Correos Express Portugal's 2023 figures have been modified.

In 2024, 3 processes without sick leave and 3 with sick leave, classified as occupational diseases, were under study at the end of the year. There are no recognised occupational diseases in the Group's subsidiaries.

Value chain

GRI 2-23, 2-24, 2-27, 3-3, 308-1, SDG 12

As a public sector entity, the procurement of services and supplies by Correos Group is subject to the principles of **publicity, competition, transparency, confidentiality, equality and non-discrimination**, guaranteeing compliance with any applicable procurement laws and with Correos group internal regulation, which include:

- The Public Procurement Act³⁷.
- Royal Decree-Law 3/2020³⁸.
- The **SEPI Group's Internal Instructions for Procurement, the Rules for Asset Management, the Internal Procedures and the Rules of the System for Authorisation and Supervision of Acts and Transactions**, all of which were revised in 2023.

Depending on the amount, procurement is approved by the Finance Department, the Investment and Procurement Committee or the Board of Directors.

Equality and transparency in procurement processes

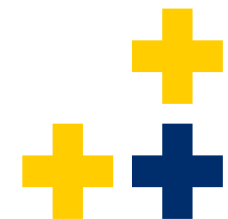
In order to promote transparency, **all tenders and awarded contracts**, with the exceptions provided for by law or by the internal procurement regulations, are published in the **Employer Profile** ▶ and on the **Public Sector Procurement Platform**. In addition, depending on the amount involved, they are also advertised in the Official Journal of the European Union, where appropriate,

and information is regularly sent to the Court of Auditors and to the Public Sector Contracts Register.

Pursuant to Act 14/2022³⁹, the company discloses **information on procurement every six months** on its **transparency portal** ▶. In addition, a periodic illustrative notice has been published in employer profile and in the Official Journal of the European Union, with the public procurement **activity to be carried out during the year**, in compliance with Royal Decree-Law 3/2020⁴⁰. In accordance with the internal justified expenditure procedure, **minor contracts** will be also reported to the Court of Auditors.

The company promotes fairness and prevents any possible favourable treatment, through the use of tools

that record all recruitment activity and include **time stamps or automation of evaluations**. In addition, it requires that any **communications** with any tenderer, limited to technical or operational aspects of the tender, be **in writing and in public**.



³⁷ Act 9/2017, of November 8, on Public Sector Contracts, transposing into Spanish law Directives 2014/23/EU and 2014/24/EU of February 26, 2014, of the European Parliament and of the Council.

³⁸ Royal Decree-Law 3/2020, of February 4, on urgent measures incorporating into Spanish law various European Union directives in the field of public procurement in certain sectors; private insurance; pension plans and funds; taxation; and tax litigation.

³⁹ Act 14/2022, of July 8, amending Law 19/2013, of December 9, on transparency, access to public information, and good governance, in order to regulate statistics on micro, small, and medium-sized enterprises (SMEs) in public procurement.

⁴⁰ Royal Decree-Law 3/2020, of February 4, on urgent measures incorporating various European Union directives into Spanish law in the areas of public procurement in certain sectors; private insurance; pension plans and funds; taxation; and tax litigation.

Sustainable supply chain

GRI 2-6, 2-8, 2-25, 203-2, 204-1, 308-1, 308-2, 414-1

The **Framework of Criteria for Responsible Procurement in the Correos Group** describes the **ethical, social and environmental principles applicable to supplier relations**.

Participants in procurement procedures must ensure compliance with the **principles of the UN Global Compact**. **Successful bidders must also be aware of and accept** the contained in the **General Code of Conduct** of the Group.

It also sets forth the obligation to comply with tax, labour and environmental regulations. Likewise, **all tender documents regarding technical specifications include clauses on environmental, social and gender equality criteria**. These considerations are **summarized in a guidelines document which is available to contract managers** and are included in the form of core or special conditions of execution that are binding for all bidders as technical specifications, solvency

requirements or criteria for the evaluation or appreciation of bids, in accordance with Act 9/2017.

Some of these criteria are the requirement to certify the possession of an equality plan, in the case of companies with more than 50 employees; the use of alternative fuel vehicles and the prioritisation of eco-labelled materials; or compliance with labour obligations, in general, and specifically, in contracts with worker subrogation or which are reserved for Special Employment Centres.

The Correos Group **addresses its main impacts on the value chain** through other mechanisms, such as strict compliance with payment periods, the digitisation of contracting and invoicing processes in order to reduce the administrative burden on suppliers or the speedy return of contractual financial guarantees, to prevent companies from incurring in default payments to their own supply chain or reducing quality in other contracts.

The company encourages procurement conditions are based on a realistic and appropriate cost structure, in order to

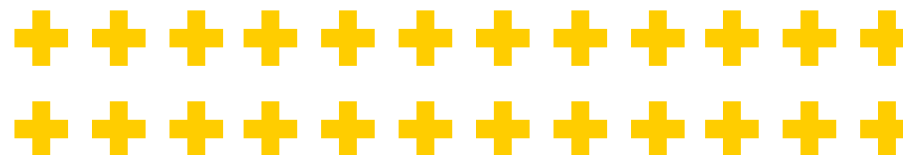
promote respect for the working conditions of suppliers' employees.

In those tenders in which the price offered by a supplier is considered to be disproportionately low, the conditions that make it possible to offer such an amount must be justified in order to avoid negative impacts on its workers and to ensure compliance with the paying conditions established by the applicable collective bargaining agreement.

Other actions to mitigate impacts include the evaluation of specific activities to **identify potential occupational risks**, such as the maintenance of electrical equipment in buildings, for which priority is given to continuous training for the staff of providers.

In this way, through the company's policies of supervision and collaboration, **improves working conditions throughout the value chain, boosting employment** and job stability, as well as innovation in operational processes. These measures strengthen the relationship with suppliers, **fostering long-term relationships** and **increasing** the overall **quality of service**.

Correos Group contributes to the Spanish economy and creates employment opportunities at local level by sourcing **98% from national suppliers**. Due to the size and heterogeneity of the activities carried out by Group companies, they collaborate with a large number of suppliers from various sectors, at all stages of the supply chain.



In 2024, Correos made payments to 5,964 suppliers (213 account for investment and 5,751 for expenditure), for a net amount of 563.5 million euros, mainly in transport, cleaning, building maintenance, information technology and construction, all of which are labour-intensive sectors.

In turn, the subsidiaries paid 408.8 million euros to suppliers. Correos Express partnered up with 1,351 suppliers and Correos Express Portugal with 674 more, mostly for transport; and Correos Telecom with 161 companies providing general and equipment services and telecommunication services.

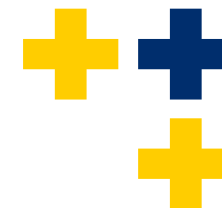
Finally, Correos maintained its participation in the SEPI Excellence Procurement task force, whose work focused on promoting efficiency in the Group's joint procurement.

Integration in the workplace

Through the contracting of goods and services, the Correos Group also contributes to promoting the **integral development of people with disabilities**, through standardised work in accordance with each individual. In 2024, Correos outsourced services to 33 **Special Employment and Occupational Centres** and Correos Express to 1.

With the same aim, the company joined the X Digital Talent Project of the ONCE

Foundation and cooperates since 2010 with the 'Incorpora' Programme of Fundación La Caixa for the integration of this group of people and work placements. In 2022, an agreement was also signed with the Grupo Social ONCE to promote the social inclusion of people with disabilities through measures that promote employment, training and universal accessibility to spaces and services.



► Policies and frameworks applicable to Correos Group's suppliers

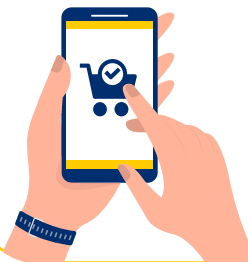
General Code of Conduct



Principles of the Global Compact



Framework of Criteria for Responsible Procurement in the Correos Group



Correos Group's Human Rights Policy



Respect for human rights

GRI 2-23, 2-24, 2-25, 3-3, 408-1, 409-1

As one of the signatory companies of the United Nations Global Compact since 2002, Correos is committed to adopting and promoting the **ten Principles** established by the Compact, in relation to human rights, the elimination of all forms of forced labour, the eradication of child labour, the abolition of discrimination in employment and occupation, and freedom of association and collective bargaining. This set of values has been assumed by the company as an integral part of the business strategy.

The **General Code of Conduct of the Correos Group** also establishes the obligation to **respect the fundamental rights and freedoms** set out in the **Universal Declaration of Human Rights**, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Spanish Constitution and all regulations aimed at protecting fundamental rights and public freedoms recognised in Spanish territory.

It also specifies that Group will not subcontract companies that do not respect workers' rights, occupational health, safety and hygiene provisions or current labour legislation, including child or forced labour.

Additionally, the **Correos Group's Human Rights Policy, with which all employees, providers and commercial partners must comply**, contains a commitment to **avoid** causing or actively contributing to any form of adverse impact on the human rights of people involved in its **direct operations and global value chain** (employees, customers, suppliers, users, communities and society), and to address such impacts through remediation.

This takes into consideration the main **international instruments**, such as the UN Guiding Principles on Business and Human Rights, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the International Labour Organisation's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.



In 2024, no human rights violations were observed in the Group's companies, nor are any of its main suppliers considered to present a significant risk of non-compliance, due to their geographic scope and the nature of their activity.





Customers and users

GRI 2-25, 2-27, 3-3, SDG 9, 11, 12, 13, 15

The Correos Group's relationship with customers and users of its products and services is based on **transparency, quality** and **accessibility** in the provision, **sustainability** and generation of a **positive social impact**, through daily presence throughout the country, that enables bringing public services closer to citizens and cater for their specific needs.

The Group companies permanently offer customers **a specialised service** through the commercial-sales network, the office network, the telephone channel, mobile applications for customers, the corporate website and social media platforms.

The Group has **accessible procedures** in place to exercise the right to submit complaints as well as to make enquiries **on any matter relating to the provision of services**.

In addition to their electronic forms for customer service, **Correos' post offices** make available to users the official consumer complaints forms of the respective Autonomous Communities.

In 2024, the website www.correos.es received around 95 million hits. Through this channel and e-mail, around **337,000 requests for information** were processed, along with **2.5 million telephone enquiries**, 3,2% more than the past year.



► Pillars of the Correos Group's relationship with customers and society ◀



Protection of privacy



Local and responsible consumption



Security and cybersecurity



Quality and improvement of customer experience



Accessibility, affordability and inclusion



Social impact of products and services



Community engagement

The Correos **customer service system** distinguishes between:

- Service claims, which include information queries and complaints relating to delivery or service in branches.
- Product claims, relating to delays, damage, loss or other incidents involving any product, which are eligible for compensation.

Last year, the number of **service claims** handled by Correos was **53,666**, which represents a **1.2%** increase, while **product claims** rose by 8.2%, to a total of **337,505**. The ratio of complaints per million shipments handled was 335.

The percentage of product claims that required damages was 61%. This increase compared to 2023 is due to a combination of two factors: on the one hand, the decrease in the number of complaints from individual customers, which reduced the total number, and on the other, the implementation of a new management system, which allows a

higher rate of incident resolution in the customer service phase, reducing the number of cases formalised as complaints, corresponding to more complex events and more susceptible to resolution with compensation. This proportionally increased the rate of claims requiring compensation, despite the decrease in the total number of claims filed, reflecting the improved customer experience.

The Group's subsidiaries operate their own customer service systems and complaints and grievance procedures. Last year, Correos Express processed 1.9 million enquiries received via social networks, web, telephone or email (14.5% more than the previous year) and Correos Express Portugal, 389,260 (103.7% more after the incorporation of the website and social media platform channels).

Besides, **Correos Express** again **recorded decreases in the total number of complaints and claims**, while Correos Telecom maintained similar figures to the previous year. The Group companies' management indicators in this area are as follows:

| | Correos | | Correos Express ¹ | | Correos Express Portugal | | Correos Telecom | |
|---------------------------------------|---------|---------|------------------------------|---------|--------------------------|-------|-----------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Complaints and claims | 391,171 | 420,867 | 230,916 | 351,829 | 5,898 | 4,990 | 3 | 2 |
| Complaints (Service claims) | 53,666 | 53,037 | 1,982 | 2,510 | 1,994 | 1,691 | 3 | 2 |
| Claims (Product claims) | 337,505 | 367,830 | 228,934 | 349,319 | 3,904 | 3,299 | 0 | 0 |
| Claims resolved with compensation (%) | 61 | 19 | ND | 6 | 50 | 33 | 0 | 0 |

¹ In 2024 Correos Express adopted a new calculation methodology based on a new CRM system. Figures for 2023 have been modified to enable comparability.

Managing excellence in operations

The Correos Group has a **quality management system based on the UNE-EN ISO 9001:2015 standard**, with which it applies the continuous improvement cycle to all activities and processes.

In the case of Correos, 2,071 post offices, 24 centres of various types, as well as the customer service department, are **certified in accordance with this standard**. **Similarly, last year** all Correos Express offices, as well as the, **telecommunications, fibre optic infrastructure business of Correos Telecom**, retained their quality management certification.

In 2024, the Correos exchange offices at El Prat (Barcelona) and Rampa 7 (Madrid), as well as the international processing centre at Adolfo Suárez Madrid-Barajas airport, all received the **'Certificate of Excellence'**, awarded by the International Post Corporation, for their high

level of quality in the processing of international mail. This award recognises postal operators whose centres show the best performance in meeting deadlines, exchanging mailing information and coordinating with other operators and airlines.

Three international mail processing centres received International Post Corporation's 'Certificate of Excellence' for operational quality



► Certifications of Correos Group ◀

ISO 27001

Information security



Information systems for the Correos website processes and for the online registered fax, digital registered letter and postal vote application services

ISO 27701

Privacy information



Management systems of privacy for the solutions of document management

ISO 28001

Security management for the supply chain



2 logistics centers



3 operating centres of Correos Express

ISO 14001

Environmental management



8 automated processing centres and the integrated logistics centre (CLI)



2 international processing centres



2 post offices



6 operating centres of Correos Express



Commercialisation and maintenance of Correos Telecom's network of optic fibre infrastructure

ENS

National Security Framework



ISO 19001

Quality management



Customer service



19 automated processing centres and the integrated logistics centre (CLI) of Barcelona



1 mass admission centre



4 international processing centres



2,071 post offices



59 operating centres of Correos Express



Integral management of Correos Telecom's communication network

Improvement of customer experience

Last year Correos implemented a **'proximity customer service'**, an initiative designed to offer personalised attention tailored to the **specific needs of customers in each geographical area**.

The service aims to provide more agile and effective solutions, **thanks to the in-depth knowledge of the particularities of each area and the specific demands of its citizens and companies**. In this way, the model combines the experience, quality and reliability of Correos, reflecting not only its public service vocation, but also its capacity to adapt to the realities of a diverse territory, **through last-mile solutions**.

The company also incorporated a new tool to centralise the management of social media communication, which improved the efficiency of customer service and the traceability of the customer experience.

Besides, the Correos Group also prepares an annual **Net Recommendation**

Index by conducting periodic surveys of contract customers, office users and addressees (at their home or in Correos offices), in order to ascertain their experience with the service provided. The study aims to determine the level of recommendation of different segments by obtaining the ratings based on the percentage difference between users who give 9 and 10 points out of 10 (promoters) and those who give less than 6 points (detractors).

In 2024, the assessment of service delivery remained at similar values to the previous year, with an **overall recommendation for Correos of 27.7** (28.3 in 2023). The **ratings given to the company's professionals again improved**, especially for delivery staff (41.6), office staff (30.1) and sales managers (25.8).

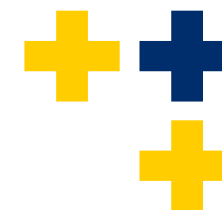
By surveyed **customer segments** surveyed, the recommendation rate of contract customers was 18.3, that of office users improved to 40.9, while more than 87% of the recipients surveyed rated the company at 7 out of 10 or higher.

With regard to the evaluation of the **Group's subsidiaries**, Correos Express

maintained a negative rating, due to a drop in the percentage of promoters, while more than 83% of Correos Telecom customers gave it a rating of between 9 and 10.

In addition, **Correos Express Portugal** ranked third in the ranking of express service companies as the **brand recommended** by users of the Portuguese consumer social network Queixa, with 85.1% customer rating.

In addition, Correos also carries out a **customer satisfaction index** in which the customer satisfaction score was 7.3 out of 10.



In the last four years, the **net recommendation rate of postal delivery employees has increased by more than 14 points**



Accessibility, affordability and inclusion

GRI 3-3, 203-2

Correos is the **only company in the postal market that offers nationwide coverage** to its customers. Moreover, as a designated operator, it provides the universal postal service throughout the country, in accordance with requirements relating to the **quality, regularity, affordability of its prices and universal accessibility** to postal communications. In this way, it contributes to territorial cohesion and economic development.

The company's **more than 8,200 service points**, together with its centre, and Citypaq smart parcel lockers network, enable the **daily acceptance and distribution of shipments throughout the country**, as well as the offer of other products and services that make life easier for companies and citizens.

In this regard, the office network plays an important role by **guaranteeing access to postal services in any part of the country**, whether urban or rural. Additionally, in order to ensure universal accessibility to the services provided, all new post offices are adapted to avoid the existence of architectural barriers. A large number of these establishments also have hearing aids available for those who require them.

Following the approval of Royal Decree 193/2023⁴¹, which sets out that **postal operators must guarantee accessibility** and reasonable adjustments for **people with disabilities** in the collection, admission, distribution and delivery, as well as in information, customer and complaint services, the company is reviewing its network of service points to reinforce, if required, the adaptation of access for people with some type of disability.

⁴¹ Royal Decree 193/2023, of March 21, regulating the basic conditions of accessibility and non-discrimination of persons with disabilities for access to and use of goods and services available to the public.

Security of persons and facilities

GRI 2-13, 2-23, 2-24, 3-3

Since 2023, Correos Group has implemented a **Security Policy**, the purpose of which is to promote the **adoption of strategies aimed at effectively protecting people, goods and premises** against all types of deliberate risks.

As a development of this policy, last year the company approved the **Integral Safety Plan**, on which the safety management system is based. The Plan is aligned with the new continuity and resilience strategy derived from the critical infrastructure protection regulations, applicable to **Correos as a critical⁴² operator designated** by the Secretary of State for Security of the Ministry of the Interior.

Thus, seven of its operational and administrative centres **are recognised as 'critical infrastructures'** that provide

essential services to citizens and whose functioning is irreplaceable. This designation implies compliance with prevention and protection requirements, which include identifying significant risks to the provision of essential services, adopting appropriate measures to ensure their resilience and notifying the competent authorities of possible incidents.

In response to the new legislation, the **Correos Group's Business Continuity and Resilience Policy** was also approved in 2024, which establishes the foundations for defining measures to protect people and assets in the event of disruptive situations or incidents affecting business continuity. This policy is in addition to the business continuity and resilience plans approved by Correos in 2023 and by Correos Telecom in 2024.

Correos also implemented a new business impact analysis (BIA) methodology and business continuity risk analysis, a crisis management procedure, as well as recovery plans for the Correos Frío business.

The internal procedures and manuals on security and incident management, access and exit control or preparation and response to security emergencies are available on the corporate processes portal and are part of the Quality, Environment and Safety Management Manual, which is used as support for the work centres for the development of activities, in accordance with the UNE-EN ISO 9001:2015, UNE-EN ISO 14001:2015 and UNE-ISO 28001:2008 standards.

Correos Group has an **operational security centre**, with an alarm reception station for its own use, authorised by the General Police Directorate. This centre, available 24 hours, 7 days a week, monitors signals and images from anti-burglar and fire protection systems and installed in offices and centres throughout the national territory, **effectively contributing to the security of people** (customers and employees) **and goods**. It also serves as a liaison with Law Enforcement Agencies in the event of any incident.

Last year, a new **Incident Management and Investigation Manual** was implemented, which enabled greater automation and standardisation of the processing of events reported to the security operations centre and risk mitigation. In addition, an action **protocol** was developed for the management of incidents related to **loss and theft**.

The Correos Group approves its Business Continuity and Resilience Policy

⁴² Act 8/2011, of April 28, establishing measures for the protection of critical infrastructures, Directive (EU) 2022/2557 of the European Parliament and of the Council of December 14, 2022 on the resilience of critical entities and repealing Council Directive 2008/114/EC and Commission Delegated Regulation (EU) 2023/2450 of July 25, 2023, supplementing Directive (EU) 2022/2557 of the European Parliament and of the Council by establishing a list of essential services.



Correos **regularly conducts scanner screening** of mail items subject to inspection and implements **controls to detect the circulation of prohibited and restricted items** under the Postal Regulations. In this area, an **Instruction on postal inspection and verification of mail items** was adopted last year in order to optimise the supervision and intervention of risky mail items, while ensuring legal compliance.

The company maintains **permanent collaboration with national Law Enforcement Agencies**, for example, through the Blue Network of the National Police Force, the Coopera website operated by the Guardia Civil or the Xarxa de Col·laboració of the Mossos d'Esquadra, as well as with judicial bodies for the exercise of their functions. It also participates takes part in postal security groups of the international organisations Universal Postal Union and UPAEP.

Correos is the holder of a **good distribution practices of medicinal products** for human use (GDPS) certification, in accordance with the European guidelines 2013/C 343/01⁴³, for **temperature-controlled road transport** services, which enable the provision of the Correos Pharma service.

With regard to **aviation security**, the company is **certified as a regulated agent (RA) in five of its centres**, in accordance with EU Regulation 2015/1998⁴⁴, and applies the regulated controls on mail transported by air, prior to boarding the aircraft.

In 2024 Correos also obtained the **UNE-ISO 28000:2007 certification** 'Security management systems for the supply chain', for the provision of logistics services of storage, handling and dispatch of goods in the logistics platforms of Illescas (Toledo) and Sant Esteve (Barcelona), improving the protection of customers, employees and suppliers.

Correos Express also renewed this **UNE-ISO 28001:2008** certification for 3 of its centres. This subsidiary holds the **Authorised Economic Operator Certification for Customs Simplification** (OEAC), which aims to guarantee the reliability and security of goods for import and export.



⁴³ Guidelines of 5 November 2013 on good distribution practices for medicinal products for human use.

⁴⁴ Commission Implementing Regulation (EU) 2015/1998 of 5 November 2015 laying down detailed measures for the implementation of the common basic standards on aviation security.

► Physical security of persons and goods ◀



Cybersecurity

GRI 2-13, 2-23, 2-24, 3-3

In a global digital environment that is increasingly interconnected and vulnerable to threats from cyberspace, cybersecurity is a fundamental pillar to ensure both the sustainability and resilience of the company.

The protection of technological assets, the secure management of sensitive data and the safeguarding of digital rights are not only a legal and operational responsibility

The Correos Group renewed a large part of its cybersecurity solutions and infrastructure to improve the efficiency and security of its operations

for the Group, but are also part of its ethical and social commitment to build trust with its stakeholders and promote long-term growth.

The company manages these risks by prioritising prevention and immediate response to potential attacks, both in terms of technological systems and corporate culture.

The Group has an **Information Security Policy**, revised in 2023, an Information Security Management System and a **Corporate Security Committee**, which is responsible for ensuring that risks are adequately addressed and for preserving and strengthening the security of information and the systems that support it. For this, it has technical and organisational measures available, by design and by default, through solutions that guarantee the confidentiality, integrity and availability of information, regardless of its location and operation.

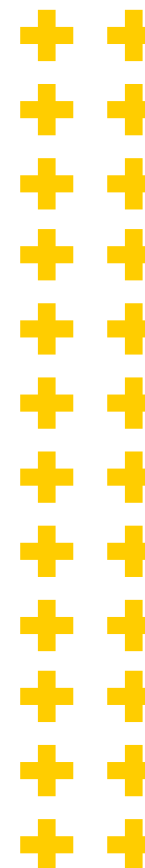
In 2024, the company **renewed its various cyber security solutions and systems** in the areas of cryptography, server and endpoint protection, analytical security, as well as network and

communications security. Among these upgrades the evolution of the corporate identity management and access control infrastructure stands out, which was extended to all Group companies, incorporating specialised tools for identity governance, authentication and access authorisation, in order to increase flexibility and reduce operational risks.

Besides, in order to meet the needs of new business development and to promote the efficiency of its activities, Correos incorporated its **own Artificial Intelligence tool**, adapted to the most demanding regulatory requirements and standards of privacy and security.

The company also extends cybersecurity to its customers, through tools such as the **e-mail verification system**, aimed at detecting possible cases of phishing, or the use of electric **delivery motorbikes** with system to **protect against cyber-attacks** on people's privacy and lives.

Lastly, Correos Group has been participating in a **cybersecurity forum**, together with the other companies that make up the SEPI Group.



Information security certifications

The European public sector, of which the Post Group is a member, aims to **digitise essential services for citizens**, ensuring **equitable, inclusive and secure** access. Thus, Act 39/2015⁴⁵ and Act 40/2015⁴⁶ require the adoption of cybersecurity procedures in all digital operations of public administrations.

These regulations are complemented by Royal Decree 311/2022⁴⁷ on the National Security Scheme, which aims to guarantee the resilience of the technological systems used by public institutions, and Royal Decree 443/2024⁴⁸, approving the National Security Scheme for 5G networks and services; Act 8/2011⁴⁹ for the definition of critical infrastructures; the National Cybersecurity Plan; as well as

the EU NIS 2 Directive⁵⁰ (expected to be transposed in 2025) and its Implementing Regulation⁵¹, which introduces greater information security requirements.

In this respect, Correos has been certified since 2023 under the **National Security Scheme** thus offering greater guarantees to customers of digital services on the capabilities to protect and safeguard their information. The company also holds the **ISO/IEC 27701:2021 Information privacy management systems** and **UNE-ISO/IEC 27001:2022 Information security management systems certifications**.

The three certifications apply to the **information systems** that support the operational processes of the

► www.correos.es and www.correos.com ►

websites the digital mailbox services, online bureau fax, digital registered letter and document management solutions for corporate mass communication, as well as the **electronic postal voting application process**.

In 2024, the subsidiary **Correos Express** was also **certified under the National Security Scheme**.

Correos Express
obtained its
National Security
Scheme certification

⁴⁵ Act 39/2015, of October 1, on the Common Administrative Procedure of Public Administrations.

⁴⁶ Act 40/2015, of October 1, on the Legal Regime of the Public Sector.

⁴⁷ Royal Decree 311/2022, of May 3, regulating the National Security Framework.

⁴⁸ Royal Decree 443/2024, of April 30, approving the National Security Framework for 5G networks and services.

⁴⁹ Act 8/2011, of April 28, establishing measures for the protection of critical infrastructure.

⁵⁰ Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972 and repealing Directive (EU) 2016/1148 (NIS 2 Directive).

⁵¹ Commission Implementing Regulation (EU) 2024/2690 of 17 October 2024 laying down detailed rules for the application of Directive (EU) 2022/2555 as regards technical and methodological requirements for cybersecurity risk management measures and detailing the cases where an incident is considered significant with respect to DNS service providers, toplevel domain name registries, cloud computing service providers, data centre service providers, content delivery network providers, managed service providers, managed security service providers, providers of online marketplaces, online search engines and social media service platforms, and trust service providers.

Cybersecurity training and awareness-raising

Correos promotes an **internal culture of cybersecurity**, not only through the maintenance of robust protection mechanisms for equipment and communications, but also through ongoing training and awareness-raising for its professionals.

In order to generate safe habits in the use of technology, Correos carries out **awareness-raising programmes** both for citizens and employees, by sending regular communications, recommendations or security alerts, disseminating the 'Cybersecurity Decalogue', holding the annual information security competition and the 'Cybersafe Delivery' competition and publicising the campaign 'Learn, report and protect: cybersecurity is in your hands'. The aim is to prevent social engineering crimes (such as phishing or vishing) and thus contribute to strengthening society's resilience to digital risks.

The company also develops an **annual information security training plan**, adapted to the different job positions and for the entire workforce, which in 2024 included training actions such as the 'Cyberincidents: learn how to detect and report them' webinar.

The operational staff involved in the Substitution Programme also received specific training on the topic and gamification sessions were organised for the professionals who participated in the **ethical phishing exercises** conducted to reduce the risk of this threat.



Personal data protection

GRI 2-13, 2-23, 2-24, 418-1

Correos Group **informs and advises all units** that process personal data on their obligations in this area, through its data protection officer. It assesses the risks inherent to all the Group's processing activities, taking into account the information gathered, the applicable regulations, as well as the guidelines, reports and resolutions of the competent authorities. It also drafts, reviews and advises on policies and documents on data protection, data processor contracts or data communications.

The data protection officer cooperates with the supervisory authority in this area, acting as a contact point, deals with complaints, manages the exercise of data subjects' rights and notifies possible security breaches.

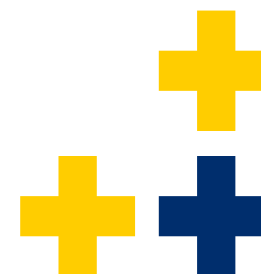
The principles of personal data protection are applied at the initial stages of the definition, development and modification of **corporate policies, contracts or products and services, by design and by default**. To this end, the new projects

of each of the Group's companies that involve the processing of personal data are analysed from the earliest stages of their design, in order to determine the risk and integrate the legally required guarantees in the processing.

In 2024, some of the most relevant **assessments** were related to the analysis of the data protection regulations applicable to the Employee Care projects and the Benefits360 platform, to the procurement for the delivery of shipments at points of convenience or to the achievement of the ISO/IEC 27701:2021 certification. Likewise, **several corporate policies and procedures were reviewed and updated**, including the General Data Protection Policy, the protocols for security breaches and for the exercise of rights, the risk and impact assessment methodology, or the procedures for international data transfers, privacy by design and by default, as well as for obtaining consent.

The company also regularly carries out internal communications to **raise awareness** and disseminate recommendations applicable to the different areas.

Last year, 14 security breaches were managed and 28 complaints were processed through the Spanish Data Protection Agency. In addition, 39,032 incidents related to theft, robbery or loss of Correos and Correos Express items were addressed, with a potential impact on the protection of personal data.





Social impact of products and services

GRI 2-29, 203-2, 413-1

Correos **is present on a daily basis throughout the country** through its delivery and office staff. Correos contributes to economic development and meets the communication needs of all citizens, regardless of their place of residence, with an efficient and quality service.

In addition, the company aims to develop activities that also contribute to **innovative responses** to major social and environmental challenges, such as **climate change**, the disappearance of services in rural areas, administrative and **financial exclusion**, the **digital divide** and **depopulation**. In this way it generates a **positive social and environmental impact that benefits an increasing number of people**.

Local services

The **capillarity of Correos** is particularly important in Spain, given the heterogeneity of population distribution and the presence of services throughout the country. The **demographic challenge** increasingly affecting the country means that citizens and businesses located in rural areas face challenges in accessing essential services.

The company facilitates the **closeness of public services**, both in urban and rural environments, through its delivery services and office network, and offers its technological and distribution capacity to the local business fabric. In this way, it contributes to **economic development**, territorial cohesion, the **creation and maintenance of employment and allowing new residents to settle** in 'empty Spain'.



In 2024, post offices received 90.9 million visits, close to the record number that was reached in 2023 due to the coincidence of several electoral processes. Correos' offices are **essential centres for community relations**, offering services ranging from physical and digital communications to financial solutions, carrying out public administration procedures or selling products and services from other companies or telecommunications services, and can be used to fight delocalization and financial and administrative exclusion of rural areas. Simultaneously, rural delivery staff **deliver most of the offer available at the offices to people's homes**, saving them from having to travel.

The company offers all kinds of solutions for cash management, both deposits and withdrawals, even at home, with most of the country's financial institutions, as well as the issuance of Tarjeta Correos Prepago (Correos Prepaid Card), which allows citizens to have various means of payment according to their needs.

The **Correos Cash** service favours financial inclusion and the generation of new business opportunities, guaranteeing access to cash to all people, including

those living in rural areas and those most affected by the digital divide or with mobility difficulties.

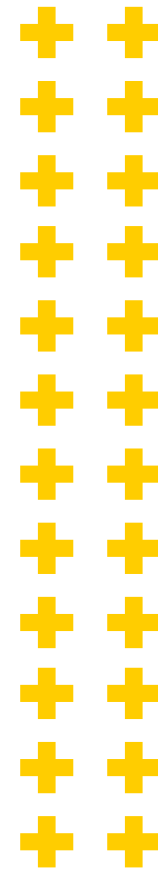
This solution enables **basic banking transactions** such as cash deposits and withdrawals to be made **at offices or through mail carriers** at any address in Spain. Customers can carry out these transactions using a QR code or their bank card or bank book.

In 2024, CaixaBank, Banco Sabadell and 12 rural savings banks of the Caja Rural Group (through an agreement with Banco Cooperativo) began using the service, joining the group of entities adhered to Correos Cash (which include Banco Santander, EVO Banco, Banco Mediolanum, Triodos Bank, Ibercaja, CBNK and BBVA).

The three new agreements reached last year focused on improving access to cash without requiring the use of electronic transactions, **avoiding the digital divide faced by some population groups** and facilitating transactions directly at branches and through rural post officers.

As an example, Correos and CaixaBank created the **first telephone service**

for home money transfers in Spanish banking, which allows cash to be delivered to any address with a phone call, without the need for online banking or for using a mobile app.



In addition, a new option called '**post officers to your home**' was implemented, which enables Banco Santander customers to request cash directly from rural delivery professionals, receiving it at their home within 24 to 48 hours, an initiative which is highly beneficial to people with mobility problems or to the elderly.

Tarjeta Correos Prepago (Correos Prepaid Card) are another option offered to facilitate access to cash. These cards are not linked to any bank account and can be used both as a **secure means of payment** and to **withdraw cash** at ATMs and Correos' offices, to receive salary and pension and pay utility and tax **bills** by direct debit, or to make national or international **transfers** through the additional service of virtual IBAN.

Correos also promotes, within its line of services for the **Camino de Santiago (Way of St. James)**, actions that foster **preservation of the environment, the defence of the rural territory and the promotion of local commerce**.

The company develops the

- ▶ **#CaminoSostenible initiative**, which encourages pilgrims to adopt more

sustainable habits towards the personal, artistic and natural heritage of the **Rutas Jacobeanas**, in line with Agenda 2030. During 2024 different initiatives were carried out, such as the publication of the book *Legends of the Way of St. James*, or the dissemination of the *Guide of Trees on the French Way* and the *Guide of Birds on the Way of St. James*, among others.

- ▶ In addition, with the **marketplace Correos Market**, SMEs can enter online sales, increasing their visibility and accessing a wider audience. This solution makes it easier for companies to promote, sell and distribute their products to any buyer in Spain and Portugal, and provides them with access to the most comprehensive logistics solutions. This boosts their sales growth, **particularly benefiting vendors located in rural areas and contributing to the economic revitalisation of these areas**.



Agreements with Public Administrations and citizen services

The company promotes rural development and **brings the Administration closer to citizens** on equal terms, by offering **new administrative services** at offices and through rural mail post officers, becoming a **'one-stop shop'** that **connects local, regional and state Administrations with the population they serve**.

In 2024 Correos had **262 collaboration agreements with public bodies**

Correos has collaboration agreements with 262 public bodies and entities, for which it collected more than 26 million euros in 2024

and entities, including those subscribed last year with the Provincial Council of Badajoz and the town councils of Aguilar de Campoo (Palencia), Alhama de Murcia (Murcia), Bárcena de Pie de Concha, Cabuérniga, Riente, Santillana del Mar, Vega de Liébana (Cantabria), Huelva, Los Realejos (Santa Cruz de Tenerife), Montserrat (Valencia), Narón (La Coruña), among others.

By virtue of these agreements, the company facilitates, at the post offices or with the help of rural delivery professionals, the **payment of taxes, fees and duties** for both public and private entities, through the **Correos Pay** solution, which can also be used to pay **utility bills**.

Thus, last year, **Correos collected over 26 million euros** in taxes and fees **for public bodies and entities** through Correos Pay, with more than 274,000 transactions.

Through the **Virtual Registration Office of Entities (ORVE in Spanish) service**, the offices also allow any person or company to send documents telematically to the registers of the partner entities, including City Councils, universities, Autonomous Regions or the General State Administration.

On the other hand, by virtue of the collaboration agreement with the Directorate-General for Traffic, it is possible for citizens to **obtain environmental certificates**, to request a duplicate vehicle registration certificate, request a vehicle report or to pay fines.

For the third year, the company renewed the collaboration agreement with the Ministry of Culture to manage the payment of aid to beneficiaries of the **Youth Cultural Grant programme**, through the Correos Prepago card, with more than 130 million euros of funds managed for the 2024 call for applications.



► Impact of post offices and services in rural areas ◀



8,226

service points



More than

136,000

Correos Cash transactions



26.1M€

in charges for the Administration managed through Correos Pay



262

collaboration agreements with public bodies and entities for the collection of charges, fees and taxes



Support provided to nearly

364,000

people daily at Correos' offices



1.1M

transactions for DGT



More than

130M€

in funds managed for the Youth Cultural Grant program



Correos helps those affected by the 2024 floods

In October 2024, an extreme meteorological phenomenon, known as a **cut-off low** impacted **several towns in southeast Spain**, causing catastrophic damage to people and property.

As a strategic business, Correos was at the government's disposal to assist in the recovery and relief efforts. In response to this emergency, **the State assigned to Correos**, by means of Royal Decree-Law 7/2024⁵², a set of **actions to facilitate the reconstruction and recovery of the affected areas**, offering various services at no cost to the citizens affected, while at the same time empowering the company's staff to **represent the people affected in the presentation of applications for certain available public aid**.

In this way, through the Correos websites, offices, post officers and a specific telephone number, the company provided information, intermediation and representation for those affected, with

the aim of formalising these requests. In addition, it collaborated with the social services of the affected municipalities to **assist the most vulnerable people**. Thus, the post officers helped people with mobility disabilities who requested it **to apply for aid from home**, for those mobility impaired people who requested it, or **from rural service points** in the province of Valencia, for any person. All offices in the affected areas also handled such requests. In order to raise awareness of these assistance measures, more than 100,000 information leaflets were also distributed in these areas.

Correos also offered free **basic financial services**, such as sending money by money order to any home or post office box in the affected towns. It also provided **other services free of charge**, such as mail forwarding to an alternative address, post office box and Buzón Ecommerce services, as well as parcels addressed to these populations. Similarly, in the town impacted by the floods and neighbouring municipalities, available office space was made available to citizens to **meet their**

connectivity needs, in some cases even providing coworking spaces. During the time when access to the offices in these locations was not possible, services continued to be provided in those located nearby.



⁵² Royal Decree-Law 7/2024, of November 11, adopting urgent measures to promote the Immediate Response, Reconstruction and Relaunch Plan to address the damage caused by the Isolated Depression at High Levels (DANA) in various municipalities between October 28 and November 4, 2024.



In addition, in the first days after the tragedy, Correos **offered its transport networks** to move **essential goods** and humanitarian aid to several logistics centres in collaboration with different organisations, NGOs and public administrations, ensuring that they reached their recipients in the shortest time possible. In this way, Correos made its resources available to Mercasa for the distribution of food from Mercavalencia to the affected areas, transporting around 250 tonnes of fruit and vegetables and more than 80,000 hot meals, with the help of **the company's volunteers**, who also collaborated in the clean-up work.

Correos collaborated in the relief, recovery and aid management tasks in the areas affected by DANA

At the beginning of 2025, a new service was also incorporated, aimed at boosting commercial activity in the affected towns, through the transport of orders from Mercavalencia to retail businesses. This operation has been particularly relevant for the reactivation of businesses that lost their vehicles and, therefore, their means of supply.

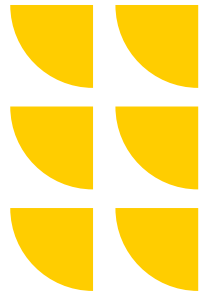
Lastly, the company made it easier for customers to make **donations to the organisations and NGOs involved in helping those affected**, through the **Redondeo con impacto** (Rounding up Q with impact) programme on the branch network, and through direct donations on its websites, and offered its marketplace **Correos Market** to impacted businesses to facilitate their sales.

Last year, Correos also provided its services free of charge in other emergency situations. Thus, those affected by the fire in the Campanar building (Valencia) in February 2024 were able to use the Buzon Ecommerce to receive their deliveries and the Electronic Virtual Register service (ORVE) to process their communications with the Administration.

Community engagement

GRI 203-2, 413-1

Correos' commitment to the community is materialised through the support of different social and environmental projects of **NGOs, associations and foundations**, which have a significant local impact. These activities focus mainly on four areas of action:



Education and childhood

Through the sale of articles in the benefit of various NGOs, such as UNICEF, Juegaterapia and Fundación Crecer Jugando or collaborations with the 'INICIA2' programme of the Fundación Rafael del Pino and Global Compact and the school-enterprise collaboration programme implemented by the Autonomous Region of Madrid for students of the last year of compulsory secondary education.



Diversity and inclusion

With initiatives especially aimed at women and the LGBTI community. In this sense, Correos remained a member of the **'Network of companies for a society free of violence against women' initiative**, promoted by the Government Delegation to eradicate Violence against Women. In addition, a stamp dedicated to Proyecto Hombre was put on sale, publicising the work of the professionals, therapists, families and volunteers who help people with addictions.



Raising awareness of climate change

Through the participation in the 6th edition of the **Green Postal Day**, promoted by the International Post Corporation, to recognise the advances in sustainability achieved by the sector over the last 15 years.



Fostering volunteering

Through the promotion of employee volunteering, with environmental actions (workshops to create refuges for pollinating species in the Natura 2000 Network, together with the Micorriza Association, and tree planting), as well as social activities (**collection of food for the Food Banks** of different provinces or collaboration in the Great Food Collection, children's Creativity and Emotional Intelligence workshops (together with the NGO Coloria and the Balia Foundation)). Likewise, Correos volunteers participated in visits and the collection of **letters that children in the hospital to the Three Wise Men** or in the parades to celebrate the arrival of the Three Wise Men in different cities, as well as collecting food or toys for families affected by the floods, among other initiatives.

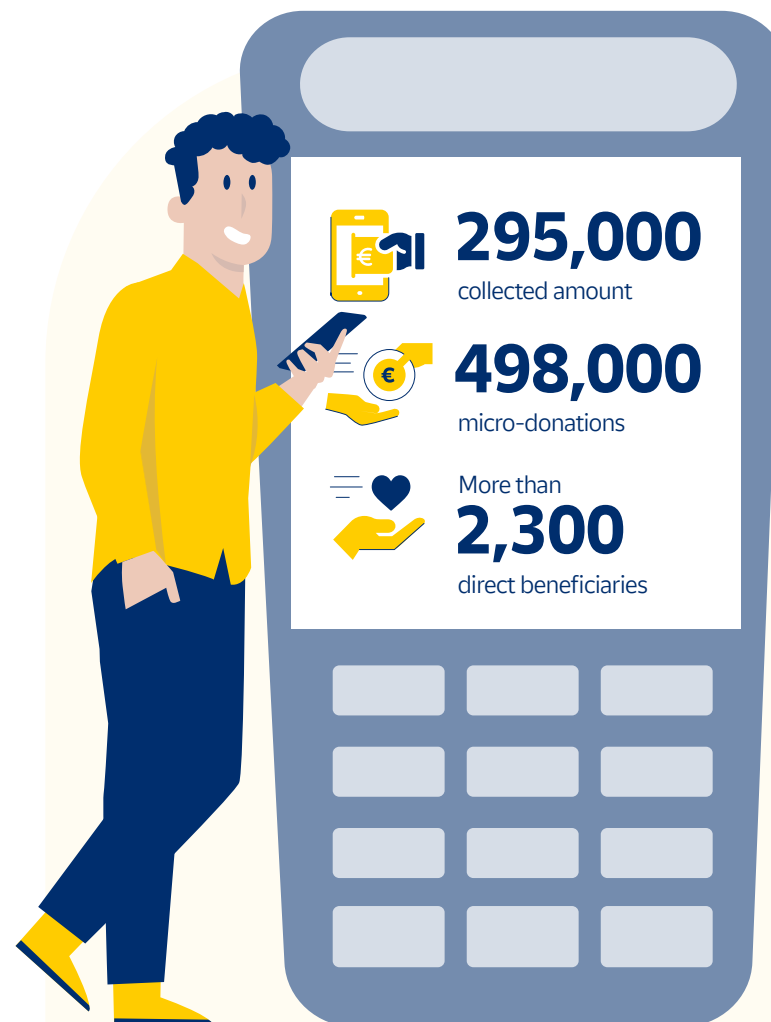


Redondeo con impacto

The **Redondeo con impacto** (Rounding up with impact) programme offers customers of the office network the possibility of rounding up the final amount of their purchase made with a bank card, to allocate micro-donations to various initiatives focusing on generating a positive social and/or environmental impact. **In 2024, more than 498,000 contributions were received, for an overall amount of more than 295,000 euros**, 161% more than the previous year, which contributed to funding:

- The project with Down España, to support the **employment of** people with Down syndrome and other **intellectual disabilities**, for which 72,260 euros were raised thanks to 123,207 micro-donations.
- Collaboration with the **Brown Bear** Foundation to protect this emblematic species and its habitat, with 65,210 euros raised through 114,292 micro-donations.
- The 'Fight against food waste' campaign, with the organisation Enraiza Derechos, to which 40,910 euros were contributed, directly benefiting 1,000 people and indirectly benefiting another 5,000.
- The work of UNHCR to support **refugees in Lebanon**, with 15,088 euros raised through 25,870 micro-donations. This project was temporarily paused since November to deal with the emergency in Valencia.
- The Spanish Red Cross campaign to attend to the **victims of the Valencia floods**, with the aim of ensuring that they had their basic needs covered, as well as care in shelters and sports centres for the most affected people. 101,782 had been raised by the end of 2024, thanks to 162,607 micro-donations.

▶ Redondeo con impacto



Collaboration of the office network with foundations and non-profit entities

The office network also plays an important role in funnelling citizens' contributions to various NGOs, through the **sale of their solidarity products or by making space available** in the establishments. Last year, Correos collaborated with:

- UNICEF and Fundación Juegaterapia, among other organizations, through **the sale of items** in the network of offices and in the **Solidarity Products** section of Correos Market. ▼
- The **'Un juguete, una ilusión' ('One toy, one dream') campaign**, promoted by Fundación Creer Jugando and Radio Nacional de España, whose purpose is to fight for the **fundamental right of all children to play**. During 2024, 115,057 solidarity pens were sold in the branch network.
- SOS Children's Villages and the Spanish Red Cross, raising awareness of their work by **providing spaces** and **selling lottery tickets** for the latter's Gold Draw and Christmas lottery.

- The collection and distribution of **donations of toys and books**, destined for Oxfam Intermón's Toy Flea Market, to **guarantee access to drinking water and basic sanitation to communities** with which this NGO works in countries on the African continent.

Overall, the contributions funnelled by Correos to various associations and non-profit organisations **helped more than 235,000 direct beneficiaries and 207,000 indirect beneficiaries**.

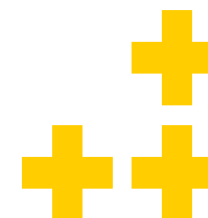
In compliance with Act 31/2022, of 23 December, on the General State Budget for the year 2023, last year, none of the Group companies made any financial contributions to foundations and non-profit organisations in the form of donations, agreements or sponsorships.

Correos only contributed approximately 27,000 for membership of various associations and organisations that provide advisory services on social, environmental and good governance issues.

Finally, Correos Express maintained its cooperation with the General Council of



Professional Associations of Optometrists, the Spanish Federation of Optical Sector Associations (FEDAO in Spanish), through information, awareness and prevention activities in the field of visual health developed by the association Visión y Vida, as well as Fundación Dental Española (FDE).



Information on governance

- Business conduct



Business conduct

Structure and organisation of the Correos Group

GRI 2-1, 3-3

The Sociedad Estatal Correos y Telégrafos S.A., S.M.E. (Correos) is a public limited company with entirely public capital. Its **sole shareholder is the public company Sociedad Estatal de Participaciones Industriales (SEPI)** which reports to the Ministry of Finance.

Correos is the parent company of the Correos Group and owns 100 percent of the subsidiaries Correos Express Paquetería Urgente, S.A., S.M.E. and Correos Telecom, S.A., S.M.E.

For its part, Correos Express Paquetería Urgente, S.A., S.M.E. owns 51% of CEP-Assessoria Iberica de Logística e Transporte, S.A. (Correos Express Portugal), which itself has a wholly-owned subsidiary, CEP II-Correos Express Portugal, S.A.

It also owns a 35% stake in the Asian companies KCG Ecommerce Solutions Company Limited and K Parcel Company Limited.

Correos is a commercial enterprise, which is governed by private law, except in matters relating to budgetary, accounting, financial control and contracting regulations, in its capacity as a company that is part of the public business sector⁵³.



⁵³ In accordance with the provisions of article 3 of Law 47/2003, of November 26, General Budget, in coordination with article 166 of Law 33/2003, of November 3, on the Assets of Public Administrations.

Corporate bodies of Correos

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-17, 2-18, 3-3, 405-1

The corporate bodies of Correos are the **General Meeting of Shareholders and the Board of Directors**. The company is managed by the Board of Directors, its Chairman and, where applicable, the Executive Committee, whose powers are set out in the Articles of Association and in the **Regulations of the Board of Directors**, a document that represents an commitment to the integration of good practices and standards of good governance in the functioning of this body. ➤

The **Audit and Control Committee** advises the Board on economic and financial matters, risk control and internal audit. The members of this Committee are appointed by the Board of Directors from among those with special knowledge, skills and experience in accounting, auditing or management in general, especially in the public sector.

Correos, despite not being a listed company, has adopted some of the **recommendations of the Good Governance Code** for Listed Companies of the National Securities Market Commission (CNMV) and has a risk control system that ensures a general management framework appropriate to the threats and uncertainties inherent in the business processes and the environment in which it operates.

The General Meeting of Shareholders appoints and removes directors. The **appointment of directors** takes into consideration not only compliance with the legal and statutory requirements of the post, but also the knowledge, prestige and professional experience provided for the exercise of their functions, in addition to ensuring a balanced presence of men and women.

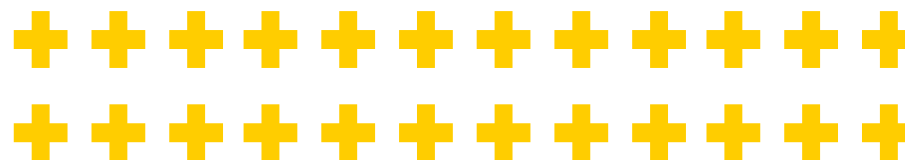
Directors must possess recognised moral solvency and a sense of responsibility, accredited by a track record of ethical conduct, not have been involved in

circumstances in which their participation on the Board could jeopardise the interests of the company, and act with integrity and responsibility in the exercise of their duties.

The Regulations of the Board of Directors specify all the situations that may involve a **conflict of interest**. A director, therefore, may not hold office in more than two companies, in accordance with the regulations on senior officers of the General State Administration and on incompatibilities of personnel in the service of the Public Administrations⁵⁴, unless they have obtained the express authorisation of the Council of Ministers. In addition, the Regulations stipulate

that directors affected by proposals for appointment, re-election or removal must abstain from taking part in deliberations and voting on such proposals.

The directors make an annual declaration of conflicts of interest, in compliance with the provisions of the Capital Companies Act⁵⁵. Situations of this type would be reported in the notes to the Group's consolidated accounts. The Chairman and the non-director Secretary have a regime of incompatibilities established by contract.



⁵⁴ Act 53/1984, of December 26, on Incompatibilities of Public Administration Personnel.

⁵⁵ Royal Legislative Decree 1/2010, of July 2, approving the revised text of the Capital Companies Act.

► Corporate bodies of Correos ◀

General meeting of shareholders

Chairman

The Chairman of the Governing Board is also the Executive Chairman of Correos and of all of its governing bodies. This person is responsible for management and administration functions, for representing management bodies and for executing the resolutions that they adopt.

Governing Board

Composed of a minimum of 12 and maximum of 15 members, who serve for a maximum period of five years, with the possibility of re-election. They are appointed and removed by the General Meeting of Shareholders. The Governing Board usually meets monthly to oversee the management of the company.

Executive Committee

The Executive Committee consists of the Chairman and four members of the Governing Board. It may exercise each and every one of the powers of the Governing Board, except for those which, by law, cannot be delegated.

Audit and Control Committee

Composed of three independent members of the Governing Board, the Audit, who have no executive functions. It is responsible for informing and advising the Board on economic and financial matters and on risk control and internal auditing.





The **composition of the Board of Directors** of the S. E. Correos y Telégrafos, S.A., S.M.E. as of 31 December 2024 was as follows:

- Mr. **Pedro Saura García** ▶
Chief Executive Officer
- Ms. **Dolores Alonso Galdo** ▶
Proprietary Director
- Mr. **Luis Álvarez-Ossorio Álvarez** ▶
External Independent Director
- Mr. **Pedro Enrique Blanco Chinarro** ▶
External Independent Director
- Ms. **Marta Fano González** ▶
External Independent Director
- Mr. **Luis Gonzaga Serrano de Toledo** ▶
External Independent Director
- Ms. **Aída Joaquín Acosta**
External Independent Director
- Mr. **Juan Pablo Martín de Andrés** ▶
External Independent Director
- Mr. **Manuel Pacheco Manchado** ▶
External Independent Director
- Mr. **Jaime Pérez de la Cruz** ▶
External Independent Director
- Mr. **José María Pérez Rosado** ▶
External Independent Director
- Mr. **Alberto Requena Navarro** ▶
External Independent Director
- Mr. **Dámaso Riaño López**
External Independent Director
- Mr. **Tomás Suárez-Inclán González** ▶
External Independent Director
- Ms. **Lucía Valdés Lorenzo** ▶
External Independent Director
- Mr. **Rafael Domínguez Olivera** ▶
Non-Director General Secretary
- Mr. **Antonio González-Carballo Cañas**
Non-Member Deputy Secretary

Corporate bodies of the subsidiaries of the Correos Group

GRI 2-9, 2-10, 2-11, 2-19, 405-1

The corporate bodies of the Group's subsidiaries are the General Meeting of Shareholders and the Board of Directors.

The **directors of the subsidiaries**, whose positions are not remunerated, are chosen from among the members of the management team of Correos and the SEPI Group, ensuring parity between men and women. The minimum and maximum number of members of the Boards of Directors of each of the subsidiaries is:

- From 6 to 12 on Correos Express.
- 5 on Correos Express Portugal.
- From 4 to 8 on Correos Telecom.

The subsidiaries (with the exception of Correos Express Portugal) also have their respective Audit and Control Committees to advise on economic-financial matters, financial and non-financial risk control and internal audit.

The **composition** of the respective Boards of Directors of the subsidiaries of the



Correos Express Paquetería Urgente, S.A., S.M.E.

- Mr. **Francisco Ferrer Moreno** ▶
Chairman
- Ms. **Olga García Sáez** ▶
Executive Director
- Mr. **Javier Monzó Torrecillas** ▶
Executive Director
- Mr. **José Miguel Moreno Moreno** ▶
Executive Director
- Ms. **Yolanda Orcajada de la Torre** ▶
Executive Director
- Mr. **Francisco Salvador Montero**
Proprietary Director
- Mr. **Antonio González-Carballo Cañas**
Non-Director Secretary
- Mr. **Rafael Domínguez Olivera** ▶
Non-Member Deputy Secretary

Correos Group as at 31 December 2024 was as follows:



CEP – Assessoria Ibérica de Logística e Transporte, S.A.

- Mr. **Karim Fabrice El Kouche**
Chairman
- Mr. **Luis Manuel Dionisio Marqués**
- Mr. **Francisco Ferrer Moreno** ▶
- Mr. **José Miguel Moreno Moreno** ▶
- Mr. **Nuno Filipe Pereira Rangel**



Correos Telecom, S.A., S.M.E.

- Mr. **Francisco Ferrer Moreno** ▶
Chairman
- Ms. **Isabel Alcantarilla Puerto** ▶
Executive Director
- Ms. **Cristina Cid Gil**
Executive Director
- Mr. **Alvar Maté Araus**
Proprietary Director
- Mr. **Javier Monzó Torrecillas** ▶
Executive Director
- Mr. **José Miguel Moreno Moreno** ▶
Executive Director
- Ms. **Yolanda Orcajada de la Torre** ▶
Executive Director
- Mr. **Antonio González-Carballo Cañas**
Non-Director Secretary
- Mr. **Rafael Domínguez Olivera** ▶
Non-Member Deputy Secretary

Remuneration of the Board of Directors and the Management Committee

GRI 2-19, 2-20

The **Management Committee** of the Correos Group is an internal collegiate body that supports the Chairman in his day-to-day management, promoting and coordinating the most relevant issues for the activity with the different units and subsidiaries. The Steering Committee meets regularly at the request of the Chairman. The **members of the Management Committee** do not receive specific remuneration for their attendance.

For their part, the members of the Board of Directors of Correos **receive exclusively the allowances for attending the meetings** of the Board of Directors and the Audit and Control Committee, as determined annually by the General Shareholders' Meeting, in the situations established by Royal Decree

462/2002⁵⁶ and by the regulations in force for public bodies and trading companies. Pursuant to Act 3/2015⁵⁷, the allowances of senior directors are paid into the Public Treasury.

The payment of per diems is not compatible with the performance of executive functions for the company, which are compensated in accordance with the provisions of the corresponding commercial or employment contracts, within the structures and maximum amounts established in the regulations applicable to state public sector companies. Thus, the Chairman of Correos does not receive a fee for attending the Board of Directors. Remuneration of senior management staff at Correos is governed by Royal Decree 451/2012⁵⁸.

Remuneration accrued for all items during the financial year 2024 by the members of the Board of Directors and Senior Management of the Parent Company amounted to 2.0 million euros, of which 158,479 euros were for

expenses of the members of the Board of Directors of the Parent Company for attending Board meetings (an average of 11,320 euros per director), and the remainder for salaries and/or other remuneration items (including damages) for senior managers (average remuneration of 185,052 euros annually).

⁵⁶ Royal Decree 462/2002, of May 24, on compensation for service.

⁵⁷ Act 3/2015, of March 30, regulating the exercise of senior positions in the General State Administration.

⁵⁸ Royal Decree 451/2012, of March 5, regulating the remuneration system for senior managers and executives in the public business sector and other entities.

Legal framework for the activities of the Correos Group

The **Spanish postal market has been completely liberalised** since 1 January 2011, following the entry into force of **Act 43/2010**⁵⁹. The free competition regime implies that there must be a mechanism to ensure the provision of services, even when the market does not provide them or provides them at unaffordable prices or under insufficient quality conditions. To this end, the law provides for the existence of a universal postal service guaranteed by the State and provided by an operator expressly designated for this purpose. Under the aforementioned law, Correos was the operator designated to provide the universal postal service in Spain until 31 December 2025.

As a designated operator, Correos **submits the analytic accounts of each**

financial year to verification by the **National Markets and Competition Commission** (CNMC in Spanish), and these accounts determine the net cost of the universal postal service and the unfair financial burden of providing it.

The CNMC has issued the resolution verifying the net cost and determining the unfair financial burden of the universal postal service, reviewing and adjusting the compensation to Correos for the provision of the postal service between 2011 and 2018, with the same process for years 2019 to 2023 pending review.

With regard to the universal postal service, the **provision plan**⁶⁰ approved in 2021 establishes the conditions under which Correos must provide this service, particularly in areas where there is a very low population density, the procedure for assessing its cost and how it is to be financed, as well as the criteria to be

taken into account in determining the contribution of public authorities. The regulatory body is responsible for the measurement and control of the quality parameters for the provision of the universal postal service.

In 2024, the **new postal regulation** (Royal Decree 437/2024⁶¹), provided for in Act 43/2010 and replacing the one in force since 1999, came into force, completing the postal regulatory framework in Spain. The regulation develops the regulation on the provision of postal services excluding everything related to the universal postal service and, therefore, being of general application, under equal conditions, for all market operators in free competition. Similarly, its precepts underpin the system of guarantees that allow for the effective and efficient use of postal services by all citizens. In addition, last year the CNMC published a **Guide to postal users' rights**, which sets out

the obligations of postal operators in the market.

Besides being an operator in the postal market, **Correos and its subsidiary Correos Express, also develop their business in the parcel delivery market** and are subject to the laws applicable to the land freight sector⁶². In turn, the activity of **Correos Express Portugal** is subject to the postal and inland freight transport regulations applicable in Portugal⁶³. Finally, the provision of electronic communications services by **Correos and Correos Telecom is regulated by the General Act on Telecommunications**⁶⁴.

⁵⁹ Act 43/2010, of December 30, on the universal postal service, user rights, and the postal market.

⁶⁰ Resolution of June 15, 2021, of the General Technical Secretariat, publishing the Agreement of the Council of Ministers of June 1, 2021, approving the plan for the provision of the universal postal service.

⁶¹ Royal Decree 437/2024, of April 30, approving the Regulations on postal services, in implementation of the provisions of Law 43/2010, of December 30, on the universal postal service, user rights, and the postal market.

⁶² Act 16/1987, of July 30, on the Regulation of Land Transport and Law 15/2009, of November 11, on the Land Transport Contract for Goods.

⁶³ Act No. 17/2012, of April 26, Decree-Law No. 239/2003, of October 4, and Law No. 18/2023, of April 17.

⁶⁴ Act 11/2022, of June 28, General Telecommunications Law.

Transparency in management

GRI 2-13, 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3

The companies that make up the Correos Group have the necessary mechanisms in place to comply with the reporting obligations established by Act 19/2013⁶⁵. To this end, they have a **transparency portal** and different access channels, through which citizens can address their requests for public information, in accordance with the terms set out in the aforementioned regulations.

Transparency, along with citizen participation and public integrity, is one of the principles underpinning **Open Government Week**, an event organised every year with the aim of bringing public administrations closer to citizens and promoted globally by the Open Government Partnership. Correos once again took part by offering open days in 16 automated processing centres and 17 main offices in the capitals of the different Autonomous Communities, which were attended by more than 400 people.

The Correos Group's Criminal Risk Prevention Programme, in force since 2021, includes the **Crime Prevention Manual** and the **General Code of Conduct**. These documents reflect the reference values that govern the actions of managers and employees. The Code contains, among others, measures to prevent and eradicate corruption and bribery (including guidelines for equal treatment and opportunities, fair competition, prevention of conflict of interest or insider trading) and human rights due diligence measures, concerning forced or child labour, freedom of association or bargaining.

In addition, since 2022, Correos has **Compliance Policies** in place, which set out the commitments undertaken to ensure a conduct that respects national and international regulations and professional ethics. The latter include the **Anti-Corruption Policy** and the **Gifts and Hospitality Policy**, which describe prohibited conduct (such as extortion, bribery or trading-in influence) and recommended guidelines for ethical decision-making behaviour, in order

to promote the prevention, detection and reporting of non-compliance. To these is added the **Conflict of Interest Management Policy**, which contains the general recommendations, values and principles that should govern the conduct of any governing bodies, executives and professionals of Group companies and other stakeholders, as well as business partners acting in the name and on behalf of the company.

The Group has a **Compliance Committee**, an autonomous and collegiate body, whose main function is to manage and control adhesion to the compliance system, as well as to report to the Board of Directors of Correos (through the Audit

and Control Committee) every six months on the update of the system or the content and results of the opinions it issues, among other matters. In 2024, the Compliance Committee held five meetings.

In accordance with Act 2/2023⁶⁶, regulating the protection of persons who report regulatory infringements and the fight against corruption, the Correos Group has an **Internal Information System**, comprising the **General Policy of the Internal Information System**, the **Procedure for Information Management**, the **Ethics Channel** and the Internal Information System Manager, a function carried out by the Compliance Committee.



⁶⁵ Act 19/2013, of December 9, on transparency, access to public information, and good governance.
⁶⁶ Act 2/2023, of February 20, regulating the protection of persons who report regulatory violations and the fight against corruption.

► Main internal regulations of Correos Group on ESG aspects ◀



People

- ESG framework policy
- SDG alignment model
- Human rights policy
- Excellence and Sustainability Policy
- Equality Plan
- Anti-harassment protocol
- Sustainability Master Plan



Ethics and compliance

- General Code of Conduct
- Compliance policies: Anti-Corruption Policy, Gifts and Hospitality Policy, Conflict of Interest Management Policy
- Corporate competition compliance policy
- Internal reporting system general policy
- Board of Directors Regulations
- Compliance Committee Regulations
- Annual Internal Audit Plan
- Information Management Procedure
- Crime Prevention Manual



Supply Chain

- Internal procurement instructions
- Asset procurement rules
- Framework of Criteria for Responsible Procurement



Risks

- Corporate Risk Control And Management Policy
- Security policy
- Information security policy
- Business Continuity and Resilience Plan

The **ethics channel** enables employees and other stakeholders to report, anonymously and confidentially, behaviour that is contrary to the General Code of Conduct and the internal regulations developing it, in addition to the other infringements contemplated by Act 2/2023. These communications are processed by the Head of the Internal Information System who, in turn, has an independent team of managers, guaranteeing **impartiality in the development of the investigation**. These managers are specifically trained for the performance of their duties.

Communications, which may take place electronically or through documented face-to-face meetings, are recorded and managed through the Internal Reporting System, under the supervision of the Compliance Committee. The System Manager shall periodically monitor the situation of the informant and, where appropriate, of those persons included in the protection regime.

The channel is accessible through the corporate websites of the Group's companies and is enabled through a specialised technological platform,

with the necessary security measures **to guarantee confidentiality, security and anonymity**.

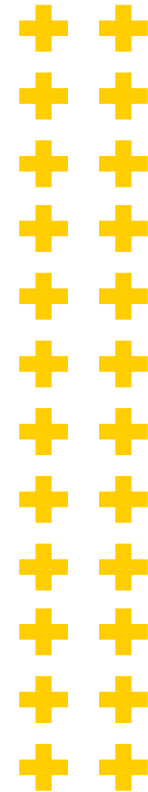
During the past year, 647 communications were received through the ethical channel, concerning the following issues:

- Relations with customers and suppliers
- Harassment at work, sexual harassment or other discriminatory acts
- Phishing or attempted computer fraud
- Conflict of interest
- Data protection
- Corruption and improper payments
- Other reasons.

The **Procedure for information management** details the mechanism for handling the communications received, the regulation of incompatibilities or conflicts of interest on the part of the file managers, the application of the principle of objectivity, autonomy and independence, as well as the measures for the protection of whistleblowers against retaliation, its conditions and possible exclusions.

In addition, it provides that the final decision on the relevant reports, notified by the Compliance Committee, must be submitted to the Board of Directors for ratification, on the basis of the position held by the perpetrator, the potential impact of the facts on the company or if the facts are of special significance.

Company professionals are informed about the functioning of the internal information system and the ethics channel, as well as the guarantees, rights and obligations that concern them with regard to communications, as part of the **mandatory training** provided on business ethics and regulatory compliance. In this regard, in 2024, Correos Group managers and Correos Telecom professionals received training in the Internal Information System. Other content and recommendations were also disseminated through **internal communication channels** to raise awareness of business ethics and ensure **effective dissemination of the policies in force**.



Similarly, employees have an electronic mailbox (cumplimiento@correos.com) to which they can direct their queries ➤ on other situations related to legal compliance, the General Code of Conduct or corporate policies.

The Group also has a **Corporate** ➤ **Competition Compliance Policy**, which sets out the basic principles of action for competition that should govern the conduct of all employees, officers and directors. The document addresses the issues of collusive practices, abuse of dominance, unfair competition, merger and acquisition control, office inspections by competition authorities and supervision of intra-group agreements.

In 2024, Correos adhered to the **Code of Good Tax Practices (CBPT) for Companies, Institutions and Public Entities** of the State Tax Administration Agency. The goal of this document, approved at the plenary session of the **Forum of Businesses, Institutions and Public Entities**, to which Correos belongs, are to promote a reciprocally cooperative relationship between the Tax Agency and the entities that subscribe to it, the implementation of the necessary

measures to achieve a correct tax and customs management by the companies, institutions and public entities that adhere to it, as well as to achieve higher standards of legal security in tax matters.

Correos adhered to the Code of Good Tax Practices for Companies, Institutions and Public Entities





Implementation of internal audit procedures

GRI 2-17, 2-18, 2-24, 2-25, 2-27, 3-3

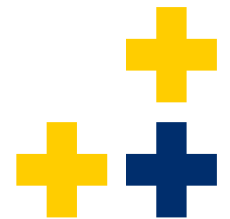
Through the internal audit function, the **Group's internal control system** is continuously evaluated, providing support to the Audit and Control Committee of the Board of Directors and to management.

Its purpose is to contribute to the achievement of corporate goals, providing a systematic approach to the evaluation of risk management, control and good governance processes, with the aim of preventing, detecting and, where appropriate, eradicating unethical business practices, such as corruption or bribery.

As part of the **Annual Audit Plan**, approved by the SEPI Group, operational and compliance audits are carried out, verifying compliance with applicable policies, procedures and regulations. Recommendations issued in previous years are also followed up on an annual basis.


In addition, **internal process verification audits** are carried out to assess compliance and encourage continuous improvement, within the framework of the external certifications of the Group's management systems.

Process audits are carried out in a representative number of offices, processing centres and delivery units, and compliance with the principles of integrity and good governance in the activities of the operating units is verified.



Public sector control

In addition to internal controls, the activities of the Group's companies are subject to the supervision of bodies such as the National Commission for Markets and Competition (CNMC), the General Intervention of the State Administration (IGAE) and the Court of Auditors.

Correos Group is also subject to public control through the supervisory mechanisms applicable to its sole shareholder (more information available on the SEPI Group's [website](#) and  annual report) and its business is subject to the Rules regulating the system of authorisation and supervision of acts and operations of SEPI Group. Thus, Act 40/2015⁶⁷ establishes a regime of efficiency control and continuous supervision of all the entities of the institutional public sector of the State.

Prevention of money laundering

Act 10/2010⁶⁸ and its Regulation⁶⁹ include Correos among those obliged to prevent money laundering and the financing of terrorism, as regards **money remittance or transfer activities**, being subject to the supervision of the Executive Service for the Prevention of Money Laundering (SEPBLAC) in Spain and the Financial Intelligence Unit (UIFAND) in Andorra.

The company carries out and reviews at least annually a **risk self-assessment report**, following the recommendations⁷⁰ issued by SEPBLAC, in order to identify the business areas with the greatest exposure to risk and define the internal control measures, which are included in the **internal anti-money laundering manual**.

In addition, it **checks systematically and continuously that due diligence measures are complied with** in money remittance operations and the adequacy of internal policies and procedures.

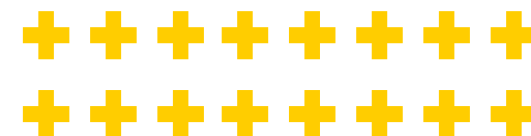
In accordance with the regulations, the internal control measures and bodies in this area are subject to an **annual review by an external expert**. The report on the findings of the review for the financial year 2023 was submitted to the Audit and Control Committee of the Board of Directors on 26 April 2024.

A **specific risk analysis** must also be carried out **prior to the launch of new products or services and the use of new distribution channels or technologies**, in order to manage and mitigate the risks identified.

The branch network, where the greatest risk is focused due to the daily handling of financial transactions (money transfers, prepaid cards, remittances), has various **channels for reporting** risky transactions. In addition, the company has a **post-transaction analysis tool** that detects **suspicious transactions**. The activities analysed and considered likely to constitute a criminal offence are reported

to SEPBLAC, which is also sent a monthly Statement of Transactions.

The manual against money laundering, together with other training documents and circulars are available on the corporate intranet. In 2024, regular training on this subject was strengthened in accordance with the specific risks of the sector, addressing new regulatory recommendations and expanding the group of people that undergo this training.



⁶⁷ Act 40/2015, of October 1, on the Legal Regime of the Public Sector.

⁶⁸ Act 10/2010, of April 28, on the prevention of money laundering and terrorist financing.

⁶⁹ Royal Decree 304/2014, of May 5, approving the Regulations of Act 10/2010, of April 28, on the prevention of money laundering and terrorist financing.

⁷⁰ SEPBLAC (2013). *Recomendaciones sobre las medidas de control interno para la prevención del blanqueo de capitales y de la financiación del terrorismo*.

The main associations and organisations in which the Correos Group participates

GRI 2-28

Last year, the companies of the Correos Group were members of the following associations or bodies:



Business

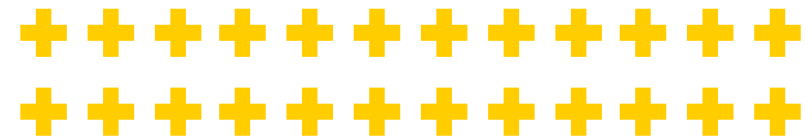
- A-Digital (Spanish Association of Digital Economy)
- AEA (Spanish Association of Advertisers)
- AECOC (Association of Manufacturers and Distributors)
- AEERC (Spanish Association of Customer Relationship Experts)
- AESPLA (Spanish Association of Occupational Health and Safety Services)
- Ametic (Association of Electronics, Information Technology, Telecommunications and Digital Content Companies)
- ANTRAM (Associação Nacional de Transportadores Públicos Rodoviários de Mercadorias)
- APOE (Associação Portuguesa de Operadores Expresso)
- Spanish Association of Risk and Insurance Management (AGERS)
- AMKT (Spanish Marketing Association)
- @asLAN (association of companies in the ICT sector)
- ATEIA (Association of International Freight Forwarders. Organisation for Logistics, Transport and Customs Representation)
- AUSAPE (SAP Users Association of Spain), belonging to the Board of Directors
- AUTELSI (Spanish Association of Telecommunications and Information Society Users), participating in the Advisory Committee of Madrid Digital and as a member of the AI group
- AUTOCONTROL
- CEL (Spanish Logistics Centre)
- Postal High Council
- Leading Spanish Brands Forum
- International Data Corporation CIO Executive Council
- ISMS Forum Spain (Spanish Association for the Promotion of Information Security)
- PRL Innovation
- Silicon Alley Madrid (association of companies in the ICT sector)
- UNE (Spanish Association for Standardisation)
- UNO (Spanish Logistics and Transport Business Organisation)

Sustainability and good governance

- AEDIVE (Business Association for the Development and Promotion of the Electric Vehicle)
- Fundación SERES Society and Responsible Business
- GECV (Spanish Group for Green Growth)
- Spanish Institute of Charter Accountants
- Valencia Institute of Biomechanics
- 'Network of Companies for a Society Free of Gender-Based Violence', by the Government Delegation against Gender-Based Violence
- Business Network for LGBTI Diversity and Inclusion (REDI)
- United Nations Global Compact Network Spain

International organisations and partnerships

- IPC (International Post Corporation). A cooperative association comprising the 26 largest postal operators. Correos was a member of its Board of Directors.
- KPG (Kahala Post Group). Business alliance with postal operators in Australia, China, South Korea, Hong Kong, Japan, the United States, the United Kingdom, France, Thailand and Canada. The company co-chaired the Sustainability Leadership Group, which aims to strengthen cooperation between members on sustainability matters.
- PostEurop. Association of the main European postal operators. Correos chaired its Steering Committee. In addition, he was co-chair of the Postal Services Steering Group and co-vice-chair of the Customs Group and the ESG Cross-cutting Group.
- PUMed (Postal Union of the Mediterranean). Correos was the vice-chair of its Steering Committee, as well as the vice-chair of the CSR-Sustainability Panel.
- UPAEP (Postal Union of the Americas, Spain and Portugal). Posts co-chaired the Working Groups on Financial and Digital Services, on Sustainability and on Electronic Data Advancement (EAD), as well as the Regulatory Affairs Committee.
- UPU (Universal Postal Union). Correos was a member of the Postal Operations Council, co-chairing the Compliance Group.



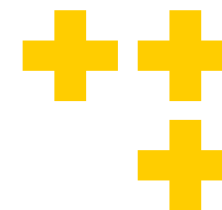
Annexes

- Reporting frameworks and indicators
- External verification of the non-financial information statement
- GRI Content Index, Global Compact Principles and SDG



Reporting frameworks and indicators

GRI 2-2, 2-3



The Correos Group's Non-Financial Information Statement (NFI), as part of its consolidated annual accounts, is included in its Integrated Annual Report, published on the Correos [website](#) in June of the year following each financial year. ▶

The contents and indicators included in this Statement of non-financial information have been prepared in accordance with the requirements of Act 11/2018⁷¹, using the GRI Standards for sustainability reports of the **Global Reporting Initiative** (GRI) ▶ 2021 version as a reference. This model facilitates delivery of the three-pronged economic, social and environmental approach to the Group's performance.

The guidelines of the 'Conceptual Framework for Integrated Reporting' of the **International Integrated Reporting Council** (now part of The Value Reporting Foundation) have also been followed in the preparation of this report. In this way, it aims

to provide stakeholders with a cross-cutting and significant vision of the business model and the mechanisms for creating value in the short, medium and long term.

The content of the Delegated Regulation (EU) 2023/2772⁷² has also been taken as a reference for the reporting and the preparation of a dual materiality analysis.

Since 2002, Correos has also been a signatory to the United Nations Global Compact, undertaking to respect and promote its ten principles in the areas of human and labour rights, the environment and anti-corruption. The company prepares its annual progress report, which has the advanced level distinction, and can be consulted on the pages of the **Global Compact**, the **Spanish Global Compact Network** and Correos. ▶

The Correos Group has also aligned its policies with the **United Nations** ▶

Sustainable Development Goals and reports its commitments and contributions to the achievement of the 2030 Agenda.

This Statement of non-financial information presents, in general terms, the most important quantitative information and indicators of the Correos Group. However, in the case of content referring to employment, environmental and social issues, it is broken down by the different companies that make up the Group, due to the different nature, size and activity of each company.



⁷¹ Act 11/2018, of 28 December, amending the Commercial Code, the revised text of the Law on Capital Companies approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing Accounts, on non-financial and diversity information.

⁷² Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

Indicators used in the Non-financial information statement

| | Chapter EINF | GRI indicator, Global Compact Principle and SDG |
|---|--|--|
| 1. Business environment | Business environment and market trends | GRI 2-6 |
| 2. Organisation and structure | Structure and organisation of the Correos Group | GRI 2-1 |
| 3. Markets served | The Correos Group and its business model. Business environment and market trends | GRI 2-1, GRI 2-6 |
| 4. Objectives and strategies | Strategy | - |
| 5. Factors and trends that may affect its future evolution | Business environment and market trends. Materiality analysis and relationship with stakeholders. Strategy. Risk and opportunity management | GRI 2-6, GRI 2-12, GRI 2-13, GRI 2-23, GRI 2-24, GRI 3-2, GRI 3-3 |
| 6. Policies that the group applies with respect to these issues, which will include the due diligence procedures applied for the identification, evaluation, prevention and mitigation of significant risks and impacts, and for verification and control, including what measures have been adopted. | Risk and opportunity management. Sustainability framework. Environmental performance. Talent support and professional development. Training for new strategic challenges. Diverse and inclusive management. Safe and healthy working environment. Sustainable supply chain. Respect for human rights. Security of persons and facilities. Cybersecurity. Personal data protection. Transparency in management. Implementation of internal audit procedures | GRI 2-12, GRI 2-13, GRI 2-16, GRI 2-23, GRI 2-24, GRI 2-26, GRI 3-3, GRI 205-2 |
| 7. The outcome of these policies: non-financial key performance indicators to enable the monitoring and evaluation of progress and comparability across societies and sectors, in accordance with national, European or international reference frameworks | Labour indicators. Environmental indicators | GRI 2-27, GRI 301-1, GRI 302-1, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-7, GRI 306-3, GRI 401-2, GRI 401-3, GRI 403-9, GRI 403-10, GRI 404-1, GRI 405-1, GRI 405-2 |
| 8. Commercial relations, products or services that may have negative effects in these areas | Environmental performance | GRI 305-5, GRI 305-7, SDG 13 |

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| | Chapter EINF | GRI indicator, Global Compact Principle and SDG |
|---|--|--|
| 9. How the group manages these risks (procedures used to detect and evaluate them in accordance with national, European or international reference frameworks) | Risk and opportunity management. Sustainability framework. Environmental performance. Our team. Value chain. Security of persons and facilities. Cybersecurity. Personal data protection. Transparency in management. Implementation of internal audit procedures. | GRI 2-12, GRI 2-13, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 3-3, GRI 205-2, GRI 308-1, GRI 308-2 |
| 10. Information on the impacts that have been detected, disaggregated, in particular on the main risks in the short, medium and long term | Future trends. Materiality analysis and relationship with stakeholders. Risk and opportunity management. | GRI 3-2 |
| Environment | | |
| 11. Detailed information about the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety | Environmental performance. Value chain | GRI 3-2, GRI 305-5, GRI 308-2 |
| 12. Procedures for evaluation and environmental certification | Main environmental impacts | - |
| 13. The resources allocated to the prevention of environmental risks | Environmental indicators | Global Compact Principle 7, 8, 9, SDG 13 |
| 14. Application of the precautionary principle | Environmental performance | - |
| 15. The amount of provisions and guarantees for environmental risks | Environmental indicators | Global Compact Principle 7, 8, 9, SDG 13 |
| 16. Pollution: measures to prevent, reduce or repair carbon emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution | Main environmental impacts. Adaptation to and mitigation of climate change. Pollution and air quality | GRI 3-3, GRI 305-5, GRI 305-7, SDG 3, 7, 11, 12, 13 |

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| | Chapter EINF | GRI indicator, Global Compact Principle and SDG |
|--|---|--|
| 17. Circular economy and waste prevention and management: prevention measures, recycling, reuse, other forms of recovery and waste disposal; actions to fight food waste | Resource use and circular economy | GRI 3-3, GRI 306-2, SDG 12 |
| 18. Sustainable use of resources: water consumption and water supply according to local constraints; consumption of raw materials and the measures adopted to improve their use efficiency; direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energies | Climate change adaptation and mitigation. Resource use and circular economy. Environmental indicators | GRI 3-3, GRI 301-1, GRI 302-1, GRI 302-4, GRI 303-5, SDG 7, 11, 12 |
| 19. Climate change: the important elements of greenhouse gas emissions generated as a result of the company's activities; the measures adopted to adapt to the consequences of climate change; the reduction goals voluntarily established in the medium and long term to reduce greenhouse gas emissions and the means implemented for that purpose | Main environmental impacts. Adaptation to and mitigation of climate change. Environmental indicators. | GRI 3-3, GRI 302-4, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-5, GRI 305-7, GRI 308-2, SDG 3, 7, 11, 12, 13 |
| 20. Protection of biodiversity: measures taken to preserve or restore biodiversity; impacts of activities or operations in protected areas | Biodiversity and ecosystems | GRI 3-3, GRI 304-3 SDG 12, 13, 15, 17 |
| Social | | |
| 21. Total number and distribution of employees by gender, age, country and professional classification | Labour indicators | GRI 2-7, GRI 405-1, SDG 5, 8, 10 |

[Continue >](#)

| | Chapter EINF | GRI indicator, Global Compact Principle and SDG |
|--|---|---|
| 22. Total number and distribution of work contract modalities, annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification | Labour indicators | GRI 2-7, SDG 5, 8, 10 |
| 23. Number of dismissals by gender, age, country and professional classification | Labour indicators | - |
| 24. Average remunerations and their evolution disaggregated by gender, age and professional classification or equal value | Labour indicators | GRI 405-2, Global Compact Principle 6, SDG 5, 8, 10 |
| 25. Salary gap, remuneration of equal positions or average company remuneration | Labour indicators | GRI 405-2, Global Compact Principle 6, SDG 5, 8, 10 |
| 26. Average remuneration of directors and executives, including variable remuneration, allowances, compensations | Remuneration of the Board of Directors and Management Committee. Corporate bodies of the Correos Group subsidiaries | GRI 2-19, GRI 2-20 |
| 27. Payment to long-term savings forecast systems and any other perception disaggregated by gender | Diverse and inclusive management | GRI 401-2, SDG 8 |
| 28. Implementation of work disconnection | Organisation of social dialogue | - |
| 29. Disabled employees | Diverse and inclusive management | GRI 3-3, GRI 405-1, SDG 8, 10 |
| 30. Organization of working time | Organisation of social dialogue | GRI 402-1 |
| 31. Number of absenteeism hours | Labour indicators | GRI 403-9, SDG 3, 8 |
| 32. Measures aimed at facilitating conciliation and encouraging the co-responsible exercise by both parents | Diverse and inclusive management. Labour indicators | GRI 401-3, SDG 5, 8, 10 |

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| | Chapter EINF | GRI indicator, Global Compact Principle and SDG |
|---|--|--|
| 33. Occupational safety and health at work conditions | Safe and healthy working environment | GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-6, SDG 3, 8 |
| 34. Work accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender | Labour indicators | GRI 403-9, GRI 403-10, SDG 3, 8 |
| 35. Organization of social dialogue, including procedures to inform and consult staff and negotiate with them | Organisation of social dialogue | GRI 402-1, GRI 403-4, Global Compact Principle 3, SDG 8 |
| 36. Percentage of employees covered by collective agreement | Organisation of social dialogue | GRI 2-30 |
| 37. Balance of collective agreements, particularly in the field of health and safety at work | Organisation of social dialogue | GRI 403-4, SDG 3, 8 |
| 38. Implemented training policies | Training for new strategic challenges. Safe and healthy working environment | GRI 3-3, GRI 403-5, GRI 404-1, SDG 3, 8 |
| 39. Training hours by professional category | Labour indicators | GRI 404-1, SDG 5, 8 |
| 40. Universal accessibility of people with disabilities | Sustainable supply chain. Accessibility, affordability and inclusion | GRI 3-3, SDG 8, 10 |
| 41. Measures adopted to promote equal treatment and opportunities between women and men | Talent support and professional development. Diverse and inclusive management | GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, Global Compact Principle 6, SDG 5, 8, 10 |
| 42. Equality plans (Chapter III of Organic Act 3/2007, of 22 March, on effective equality for men and women) | Diverse and inclusive management | Global Compact Principle 6, SDG 5 |
| 43. Measures adopted to promote employment | Correos Group employment | GRI 203-2, SDG 8 |

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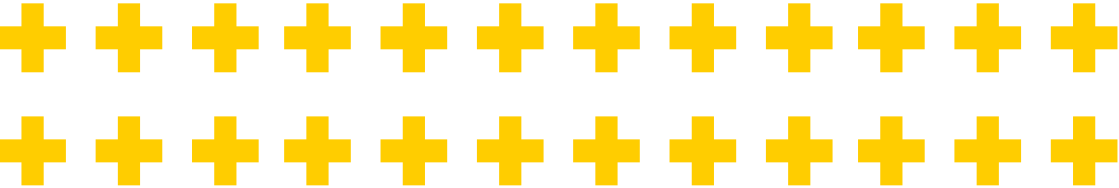
| | Chapter EINF | GRI indicator, Global Compact Principle and SDG |
|--|---|---|
| 44. Protocols against sexual harassment and for gender reasons | Diverse and inclusive management | Global Compact Principle 6 |
| 45. Universal accessibility and integration of people with disabilities | Diverse and inclusive management. Sustainable supply chain. Accessibility, affordability and inclusion | GRI 3-3, GRI 203-2, GRI 405-1 Global Compact Principle 6, SDG 8, 10 |
| 46. Policy against all types of discrimination and, where appropriate, on management of diversity | Diverse and inclusive management | GRI 3-3, GRI 405-1, Global Compact Principle 6, SDG 5, 8, 10 |
| Human rights | | |
| 47. Application of due diligence procedures in the field of human rights; prevention of the risks of infringement of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses; complaints about cases of human rights violations | Sustainable supply chain. Respect for human rights. Transparency in management | GRI 2-16, GRI 2-23, GRI 2-24, GRI 3-3, GRI 408-1, GRI 409-1, Global Compact Principles 1, 2, SDG 16 |
| 48. Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organization related to respect for freedom of association and the right to collective bargaining | Organisation of social dialogue. Sustainable supply chain. Respect for human rights. Transparency in management | GRI 2-23, GRI 2-24, GRI 2-30, GRI 3-3, GRI 408-1, GRI 409-1, Global Compact Principle 3, SDG 8 |
| 49. Elimination of discrimination in work and occupation | Diverse and inclusive management. Labour indicators. Sustainable supply chain. Respect for human rights. Transparency in management | GRI 2-23, GRI 2-24, GRI 3-3, GRI 405-2, Global Compact Principle 6, SDG 5, 8, 10 |
| 50. Elimination of forced labor | Sustainable supply chain. Respect for human rights. Transparency in management | GRI 2-23, GRI 2-24, GRI 3-3, GRI 409-1, Global Compact Principle 4, SDG 8, 16, 17 |
| 51. Abolition of child labour | Sustainable supply chain. Respect for human rights. Transparency in management | GRI 2-23, GRI 2-24, GRI 3-3, GRI 408-1, Global Compact Principle 5, SDG 8, 16, 17 |

[Continue >](#)

| | Chapter EINF | GRI indicator, Global Compact Principle and SDG |
|---|---|--|
| Fight against corruption and bribery | | |
| 52. Measures adopted to prevent corruption and bribery | Training for new strategic challenges. Respect for human rights. Corporate bodies of Correos. Transparency in management. Implementation of internal audit procedures | GRI 2-15, GRI 2-16, GRI 2-23, GRI 2-27, GRI 3-3, GRI 205-2, SDG 16 |
| 53. Measures to fight money laundering | Implementation of internal audit procedures | GRI 2-27, GRI 3-3, SDG 16 |
| 54. Contributions to foundations and non-profit entities | Community engagement | GRI 203-2, SDG 17 |
| Social commitment | | |
| 55. Impact of the company's activity on local development and employment | Correos Group employment. Sustainable supply chain. Social impact of products and services | GRI 2-6, GRI 203-2, GRI 204-1, SDG 8 |
| 56. Impact of the company's activity on local populations and on the territory | Correos Group employment. Social impact of products and services. Community engagement | GRI 203-2, GRI 413-1, SDG 8, 11 |
| 57. Relationships maintained with the actors of local communities and the types of dialogue with them | Relationship with stakeholders. Social impact of products and services | GRI 2-29 |
| 58. Partnership and sponsorship actions | Community engagement. The main associations and organisations in which the Correos Group participates | GRI 2-28, GRI 203-2 SDG 17 |
| 59. Inclusion in the purchasing policy of social, gender equality and environmental issues | Sustainable supply chain | GRI 2-23, GRI 2-24; GRI 3-3; GRI 308-1, GRI 414-1 SDG 5, 13 |
| 60. Consideration in the relations with suppliers and subcontractors of their social and environmental responsibility | Climate change adaptation and mitigation. Pollution and air quality. Sustainable supply chain. Respect for human rights | GRI 2-23, GRI 2-24; GRI 3-3; GRI 308-1, GRI 414-1 SDG 5, 13 |

[Continue >](#)

| | Chapter EINF | GRI indicator, Global Compact Principle and SDG |
|--|---|---|
| 61. Monitoring and audit systems and their results | Implementation of internal audit procedures | GRI 2-24, GRI 3-3, SDG 16 |
| 62. Measures for the health and safety of consumers | Environmental performance. Safety of people and facilities. Cybersecurity. Personal data protection | GRI 3-3, GRI 305-5, GRI 305-7, GRI 418-1, SDG 3, 11, 12, 13 |
| 63. Claims systems, complaints received and their resolution | Customers and users | GRI 2-25, GRI 3-3 |
| 64. Profits obtained by country | Generated and distributed economic value | GRI 201-1, SDG 8, 9 |
| 65. Income tax paid | Generated and distributed economic value | GRI 201-1, SDG 8, 9 |
| 66. Public subsidies received | Generated and distributed economic value | GRI 201-4 |



Annex II. External verification of the non-financial information statement

INDEPENDENT VERIFICATION REPORT ON NON-FINANCIAL INFORMATION STATEMENT FOR THE SOCIEDAD ESTATAL DE CORREOS Y TELEGRAFOS S.A., S.M.E. AND SUBSIDIARIES IN THE 2024 FINANCIAL YEAR

To the shareholders of Sociedad Estatal Correos y Telegrafos S.A., S.M.E.:

In accordance with Article 49 of the Spanish Commercial Code we have audited to the extent of limited assurance the accompanying non-financial information statement (hereinafter 'NFI') for the year ended 31 December 2024 for Sociedad Estatal Correos y Telégrafos S.A., S.M.E. and subsidiaries (hereinafter 'Correos Group') which forms part of the Consolidated Management Report.

The content of the NFI includes information additional to that required by the commercial laws in force for non-financial information which has not been subject to our verification. With

this in mind, our work has been limited exclusively of the information contained in the attached NFI.

Directors' Responsibility

The preparation and content of the NFI included in Correos Group's Consolidated Management Report are the responsibility of the Directors of Sociedad Estatal de Correos y Telegrafos S.A., S.M.E. The NFI has been prepared in accordance with the contents of current commercial regulations and following the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI standards) selected as described for each subject in the table 'Indicators used in the non-financial information statement' of the NFI.

This responsibility also includes the design, implementation and maintenance of internal control considered necessary to ensure the NFI is free from erroneous material be it through fraud or error.

The directors of Sociedad Estatal de Correos y Telegrafos S.A., S.M.E. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the information necessary for the preparation of the NFI is obtained.

Our independence and quality control

We have complied with the requirements for independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including independence international standards) issued by the International Ethics Standards Board for Professional Accountants (IESBA) which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

We have applied International Standard on Quality Management (ISQM) 1, which requires the design, implementation,

and operation of a quality management system that includes policies and procedures related to compliance with applicable ethical requirements, professional standards, and legal and regulatory requirements.

The working team consisted of professionals with expertise in non-financial information reviews and, specifically, in economic, social and environmental performance information.



Our responsibility

Our responsibility is to express our conclusions in an independently verified report of limited assurance based on the work undertaken. We conducted our work in accordance with the requirements of the current Revised International Standard on Assurance Engagements 3000, 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' (Revised NIEA 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guide on the verification of Non-Financial Information Statement issued by the Spanish Institute of Chartered Accountants.

In an engagement of limited assurance the procedures that are carried out vary in nature and timing, and are of a lesser extent than those carried out in reasonable assurance engagement and, therefore, the assurance obtained is substantially less.

Our work consisted of the formulation of questions directed at management,

as well as at the diverse units of Correos Group who participated in the creation of the NFI, in the revision of processes to compile and validate information presented in the NFI and in the application of certain analytical procedures and sample review tests as described below:

- Meetings with Correos Group staff to find out the business model, policies and applied management approaches, the main risks associated with these topics and obtain the necessary information for the external review.
- Analysis of the scope, relevance, and integrity of the content included in the 2024 financial year NFI in accordance with the materiality analysis carried out by Correos Group and described at the beginning of the accompanying NFI, considering the content required by prevailing commercial regulations.
- Analysis of the processes to recompile and validate data presented in the NFI of the 2024 financial year.

- Review of the information related to risks, policies and applied management approaches in relation to material aspects presented in the NFI of the 2024 financial year.
- Testing, based on a sample selection, of the information related to the content included in the NFI for the year 2024 and its proper compilation from the data provided by information sources.
- Obtaining a letter of representation from the directors and management.

Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, no aspect has come to our attention that leads us to believe that Correos Group's NFI for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the contents of current commercial regulations and following the criteria of the selected GRI standards described in accordance with that mentioned for each subject in the table 'Indicators used in the non-financial information statement' of the NFI.

Use and distribution

This report was prepared in response to the requirement established in current commercial regulations in Spain, so it may not be suitable for other purposes and jurisdictions.

Sergio Salcines Gasquet
3 April 2025









GRI Content Index, Global Compact Principles and SDG

| | | Statement of use GRI 1 used Applicable GRI Sector Standard(s) | The Correos Group has reported in accordance with the GRI Standards for the period between 1 January to 31 December 2024. GRI 1: Foundation 2021 Not available | | | | | | |
|---------------------------------|--|---|--|--------|-------------|----------------------------|-----------------------|--------------------------|------------------------------|
| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standard Number | External verification | Global Compact Principle | Sustainable Development Goal |
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| General disclosures | | | | | | | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | Pag. 352. The Correos Group and its business model. Structure and organisation of the Correos Group. | - | - | - | - | ● | - | - |
| | 2-2 Entities included in the organization's sustainability reporting | Materiality analysis and relationship with stakeholders. Reporting frameworks and indicators. | - | - | - | - | ● | - | - |
| | 2-3 Reporting period, frequency and contact point | Pag. 352. Materiality analysis and relationship with stakeholders. Reporting frameworks and indicators. | - | - | - | - | ● | - | - |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|--|---|--|----------------------------|--------|-------------|---------------------------------|--------------------------|--------------------------------|------------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| General disclosures | | | | | | | | | |
| GRI 2: General Disclosures 2021 | 2-4 Restatements of information | Environmental indicators. | - | - | - | - | ● | - | - |
| | 2-5 External assurance | Materiality analysis and relationship with stakeholders. External verification of the non-financial information statement. | - | - | - | - | ● | - | - |
| | 2-6 Activities, value chain and other business relationships | Correos Group profile. The Correos Group and its business model. Generated and distributed economic value. Business environment and market trends. Value chain. Consolidated annual accounts of Correos Group. | - | - | - | - | ● | - | 16 |
| | 2-7 Employees | Our team. | - | - | - | - | ● | 6 | 5,8 |
| | 2-8 Workers who are not employees | Our team. Value chain. | - | - | - | - | ● | 1,2 | 5,8 |
| | 2-9 Governance structure and composition | Corporate bodies of Correos. Corporate bodies of the subsidiaries of the Correos Group. | - | - | - | - | ● | - | - |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|---------------------------------|--|--|-------------------------|--------|-------------|---------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| General disclosures | | | | | | | | | |
| GRI 2: General Disclosures 2021 | 2-10 Nomination and selection of the highest governance body | Corporate bodies of Correos. Corporate bodies of the subsidiaries of the Correos Group. | - | - | - | - | <div></div> | - | - |
| | 2-11 Chair of the highest governance body | Corporate bodies of Correos. Corporate bodies of the subsidiaries of the Correos Group. | - | - | - | - | <div></div> | - | - |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Materiality analysis and relationship with stakeholders. Risk and opportunity management. Sustainability framework. Corporate bodies of Correos. | - | - | - | - | <div></div> | - | - |
| | 2-13 Delegation of responsibility for managing impacts | Risk and opportunity management. Corporate bodies of Correos. Transparency in management. | - | - | - | - | <div></div> | - | - |
| | 2-14 Role of the highest governance body in sustainability reporting | Materiality analysis and relationship with stakeholders. | - | - | - | - | <div></div> | - | - |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|---------------------------------|---|---|-------------------------|--------|-------------|---------------------------|---|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| General disclosures | | | | | | | | | |
| GRI 2: General Disclosures 2021 | 2-15 Conflicts of interest | Corporate bodies of Correos. | - | - | - | - |  | 10 | - |
| | 2-16 Communication of critical concerns | Transparency in management. | - | - | - | - |  | 1,2 | - |
| | 2-17 Collective knowledge of the highest governance body | Corporate bodies of Correos. | - | - | - | - |  | - | - |
| | 2-18 Evaluation of the performance of the highest governance body | Corporate bodies of Correos. Implementation of internal audit procedures. | - | - | - | - |  | - | - |
| | 2-19 Remuneration policies | Corporate bodies of the subsidiaries of the Correos Group. Remuneration of the Board of Directors and the Management Committee. | - | - | - | - |  | - | - |
| | 2-20 Process to determine remuneration | Remuneration of the Board of Directors and the Management Committee. | - | - | - | - |  | - | - |




| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|---------------------------------------|--|---|---|--|--|---------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| General disclosures | | | | | | | | | |
| GRI 2: General Disclosures 2021 | 2-21 Annual total compensation ratio | Labour indicators. | 2-21 Annual total compensation ratio | 'Information unavailable / incomplete' | For the year 2024, the data corresponding to the median of the total annual compensation of all employees is not available. The calculation will be requested in the next tender of the supplier in charge of the salary record. | - | ● | - | - |
| | 2-22 Statement on sustainable development strategy | Chairman's statement. | - | - | - | - | ● | 10 | - |
| | 2-23 Policy commitments | Risk and opportunity management. Sustainability framework. Environmental performance. Diverse and inclusive management. Safe and healthy working environment. Value chain. Security of persons and facilities. Cybersecurity. Personal data protection. Transparency in management. | - | - | - | - | ● | 1, 2, 7, 8, 10 | - |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|------------------------------------|---|--|-------------------------|--------|-------------|---------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| General disclosures | | | | | | | | | |
| GRI 2: General Disclosures 2021 | 2-24 Embedding policy commitments | Risk and opportunity management. Sustainability framework. Environmental performance. Diverse and inclusive management. Safe and healthy working environment. Value chain. Security of persons and facilities. Cybersecurity. Personal data protection. Transparency in management. Implementation of internal audit procedures. | - | - | - | - | ● | 1, 2, 7, 8, 10 | - |
| | 2-25 Processes to remediate negative impacts | Sustainability framework. Environmental performance. Our team. Value chain. Customers and users. Transparency in management. Implementation of internal audit procedures. | - | - | - | - | ● | 1, 2 | - |
| | 2-26 Mechanisms for seeking advice and raising concerns | Transparency in management. | - | - | - | - | ● | 1, 2 | - |
| | 2-27 Compliance with laws and regulations | Environmental indicators. Our team. Value chain. Customers and users. Transparency in management. Implementation of internal audit procedures. | - | - | - | - | ● | 10 | - |


| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|---------------------------------|--|--|-------------------------|--------|-------------|---------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| General disclosures | | | | | | | | | |
| GRI 2: General Disclosures 2021 | 2-28 Membership associations | The main associations and organisations in which the Correos Group participates. | - | - | - | - | ● | - | 17 |
| | 2-29 Approach to stakeholder engagement | Strategy. Relationship with stakeholders. Organisation of social dialogue. | - | - | - | - | ● | - | - |
| | 2-30 Collective bargaining agreements | Organisation of social dialogue. | - | - | - | - | ● | 3 | 8 |
| Material topics | | | | | | | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Materiality analysis and relationship with stakeholders. | - | - | - | - | ● | - | - |
| | 3-2 List of material topics | Business environment and market trends. Materiality analysis and relationship with stakeholders. Main environmental impacts. Our team. | - | - | - | - | ● | - | - |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-----------------------------|------------|----------|-------------------------|--------|-------------|---------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |

Material topics**GRI 201: Economic Performance 2016**

| | | | | | | | | | |
|-----------------------------|---|--|---|---|---|--|---|---|-----|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Strategy. Risk and opportunity management. Business conduct. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
| | 201-1 Direct economic value generated and distributed | Economic value generated and distributed. | - | - | - | |  | - | 8,9 |
| | 201-4 Financial assistance received from government | Economic value generated and distributed. | - | - | - | |  | - | - |



GRI 203: Indirect Economic Impacts 2016

| | | | | | | | | | |
|-----------------------------|-----------------------------------|--|---|---|---|--|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Sustainability framework. Our team. Sustainable supply chain. Environmental management. Accessibility, affordability and inclusion. Security of persons and facilities. Social impact of products and services. Community engagement. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
|-----------------------------|-----------------------------------|--|---|---|---|--|---|---|---|




| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-------------------------------------|---|--|-------------------------|--------|-------------|--|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| Material topics | | | | | | | | | |
| | 203-2 Significant indirect economic impacts | Correos Group's profile. Our team. Sustainable supply chain. Accessibility, affordability and inclusion. Security of persons and facilities. Social impact of products and services. Community engagement. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | 1, 2, 6, 7, 8, 10 | 8, 9 |
| GRI 204: Procurement Practices 2016 | | | | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Value chain. Business conduct. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | - | - |
| | 204-1 Proportion of spending on local suppliers | Sustainable supply chain. | - | - | - | | <div></div> | - | 8 |
| GRI 205: Anti-corruption 2016 | | | | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Sustainability framework. Value chain. Business conduct. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | - | - |
| | 205-2 Communication and training about anti-corruption policies | Training for new strategic challenges. | - | - | - | | <div></div> | 10 | 16 |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standard Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-----------------------------|------------|----------|-------------------------|--------|-------------|----------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |

Material topics**GRI 301: Materials 2016**



| | | | | | | | | | |
|-----------------------------|--|--|---|---|---|--|---|------|----|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Sustainability framework. Main environmental impacts. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
| | 301-1 Materials used by weight or volume | Main environmental impacts. Environmental indicators. | - | - | - | |  | 7, 8 | 12 |

GRI 302: Energy 2016



| | | | | | | | | | |
|-----------------------------|--|--|---|---|---|--|---|---------|---------------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Strategy. Risk and opportunity management. Sustainability framework. Main environmental impacts. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
| | 302-1 Energy consumption within the organization | Main environmental impacts. Environmental indicators. | - | - | - | |  | 7, 8 | 7, 11, 12, 13 |
| | 302-4 Reduction of energy consumption | Main environmental impacts. | - | - | - | |  | 7, 8, 9 | 7, 11, 12, 13 |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-----------------------------------|------------|----------|----------------------------|--------|-------------|---------------------------------|--------------------------|--------------------------------|------------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |

Material topics**GRI 303: Water and Effluents 2018**





| | | | | | | | | | |
|-----------------------------------|--------------------------------------|--|---|---|---|---|---|------|-------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Sustainability framework. Main environmental impacts. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
| | 303-5 Water consumption | Environmental indicators. | - | - | - | |  | 7, 8 | 6, 12 |

GRI 304: Biodiversity 2016

| | | | | | | | | | |
|-----------------------------------|--|--|---|---|---|---|---|------|------------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Sustainability framework. Main environmental impacts. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
| | 304-3 Habitats protected or restored | Biodiversity and ecosystems. | - | - | - | |  | 7, 8 | 13, 15, 17 |



| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-----------------------------|------------|----------|-------------------------|--------|-------------|---------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |

Material topics**GRI 305: Emissions 2016**




| | | | | | | | | | |
|-----------------------------|---|--|---|---|---|--|--|------|---------------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Sustainability framework. Main environmental impacts. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
| | 305-1 Direct (Scope 1) GHG emissions | Environmental indicators. | - | - | - | |  | 7, 8 | 3, 11, 12, 13 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Environmental indicators. | - | - | - | |  | 7, 8 | 3, 11, 12, 13 |
| | 305-3 Other indirect (Scope 3) GHG emissions | Environmental indicators. | - | - | - | |  | 7, 8 | 3, 11, 12, 13 |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-----------------------------|------------|----------|-------------------------|--------|-------------|---------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |

Material topics

| | | | | | | | | | |
|--|--|-----------------------------|---|---|---|--|---|---------|---------------|
| | 305-5 Reduction of GHG emissions | Main environmental impacts. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | 7, 8, 9 | 3, 11, 12, 13 |
| | 305-7 NOx, SOx and other significant air emissions | Environmental indicators. | - | - | - | |  | 7, 8, | 3, 11, 12, 13 |




GRI 306: Waste 2020

| | | | | | | | | | |
|-----------------------------|---|--|---|---|---|--|---|-------|-----------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Sustainability framework. Main environmental impacts. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
| | 306-2 Management of significant waste-related impacts | Resource use and circular economy. | - | - | - | |  | 7, 8, | 3, 11, 12 |
| | 306-3 Waste generated | Environmental indicators. | - | - | - | |  | 7, 8, | 3, 11, 12 |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standard Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-----------------------------|------------|----------|-------------------------|--------|-------------|----------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |

Material topics

GRI 308: Supplier Environmental Assessment 2016



| | | | | | | | | | |
|-----------------------------|--|--|---|---|---|--|---|-------|---------------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Sustainability framework. Main environmental impacts. Sustainable supply chain. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
| | 308-1 New suppliers that were screened using environmental criteria | Sustainable supply chain. | - | - | - | |  | 7, 8, | 7, 11, 12, 13 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | Main environmental impacts. Sustainable supply chain. | - | - | - | |  | 7, 8, | 7, 11, 12, 13 |

GRI 401: Employment 2016



| | | | | | | | | | |
|-----------------------------|-----------------------------------|-----------|---|---|---|--|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our team. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
|-----------------------------|-----------------------------------|-----------|---|---|---|--|---|---|---|

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-----------------------------------|------------|----------|----------------------------|--------|-------------|---------------------------------|--------------------------|--------------------------------|------------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |

Material topics







| | | | | | | | | | |
|--|--|--------------------|---|---|---|--|---|---|-------------|
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Our team. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | 6 | 3, 5, 8, 10 |
| | 401-3 Parental leave | Labour indicators. | - | - | - | |  | 6 | 3, 5, 8, 10 |

GRI 402: Labor/Management Relations 2016

| | | | | | | | | | |
|-----------------------------------|--|----------------------------------|---|---|---|--|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our team. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
| | 402-1 Minimum notice periods regarding operational changes | Organisation of social dialogue. | - | - | - | |  | 3 | 8 |

GRI 403: Occupational Health and Safety 2018

| | | | | | | | | | |
|-----------------------------------|-----------------------------------|--|---|---|---|--|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Our team. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | - |
|-----------------------------------|-----------------------------------|--|---|---|---|--|---|---|---|

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-----------------------------------|---|--|----------------------------|--------|-------------|--|---|--------------------------------|------------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| Material topics | | | | | | | | | |
| | 403-1 Occupational health and safety management system | Safe and healthy working environment. | - | - | - | Not applicable. Not available the GRI Sector Standard. |  | - | 3, 8 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Safe and healthy working environment. | - | - | - | |  | - | 3, 8 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Organisation of social dialogue. | - | - | - | |  | 3 | 3, 8 |
| | 403-5 Worker training on occupational health and safety | Training for new strategic challenges. Safe and healthy working environment. | - | - | - | |  | - | 3, 8 |
| | 403-6 Promotion of worker health | Safe and healthy working environment. | - | - | - | |  | - | 3, 8 |
| | 403-9 Work-related injuries | Labour indicators. | - | - | - | |  | - | 3, 8 |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standard Number | External verification | Global Compact Principle | Sustainable Development Goal |
|-----------------------------|------------|----------|-------------------------|--------|-------------|----------------------------|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |

Material topics

| | | | | | | | | | |
|--|--------------------------------|--------------------|---|---|---|--|---|---|------|
| | 403-10 Work-related ill health | Labour indicators. | - | - | - | Not applicable. Not available the GRI Sector Standard. | ● | - | 3, 8 |
|--|--------------------------------|--------------------|---|---|---|--|---|---|------|

GRI 404: Training and Education 2016

| | | | | | | | | | |
|-----------------------------|--|---|---|---|---|--|---|---|---------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our team. | - | - | - | Not applicable. Not available the GRI Sector Standard. | ● | - | - |
| | 404-1 Average hours of training per year per employee | Training for new strategic challenges. Labour indicators. | - | - | - | | ● | 6 | 4, 5, 8 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Talent support and professional development. | - | - | - | | ● | - | 8 |

GRI 405: Diversity and Equal Opportunity 2016

| | | | | | | | | | |
|-----------------------------|--|--|---|---|---|--|---|---|----------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our team. | - | - | - | Not applicable. Not available the GRI Sector Standard. | ● | - | - |
| | 405-1 Diversity of governance bodies and employees | Our team. Labour indicators. Corporate bodies of Correos. Corporate bodies of the subsidiaries of the Correos Group. | - | - | - | | ● | 6 | 5, 8, 10 |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|--|---|--|-------------------------|--------|-------------|--|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| Material topics | | | | | | | | | |
| | 405-2 Ratio of basic salary and remuneration of women to men | Labour indicators. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | 6 | 5, 8, 10 |
| GRI 408: Child Labor 2016 | | | | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Respect for human rights. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | - | - |
| | 408-1 Operations and suppliers at significant risk for incidents of child labour | Respect for human rights. | - | - | - | | <div></div> | 1, 2, 5 | 8, 16, 17 |
| GRI 409: Forced or Compulsory Labor 2016 | | | | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Respect for human rights. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | - | - |
| | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour | Respect for human rights. | - | - | - | | <div></div> | 1, 2, 4 | 8, 16, 17 |
| 413: Local Communities 2016 | | | | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our team. Value chain. Customers and users. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | - | - |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI Sector Standar Number | External verification | Global Compact Principle | Sustainable Development Goal |
|--|--|---|-------------------------|--------|-------------|--|-----------------------|--------------------------|------------------------------|
| | | | Requirement (s) omitted | Reason | Explanation | | | | |
| Material topics | | | | | | | | | |
| | 413-1 Operations with local community engagement, impact assessments and development programs | Correos Group employment. Sustainable supply chain. Accessibility, affordability and inclusion. Social impact of products and services. Community engagement. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | - | 11, 17 |
| GRI 414: Supplier Social Assessment 2016 | | | | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Sustainability framework. Sustainable supply chain. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | - | - |
| | 414-1 New suppliers that were screened using social criteria | Sustainable supply chain. | - | - | - | | <div></div> | - | 11, 17 |
| 418: Customer Privacy 2016 | | | | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Risk and opportunity management. Customers and users. | - | - | - | Not applicable. Not available the GRI Sector Standard. | <div></div> | - | - |
| | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Security of persons and facilities. Cybersecurity. Protection of privacy | - | - | - | | <div></div> | 1, 2 | - |



04

Consolidated
annual accounts
of Correos Group



Auditor's report

Independent auditor's report on the consolidated annual accounts

To the sole shareholder of Sociedad Estatal Correos y Telégrafos, S.A., S.M.E. (Sole Shareholder Company):

Opinion

We have audited the consolidated annual accounts of Sociedad Estatal Correos y Telégrafos, S.A., S.M.E. (Sole-Shareholder Company) (the Parent Company) and its subsidiaries (the Group), comprising the balance sheet as of 31 December 2024, the profit and loss account, the statement of changes in equity, the cash flows statement and the report, all consolidated, corresponding to the financial year ended on that date.

In our opinion, the accompanying consolidated annual accounts express, in all material respects, the true image of the Group's equity and financial position as of 31 December 2024, as well as its results and cash flows, all of which

are consolidated, corresponding to the financial year ended on that date. All the above complies with the applicable regulatory framework for financial information (identified in note 3 of the consolidated report) and, in particular, with the accounting principles and criteria contained therein.

Basis for opinion

We have carried out our audit in accordance with the regulations governing current account auditing in Spain. In accordance with these standards, our responsibilities are described later in the section of our report entitled *Auditor's responsibilities regarding the audit of the consolidated annual accounts*.

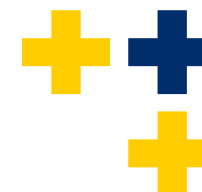
We are independent of the Group in accordance with ethical standards, including those of independence, which are applicable to our audit of the consolidated annual accounts in Spain as required by the regulations governing the audit of accounts. In this respect, we have not provided services other than those of the audit of accounts nor have situations or

circumstances occurred that, in accordance with the provisions of the aforementioned mandatory regulations, have compromised the necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgement, have been considered the most significant material misstatement risks in our audit of the consolidated annual accounts of the current period. These risks have been addressed in the context of our audit of the consolidated annual accounts as a whole, and in the formation of our opinion on them, and we do not express an opinion on the individually.



Revenue recognition

As described in note 17.i of the attached consolidated report, the revenue obtained by the Group comes mainly from the following activities:

- Sales of customers with contracts, amounting to 1,584,318 thousand euros, corresponding to the sales of corporate clients and representing 75% of the 'Revenue' heading.
- Sales of cash receipts, amounting to 282,935 thousand euros, representing 13% of the 'Revenue' heading.
- Sales of the international unit, amounting to 77,433 thousand euros, representing 4% of the 'Revenue' heading.

In accordance with the applicable regulatory financial reporting framework and as indicated in note 5.ñ of the attached consolidated report, the Group records revenue from the sale of goods and the provision of services at fair value of the consideration, already received or to be received, derived from them. This is after

deducting any discount, reduction in price or other similar items that the Group may grant, as well as indirect taxes levied on the transactions and chargeable to third parties.

We have considered the recognition of revenue as a more relevant aspect of our audit and subject to material misstatement, in relation to the high number of transactions.

We have performed the following procedures as part of our audit and in response to the above:

- An understanding of the policies and processes implemented by the Group in the revenue and accounts receivable cycle for each type of activity detailed above, including verification of the general controls of management information systems (IRIS and OCA) and accounting systems (SAP). We have also verified the effectiveness of different automatic and manual controls that have been considered key points, together with the automatic transfer of the revenue recorded in the management systems to the accounting system.

- We have carried out the following procedures for sales of clients with contracts:
 - We have obtained all accounting entries for this type of revenue recorded in the 2024 financial year, verifying whether the consideration complies with logical accounting standards.
 - Obtaining external confirmations for a sample of customer invoices in relation to the outstanding balance. In the absence of confirmation, alternative procedures have been carried out by means of subsequent payment receipts or documentation supporting said invoicing.
- We have carried out the following procedures for cash sales:
 - We have obtained all accounting entries for these revenues recorded in the 2024 financial year, verifying whether the consideration complies with logical accounting standards.
- We have extracted all revenue recorded in the management information system (IRIS) confirming that it matches the amount of revenue registered in the accounting system.
- We have carried out the following procedures for sales of the International Unit:
 - We have obtained all accounting entries for this type of revenue recorded in the 2024 financial year, verifying whether the consideration complies with logical accounting.
 - We have verified the accounting system's assessment of the valuation of the services provided through the request for file samples, verifying the services provided with the corresponding delivery notes and the rates applied with those included in the general agreements with the Universal Postal Union and other specific agreements between countries, as well as the corresponding quote on the day of the Special Drawing Rights.

| | | | |
|---|---|---|---|
| <ul style="list-style-type: none"> We have verified a sample of the different postal companies with which a commercial relationship is maintained, of the advances issued and received, through the collation of bank statements. We have verified a random sample of compensations of advances issued and received with the balances of the invoices pending issuance and receipt through compensation agreements signed with other postal companies. We have verified that the information disclosed in the consolidated annual accounts is sufficient and adequate in accordance with the regulatory framework of applicable financial information. | <p>Evaluation of the existence and valuation of provisions and contingent liabilities</p> <p>The Group recognised a total of 463,421 thousand euros under the 'Non-current Provisions' and 'Current Provisions' headings, relating to lawsuits and claims of a different nature.</p> <p>In accordance with the financial reporting regulatory framework that applies, and as stated in Note 5.k of the attached consolidated financial statements, the Group recognises as provisions those liabilities which, while meeting the definition and recognition criteria contained in the Conceptual Framework of Accounting, are uncertain in terms of either amount or timing of settlement.</p> <p>We have considered this area to be one of the most significant in our audit and susceptible to material misstatement, due to the fact that the recognition of provisions or their classification as contingent liabilities involves a high degree of management judgement and estimation.</p> <p>We have performed the following procedures as part of our audit and in response to the above:</p> | <ul style="list-style-type: none"> Obtaining confirmation from legal and tax advisers, both internal and external, detailing the open lawsuits and claims as of 31 December 2024, which have been closed during that financial year. Obtaining the supporting documentation of those lawsuits and claims that we have considered significant, verifying that the amounts claimed are those reported in the responses of the legal and tax advisers. We have held meetings with the legal department of the Group in order to understand the nature of the different lawsuits and claims and confirm the assessment made by them and their external advisers through their responses to balance confirmation, in order to determine their registration as provisions or contingent liabilities. <ul style="list-style-type: none"> We obtained supporting documentation related to the Voluntary Termination Plan detailed in Note 15, and held meetings with the Human Resources department of the Parent Company to understand the context of this provision. | <ul style="list-style-type: none"> We obtained the valuation report prepared by management's expert and verified the use of a generally accepted methodology for determining the provision, involving our actuarial specialists, and confirmed that the valuation considered the basic conditions of the Voluntary Termination Plan included in the Framework Agreement. We assessed the expert's competence, capabilities, and objectivity by obtaining a confirmation and verifying their recognised standing in the market. We have verified that the information disclosed in the consolidated annual accounts is sufficient and adequate in accordance with the regulatory framework of applicable financial information. |
|---|---|---|---|



Evaluation of the impairment of the lands and buildings of the Parent Company

As described in note 7 of the accompanying consolidated report, the Group records the book value of the land and buildings of the Parent Company under the 'Property, plant and equipment' section, for a net amount of 1,124,695 thousand euros. This section includes a provision for impairment amounting to 95,706 thousand euros.

In relation to the impairment of the registered assets, as mentioned in note 3 of the attached consolidated report, since 2009 the Parent Company has applied the provisions of Order EHA/733/2010 of 25 March, which approves accounting aspects of public companies that operate in certain circumstances, and therefore the Parent Company determines the impairment of its tangible and intangible fixed assets by referring to the depreciated replacement cost of each asset (note 5.e).

The Parent Company has requested an independent expert to evaluate a sample of assets. This selection has been made considering those properties that have a significant risk of deterioration due to

acquisitions made in years with bullish prices prior to the property crisis in Spain, and those with an impairment provision recorded as of 31 December 2024.

We have considered this area a more relevant aspect of our audit and subject to material misstatement, in relation to the fact that the value of property, plant and equipment represents 47% of the Group's total assets as of 31 December 2024, since every assessment is subject to a high degree of judgements and estimates.

We have performed the following procedures as part of our audit and in response to the above:

- Verification of the competence, capacity and independence of the expert by obtaining confirmation and evidence of its recognised standing in the market.
- We have obtained the assessment reports from the independent expert and we have verified that the assessments have been made according to the accepted methodology through the documentation provided on their work.

- We have gained an understanding of the process documented by Management to identify the assets presenting the highest risk with regard to their assessment.
- We have compared the net book value with the assessed value obtained for each asset plus the cost of the reforms made since its start-up, discounting the accumulated depreciation since its acquisition and confirming the impairment or reversal of the impairment provision recorded by the Parent Company.
- We have verified that the information disclosed in the consolidated annual accounts is sufficient and adequate in accordance with the regulatory framework of applicable financial information.



Evaluation of the risk of recognition of compensation for operating deficits of the Parent Company

As described in notes 5.q and 17.k of the accompanying consolidated report, the Parent Company recognised under 'Other operating income' in the consolidated profit and loss account for 2024 compensation for providing the universal postal service (hereinafter 'UPS') amounting to 200,577 thousand euros. As a result of the approval of the calculation methodology in the Resolution of 15 June 2021, by the Technical General Secretariat, which published the Agreement of the Council of Ministers of 1 June 2021, the Company annually records in the income statement the amount of these compensations once the necessary requirements for their classification as non-repayable have been met.

Also, as indicated in note 4.r of the attached consolidated report, the European Commission has published the resolution approving the compensation to the Parent Company by the Spanish State for a total amount of 1,282.8 million euros for the fulfillment of the obligation of the UPS during the period

2011-2020. The Commission's decision has been made based on a calculation methodology. Therefore, the directors of the Parent Company understand that it has the approval of this, in addition to having been approved at the meeting of the Council of Ministers held on June 1 2021, and considers that there is a remote risk of a negative impact on the consolidated annual accounts for the current and subsequent years, in relation to the calculation of the net cost of UPS during the period 2011-2024.

As described in note 4.r of the attached consolidated report, a subsidy will be considered non-refundable when there is a specific agreement to grant it to the Parent Company, the conditions established for granting it have been met and there are no reasonable doubts about the receipt of the subsidy.

We have considered this area as the most relevant aspect of our audit and subject to material misstatement, in relation to the complexity of the compensation accrual principle.

We have performed the following procedures as part of our audit and in response to the above:

- We obtained an understanding of the policies and processes implemented by the Company for recognising the universal postal service compensations, based on the approved calculation methodology mentioned above.
- We held meetings with the finance department and with the analytical accounting and cost model department of the Company in order to evaluate the status of the calculation methodology, previously described and which underpins management's statement in the attached financial statements that the risk of future repayments for the period 2011-2024 is remote, as well as the recognition of the compensations in the 2024 fiscal year.
- We obtained the CNMC's (Spanish National Commission on Markets and Competition) settlement reports, including those for the years 2011 to 2018, which show that there are no significant differences between the calculations made by the Company and those of the CNMC.
- We performed analytical procedures on the amount recognised for universal postal service (SPU) compensations for the 2024 fiscal year.
- We have verified that the information disclosed in the consolidated annual accounts is sufficient and adequate in accordance with the regulatory framework of applicable financial information.



Paragraph of Emphasis

We draw attention to what is disclosed in Note 3.2 of the attached consolidated financial statements, which indicates that as at 31 December 2024, the Group shows a negative working capital of €302,146 million (€191,017 million in 2023), losses amounting to €459 million (€120 million of negative results in 2023), which have reduced the Group's equity to €54 million (€514 million of positive equity at year-end 2023), and its net assets to €262 million (€724 million in 2023), with share capital amounting to €400 million (€612 million in 2023), following a capital reduction agreed by the Sole Shareholder. The Parent Company's Directors have prepared these consolidated annual accounts based on the going concern principle, assuming, as key assumptions, that there will be no issues in obtaining additional financing, that the Strategic Plan will continue to be executed as planned, that greater efficiency and competitiveness will be achieved through, among other measures, a new labour framework (collective agreement and general agreement) and Human Resources Plan, and that a cash contribution from the sole shareholder will be received under the

terms indicated. Our opinion has not been modified in respect of this matter.

We also draw attention to the disclosures in Notes 3.2 and 15 of the attached financial statements, which state that the Parent Company has recorded a provision of €427,908 in relation to a Voluntary Termination Plan with incentives, under the basic conditions detailed in the Framework Agreement signed by Correos and the majority of trade unions on 31 December 2024, ratified by agreement signed on 15 March 2025. Moreover, in the document signed by management and trade unions on 15 March, it is highlighted that the complexity and interconnection of the various measures call for more time to develop the commitments made. Therefore, both parties have agreed to continue working on all matters, extending the negotiation period from 15 March to 30 June 2025. The Directors, in agreement with management, believe it is highly probable that the agreed Voluntary Termination Plan, as detailed in the attached annual accounts and which forms the basis for the estimated provision recorded as at 31 December 2024, will be carried out under the agreed terms outlined in the aforementioned documents. However, they acknowledge

that there is uncertainty surrounding the implementation of the plan, since the negotiation period for developing the agreed commitments has been extended to 30 June 2025. Our opinion has not been modified in respect of this matter.

Other information: Consolidated management report

The other information comprises exclusively the consolidated management report for 2024, whose compilation is the responsibility of the directors of the Parent Company and is not an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility for the consolidated management report, in accordance with what is required by the regulations governing the audit of accounts, consists of:

- a. Check only that the consolidated non financial information statement has been provided in the manner provided for in the applicable regulations and, if not, to report on it.

- b. Evaluate and report on the concordance of the rest of the information included in the consolidated management report with the consolidated annual accounts, based on the knowledge of the Group obtained in conducting the audit of the aforementioned accounts, as well as evaluating and reporting whether the content and presentation of this part of the consolidated management report are in accordance with the applicable regulations. If, based on the work we have done, we conclude that there are material misstatements, we are obliged to report it.

On the basis of the work carried out, as described above, we have verified that the information mentioned in section a) above is presented in accordance with the applicable regulations and that the rest of the information contained in the consolidated management report is consistent with that of the consolidated financial statements for 2024 and its content and presentation comply with the applicable regulations.

Liability of the directors and the audit and control committee in relation to the consolidated annual accounts

The directors of the Parent Company are responsible for compiling the accompanying consolidated annual accounts, in order to give a true and fair view of the Group's assets, financial position and consolidated results, in accordance with the regulatory framework for financial information applicable to the Group in Spain. This also includes a view of the internal control that they consider necessary to allow for the preparation of consolidated annual accounts free of material misstatements, due to fraud or error.

In the preparation of the consolidated annual accounts, the directors of the Parent Company are responsible for assessing the Group's ability to continue as a going concern, revealing, as appropriate, the issues relating to the company in operation and using the accounting principle of this type of company unless the directors intend to liquidate the Group or cease operations, or there is no other realistic alternative.

The Parent Company's audit and control committee is responsible for supervising the process of preparing and presenting the consolidated annual accounts.

Responsibilities of the auditor regarding the auditing of the consolidated annual accounts

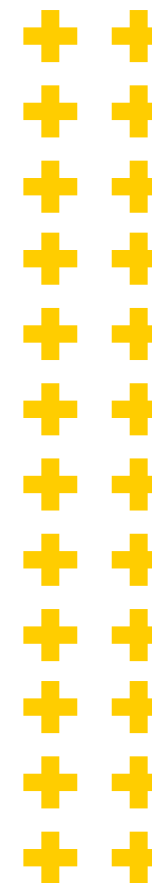
Our objectives are to obtain reasonable assurance that the consolidated annual accounts as a whole are free from material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable security is considered a high degree of security but does not guarantee that an audit conducted in accordance with the regulations governing audits in force in Spain will always detect any eventual material misstatement. Misstatements may be due to fraud or error and are considered material if, individually or in an aggregated way, they can reasonably be expected to influence the economic decisions made by users based on the consolidated annual accounts.

As part of an audit in accordance with the regulations governing current account

audits in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout. Also:

- We identify and assess the risks of material misstatement in the consolidated annual accounts, due to fraud or error, and design and apply audit procedures to respond to such risks, obtaining sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of material misstatements due to error, since fraud can involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of the internal control of the audit in order to design audit procedures that are appropriate in the circumstances, not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.





- We evaluate the adequacy of the accounting policies applied, as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the directors of the Parent Company.
- We conclude on whether the use of the accounting principle of the company in operation by directors of the Parent Company is adequate and, based on the audit evidence obtained, we conclude whether or not there is material uncertainty in relation to facts or conditions that may generate significant doubts about the Group's ability to continue in operation. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the consolidated annual accounts or, if such disclosures are not adequate, express an amended opinion. Our conclusions are based on the audit evidence obtained to date from our audit report. However, future events or conditions may cause the Group to cease operations.
- We evaluate the overall presentation, structure and content of the

consolidated annual accounts, including the disclosed information, and whether the consolidated annual accounts represent the underlying transactions and events in a way that manages to express the true image of the company.

- We obtain sufficient and adequate evidence in relation to the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the management, supervision and performance of the Group's audit process. We are solely responsible for our audit opinion.

We communicate with the Audit and Control Committee of the Parent Company regarding, among other items, the scope and timing of the planned audit and the significant findings thereof, as well as any significant internal control deficiencies that we identified during the course of the audit.

We also provide the Parent Company's Audit and Control Committee with a statement that we have complied with applicable ethical requirements, including

independence requirements, and have communicated with the Committee to report any matters that might reasonably be expected to threaten our independence and, where appropriate, the relevant safeguards.

Among the significant risks that have been reported to the Parent Company's Audit and Control Committee, we state those that have been of the greatest significance in the audit of the consolidated annual accounts of the current period and that are therefore considered the most significant.

We describe those risks in our audit report unless legal or regulatory provisions prohibit public disclosure thereof.

Grant Thornton, S.L.P., Sociedad Unipersonal
ROAC nº S0231
José Manuel López García
ROAC nº 22480

4 April 2024

Consolidated Balance Sheet for 31 December 2024

(Expressed in thousands of euros)

| ASSETS | Notes | Balance at 31/12/2024 | Balance at 31/12/2023 |
|--|-----------|-----------------------|-----------------------|
| NON-CURRENT ASSETS | | 1,671,970 | 1,522,225 |
| Intangible assets | 6 | 97,710 | 88,932 |
| Consolidated goodwill | 6.1 | 3,789 | 4,664 |
| Computer software | | 93,824 | 83,879 |
| Other intangible assets | | 97 | 389 |
| Property, plant and equipment | 7 | 1,333,170 | 1,346,087 |
| Land and buildings | | 1,134,270 | 1,148,951 |
| Technical installations and other fixed assets | | 184,842 | 190,505 |
| Assets under construction and advances | | 14,058 | 6,631 |
| Investment property | 8 | 19,133 | 15,661 |
| Non-current investments in group companies and associates | | 4,770 | 4,247 |
| Investments in equity accounted companies | 11.4 | 4,770 | 4,247 |
| Non-current financial investments | 11 | 9,711 | 7,996 |
| Loans third parties | | 2,941 | 2,027 |
| Other financial investments | | 6,770 | 5,969 |
| Deferred tax assets | 18 | 207,476 | 89,302 |
| CURRENT ASSETS | | 705,340 | 839,902 |
| Non-current assets held for sale | 9 | 2,329 | 1,501 |
| Inventories | 10 | 13,355 | 13,211 |

Notes 1 to 25 of the attached consolidated report form an integral part of the consolidated financial statements of the Correos Group as of 31 December 2024.

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| | | | |
|---|---------------|------------------------------|------------------------------|
| Trade and other receivables | 11 | 576,634 | 534,776 |
| Clients for sales and provision of services | | 422,810 | 475,169 |
| Clients, group companies and associates | 20 | 9,601 | 9,294 |
| Sundry debtors | | 112,965 | 22,542 |
| Debtors, group companies and associates | 20 | 24,243 | 22,075 |
| Staff | | 6,380 | 5,454 |
| Other receivables from public administration | 18 | 635 | 242 |
| Current financial investments | 11 | 1,352 | 1,156 |
| Current accruals | | 7,227 | 7,298 |
| Cash and cash equivalents | 11, 12 | 104,443 | 281,960 |
| TOTAL ASSETS | | 2,377,310 | 2,392,127 |
| EQUITY AND LIABILITIES | Notes | Balance at 31/12/2024 | Balance at 31/12/2023 |
| EQUITY | | 261,560 | 724,386 |
| Shareholder's equity | 13 | 54,324 | 513,648 |
| Capital | | 400,000 | 611,521 |
| Reserves | | 113,663 | 181,464 |
| Legal reserve | | 40,000 | 101,847 |
| Statutory reserves | | - | 214,119 |
| Voluntary reserves | | 219,727 | 16,198 |
| Merger reserves | | - | (135) |
| Reserves in consolidated companies | | (148,073) | (152,366) |
| Reserves to companies accounted for by the equity method | | 2,009 | 1,801 |
| Prior periods' negative results | | - | (158,956) |
| Result for the year attributable to Parent Company | | (459,339) | (120,381) |
| Grants, donations and bequest received | 14 | 206,018 | 210,318 |

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| | | | |
|---|-------------------|------------------|------------------|
| External partners | 13 | 1,218 | 420 |
| External partners | | 420 | 358 |
| Result for external partners | | 798 | 62 |
| NON-CURRENT LIABILITIES | | 1,108,264 | 636,822 |
| Non-current provisions | 15 | 300,061 | 65,059 |
| Non-current payables | 11,16 | 718,321 | 476,255 |
| Debts with credit institutions | | 714,181 | 471,934 |
| Finance lease creditors | | 585 | 808 |
| Other financial liabilities | | 3,555 | 3,513 |
| Deferred tax | 18 | 68,673 | 70,215 |
| Non-current accruals | 16 | 21,209 | 25,293 |
| CURRENT LIABILITIES | | 1,007,486 | 1,030,919 |
| Current provisions | 15 | 163,360 | 16,275 |
| Current payables | 11,16 | 269,934 | 363,282 |
| Debts with credit institutions | | 239,522 | 329,968 |
| Other financial liabilities | | 30,412 | 33,314 |
| Short-term debts with group companies and associates | 11, 16, 20 | 966 | 939 |
| Trade creditors and other accounts payable | 11,16 | 567,921 | 645,046 |
| Suppliers | | 2,838 | 5,383 |
| Sundry creditors | | 301,328 | 332,054 |
| Staff | | 23,578 | 34,750 |
| Other debts with public administration | 18 | 66,775 | 79,523 |
| Customers advances | | 173,402 | 193,336 |
| Current accruals | 16 | 5,305 | 5,377 |
| TOTAL EQUITY AND LIABILITIES | | 2,377,310 | 2,392,127 |

Consolidated Profit and Loss Account for 31 December 2024

(Expressed in thousands of euros)

| CONTINUED OPERATIONS | Notes | Financial year 2024 | Financial year 2023 |
|---|--------------|---------------------|---------------------|
| Revenue | 17-i) | 2,107,089 | 2,113,044 |
| Supplies | 17-j) | (425,363) | (427,300) |
| Merchandise used | | (12,635) | (13,318) |
| Impairment of merchandise, raw materials and other supplies | | (2,303) | (3,378) |
| Work carried out by other companies | | (410,425) | (410,604) |
| Other operating income | | 208,264 | 255,785 |
| Non-trading and other operating income | | 6,992 | 7,829 |
| Compensation for provision of the UPS | 17-k) | 200,577 | 247,301 |
| Operating grants included in the result of the financial year | | 695 | 655 |
| Staff costs | 17-l) | (2,066,857) | (1,661,488) |
| Salaries, wages and similar | | (1,674,487) | (1,271,542) |
| Social Security contributions | | (384,655) | (381,835) |
| Other expenses | | (7,715) | (8,111) |
| Other operating expenses | | (334,125) | (386,166) |
| External services | 17-m) | (321,432) | (358,825) |
| Taxes | 17-n) | (7,038) | (13,809) |
| Losses, impairment and change in trade provisions | | (5,768) | (3,102) |
| Other expenses from ordinary activities | | 113 | (10,430) |
| Amortisation and depreciation | 6,7,8 | (84,784) | (77,671) |

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| | | | |
|---|--------------|------------------|------------------|
| Non-financial and other capital subsidies | 14 | 5,759 | 8,206 |
| Impairment and loss/gain on disposal of fixed assets | 17-o) | 8,185 | 950 |
| Impairment and losses | | 5,940 | 253 |
| Result from disposals and others | | 2,245 | 697 |
| Other results | | 866 | 321 |
| OPERATING RESULT | | (580,966) | (174,319) |
| Financial income | 17-p) | 650 | 285 |
| From negotiable securities and other financial instruments: | | | |
| From group companies | | - | 9 |
| From third parties | | 650 | 276 |
| Financial expenses | 17-p) | (23,947) | (9,496) |
| Debts with third parties | | (23,920) | (9,406) |
| Debts with group companies and associates | | (27) | (90) |
| Exchange-rate differences | | 4,590 | 7,087 |
| FINANCIAL RESULT | | (18,707) | (2,124) |
| Share in income of companies accounted for by the equity method | 11.4 | 512 | 197 |
| RESULT BEFORE TAX | | (599,161) | (176,246) |
| Income tax | 18 | 140,621 | 55,927 |
| CONSOLIDATED RESULT FOR THE FINANCIAL YEAR | 13 | (458,540) | (120,319) |
| Result for the Parent Company | | (459,339) | (120,381) |
| Result for external partners | | 798 | 62 |

Consolidated Cash Flows Statement for 31 December 2024

(Expressed in thousands of euros)

| OPERATING ACTIVITIES | Notes | Financial year 2024 | Financial year 2023 |
|---|---------|---------------------|---------------------|
| Result for the financial year before taxes | | (599,161) | (176,246) |
| Adjustments to the result | | | |
| Amortisation and depreciation | 6,7,8 | 84,784 | 77,671 |
| Valuation adjustments due to impairment | 7,10,11 | 588 | 6,227 |
| Change in provisions | | 411,670 | 5,713 |
| Allocation of capital subsidies | 14 | (5,759) | (8,206) |
| Operating grants included in the result of the financial year | | (431) | (671) |
| Result of removals and disposal of fixed assets | | (2,245) | (697) |
| Financial income | 17-p) | (650) | (285) |
| Financial expenses | 17-p) | 23,947 | 9,496 |
| Exchange-rate differences | | (4,590) | (7,087) |
| Other income and expenses | | (4,070) | (4,759) |
| Share in income (losses) of companies accounted for by the equity method of dividends | 11.4 | (512) | (197) |
| Changes in current capital | | | |
| Inventories | | (838) | (2,793) |
| Trade debtors and other accounts receivables | | (49,685) | 9,213 |
| Other current assets | | (458) | 336 |
| Creditors and other accounts payables | | (53,205) | 39,426 |
| Other current liabilities | | (17,705) | 11,884 |

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| | | |
|---|------------------|--------------|
| Other non-current assets and liabilities (+/-) | (3,583) | (468) |
| Other cash flows from operating activities | | |
| Interest payments | (19,103) | (6,359) |
| Interest received | 164 | 191 |
| Income tax received | 21,119 | 69,816 |
| Other payments | (28,393) | (18,816) |
| TOTAL CASH FLOWS FROM OPERATING ACTIVITIES | (248,116) | 3,388 |

| INVESTMENT ACTIVITIES | Notes | Financial year 2024 | Financial year 2023 |
|--|-------|---------------------|---------------------|
| Payments for investments | | | |
| Intangible assets | | (47,157) | (41,821) |
| Property, plant and equipment | | (37,524) | (46,165) |
| Other financial assets | | (887) | (953) |
| Proceeds from disposal | | | |
| Group companies and associates | | - | 589 |
| Property, plant and equipment | | 259 | 774 |
| Non-current assets held for sale | | 3,191 | 8,776 |
| TOTAL CASH FLOWS FROM INVESTMENT ACTIVITIES | | (82,118) | (78,800) |

Continue >

| FINANCING ACTIVITIES | Notes | Financial year 2024 | Financial year 2023 |
|---|-----------|---------------------|---------------------|
| Proceeds from and payment for equity instruments | | | |
| Grants, donations and legacies bequests received | | 26 | 748 |
| Proceeds from and payment for financial liability | | | |
| Issue | | | |
| Debts with credit institutions (+) | | 474,256 | 240,229 |
| Debts with group companies and associates | | 7,000 | - |
| Other debts | | 1,294 | - |
| Reimbursement and amortisation | | | |
| Debts with credit institutions (+) | | (326,989) | (2,025) |
| Debts with group companies and associates | | (7,000) | - |
| Other debts | | (460) | (142) |
| TOTAL CASH FLOWS FROM FINANCING ACTIVITIES | | 148,127 | 238,811 |
| D) EFFECT OF EXCHANGE RATE FLUCTUATIONS | | 4,590 | 7,087 |
| NET VARIATION IN CASH OR EQUIVALENTS | | (177,517) | 170,486 |
| Cash and cash equivalents at the start of the financial year | 12 | 281,960 | 111,474 |
| Cash and cash equivalents at the end of the financial year | 12 | 104,443 | 281,960 |

Consolidated Statement of Recognised Income and Expenses for financial year ended 31 December 2024

(Expressed in thousands of euros)

A) Consolidated statement of recognised income and expenses for the financial year ended 31 December 2024:

| | Notes | Financial year 2024 | Financial year 2023 |
|--|-----------|---------------------|---------------------|
| Consolidated result for the financial year | | (458,540) | (120,319) |
| Income and expenses directly attributed to consolidated equity: | | | |
| Grants, donations and bequests received | | 25 | 76 |
| Business combination effect | | - | (1,732) |
| Tax effect | | (2) | 293 |
| | | 23 | (1,363) |
| Transfers to consolidated profit and loss account: | 14 | | |
| Grants, donations and bequests received: | | | |
| due to amortisation | | (5,324) | (5,425) |
| due to adjustments for impairment | | (291) | (1,751) |
| due to disposals | | (86) | (1,010) |
| other | | (58) | (20) |
| Tax effect | | 1,436 | 2,051 |
| | | (4,323) | (6,155) |
| TOTAL RECOGNISED CONSOLIDATED INCOME AND EXPENSES | | (462,840) | (127,837) |
| Total income and expenses for the Parent Company | | (463,638) | (127,899) |
| Total income and expenses for external partners | | 798 | 62 |

Consolidated Statement of Changes in Equity for financial year ended 31 December 2024

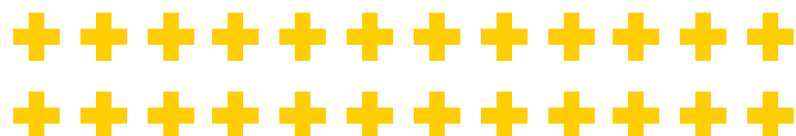
(Expressed in thousands of euros)

B) Consolidated statement of changes in equity for financial year ended 31 December 2024

| | Reserves held by the Parent Company | | | | | | | | | | |
|---|-------------------------------------|---------------|-------------------------------|-----------------|------------------------------------|--|---------------------------------|--|---|-------------------|-----------|
| | Capital | Legal reserve | Voluntary, statutory reserves | Merger reserves | Reserves in consolidated companies | Reserves to companies accounted for by the equity method | Prior periods' negative results | Result for the financial year attributable to the Parent Company | Grants, donations and bequests received | External partners | TOTAL |
| BALANCE END OF 2022 FINANCIAL YEAR | 611,521 | 101,847 | 393,229 | - | (161,656) | 1,617 | (96,376) | (217,197) | 217,836 | 357 | 851,178 |
| Total recognised consolidated income and expenses | - | - | - | - | - | - | - | (120,381) | (7,518) | 62 | (127,837) |
| Other variations in consolidated equity | - | - | (162,912) | - | 8,225 | 184 | (62,580) | 217,197 | - | - | 114 |
| Business combination (Note21) | - | - | - | (135) | 1,065 | - | - | - | - | - | 930 |

Continue >

| | | | | | | | | | | | |
|--|----------------|----------------|----------------|--------------|------------------|--------------|------------------|------------------|----------------|--------------|------------------|
| BALANCE END OF 2023 FINANCIAL YEAR | 611,521 | 101,847 | 230,317 | (135) | (152,366) | 1,801 | (158,956) | (120,381) | 210,318 | 420 | 724,386 |
| Total recognised consolidated income and expenses | - | - | - | - | - | - | - | (459,339) | (4,300) | 798 | (462,841) |
| Operations with external partners or owners: capital reduction | (211,521) | (61,847) | 188,027 | 135 | - | - | (85,206) | - | - | - | - |
| Other variations in consolidated equity | - | - | (198,617) | - | 4,293 | 208 | 73,750 | 120,381 | - | - | 15 |
| BALANCE END OF 2024 FINANCIAL YEAR | 400,000 | 40,000 | 219,727 | - | (148,073) | 2,009 | - | (459,339) | 206,018 | 1,218 | 261,560 |



Consolidated report for financial year 2024

(Expressed in thousands of euros)

1. Activity of the Parent Company

Sociedad Estatal Correos y Telégrafos S.A., S.M.E. (Sole-Shareholder Company) (hereinafter 'Correos', the 'Parent Company' or the State Company) was incorporated as a State Limited Company under the provisions of Article 6.1.a) of the Recast Text of the General Budgetary Law, approved by Royal Legislative Decree 1091/1988, and the twelfth additional provision of Law 6/1997, on the Organization and Functioning of the General State Administration (LOFAGE), in accordance with the Council of Ministers of 22 June 2001, by virtue of Article 58, section one, of Law 14/2000, on Tax, Administrative and Social Order Measures. The State Company is subject to the Capital Corporations Law, and other applicable legislation and provisions and its statutes.

On 1 February 2017, the Sole Shareholder agreed to the amendment of the name of the Parent Company and to the

amendment of Article 1 of its Articles of Association for its adaptation to the provisions of Article 111 of Law 40/2015, on the Legal Regime of the Public Sector. According to the provisions, the name of the Parent Company is amended and hereinafter shall be named Sociedad Estatal Correos y Telégrafos, S.A., S.M.E. (Sociedad Unipersonal). The decision of the Sole Shareholder was executed by public deed and is registered with the Business Register on 20 February 2017.

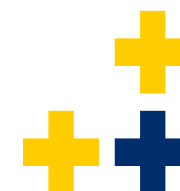
In accordance with the second and third paragraphs of Article 58 of the aforementioned Law 14/2000, the commencement of the activities of the State Company, and the automatic subrogation of the latter in the activities, rights and obligations of the Public Business Entity Correos y Telégrafos (hereinafter, the Entity), took place when the public deed of incorporation of the State Company of 29 June 2001 was registered in the Business Register on 3 July 2001. The State Company assumed from this date all the functions developed by the now defunct Entity and was

subrogated to the status of authorised operator for the provision of the Universal Postal Service attributed to the latter in the first additional provision of Law 24/1998, of the Universal Postal Service and Liberalisation of the Postal Services, and subsequently for a period of 15 years in Law 43/2010, of the Universal Postal Service, on the rights of the users and of the postal market.

Pursuant to the fourth paragraph of Article 58 of Law 14/2000, the State Company is the owner, from the moment of its incorporation, of all the assets, rights and obligations owned by the former Entity. The assets in the public domain that were transferred from the now defunct Entity to the State Company at the time of its incorporation were divested by virtue of the fourth paragraph of the aforementioned article. Notwithstanding the above, as stated in the Council of Ministers' agreement authorising the incorporation of this company, the General State Administration, through the Directorate General of State Assets, has a preferential

right to the acquisition of certain property assets owned by the State Company.

The financial consideration for exercising the right of pre-emptive acquisition, if applicable, will be established by means of the appraisal value established by the technical services of the Directorate General of State Assets, for which it would be necessary to obtain a valuation of the property by a public company specialising in property appraisals. In addition, leasing rights are also reserved in the event that the State Company decides to exploit these properties.



Pursuant to section seven of Article 58 of the aforementioned Law 14/2000, the civil servants who were serving in an active situation in the now defunct Entity at the time of registration of the public deed of incorporation of the State Company began to provide services for it without interruption, in the same situation, retaining their status as civil servants of the State Administration in their bodies and scales, seniority, consolidated salaries, and with full respect for their acquired rights. The legal relationship of this type of personnel with the State Company is regulated by Royal Decree 370/2004, which approves the Staff Statute of Sociedad Estatal Correos y Telégrafos, S.A., S.M.E.

In addition, and in accordance with paragraph seventeen of Article 58 of the aforementioned Law, the personnel hired by the Parent Company as from the date of commencement of its activities will be hired under ordinary labour law.

Part of the services provided by the Parent Company are within the scope of the universal postal service and are regulated by Law 43/2010, which states that they shall be performed in

accordance with the Provision Plan of the universal postal service. This Law primarily regulates the conditions for the collection, acceptance, distribution and delivery of the universal postal service required of the designated operator, as well as the cost and financing of the universal postal service obligations, prices and other tariff conditions for postal services.

Law 3/2013, on the creation of the National Commission for Markets and Competition (hereinafter, CNMC) expressly repealed Law 23/2007, which created the National Postal Sector Commission and a single regulator that combines the functions relating to the correct functioning of the markets and sectors supervised by the National Energy Commission, the Telecommunications Market Commission, the National Competition Commission, the Railway Regulation Committee, the National Postal Sector Commission, the Airport Economic Regulation Commission and the State Audiovisual Council. In accordance with Law 3/2013, the CNMC supervises and controls the correct functioning of the postal market, highlighting the following functions:

- Ensure that the universal postal service is guaranteed, in compliance with postal regulations and free competition in the sector.
- Verify the designated operator’s analytical accounting and the net cost of the universal postal service and determine the sum of the unfair financial burden of providing the universal postal service, in accordance with Law 43/2010.
- Manage the universal postal service financing fund and the public benefits affected by its financing, in accordance with Law 43/2010.
- Supervise and control the application of current regulations on network access and other postal infrastructures and services, in accordance with Law 43/2010.
- Monitor and measure the conditions for the provision of the universal postal service, in accordance with Law 43/2010.
- Issue the report provided for in Law 43/2010, for the monitoring of the conditions for the provision of the universal postal service.

The Directorate for Transport and the Postal Sector is the body in charge of the CNMC’s investigation functions in postal matters.

For the maintenance of the universal postal service, Law 43/2010 establishes a financing fund to be managed by the CNMC, the purpose of which is to compensate the postal operator for the net cost of universal postal service obligations.

In accordance with Law 43/2010, the main sources of financing of the fund will be the sums allocated by the State in the General State Budgets, the annual postal contribution of the postal operator and the holders of special administrative authorisations and the fees for the granting of special administrative authorisations.

Article 26 of Law 43/2010 establishes the obligation for the designated operator, Correos, to keep analytical accounts, which make it possible to separate the services and products that are part of the universal postal service and the other services and products that are not part thereof. The postal operator shall submit the net cost calculation for each financial year for validation.

Similarly, said Law guarantees postal operators access to the postal network, subject to the granting of a special administrative authorisation, in accordance with the principles of transparency, proportionality and non-discrimination. The Law also regulates the resolution of disputes between postal operators, under the principles of hearing, contradiction and equality between the parties.

The designated operator must draw up a standard contract for access to the postal network, which must be approved in advance by the CNMC, and must also inform the CNMC of contracts which are not subject to the standard contract. Operators holding single administrative authorisations may negotiate with the designated operator different conditions from those set out in the standard contract. The CNMC will establish the conditions for access to the postal network if negotiations between single authorisation holders and the designated operator have not led to the execution of a contract.

According to Law 43/2010, the Commission is responsible for verifying that the tariffs set in the contracts comply with the principles of transparency, non-discrimination and coverage of the cost

incurred by the network operator, as well as verifying that the tariffs do not increase the financing needs of the universal postal service and the unfair financial burden compensable to the operator providing the service.

The single transitory provision of Law 43/2010 establishes that the conditions for the provision of the Universal Postal Service and its financing regime will be governed by the regulations prior to the entry into force of this Law, until the Universal Postal Service Provision Plan and its regulatory contract are approved. This Performance Plan was approved at the meeting of the Council of Ministers held on 1 June 2001, at the proposal of the Minister for Transport, Mobility and the Urban Agenda. On 26 June 2021, the Resolution of 15 June 2021, of the General Technical Secretariat, was published in the Official State Gazette (BOE), publishing the Agreement of the Council of Ministers of 1 June 2021, approving the Provision Plan of the universal postal service.

The aim of this Plan is to specify the scope and conditions for the provision of the universal postal service as defined in Law 43/2010, which are imposed on the designated operator, the Parent Company.

In particular, this Plan:

- Defines the scope and conditions for the provision of the universal postal service imposed on the operator, as well as the mechanisms for controlling and monitoring compliance with these conditions.
- Determines the methodology for the calculation of the net cost and the unfair financial burden borne in the fulfilment of the performance conditions by the operator.
- Defines the criteria for the operation and payment of the universal postal service financing fund.

Finally, the third final provision of the Law, additional services and services complementary to the postal services, establishes that the postal giro service is considered a service complementary to the postal services, through which payments to natural persons or legal entities on account and behalf of others, through the postal services, as defined in the current law.

This service is considered a financial service of general economic interest that

that must be provided directly or through third parties, by the operator designated by the State to provide the universal postal service in accordance with the applicable provisions of Law 16/2009, on payment services and its development regulations.

The Parent Company, whose registered office is at Calle Conde Peñalver no. 19, Madrid, has the corporate purpose set out in Article 2 of its articles of association, including the following activities:

- The management and operation of any postal services.
- The provision of financial services related to postal services, money remittance and money transfer services.
- The reception of requests, written submissions and communications that citizens address to the bodies of the Public Administrations, subject to the provisions of the applicable regulations.
- The delivery of administrative and judicial notifications, in accordance with the applicable regulations.

- Telegram, telex and fax services and the provision of other telecommunications activities and services.
- The proposal for the issuing of stamps, as well as the issuing of the remaining payment systems for postal services, including the marketing and distribution activities of its products and issues.
- The mandatory assumption of services related to its corporate purpose that may be entrusted to it by the Public Administrations.
- Any other activities or services complementary to the above or necessary for the correct development of the corporate purpose, and for this purpose it may incorporate and participate in other companies.
- Provision of hybrid mail services, whereby documents sent telematically or electronically to Correos by the sender of the document are printed, enveloped, distributed and delivered to the addressee.

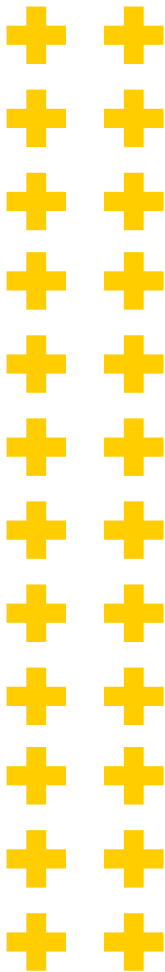
- Exclusive insurance agent, for the distribution of private insurance.
- The Parent Company has been part of the SEPI Group since June 2012, being the public law entity SEPI the head of the Group. SEPI has its registered office at Calle Velázquez 134, Madrid, and is the Sole Shareholder, and, therefore, by virtue of the provisions of Article 12 of Royal Legislative Decree 1/2010, approving the revised text of the Capital Corporations Act, the State Company is a sole-shareholder company. In accordance with the provisions of Article 136, paragraphs 2 and 3, of Law 47/2003, of the General Budgetary Law, the General Intervention Board of the State Administration (IGAE) will publish the consolidated annual accounts of SEPI in the 'Public sector annual accounts register' and the reference to this register in the BOE (Official State Gazette) of 31 July.
- The State Company is the head of the Correos Group. The individual and consolidated annual accounts of the State Company for the year ended 31 December 2023 were prepared by the Board of Directors of Correos on 28 February 2024 and approved by the Sole Shareholder of

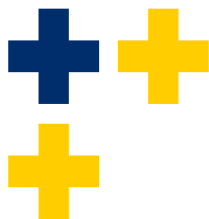
the Parent Company on 30 May 2024. The annual accounts are filed with the Business Register of Madrid and with the Public sector annual accounts register.

These consolidated annual accounts have been prepared by the Directors of the Parent Company for submission to the approval of the Sole Shareholder. The Directors of the Parent Company are of the opinion that they will be approved without amendment.

During financial year 2024, the Spanish economy grew by around 3.2% (despite the temporary effect of flooding from the isolated high-altitude depression or DANA), thanks to the performance of the labour market, the increase in household disposable income and private consumption, as well as a positive contribution from foreign sector, with record figures in tourism.

In October 2024, an extreme meteorological phenomenon, known as a DANA (Isolated High Level Depression, cold drop), affected several towns in the east and south of Spain, causing catastrophic damage to people and property.





As a strategic business, the Parent Company made itself available to the Administration to assist in the recovery and relief efforts. In response to this emergency, the State assigned the Parent Company, by means of Royal Decree-Law 7/2024, a set of actions to facilitate the reconstruction and recovery of the affected areas, offering various services at no cost to the citizens affected, while at the same time empowering the Parent Company's staff to represent affected persons in the submission of applications for certain types of public aid available.

In addition, the Parent Company offered basic financial services free of charge, such as sending money by money order to any address or P.O. box in the affected localities and cash withdrawals at home or at branches through Correos Cash. It also provided other services free of charge, such as mail forwarding to an alternative address, holding items at

a PO box or e-commerce mailbox, and parcel delivery to these towns. Similarly, in the towns damaged by the DANA and neighbouring municipalities, Correos made spaces available in its offices so that citizens could meet their connectivity needs.

In addition, in the first days after the disaster, the company's volunteers distributed essential goods and helped with the clean-up. The company made its transport networks available to move tonnes of essential materials, such as food and cleaning products, as well as humanitarian aid, to different logistics centres, in collaboration with different organisations and Public Administrations, ensuring that they reached their recipients in the shortest possible time. During the period when it was not possible to access the post offices located in the affected areas, services continued to be provided at nearby post offices.

In the subsidiary Correos Express, the uncertainties caused by the pandemic, the conflict between Israel and Gaza, the geopolitical instability in the Middle East, with the consequent increase in fossil fuel prices, as well as the approval of Royal Decree Law 03/2022 and Royal Decree Law 06/2022, led to an increase in the Company's distribution and dragging costs in 2022, 2023 and 2024.

2. Structure of the Correos Group

The subsidiaries comprising the Correos Group (hereinafter the Group) and included in the scope of consolidation as of 31 December 2024 are as follows:



| Name of the company | Principal activity | Registered address | Integration method |
|---|---|---|--------------------|
| Correos Telecom, S.A., S.M.E.; S.U | Management of the network of Telecommunications of the Parent Company | C/ Conde de Peñalver, 19 (Madrid) | Global |
| Correos Express P.U., S.A., S.M.E; S.U. | Transportation services of documents and small parcels | Avenida de Europa, 8 Coslada (Madrid) | Global |
| CEP - Assessoria Ibérica de Logística e Transporte, S.A. | Logistics consulting services | Rua de Santo Ovidio nº21, 4425-379 Folgosa | Global |
| CEP II – Correos Express Portugal, S.A. | Freight transport services in the national and international market | Rua da Serra nº654, Moreira Maia | Global |
| K Parcel Company Limited | Transportation services parcels | 16/F., Kerry Cargo Centre 55 Wing Kei Road Kwai Chung, New Territories HONG KONG | Equity method |
| KCG ecommerce solutions Company Limited | Transportation services parcels | Room 101, #3 Building, Fu Ma San Road, Chi Gang, Humen Town, Dongguan, Guangdong Province, PRC. | Equity method |

At the time of the acquisition of the Portuguese company CEP by Correos Express in 2019, a cross put and call option agreement was signed for the possible acquisition of a larger stake in the subsidiary CEP. These options can only be exercised in certain circumstances, which had not arisen either at year-end or at the date of authorisation for issue of these consolidated annual accounts. The contract was granted free of charge.

On 5 August 2019, the shareholders of the Portuguese companies agreed to a change in the names of both companies, subsequently called CEP - Assessoria Ibérica de Logística e Transporte, S.A. and CEPII-Correos Express Portugal, S.A.

On 5 November 2021, there was a modification of the name of the CEP Correos Express Portugal, S.A., changing to CEP Assessoria Ibérica de Logística e Transporte, S.A.

Change in the scope of consolidation during the 2024 and 2023 financial years

At 31 December 2022, the Parent Company held a 100% interest in the subsidiary Nexea Gestión Documental S.A. (hereinafter Nexea).

In view of the delicate economic and financial situation of Nexea in 2022, the Directors considered that a business combination in which Nexea would be absorbed in its entirety by its sole shareholder, Correos, would improve liquidity, solvency and obtain competitive advantages by transforming the absorbed company into a business unit within the parent company, thus guaranteeing the viability and profitability of Nexea's core business.

On 19 May 2023, the merger was approved by the Boards of Directors of both companies.

On 3 July 2023, the merger agreement adopted by the Boards of Directors of Nexea (absorbed company), Correos (absorbing company), SEPI and authorised by the Council of Ministers was notarised. This resolution agreed the merger by

absorption by Correos of the company Nexea, transferring all its assets and liabilities to the absorbing company en bloc, acquiring by universal succession the rights and obligations thereof and with accounting effect from 1 January 2023, as it is a merger between related companies, covered by article 31.7 'LME' and the General Accounting Plan.

All assets and liabilities were integrated into the acquiring Company at their book values in the consolidated annual accounts.

Registration with the Business Register was made on 3 July 2023.

As a result of the integration, negative merger reserves of 135 thousand euro were generated in the Parent Company.

There were no changes in the scope of consolidation in financial year 2024.

In the 2019 financial year, the necessary steps were taken to create two Chinese joint venture companies, called KCG Ecommerce Solutions Company Limited (hereinafter KCG) and K Parcel Company Limited (hereinafter K Parcel), which enabled Correos to enter the Chinese market, with a broad commercial

perspective, both by addressing new parcel flows from China to the rest of the world, and by allowing Correos to offer value-added logistics solutions to both new and existing customers. Correos holds a 35% stake in each of these two companies. The creation of these two companies took place in the first half of the financial year 2020, with the total cost of the shareholdings amounting to 2,249 thousand euros. In addition, Correos granted K Parcel a loan for 571 thousand euros to be repaid over 5 years, which was collected ahead of schedule in 2023. These two companies are accounted for by the equity method within the consolidated group of the Correos Group, as they are no longer controlled.

Correos Express Paquetería Urgente, S.A., S.M.E. (Sole-Shareholder Company), whose registered office is at Avenida de Europa, 8, Coslada (Madrid), has a corporate purpose of the provision of freight transport services, auxiliary and complementary transport activities and the provision of collection, sorting and distribution services for goods and parcels. The main activity of Correos Express Paquetería Urgente, S.A., S.M.E. (Sole-Shareholder Company), is the express transport of documents and small business parcels, both nationally and internationally.

Correos Telecom, S.A., S.M.E., (Sole-Shareholder Company) has its registered office at Calle Conde de Peñalver, 19, Madrid, and its corporate purpose, which coincides with its principal activity, consists of the management of the telecommunications network owned by the Parent Company, as well as the provision of telecommunications services on a preferential basis to the Parent Company and, on a subsidiary basis, to third parties; the performance of intermediation and promotion tasks for the marketing of the surplus capacity of the Parent Company's telecommunications network and the provision of telecommunications services related to the provision of postal services.

CEP – Assessoria Ibérica de Logística e Transporte, S.A., (hereinafter 'CEP') with registered office at Rua de Barreiro 553, Crestins parish of Moreira, municipality of Maia (C.P 4470-573 Moreira Maia) Portugal, has the corporate purpose of the provision of express mail and courier services, in particular non-universal postal services, and to ensure, as a public road haulage company and transport commissioner, the management of the transport of goods, the reception, transport and delivery of volumes and documentation, under the applicable legal and regulatory conditions. The main

activity of CEP is the express transport of documents and small business parcels, both nationally and internationally.

CEP II - Correos Express Portugal, S.A., (hereinafter 'CEP II') with registered office at Rua da Serra 654, parish of Folgosa, municipality of Maia (P.O. Box 4446-909 Ermesinde) Portugal, has the corporate purpose of the transport of goods, organisation and management of the transport of goods in the national and international market by any means; the organisation of transport, coordination of the flow of goods and information, management and control of stocks, storage and logistics, international trade, import and export, transport consultancy and foreign trade services, forwarding activity, customs activity and similar support for transport, with powers to declare to the customs authorities on behalf of third parties and the provision of postal services. The main activity of CEP II is the express transport of documents and small business parcels, both nationally and internationally.

All subsidiary companies close their financial year on 31 December, and their functional and presentation currency is the euro.

On 1 February 2017, the Sole Shareholder of each of the Spanish companies in the Correos Group, following agreement by their respective Boards of Directors in October 2016, agreed to change the name of the Companies and to amend Article 1 of their Articles of Association to bring them into line with the provisions of Article 111 of Law 40/2015, of 1 October, on the Legal Regime of the Public Sector. Accordingly, the corporate name of all the companies in the Correos Group was changed and they were henceforth renamed:

Corporate name

- Sociedad Estatal Correos y Telégrafos, S.A., S.M.E (Sole-Shareholder Company)
- Correos Telecom, S.A., S.M.E, (Sole-Shareholder Company)
- Correos Express Paquetería Urgente, S.A., S.M.E (Sole-Shareholder Company)

The decision of the Sole Shareholder was made public by each company and is recorded in the Companies Register for all Group companies.

The breakdown as of 31 December 2024 and 2023, of the equity of subsidiaries included in the consolidation of the Correos Group, before consolidation and/or homogenisation adjustments, is as follows:



| Financial year 2024 | Correos Express P.U., S.A., S.M.E; S.U | Correos Telecom S.A., S.M.E., S.U. | CEP y CEP II (*) |
|--|---|---------------------------------------|------------------|
| Net book value of the investment | 216,462 | 1,503 | 11,050 |
| Direct shareholding (%) | 100% | 100% | 51% |
| Share capital | 66 | 1,503 | 750 |
| Share premium | 6,415 | - | 3,115 |
| Legal reserve | 1,231 | 301 | 169 |
| Other reserves | 48,057 | 11,201 | 886 |
| Results of previous financial years | - | - | (1,058) |
| Result for the financial year Parent Company | (3,507) | 2,607 | 3,547 |
| Other equity instruments (**) | - | - | 4,600 |
| Grants | - | 54 | - |
| External partners (Result for the financial year) | - | - | 798 |
| Total equity | 52,262 | 15,666 | 12,807 |
| Operating result | 8,987 | 3,375 | 2,469 |

(*) These are aggregate figures for CEP I and CEP II for 100%, except for profit for the year, which is broken down into profit for the year and external partners.

(**) In Portugal they are called ancillary services regulated by Article 287 of the Portuguese Commercial Companies Code, having the same amount CEP I recorded as a credit claim with CEP II.



| Financial year 2023 | Correos Express P.U., S.A., S.M.E; S.U | Correos Telecom S.A., S.M.E., S.U. | CEP y CEP II (*) |
|--|---|---------------------------------------|------------------|
| Net book value of the investment | 182,342 | 1,503 | 11,050 |
| Direct shareholding (%) | 100% | 100% | 51% |
| Share capital | 66 | 1,503 | 750 |
| Share premium | 6,415 | - | 3,115 |
| Legal reserve | 1,231 | 301 | 164 |
| Other reserves | 45,152 | 12,890 | 886 |
| Results of previous financial years | (9,394) | - | (3,383) |
| Result for the financial year Parent Company | 17,290 | 3,310 | 2,325 |
| Other equity instruments (**) | - | - | 4,600 |
| Grants | - | 54 | - |
| External partners (Result for the financial year) | - | - | 62 |
| Total equity | 60,760 | 18,058 | 8,519 |
| Operating result | 5,681 | 4,591 | 1,716 |

(*) These are aggregate figures for CEP I and CEP II for 100%, except for profit for the year, which is broken down into profit for the year and external partners.

(**) In Portugal they are called ancillary services regulated by Article 287 of the Portuguese Commercial Companies Code, having the same amount CEP I recorded as a credit claim with CEP II.

3. Presentation principles for the consolidated annual accounts

In preparing these consolidated annual accounts, the Parent Company's directors have applied the regulations established in the General Accounting Plan (PGC as per the Spanish) approved by Royal Decree 1514/2007, the amendments incorporated therein by Royal Decree 1159/2010, approving the Rules for the Preparation of Consolidated Annual Accounts, and Royal Decree 602/2016 and 1/2021, as well as all other commercial legislation in force as of 31 December 2024. Specifically:

- The Parent Company's annual accounts have been consolidated with those of all its subsidiaries (see Note (2)) using the full consolidation method. The Parent Company holds the majority of the voting rights in all fully consolidated companies.
- The consolidation of the two companies incorporated in 2020 in China (see Note (2)) is carried out using the equity method.

- In those cases where the subsidiaries have followed accounting and valuation criteria that are significantly different from those of the Parent Company, the corresponding adjustments have been made in order to present the Group's consolidated annual accounts in a consistent manner.

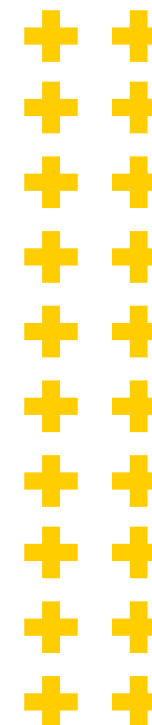
- The different items of the individual annual accounts previously harmonised are aggregated based on their nature.

- The book values representing the equity instruments of the subsidiaries owned by the Parent Company are offset by their net equity.

- The balances, transactions and cash flows between Correos Group companies have been removed in the consolidation process. Likewise, all profit and losses caused by internal transactions are eliminated and they are deferred until they are realised before third parties unrelated to the Group.

- Changes in the reserves of the different subsidiaries between the different dates of stake taking or first consolidation and 31 December 2024 are included under 'Reserves in consolidated companies' in the consolidated balance sheet.

In relation to the impairment of assets recognised under the heading 'Property, plant and equipment', since 2009 the Parent Company has applied the provisions of Order EHA/733/2010, of 25 March, approving accounting aspects for public companies operating under certain circumstances. Required condition: the application of this Order is mandatory for entities belonging to the state public business sector that must apply the accounting principles and standards contained in the Commercial Code and the General Accounting Plan and that, considering the strategic or public utility nature of their activity, deliver goods or provide services regularly to other entities or users without receiving a consideration, or in exchange for a charge or a political price fixed directly or indirectly by the Public Administration.



3.1) True and fair view

These consolidated annual accounts, which comprise the consolidated balance sheet, consolidated profit and loss account, consolidated statement of changes in equity, consolidated cash flow statement and consolidated notes 1 to 25, have been prepared on the basis of the accounting records of the various companies that make up the Correos Group, they have been prepared in accordance with the legal provisions in force as of 31 December 2024 on accounting matters in order to give a true and fair view of the Group's equity, financial position and results, as well as the veracity of the cash flows included in the consolidated cash flow statement. The consolidated cash flow statement has been drafted in order to provide true information on the source and application of the monetary assets and other cash or cash equivalent assets of the Group.

The figures contained in these consolidated annual accounts are expressed in thousands of euros, unless otherwise indicated, the euro being the operating currency of the Parent Company and of the companies included in the

scope of consolidation, except for the companies consolidated by the equity method K PARCEL whose currency is Hong Kong Dollars (HKD) and KCG whose currency is Renminbi (RMB), and no exchange differences have arisen during the year.

The conversion of the annual accounts of the subsidiaries whose operating currency is not the euro is carried out in accordance with the following rules:

- The assets and liabilities are converted at the closing exchange rate. The closing exchange rate is the average spot rate existing as of that date.
- The net equity items, including the profit or loss for the year, are converted at the historic exchange rate.
- The difference between the net value of assets and liabilities and net equity items is included in one of the net equity headings under the entry 'Exchange differences', where applicable, after deducting the part of such difference corresponding to non-controlling interests, and

- The cash flows are converted at the exchange rate on the date of the transaction or using a weighted exchange rate of the monthly period provided there have not been significant variations.

The exchange rate difference booked in the consolidated balance sheet is recognised in the consolidated profit and loss account of the period in which it is divested or through another means of investment in the consolidated company.

The historical exchange rate is:

- For net equity items existing on the date of acquisition of the shareholdings to be consolidated: the exchange rate on the date of transition.
- In the case of the income and expenses, including those directly allocated to net equity: the exchange rate on the date of the transaction. If exchange rates had not varied significantly, the weighted average rate of the monthly period will be used, and

- Reserves created following the transaction dates due to retained earnings will be consolidated at the effective exchange rate resulting from the conversion of income and expenses arising from those reserves.



3.2) Critical aspects of assessing and estimating uncertainty

In preparing these consolidated annual accounts, the Parent Company's Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the balances of assets, liabilities, income and expenditure and the breakdown of contingent assets and liabilities at their date of issue.

The related estimates and assumptions are based on historical experience and on various other factors that are understood as reasonable in accordance with the circumstances and serve as the basis for establishing the book value of assets and liabilities that are not readily available through other sources. The respective estimates and assumptions are reviewed on an ongoing basis; the effects of revisions of accounting estimates are recognised in the period in which they are made, if they affect only that period, or in the period of revision or future revision periods, if the revision affects both.

Apart from the general process of systematic estimates and their periodic review, the Parent Company's Directors make certain value judgements on

matters with a particular impact on the consolidated annual accounts.

The key judgements relating to future events and other uncertain sources of estimation at the date of preparation of the consolidated annual accounts are as follows:

> Lease obligations – the Correos Group as lessee

The Correos Group has signed leasing contracts for the development of its activities. The classification of such leases as operating or finance leases requires Correos Group to determine, based on an assessment of the assessment of the terms and conditions of these contracts, who retains all the risks and rewards of ownership of the assets, and accordingly the contracts will be classified as either operating leases or finance leases.

> Lease obligations – the Correos Group as lessor

The Correos Group has entered into various contracts with third parties for the lease of certain assets it owns. The Group has determined that, based on its evaluation of the terms and conditions of these contracts, it retains all the risks

and rewards of ownership thereof and therefore recognises these contracts as operating leases.

> Taxation

According to the current legislation, taxes may not be deemed as finally settled until the declarations filed have been duly audited by tax authorities or the statute of limitations has expired. In the opinion of the Parent Company's directors, as of 31 December 2024 there are no contingencies additional to those recognised in these consolidated annual accounts that could lead to significant liabilities for the Parent Company and/or its subsidiaries in the event of inspection.

The key estimates and assumptions relating to future events and other uncertain sources of estimation at the date of preparation of these consolidated annual accounts are as follows:

> Deferred tax assets

Deferred tax assets, tax loss carryforwards and tax credits are recognised on the basis of the individual future estimates made by each of the Group companies of the probability that

future taxable profits will be available to them individually or where there are deferred tax liabilities to offset them in the same time periods.

In 2024, the Parent Company has generated a tax loss in the Corporate Income Tax, which has been recognised in the balance sheet as a deferred tax asset in an amount equal to the result of multiplying the general corporate income tax rate of 25% by 50% of the tax loss, which will be reduced by tenths in the first ten tax periods beginning on or after 1 January 2025, in accordance with the provisions of the 19th Additional Provision of Law 27/2014, on Corporate Income Tax. The deferred tax asset recognised in 2023 as a result of the taxable income generated by the Parent Company in said financial year will be reduced in the first ten tax periods beginning on or after 1 January 2024 pursuant to the provisions of the aforementioned Provision.



> Provisions

The Correos Group acknowledges risk provisions pursuant to the accounting policy set forth in Note (5-k) of this consolidated report 'Provisions and contingent liabilities'. The Correos Group makes judgements and estimates in relation to the probability of occurrence of these risks, as well as the amount thereof, and records a provision when the risk has been assessed as probable, is a present obligation resulting from past events, whether legal or legitimate, and the sum can be reliably estimated.

> Impairment of non-financial assets

The Correos Group analyses whether there are impairment indicators for non-financial assets annually and on a general basis. In the specific case of non-financial assets other than intangible assets with indefinite useful lives, the Group tests them for impairment whenever there are indicators of impairment.

> Calculation of fair values, values in use, present values and recoverable amounts

The calculation of fair value, value in use, current values and recoverable sums requires the calculation of future cash flows and the assumption of hypotheses relating to future values of flows and the applicable discount rates, taking into account, in addition, the expectation of the repayment time of the respective debts. Related estimations and assumptions are based in historic experience and other different factors which are understood as reasonable under the circumstances.

> Voluntary termination plan

At the Sectoral Table of 11 December 2024, the Parent Company informed the trade unions that the Negotiating Table of the 4th Collective Bargaining Agreement would be reopened with the aim of signing a Framework Agreement before the end of the financial year which, among other aspects, would include a collective plan for voluntary terminations for the period

2025-28. This agreement was signed by the Parent Company and the majority of the trade union organisations on 31 December 2024, and sets out the conditions which, once developed in negotiations, will be incorporated into the 3rd and 4th Collective Bargaining Agreement of Correos. The signing of the Agreement on 'Basic lines to be transferred to the 4th Collective Bargaining Agreement' last 31 December marked the approval of the matters:

1. Employment Cycle and Incentivised Voluntary Termination Plan, the basic conditions of which were approved with the signing of the Agreement on 31 December 2024. It contained the main features of the Plan in a sufficiently explicit manner to create an expectation among employees that they can join and thus an implicit obligation.
2. Classification, qualification, career and social policies.
3. Work organisation and working hours.
4. Incentives and productivity plan.

The conditions of the Voluntary Termination Plan defined in the previously mentioned Framework Agreement signed on 31 December 2024 include a Voluntary Termination Plan in the period 2025-28 for permanent employees who are at least 61 years old and a Voluntary Leave of Absence Plan for civil servants, as detailed in Note 15.

The agreement dated 31 December established the need to reach an agreement by 15 March 2025 to amend Correos' 3rd collective bargaining agreement, otherwise the agreement would become null and void. In this regard, on 15 March, the company management and the trade union organisations that signed the Framework Agreement of 31 December 2024 ratified all the matters included in said agreement, stating that the basic conditions of the Voluntary Termination Plan are those approved in the agreement of 31 December.

The Agreement signed on 15 March highlights the complexity and interconnection between the different measures contemplated in the Framework Agreement, which is why both parties agree on the need for more time to develop the commitments acquired.

The signatory parties have therefore agreed to continue working on all matters, extending the negotiation period from 15 March to 30 June 2025.

The Directors of the Parent Company, in agreement with the Management, understand that there is a high probability that the Voluntary Termination Plan detailed above will be implemented on the terms agreed on 31 December 2024, which will result in a significant outflow. However, in our view, there is uncertainty about the concreteness of the Voluntary Termination Plan, given that the negotiation deadline for developing the commitments made (included in the Framework Agreement signed on 31 December 2024) has been extended to 30 June 2025.

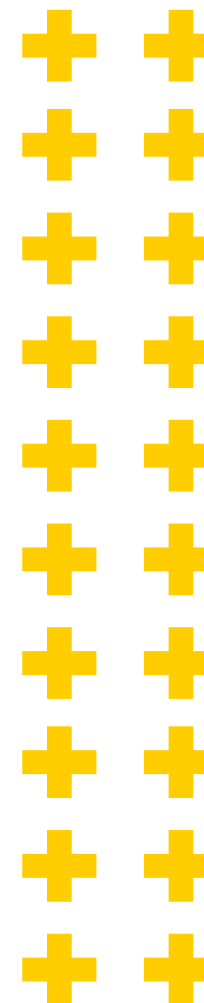
On the basis of the above, the Directors of the Parent Company, in agreement with the Management, consider that the valid expectation created by Correos vis-à-vis third parties arose with the signing of the Framework Agreement on 31 December 2024 by the workers' representatives at the negotiation table (the trade union representatives), as well as being internally communicated through the official communication channel on the

31st, communicated through the trade unions' publications on the 31st, and published in the press on the same day. These publications contained the main features of the Plan in a sufficiently explicit manner to create an expectation among employees that they can join and thus an implicit obligation.

The Parent Company has recognised a provision of 427.9 million euros. The current value of the provision based on the basic conditions detailed in the Framework Agreement of 31 December 2024 has been calculated by an independent and renowned expert.

Going concern principle

The Consolidated Annual Accounts have been prepared on a going concern basis, i.e., assuming that the activity of the Correos Group will continue, although there are certain factors in the business that could be considered as causing doubt and which have been mitigated as explained below:



As of 31 December 2024, the Group had negative working capital of 302,146 thousand euros (191,017 thousand euros of negative result in 2023), and had incurred losses of 459 million euros (120 million euros of negative result in 2023), which led the Group to reduce its equity to 54 million euros (514 million euros of positive equity at the end of 2023), and its share capital to 262 million euros (724 million euros in 2023).

The share capital at year-end is 400 million euros (612 million euros at year-end 2023). As explained in Note 13, on 13 November 2024, the Parent Company's Sole Shareholder resolved to reduce the share capital by 212 million euros, which was registered with the Business Register on 5 February 2025.

| Contract date | Due date | Credit facility limits (euros) | Amount drawn at 31.12.2024 (euros) |
|---------------|------------|--------------------------------|------------------------------------|
| 18/03/2022 | 18/03/2025 | 123,500,000 | 123,499,239 |
| 28/06/2022 | 28/06/2025 | 10,000,000 | 9,978,111 |
| 05/07/2022 | 05/07/2025 | 98,800,000 | 98,198,700 |
| Total | | 232,300,000 | 231,676,050 |

The negative working capital situation is mainly due to the following two events at the Parent Company:

- The recognition at year-end of the provision for the Voluntary Termination Plan, which has the expected amount of outflows in 2025 classified as short-term (see Note 15).
- The transfer of credit facilities maturing in 2025 to short-term at year-end, with the following breakdown:

The receipt of the Sole Shareholder's contribution to the Parent Company's equity expected at the end of March 2025 will reduce the negative working capital and will be a further step in the fulfilment of the Strategic Plan.

In relation to the capacity to obtain financing and liquidity, the Parent Company has obtained three loans and refinanced the 325 million due to mature during the 2024 financial year, with the following characteristics:

| New indebtedness 2024 | | |
|-----------------------|------------|--------------------|
| Contract date | Due date | Importe |
| 01/07/2024 | 01/07/2027 | 75,000,000 |
| 17/07/2024 | 17/07/2027 | 54,000,000 |
| 01/07/2024 | 01/07/2027 | 20,000,000 |
| Total | | 149,000,000 |

| Refinancing 2024 | | |
|------------------|------------|--------------------|
| Contract date | Due date | Importe |
| 12/04/2024 | 12/04/2029 | 275,000,000 |
| 12/04/2024 | 12/04/2029 | 25,000,000 |
| 12/04/2024 | 12/04/2029 | 25,000,000 |
| Total | | 325,000,000 |

In addition to the new financing received during the financial year in the amount of 149 million euros and the refinancing of debt in the amount of 325 million euros, maturing in 2027 and 2029 respectively, it is important to note that binding offers for higher amounts have been received. In 2024, a guarantee facility has been formalised for which bids were received for 1.75 times the requested amount.

As of the date of preparation, the 123-million policy maturing in March 2025 has already been refinanced, with bids received for 2.2 times the amount requested, and a new guarantee facility has been formalised for an amount equal to the one formalised in 2024, with bids received for 3.13 times the amount requested.

Based on the above, the Group's ability to obtain financing has been evidenced, thereby minimising the risk of liquidity and solvency to meet its payment obligations at all times and to undertake planned investments.

Also, the losses detailed above derive, on the one hand, from the provision recorded in the Parent Company in relation to the Voluntary Termination

Plan for an amount of 427.9 million (see Note 15) and, on the other hand, from the situation where its traditional business, letter mailing, continues to decline. These falling numbers of postal items, as in the case of all postal operators around the world, are the result of digitalisation and the change of communication systems, were accentuated by the health crisis, as 2020 was the year with the biggest fall in the mailing of letters and administrative notifications, and pre-pandemic levels of volume have not yet been recovered.

The Management of the Correos Group, aware of the economic situation described above, and as already established in the previous financial year, is restructuring its business strategy and has drawn up a Strategic Plan 2024-28 for the Parent Company during the year.

This Plan was approved by the Board of Directors of the Parent Company on 30 July 2024 and by the Board of Directors of SEPI on 31 July 2024.

The Strategic Plan aims, as far as recovery is concerned, to reverse the current situation to bring the Parent Company onto a path of profitability that will ensure

its economic and financial sustainability in the medium term. As for repositioning, the aim is to reconcile the public mission of the Parent Company, assuming a growing role aimed at providing Services of General Economic Interest to the public in a way that takes full advantage of and exploits its broad territorial presence throughout the country, with the capacity to be competitive and profitable in the areas where it competes with the private sector.

The new measures present actions in all the Parent Company's business lines, seeking to consolidate Correos both in its position as a benchmark company in the public sector and to reinforce and boost its position as one of the main parcel delivery operators, redefining its value proposition to the market and defining new businesses. This strategic proposal seeks to transform the Parent Company into a more efficient and competitive organisation that takes advantage of its operational synergies, in order to position it in the profitable environment in which its European peers are currently positioned.

The Plan has been approved on the basis of the following main assumptions:

- Obtaining increased funding for the provision of the universal postal service, as well as for Services of General Economic Interest.
- Achieving greater efficiency and competitiveness based, among other measures, on a new Labour Framework (Collective Bargaining Agreement and General Agreement) and a Staff Plan.
- Monetary contribution by the sole shareholder in the amount of 200 million euros.

An independent and renowned expert has produced a report entitled 'The Private Investor Test and the application of the Market Economy Investor Principle'. Based on the analysis carried out, the result of the Test determines that, according to the economic forecasts of the Strategic Plan, the aforementioned contribution should not be considered as State Aid, as it complies with the criteria defined by the European Union.

As at the date of preparation of these annual accounts, the contribution has been favourably reported by SEPI's Management Committee and is expected to be received by the end of March 2025.

This plan sets out a strategy for 2028 that is articulated in both the public and private spheres. The generation of positive impacts on EBITDA is progressive and the turning point is expected to occur in 2025, with no equity imbalance expected throughout the duration of the Plan.

In relation to the universal postal service, Law 43/2010 entrusted the Parent Company with the provision of the universal postal service for a period of 15 years, from 1 January 2011, that is until 31 December 2025. From this date and in accordance with Directive 97/67/EC, Member States may adopt one or several of the following systems to decide the most efficient and appropriate mechanism to guarantee the provision of the universal service, respecting the principles of objectivity, transparency, non-discrimination, proportionality and minimum distortion of the market: the provision of the universal service under

market forces, the designation of one or several companies who offer different elements of the universal service or cover different parts of the territory, and the public procurement of the services.

It is expected that, during the financial year 2025, the modification of Law 43/2010 on the Universal Postal Service (which was included in RD 9/2024) in the following points will be approved:

- The period for which the Parent Company has the status of designated operator is extended for a further five years, i.e. until 31 December 2030.
- Obligation for the designated operator to provide services of general economic interest of an administrative and financial nature.

In the hypothetical event that the Parent Company is not designated as a universal postal service provider as of 1 January 2026, the Parent Company would adapt its structure and operations to the new circumstances by offering only profitable services in the geographical areas and zones. The consequent loss of the

universal postal service revenue would be compensated by an equivalent reduction in the costs associated with the provision of said service. However, this hypothesis is considered remote.

In view of all these factors, the positive net equity in excess of the share capital at year-end and in agreement with the Group's Management, the Directors of the Parent Company have prepared these consolidated annual accounts on a going concern basis, on the assumption that there will be no problems in obtaining new additional financing, that the Strategic Plan will continue to be implemented as planned, that greater efficiency and competitiveness will be achieved based, among other measures, on a new Labour Framework (Collective Bargaining Agreement and General Agreement) and Staff Plan, and that the monetary contribution from the Sole Shareholder of the Parent Company will be received in the terms indicated.

3.3) Information comparison

The Directors of the Parent Company, as indicated in section four of the 'Rules for the Drafting of Consolidated Annual Accounts', have included quantitative information for the previous year in this report to the consolidated annual accounts.

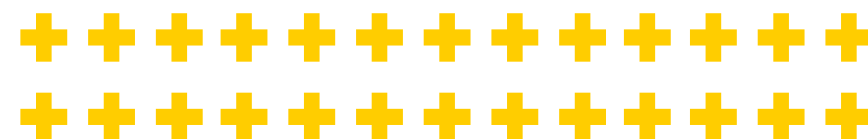
In addition to the comparative information of a numerical nature for the last financial year presented, the Directors of the Parent Company have included descriptive information for the previous financial year, where relevant for the understanding of these consolidated annual accounts.

3.4) Classification of current and non-current items

For the classification of current items, a maximum period of one year from the date of these consolidated annual accounts has been considered.



4. Application of the results of the Parent Company



The proposed allocation of the results of financial year 2024 formulated by the Directors of the Parent Company and pending the approval of its Sole Shareholder, as well as the approved distribution for the financial year 2023 is as follows:

| Entity | Financial year 2024 | Financial year 2023 |
|--------------------------------------|---------------------|---------------------|
| Result for the financial year | (414,798) | (140,369) |
| Distribution base: | | |
| Voluntary reserves | (182,679) | - |
| Prior periods' negative results | (232,119) | (140,369) |
| Total | (414,789) | (140,369) |



On 30 May 2024, the Parent Company's annual accounts were approved, in which the allocation of the profit/loss for the financial year 2023, with a loss of 140,369 thousand euros, to the 'Losses from previous years' account was agreed.

In addition, the Sole Shareholder of the Parent Company approved the redistribution of all 'Statutory Reserves' to 'Voluntary Reserves'.

Limits for the distribution of results and dividends

According to Article 274 of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, companies are obliged to allocate 10% of the profits of each financial year to the Statutory Reserve until it reaches at least 20% of the share capital. This reserve will not be

distributable to shareholders and may only be allocated to cover, in the event that there are no other reserves available, the debit balance of the profit and loss account. As at 31 December 2024, the legal reserve is not fully established.

5. Recognition and valuation standards

The main accounting and valuation criteria used by the Parent Company in the preparation of these consolidated annual accounts, in accordance with the General Accounting Plan approved by Royal Decree 1514/2007 and the amendments made thereto by Royal Decrees 1159/2010, 602/2016 and 1/2021, are as follows:

Subsidiaries

Subsidiaries are, including special purpose vehicles, those on which the Company, whether directly or indirectly has some control, according to the provisions of Art. 42 of the Commercial Code.

For the sole purposes of the presentation and breakdown, group companies are those under the control, by any means, of one or several natural or legal persons acting jointly or under single management through statutory clauses or agreements.

Subsidiaries have been consolidated by means of the global integration method.

Note 2 includes the information on the subsidiary companies included in the consolidation of the Correos Group.

Operations and balances held with subsidiaries and unrecognised benefits or losses have been eliminated in the consolidation process.

The accounting policies of the subsidiaries have been adapted to the accounting policies of the Correos Group for transactions and other events which, being similar, may have arisen in similar circumstances. There were no significant effects of the homogenisation on the 2023 consolidated annual accounts.

The annual accounts or financial statements of the subsidiaries used in the consolidation process refer to the same presentation date and period as those of the Parent Company.

Non-controlling interests

Non-controlling interests are recognised in the consolidated net equity of the consolidated balance sheet separately from the equity corresponding to the Parent Company. Non-controlling

interests are registered in the consolidated net equity of the consolidated balance sheet separately from the equity corresponding to the Parent Company.

The share of non-controlling interests in the benefits or losses of the financial year is likewise registered separately in the consolidated profit and loss account.

The share of the Correos Group and non-controlling interests in the benefits or losses and in the changes of net equity of subsidiaries, once the adjustments and eliminations arising from the consolidation have been applied, is calculated based on the share percentages at year-end, without taking into account the possible execution or conversion of potential voting rights once the effect of dividends, agreed or otherwise, and preference shares with cumulative rights that have been classified in net equity accounts, have been discounted.

The revenue and expenditure results recognised in the net equity of subsidiaries are allocated the net equity attributable to the Parent Company and non-controlling interests in proportion to their shareholding, although this implies a debit balance of non-controlling interests.

The agreements executed between the Correos Express Group and the non-controlling interests are recognised as a separate transaction.

Control acquisition

The acquisition by the parent company (or another Group company) of the control of a subsidiary constitutes a business combination which is recognised in accordance with the acquisition method. This method requires the acquiring company, on the date of acquisition, to book the identifiable assets acquired and liabilities assumed in a business combination and, where applicable, the corresponding goodwill or negative variance. Subsidiaries are consolidated from the date on which their control is transferred to the Group, and they are excluded from the consolidated on the date such control ceases.

The acquisition cost is established as the additions of the fair values, on the acquisition date, of the assets delivered, liabilities incurred or undertaken, and equity instruments issued by the acquiring party and the fair value or any contingent consideration depending on future

events or on the compliance with certain conditions which must be registered as an asset, a liability or net equity according to its nature.

Expenditure relating to the issue of equity instruments or financial liabilities delivered do not form part of the business combination cost, booked in accordance with the regulations applicable to financial instruments. Fees paid to legal advisers or other professionals taking part in the business combination are recorded as expenses as incurred. Those expenses generated internally for these concepts are not included in the cost of the combination nor are those, if any, incurred by the entity acquired.

The surplus, on the acquisition date, of the cost of the business combination, on the proportional part of the value of the identifiable assets acquired minus the cost of the liabilities undertaken representing the participation in the share capital of the company acquired is recorded as goodwill. In the exceptional situation that the amount exceeded the cost of the business combination, the surplus will be recorded in the consolidated profit and loss account as income.

Consolidation method

Assets, liabilities, income, expenses, cash flows and other items of the annual accounts of the companies of the Group are incorporated to the consolidated annual accounts of the Group using the full integration method. This method requires the following:

- **Temporary harmonisation.** The consolidated annual accounts are established on the same date and period as the annual accounts of the company require to consolidate. The inclusion of the companies the year-end of which is different, will be carried out by means of intermediate statements referred to the same date and period as the consolidated statements.
- **Assessment harmonisation.** Elements corresponding to assets and liabilities, income and expenses and other items of the annual accounts of the Group companies have been assessed using uniform methods. Elements corresponding to assets and liabilities, or those items corresponding to income or expenses

assessed according to non-uniform criteria in relation to those applied in the consolidation are re-assessed, applying the necessary adjustments, for the sole purposes of consolidation.

- **Aggregation.** The different items of the individual annual accounts previously harmonised are aggregated based on their nature.
- **Elimination investment-net equity.** The book values representing equity instruments of the subsidiary owned, whether directly or indirectly, by the Parent Company, are compensated by means of the proportional part of the net equity items corresponding to the aforementioned subsidiary attributable to said shares, generally, on the basis of the values resulting from the application of the acquisition method previously described. For consolidations after the financial year in which the control was acquired, the surplus or lack of net equity generated by the subsidiary from the acquisition date attributable to the Parent Company, is included in the consolidated balance sheet within the items 'reserves' or 'adjustments

for changes in value', based on their nature. The part attributable to non-controlling interests is recorded under 'Non-controlling interests'.

- **Participation of non-controlling interests.** The assessment of non-controlling interests is carried out based on its effective participation on the net equity of the subsidiary once the previously mentioned adjustments are applied. The consolidated goodwill may not be attributed to non-controlling interests. The surplus between losses attributable to non-controlling interests of a subsidiary and the portion of net equity proportionally corresponding to them is allocated to them, even though it may imply a debit balance in such item.
- **Disposals of the intragroup items.** Credits and debts, income and expenses and cash flows among Group companies are fully eliminated. Likewise, all profit and losses caused by internal transactions are eliminated and they are deferred until they are realised before third parties unrelated to the Group.

Related and multi-group companies

Related companies are those companies over which any of the companies included in the consolidation may exercise a significant influence. Significant influence is defined as participation in the company by the Group with the power to intervene in the financial and operating decisions of such company without the Group having the control. Related companies are included in the consolidated annual accounts using the equity procedure.

(a) Intangible fixed asset

Intangible assets are valued at their acquisition price or at their production cost, reduced by accumulated depreciation and possible losses due to impairment of their value. Indirect taxes on intangible fixed assets are only included in the acquisition price where such taxes are no longer recoverable directly from the Public Tax Administration. An intangible asset is recognised as such if and only if it is likely to generate future benefits and that its cost can be measured reliably.

Intangible assets are amortised systematically over their estimated useful

lives and their recoverability is assessed when events or changes occur that indicate that the carrying amount may not be recoverable. The methods and periods of amortisation applied are revised at the year-end and, if necessary, adjusted prospectively.

Consolidation goodwill

At year-end 2024, the goodwill on consolidation corresponds to the positive difference between the carrying amount of the investment and the value attributed to this investment of the fair value of the assets acquired and liabilities assumed from the companies acquired by Correos Express in 2019.

The goodwill is allocated to each of the cash generating units on which benefits of the business combination are expected to be distributed and then, as the case might be, the corresponding valuation correction is registered (see Note 4 c).

In the event that any loss due to impairment regarding a cash generating unit to which a full or particular goodwill had been allocated must be registered, the book value of the

goodwill corresponding to such unit must be reduced in the first place. If the impairment exceeds the latter amount, secondly, the value of the other assets of the cash generating unit must be reduced proportionally to their book value to the limit of the highest value among the following: their fair value less the costs of sale, the value in use and zero. The impairment loss is booked to the results of the financial year.

When an impairment loss is subsequently reversed (a circumstance which is not allowed for in the specific case of goodwill), the book value of assets or

the cash generating unit is increased by the revised estimated recoverable sum, but in such a way that the increased book value does not exceed the book value that would have been determined if there had not been any recognised impairment losses in the previous years. These reversals for impairment losses in value are recognised as income in the consolidated profit and loss account.

Goodwill is amortised following the straight-line method within a ten-year term. The useful life will be established separately for each cash generating unit to which the goodwill has been allocated.



Computer software and other intangible assets

Computer software is stated at acquisition cost and amortised on a straight-line basis over its estimated useful life, which is generally five years. The costs of computer application maintenance are recorded as expenditure when incurred.

On the other hand, as a consequence of the allocation of the price paid for the acquisition of the Portuguese subsidiaries, computer applications amounting to 3,629 thousand euros, with an estimated useful life of five years, were recorded under 'IT Applications'.

Other intangible fixed assets

'Other intangible assets' corresponds to the sum paid for the transfer of sublease rights and is amortised on a straight-line basis over the life of said right.

The following intangible assets were also booked as 'Other intangible assets' in 2019 as a result of the allocation of the price paid for the acquisition of subsidiaries:

- Relationships with clients for a sum of 4,173 thousand euros and an estimated useful life of five years.

Patents, licences, and similar

They are booked at the sum actually paid for certain patents acquired and amortised over a period of ten years.

(b) Property, Plant and Equipment

Property, plant and equipment are booked at acquisition cost or the value at which they were contributed to the Parent Company by the now defunct Entity (see Note (1) on the Parent Company's activity), less accumulated depreciation and, where applicable, the accumulated sum of any impairment losses recognised. Indirect taxes levied on property, plant and equipment are included in the acquisition price when not directly recoverable from the Public Tax Administration.

Property, plant and equipment are depreciated as soon as they are available for use and are depreciated systematically and rationally (on the basis of their useful

life and residual value) on a straight-line basis over their estimated useful lives. Residual values, useful lives and depreciation methods shall be reviewed at least at each financial year-end, and useful lives are reviewed

when there are indications that they may have changed and, if appropriate, adjusted prospectively. The useful life periods used for the depreciation of the different assets are presented below:

| Type of asset | Useful life 2024 and 2023 (years) |
|--------------------------------|-----------------------------------|
| Buildings | 10 to 75 |
| Technical installations | 4 to 18 |
| Machinery | 10 to 18 |
| Other installations | 10 |
| Furniture | 15 |
| IT equipment | 4 to 7 |
| Transportation elements | 7 to 12 |

Likewise, in the event of indications of impairment, the Correos Group assesses the need to make valuation adjustments to the items that form part of its property, plant and equipment in order to attribute to them at any given time the lower of their carrying amount and their recoverable sum.

Costs for the extension, upgrade and improvement of property, plant and equipment are allocated as assets with the highest value of the asset where they constitute an increase in their capacity, performance or extension of their useful lives and as long it is possible to estimate or to ascertain the book value of the elements written off from the inventory due to replacement.

Maintenance and repair costs for property, plant and equipment which do not improve their use or extend their useful life are charged to the profit and loss account when incurred.

Investments made by the Correos Group in properties owned by third parties that qualify as operating leases are measured, provided that they are not separable from the leased or leased asset, at the cost of those investments. The depreciation of

these investments is calculated based on their useful life, what the duration of the rental or assignment contract will be, including the renewal period where there is evidence suggesting this will indeed occur, where this is less than the economic life of the asset.

Investments made in the adaptation of premises which are temporarily rented during the renovation of other premises are capitalised and provisioned in the year in which they are incurred.

(c) Investment properties

Investment property comprises land and buildings owned and leased to third parties and held for long-term rental income. Elements included under this heading are recognised at their acquisition cost minus their corresponding accumulated depreciation and the relevant impairment losses incurred. For the calculation of the depreciation of real estate investments we use the straight-line method based on the useful life years estimated for them, which amounts to 50-75 years.

The criteria contained in the above standards, relating to property,

plant and equipment, will be applied to investment property,

(d) Operating and finance leases

The Correos Grupo qualifies rental contracts as financial where it deduces, from the economic conditions, that the risks and benefits inherent to ownership of the asset of the contract are substantially transferred. Contracts that do not substantially transfer all the risks and rewards and where the lessor only has the right to use the asset for a specified period of time are classified as operating leases.

Correos Group as lessee

The assets acquired via financial leases are registered according to the nature based on the lower between the fair value of the asset and the current value at the start of the lease of minimum payments agreed, booked as a financial liability for the same sum. Sums payable for leases are distributed between financial expenses and reduction of liabilities. Assets are subject to the same depreciation, impairment and write-off criteria as the rest of the assets of the same nature.

Operating lease payments are recognised as expenses in the consolidated profit and loss account on the basis of their accrual basis on a straight-line basis over the total term of the lease.

Correos Group as lessor

Revenue arising from the operating leases are booked in the consolidated profit and loss account based on their accrual on a straight-line basis for the full term of the lease. The direct costs attributable to the agreement are included as the highest of the leased assets and booked as expenditure over the term of the agreement. This same criterion is used to recognise income from leases.



(e) Impairment of non-current non-financial assets

Non-cash flow generating assets

The main activity of the Parent Company is the provision of a public service of general interest - the Universal Postal Service - for which it charges a price that complies with the legally established principles. Thus, the vast majority of the assets that form part of the Parent Company's property, plant and equipment and intangible assets are owned mainly for the purpose of producing social economic flows that benefit the community and do not correspond to investments in assets that pursue a purely financial return and whose recovery could be based on the financial flows they produce.

In accordance with the above and in application of the provisions of Order EHA/733/2010, of 25 March, approving accounting aspects for public companies operating under certain circumstances, the Parent Company determines the impairment of its property, plant and equipment and intangible assets with reference to the depreciated replacement cost of each asset.

All other assets

If there are indications of impairment, the carrying amounts of the Correos Group's non-current non-financial assets are reviewed, at least at year-end, to determine whether such indications prevail. If signs of impairment are detected, the recoverable value of such assets is estimated.

The recoverable sum is the highest between the fair value less sale costs and the value in use. For the purposes of establishing the value-in-use, future cash flows are discounted at their present value using discount rates before taxes which reflect current market estimations of the time value of money and the specific risks associated with the corresponding assets. For those assets that do not generate highly independent cash flows, the recoverable sum is determined for the cash-generating units to which valued assets belong.

Losses due to impairment are recognised for all those assets, or, when appropriate, for cash-generating units that incorporate them, when their accounting value exceeds the corresponding

recoverable sum. In the event that any loss due to impairment regarding a cash generating unit to which a full or particular goodwill had been allocated must be registered, the book value of the goodwill corresponding to such unit must be reduced in the first place. If the impairment exceeds the latter amount, secondly, the value of the other assets of the cash generating unit must be reduced proportionally to their book value to the limit of the highest value among the following: their fair value less the costs of sale, the value in use and zero. Losses due to impairment are registered in the profit and loss account and, unless they come from goodwill, are reversed when changes in the estimates used to determine the recoverable sum are made. Reversed impairment losses are booked in the profit and loss account with the limit set by the fact that the carrying value of the asset after reversal may not exceed the carrying amount, net of any depreciation, if the aforementioned impairment loss were not previously registered.

(f) Financial assets

On initial recognition, the Group classifies those assets described in note 2.a as financial assets on the basis of the economic substance of the transaction and considering the definitions of a financial asset in the applicable financial reporting framework.

A financial asset is recognised when the Group becomes the bound party of the asset.

The Group classifies its financial assets according to the business model applied to them and the cash flow characteristics of the instrument.

The business model is determined by the Group's Directors, and this reflects the manner in which they jointly manage groups of financial assets in order to achieve a specific business objective. The business model that the Group applies to each group of financial assets is the way in which it manages these assets in order to obtain cash flows.



The Group's financial assets are receivables from customers, debtors, staff and public, deposits and guarantees, acquired equity instruments, cash and cash equivalents.

Specifically, financial assets are classified into the following categories:

- **Financial assets at amortised cost:** includes financial assets, even those traded on an organised market for which the Group holds the investment for the purpose of receiving cash flows from the execution of the contract, and the contractual terms of the asset give rise, at specified dates, to cash flows that are solely collections of principal and, where applicable, interest on the principal sum outstanding. In general, this category includes trade and non-trade receivables, loans and advances to staff and deposits and guarantees.

In their initial recognition, financial assets at amortised costs are booked at fair value, which, unless evidence to the contrary, is the transaction price plus the transaction costs directly attributable.

In the subsequent valuation, financial assets included in this category are

assessed at amortised costs, with interest accrued applying the effective interest rate method booked to the profit and loss account.

Notwithstanding the above, credits for commercial transactions with a maturity of no more than one year and which do not have a contractual interest rate are valued at their nominal value, both in the initial valuation and in subsequent valuations, when the effect of not updating the cash flows is not significant.

- **Financial assets at cost:** They are initially recorded at the reasonable value of the compensation delivered plus any directly attributable transaction costs. Fees paid to legal advisers or other professionals, who intervene in the acquisition of the asset are booked at cost in the profit and loss account. Internally generated expenses incurred in the acquisition of the asset are also not recorded as an increase in the value of the asset and are recorded in the profit and loss account.

In the subsequent assessment of financial assets at cost, they are valued at cost less, where applicable, the accumulated sum of corrections for value impairment. Nevertheless, where there is an investment prior to classification as group company, it is considered an investment cost at book value before this classification. Previous valuation adjustments directly allocated to net equity are kept in the same section until they are written off.

The Company will derecognise a financial asset, or part of it, when the contractual rights to the cash flows of the financial asset expire or have been transferred and it is necessary for the risks and benefits of ownership to have been transferred substantially. These circumstances are assessed by comparing the Group's exposure, before and after the transfer, to changes in the amounts and timing of the net cash flows of the transferred asset.

(g) Impairment of non-current non-financial assets

The book value of the financial assets is corrected charged to the consolidated profit and loss account, consolidated

when there is objective evidence of an impairment loss. To determine the impairment loss, the Correos Groups assess, at least once every financial year, the possible losses in both individual assets and of the asset classes with similar risk profiles.

Objective evidence of impairment exists when there have been non-payments, defaults, refinancing, possibilities of not recovering the full cash flows or where there is a delay in collection.

For assets amortised at cost, the sum of the impairment losses is equal to the difference between the book value and the current value of future cash flows estimated to be generated, less the existing effective interest rate at the time of initial recognition.

The reversal of the impairment of assets at amortised cost and at cost and is recognised as revenue in the consolidated profit and loss account and the limit is the book value of the financial asset which would be registered on the reversal date if no value impairment were recorded.

(h) Non-current assets held for sale

Assets whose carrying amount is to be recovered principally through sale rather than through continuing use are classified under this heading when they meet the following requirements:

- That they are available in their present condition for immediate sale, subject to the usual and customary terms of sale.
- Its sale is highly probable, because the following circumstances occur:
 - i. The company must be committed by a plan to sell the asset and have initiated a programme to find a buyer and complete the plan.
 - ii. The sale of the asset must be actively negotiated at a price appropriate to its current fair value.
 - iii. The sale is expected to be completed within one year after the date of classification of the asset as held for sale, unless events or circumstances beyond the company's control require an extension of the

sale period and there is sufficient evidence that the company remains committed to the plan to dispose of the asset.

- iv. The actions to complete the plan indicate that there the asset is unlikely to undergo significant changes or be removed.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less sale costs. These assets are not depreciated and, if necessary, appropriate valuation adjustments are made so that the carrying amount does not exceed the fair value less sale costs.

(i) Cash and other equivalents

Cash and other equivalent liquid assets: cash and other equivalent liquid assets. This item includes cash in hand and in banks and other financial assets and deposits which may be converted into cash, provided that their maturity as of their acquisition date does not exceed three months, they are not subject to a significant value change risk and they are part of the Correos Group's usual cash management policy.

(j) Inventories

Inventories are valued at acquisition cost determined by the weighted average cost method.

When the net realisable value of inventories is below the acquisition price or production cost, the relevant assessment corrections are made, booked as a cost in the consolidated profit and loss account.

(k) Provisions and contingent liabilities

The Group recognises as provisions those liabilities which, in accordance with the definition and accounting recognition criteria contained in the Accounting Framework, are indeterminate as to their amount or the date at which they will be reversed. Provisions may be determined by a legal or contractual stipulation or by an implicit or tacit obligation. In the latter case, they arise from a valid expectation created by the company vis-à-vis third parties that the company will assume an obligation as a result of a past event, that a reliable estimate of the obligation can be made and that it is probable that the obligation will involve a future outflow of resources to settle the obligation.

When provisions are established to settle obligations without a definite maturity date, or with a maturity term shorter or equal to one year, and whose financial effect is not significant, no discount whatsoever shall be applied. With regard to all other obligations, provisions are recognised at the present value of the best possible estimate of the amount required to cancel or transfer the obligation to a third party, recording the adjustments that arise to capitalise the provision as financial costs as these accrue, with the purposes of better reflecting the best current estimation of the relevant liability from time to time.

The Directors of the Parent Company consider possible obligations arising as a consequence of past events to be contingent liabilities, whose materialisation is conditional upon the occurrence of one of more future events beyond the control of the Group. Said contingent liabilities are not subject to accounting entry, with the details and explanation thereof presented in Note 24 on contingent liabilities.

These consolidated annual accounts contain all the provisions with respect to it is estimated which the likelihood of having to cover an obligation is greater than the alternative. Contingent liabilities are not recognised in the consolidated annual accounts, but are reported in the consolidated report.

(I) Financial liabilities

On initial recognition, the Group classifies as a financial liability, on the basis of the economic substance of the transaction and bearing in mind the definitions of financial liabilities in the financial reporting framework applicable to it, as described in note 2.a

A financial liability is recognised on the balance sheet when the Group becomes an obliged party to a contract or legal business in accordance with the provisions thereof.

The Group classifies all its financial liabilities as 'Financial liabilities at amortised cost'.

In general, the Group classifies the following financial liabilities in this category:

- **Debts for commercial transactions:** financial liabilities arising from the purchase of assets and services for ordinary transactions with payment in instalments, and
- **Debts from trade operations:** financial liabilities which, not being derivative financial instruments, are not of a trading nature but arise from lending transactions.

The Group's financial liabilities correspond to accounts payable to suppliers, trade and fixed asset creditors, payables to credit institutions, deposits and guarantees, payable to group companies and other payables. In addition, financial liabilities that do not meet the criteria for classification as financial liabilities at fair value through the profit and loss account are classified in this category.

Financial liabilities with maturity within 12 months from the date of the balance sheet are classified as current, while those with longer maturity are classified as non-current.

Financial liabilities are initially valued at fair value, which, unless there is evidence to the contrary, is the transaction

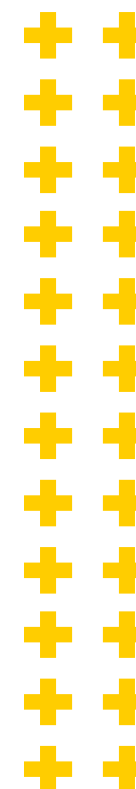
priced adjusted for directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate. The interest accrued is booked in the profit and loss account, applying the effective interest rate method.

Notwithstanding the above, debits for commercial operations with maturity within one year and which have no contractual interest rate, expected to be paid in the short term, both for the initial and subsequent valuation, are valued at nominal value as the effect of not updating cash flows is not significant.

Financial liabilities are derecognised by the Group whenever the obligations attached thereto have elapsed.

When there is an exchange of debt instruments with a lender, provided they have substantially different conditions, the derecognition of the original financial liability is registered and the new financial liability generated is recognised. A substantial modification of the current conditions of a financial liability is similarly recorded.



The difference between the carrying amount of a financial liability, or the part of which has been disposed of, and the consideration paid, including the attributable transaction costs, and which also includes any asset assigned other than cash or liability assumed, is recognised in the income statement of the financial year in which it takes place.

In case of an exchange of debt instruments and provided that their conditions are not much different, the original financial liability shall not be written off the balance sheet, but the amount of charges paid shall be recognised as an adjustment of their book value. The new amortised cost of the financial liability is determined applying the effective interest rate, which equals the book value of the financial liabilities on the date when the payable cash flows are amended according to the new conditions.

To these purposes, it is deemed that the contract conditions are substantially different when the creditor is the same as that who granted the initial loan and the present value of the cash flows of the new financial liability, including net commissions, differs at least 10% from the present value of the cash flows pending

payment of the original financial liability, both updated to the effective interest rate of the original liability. In addition, in cases where the difference is less than 10%, the Group also considers that the terms of the new financial instrument are substantially different when there are other substantial qualitative changes, such as: a change from a fixed to a floating interest rate or vice versa, the restatement of the liability in a different currency, an ordinary loan becoming a participative loan, etc.

During the year the covenants that may exist on the financial debt have been complied with.

(m) Transactions in foreign currency

Monetary Items

Transactions in foreign currencies are initially registered at the exchange rate in place as of the date of the transaction.

Monetary assets and liabilities in foreign currency are converted at the cash exchange rate applicable on the balance sheet date. Both exchange losses and gains arising from this procedure, as well as those that occur on settlement such balances, are recognised in the profit and

loss account for the financial year in which they occur.

(n) Business Combinations

On the date of acquisition, those identifiable assets acquired, and liabilities incurred are registered at their fair value as long as such fair value could be measure reliably. with the following exceptions:

- Non-current assets classified as held for sale are recognised at fair value less sale costs.
- Deferred tax assets and liabilities are measured at the sum expected to be recovered or paid, based on the tax rates that will apply in the years in which the assets are expected to be realised, or the liabilities are expected to be paid, on the basis of the regulations in force or those approved but not yet published, at the date of acquisition. Deferred tax assets or liabilities are not derecognised.
- Assets and liabilities associated with defined benefit pension plans: these are recognised, at the acquisition date, at the present value of the committed remuneration less the

fair value of the assets assigned to the commitments against which the obligations will be settled.

- Intangible assets whose valuation cannot be made by reference to an active market, and which would entail the recognition of income in the profit and loss account: these have been deducted from the negative difference calculated.
- Assets received as compensation for contingencies and uncertainties: they are recognised and measured on a basis consistent with the item generating the contingency or uncertainty.
- Reacquired rights recognised as intangible assets: these are valued and amortised on the basis of the contractual period remaining until their completion.



- Obligations classified as contingencies: are recognised as a liability at the fair value of assuming such obligations, provided that the liability is a present obligation arising from past events and its fair value can be measured with sufficient reliability, even though it is not likely that an outflow of economic resources will be required to settle the obligation.

The surplus, on the acquisition date, of the cost of the business combination, on the proportional part of the value of the identifiable assets acquired minus the cost of the liabilities undertaken is recorded as goodwill.

If the sum of the identifiable asset acquired less the liabilities assumed were superior to the business combination cost this surplus is booked in the profit and loss account as revenue. Before recognising this revenue, a reassessment would be made as to whether the identifiable assets acquired and liabilities assumed, and the cost of the business combination have been identified and measured.

(ñ) Revenue and expenditure

The Group's revenues arise primarily from the provision of postal and parcel services. Correos is the only company in the postal market that offers national coverage to citizens, companies and public administrations. Similarly, as the designated operator for the provision of the Universal Postal Service, it promotes territorial cohesion and equal access to postal communications.

In determining whether revenue should be recognised, the Group follows a five-step process:

1. Identification of the contract of a client
2. Identification of performance obligations
3. Determination of the price of the transaction
4. Allocation of the price of the transaction to the execution obligations
5. Revenue recognition when performance obligations are met.

In all cases, the total transaction price of a contract is allocated among the various performance obligations on the basis of their relative independent sales prices. The transaction price of a contract excludes any amount charged on behalf of third parties.

Revenue is generally recognised at a point in time when the Group satisfies the performance obligations, i.e. when the service required by the customer has been performed in accordance with the customer's requirements.

The Group recognises liabilities for onerous contracts received in respect of unfulfilled performance obligations and presents these amounts as other liabilities on the Balance Sheet. Also, if the Group fulfils a performance obligation before the consideration is received, the Group recognises a contractual asset or a receivable on its Balance Sheet, depending on whether more than the passage of time is required before the consideration is due.

Revenue and expenditure are allocated on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of the time when the monetary or financial flow arising therefrom occurs.

This income is valued at the fair value of the consideration received, less any discounts and taxes.

a) Postal revenues

The Parent Company is the operator designated by law to provide the Universal Postal Service in Spain, in accordance with the requirements of quality, reliability, accessibility and affordability that deliver on the right of all citizens to postal communications, in a market that was fully liberalised on 1 January 2011, in accordance with Law 43/2010.

This Law, together with Royal Decree 437/2024 (Postal Regulations), deals mainly with the regulation of the conditions of collection, acceptance, distribution and delivery of the universal postal service required of the designated operator, as well as the cost and financing of these obligations, prices and other tariff conditions for postal services.

Correos, in its capacity as the chosen carrier, offers a wide range of parcel delivery options and is subject to Law 16/1987, on the Regulation of Land Transport and Law 15/2009 regulating the Contract for Land Transport of Goods. Most of the contracts are short-term and with different types of companies.

Income from provision of services is valued at the fair value of the compensation received or to be received, arising from same, after deducting any discount or similar, as well as any indirect taxes on transactions which may be charged on to third parties.

Revenue is booked depending on the financial significance of the transaction, and is recognised when all of the following conditions are met.

- The amount of income may be reliably assessed.
- It is probable that the Parent Company will obtain financial profits or returns arising from the transaction, and
- The costs incurred or to be incurred in the transaction may be reliably measured.

There are no financial components in the transactions of these kinds of services described above.

b) Revenue from parcel services

The Group offers a wide range of parcel delivery options and is subject to Law 16/1987 of 30 July 1987 on the Regulation of Land Transport and Law 15/2009 regulating the Contract of Land Transport of Goods. Most of the contracts are short-term and with different types of companies.

c) Revenue from parcel services

The Group’s extensive portfolio of services includes layout services for its clients. The revenue for these services is identified in the contracts signed with customers, detailing the rates proposed and accepted by the parties.

Revenues for these services are recognised when the layout and subsequent communication requested by the customer are all completed, fulfilling the performance obligations set out in the contract. The Group does not invoice in advance for these services, as they do not require significant hourly charges.

d) Revenues from Printing and Enveloping Services

These services are intended for any type of company, in any sector, that wishes to establish physical communications with its customers.

Revenues for these services are generated over time as the Group provides services according to the requirements and standards of its customers and once these services are provided, the right to receive payment for them is generated. It is not the Group’s practice to invoice for these services in advance.

e) Digital Communication Services Revenues

These types of services are included in the portfolio of services offered to customers to qualify for omni-channel services. They are mainly intended for private companies and public administrations that need to establish communications with their customers through digital devices, such as e-mail, mobile devices (smartphones or tablets), etc.

f) Telecommunications infrastructure rental

Rental of dark fibre, rights of way, co-location on radio sites mainly for telecommunications operators. Revenue for these services is recognised over time as the Group provides services to each customer.

Some contracts include multiple obligations. Sometimes, the development of the project, laying of the fibre, and subsequent periodic maintenance. Consequently, in these cases, the transaction price is allocated between the different obligations in the contract. These are usually long-term agreements. In this type of contract, the Group usually invoices advances to finance the development of the project and is therefore recognised as an advance from customers under the balance sheet heading 'long-term accruals and short-term accruals'. In this type of contract, the Group begins to recognise revenue when the customer can make use of the asset.

g) Connectivity services

Optical transport services offering high bandwidth connectivity between different customer sites, via circuits connected at their ends to terminal equipment, without access to public networks.

Revenue for these services is recognised over time, to the extent that the Group provides a tailored, customer-specific service and has the right to collect for all work performed for the customer to date.

h) Income from provision of services

Income from provision of services is valued at the fair value of the compensation received or to be received, arising from same, after deducting any discount or similar, as well as any indirect taxes on transactions which may be charged on to third parties.

Revenue is booked depending on the financial significance of the transaction, and is recognised when all of the following conditions are met.

- The amount of income may be reliably assessed.

- It is probable that the Group obtains financial benefits or returns arising from the transaction, and
- The costs incurred or to be incurred in the transaction may be reliably measured.

There are no financial components in the transactions of these kinds of services described above.

Revenue and expenditure are allocated based on the actual flow of the goods and services they represent and irrespective of when the monetary or financial flow arising from them occurs.

In all cases, the total transaction price of a contract is allocated among the various performance obligations on the basis of their relative independent sales prices. The transaction price of a contract excludes any sum charged on behalf of third parties.

Revenue is recognised at a point in time or over time when the Group meets performance obligations by transferring promised goods or services to its customers.

The Group recognises liabilities for onerous contracts received in relation to unfulfilled performance obligations and presents these sums as other liabilities on the balance sheet. Also, if the Group fulfils a performance obligation before the consideration is received, the Group recognises a contractual asset or a receivable on its Balance Sheet, depending on whether more than the passage of time is required before the consideration is due.

For contractual obligations that are due at a specific point in time, revenue arising from their performance shall be recognised at that date. Until such time, costs incurred in the production or manufacture of the product (goods or services) are accounted for as stocks.

Ordinary revenue from the sales of goods and the provision of services is valued at the monetary sum or, where applicable, fair value of the balancing entry, received or receivable, arising therefrom which, in the absence of evidence to the contrary, will be the price agreed for said goods or services, after deducting any discount, price reduction or other similar reductions granted, as well as interest added to the nominal credit value. Nevertheless,

the interest accrued on commercial loans expiring within one year with no contractual interest rate, when the effect of not updating cash flows is not significant.

Taxes levied on transaction for the delivery of goods and provision of services that the company must collect from third parties, such as VAT and special taxes, and sums received on behalf of third parties, will not form part of revenue.

The Group will take into account, in measuring revenue, the best estimate of the variable compensation if it is highly likely that there will not be a material reversal of the revenue sum recognised when the uncertainty associated with the consideration is subsequently resolved.



(o) Liabilities for employee benefits

Pensions supplement

During 2000, the Parent Company promoted the creation of a pension plan to supplement the benefits provided to its employees by the public Social Security and State Pension Schemes. This pension plan, with defined contribution for the promoter, is governed by the provisions of Royal Legislative Decree 1/2002, which approves the revised text of the Law on Regulation of Pension Plans and Funds and by Royal Decree 304/2004, which approves the Pension Plan and Fund Regulations and its subsequent amendments.

Pursuant to the provisions of Article 2 of Royal Decree 20/2011, on urgent budgetary, tax and financial measures to correct the public deficit, the Parent Company suspended contributions to the Correos y Telégrafos Employment Pension Plan in 2012 and has not made any contributions since then.

As of 31 December 2024 and 2023, the Parent Company does not have any additional commitments to the participants of the pension plan in

addition to the sums actually contributed since the date of creation of the plan. The total amount of contributions made by the Parent Company since 2000, when the fund was created, is 125,556 thousand euros.

Compensation for termination of employment

In accordance with current legislation, the Group is required to pay termination benefits to employees terminated under certain conditions. In this regard, compensation for termination is paid to employees as a result of the decision of the Group to terminate their employment contract before regular retirement age or where the employee accepts the voluntary changes of these provisions.

Retirement rewards

The different collective bargaining agreements currently in force by geographical area and applicable to the investee company Correos Express Paquetería Urgente, S.A., S.M.E. (Sole-Shareholder Company) provide that employees who take early and voluntary retirement from the age of 60 to 65 will be paid, if they have worked for the company

for between 10 and 30 years (depending on the applicable Collective Bargaining Agreement), a length-of-service bonus or award ranging from various fixed amounts or monthly payments.

(p) Current and deferred taxes

Income tax for the financial year is calculated as the sum of the current tax that results from applying the corresponding tax rates to the taxable base for the financial year, after applying any credits and deductions, and the variations with regard to recorded deferred tax assets and liabilities. They are recognised in the consolidated profit and loss account except in these cases where the tax is directly related to entries directly recognised under the net equity of the Correos Group, in which case the tax is also recognised under this heading.

In 2011, the Correos Group was taxed under the special tax consolidation regime, with associated Tax Group number 38/11, and head of business Sociedad Estatal Correos y Telégrafos, S.A., S.M.E.

Upon the integration of the Correos Group into SEPI in June 2012, the Tax

Group no. 38/11 was dissolved and the companies that made up this group were integrated into the Consolidated Tax Group with associated number 9/86 with effect from the financial year 2012.

For corporate income tax purposes, the companies in the Correos Group, with the exception of CEP and CEP II, form part of the Consolidated Tax Group no. 9/86, comprising Sociedad Estatal de Participaciones Industriales and the companies resident in Spanish territory in which it holds a direct or indirect stake of at least 75% and a majority of the voting rights, in accordance with the provisions of Art. 58 of Law 27/2014 on Corporate Income Tax.

Assets and liabilities due to current taxes are the estimated sums payable to or receivable from the Public Administration in accordance with current tax rates as of the date of the balance sheet. They are recorded under the balance sheet heading Debts with group and associated companies and Short-term debts with Group and associated companies, respectively, as the taxable subject before the Administration is the parent company of the consolidated tax group, i.e. SEPI.

Deferred tax is registered according to the liability registration method for all temporary differences between the tax base for assets and liabilities and their carrying value in the consolidated annual accounts.

The subsidiaries, with the exception of CEP and CEP II, and the Parent Company of the Correos Group recognise deferred tax assets for all deductible temporary differences, unused tax credits and tax losses not applied, insofar as it is likely that the Group company that generated them will individually have future taxable profits that allow these assets to be used or that are rationally expected to be recovered within the consolidated tax group, although in any case the tax loss carryforwards generated by the companies comprising the Correos Group from their incorporation into the consolidated tax group 9/86 were acquired by SEPI at a rate of 28% until 2015 and as from 2016 at a rate of 25%. The companies in the Correos Group, with the exception of CEP and CEP II, in relation to the tax losses generated by each company prior to forming part of the consolidated tax group no. 9/86, recorded under 'deferred tax assets', assess their recoverability on an annual basis, subject

to the attainment of future taxable profits within the maximum compensation period established by current legislation. In this respect, irrespective of their consolidated taxation, the Parent Company of the consolidated tax group to which the companies of the Correos Group belong, with the exception of CEP and CEP II, allows the offsetting of tax losses generated prior to their incorporation into Group no. 9/86.

In addition, the subsidiaries CEP and CEP II, domiciled in Portugal, are subject to corporate income tax in Portugal at a rate of 21%.

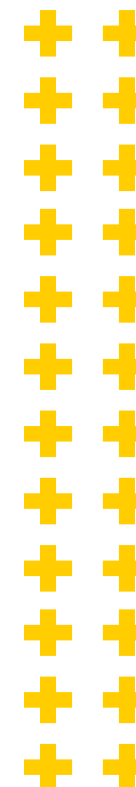
Deferred tax assets and liabilities are valued at the tax rate expected at the time of the reversal of the agreement in force and in the manner in which it is rationally expected to recover or pay the deferred tax asset or liability. Value adjustments for deferred tax assets and liabilities are assigned to the profit and loss account except when the affected deferred tax assets or liabilities have been directly paid to or by net equity.

In financial year 2024, as in 2023, a tax loss was generated in the Parent Company's corporate income tax, which

has been recorded in the balance sheet as a deferred tax asset for an amount equal to the result of multiplying the general corporate income tax rate of 25% by 50% of the tax loss, which will be reduced by tenths in the first ten tax periods beginning on or after 1 January 2025, in accordance with the provisions of Additional Provision 19 of Law 27/2014 on Corporate Income Tax.

As explained in Note 18 and as a result of Law 7/2024, which re-establishes the application of the 25% limit for offsetting tax losses, the Group Company Correos Express has reduced the deferred tax asset corresponding to capitalised tax losses pending offset in 2024.

Deferred tax assets and liabilities are valued without consideration for the effect of financial discounts.



(q) Principles of action of the Company in relation to the Code of Good Tax Practices

Pursuant to article 249 bis of Royal Legislative Decree 1/2010, which approves the revised text of the Capital Companies Act, the Board of Directors of the Parent Company is responsible for approving its general policies and strategies. In the exercise of these duties, at a meeting of the Board of Directors of the Parent Company held on 30 April 2024, the Board unanimously adopted the Agreement for Correos to adhere to the Code of Good Tax Practices (CBPT) of Companies, Institutions and Public Entities, which was previously approved at the Plenary Session of the Forum of Companies, Institutions and Public Entities held on 10 April 2024.

The company's compliance with its tax obligations and its relations with the different Tax Administrations is governed by the following basic principles of action:

a) Compliance with tax regulations in the different countries and territories in which the company operates, paying any taxes that may be due in accordance with the legal system.

b) Making tax decisions on the basis of a reasonable interpretation of the applicable law and in close connection with its activity.

c) Prevention and mitigation of significant tax risks.

d) Strengthening a relationship with the tax authorities based on respect for the law, loyalty, trust, professionalism and collaboration.

e) Information to the management bodies on the main tax implications of transactions or matters submitted for their approval.

In application of the above principles, the company has adopted the following good tax practices:

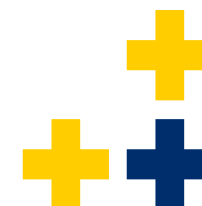
a) Not to use artificial structures unrelated to their own activities and for the sole purpose of reducing their tax burden and, in particular, not to engage in transactions with related entities solely for the purpose of base erosion or profit shifting to low-tax territories.

b) Avoid opaque structures for tax purposes, which are understood to be those designed to prevent the relevant Tax Administrations from knowing who is ultimately responsible for the activities or the ultimate owner of the assets or rights involved.

c) Not to incorporate or acquire companies resident in countries or territories considered tax havens under Spanish law or included on the European Union's blacklist of non-cooperative jurisdictions.

This procedure will also be applicable in the case of incorporation or acquisition of entities resident in countries or territories not considered tax havens under Spanish law but included on the European Union's grey list of non-cooperative jurisdictions with which Spain has not signed a convention to prevent dual taxation.

d) Follow the recommendations of the codes of good tax practices implemented in the countries and territories in which the company operates.



(r) Subsidies, gifts and bequests received

Non-refundable grants, donations and bequests received by the Parent Company for the provision of the universal postal service for the acquisition of certain items are recorded in a specific item under consolidated net equity, after deducting the corresponding tax effect, as the Parent Company considers that it meets and will meet the necessary requirements to consider them as non-refundable.

It is deemed to be non-refundable when there is an individual agreement to grant the subsidy, donation or bequest in favour of the Parent Company, the conditions set out for granting thereof have been met and there is no reasonable doubt regarding the reception of the subsidy, gift or bequest.

Non-refundable compensation received, up to 2010, as a capital grant by the Parent Company for the costs of providing the universal postal service, is booked in the consolidated profit and loss account over the period of time equivalent to the useful life of the fixed assets financed with such grants, unless these assets are disposed of, impaired or derecognised, in which case they are booked in the consolidated

profit and loss account either in full or at the theoretical percentage of impairment experienced by the subsidised assets at the same time as this occurs. The recognition in the consolidated profit and loss account of compensation for land financing is deferred until the year in which the land is disposed of or impaired.

Non-refundable grants, donations and bequests and cost offsets received by the Parent Company for the provision of the Universal Postal Service are recognised in the consolidated profit and loss account in the period in which they are recognised, irrespective of their actual receipt.

Since the 2011 financial year, the Parent Company has received no compensation in the form of capital subsidies for the costs arising from the provision of the Universal Postal Service, therefore the grants, donations and bequests, compensations received by the Parent Company since the year for the provision of the Universal Postal Service are booked in the consolidated profit and loss account in the period in which they are recognised, irrespective of their actual receipt.

The European Commission published the resolution approving compensation

to Correos by the Spanish State for a total sum of 1,282.8 million euros for the fulfilment of the obligation during to provide the Universal Postal Service for the period 2011-20. The conclusion reached by the European Commission is that Correos did not receive sums exceeding the net cost of the obligation to provide the Universal Postal Service, which means that there is no overcompensation, and therefore the calculation of the sum received is within EU state aid rules.

The Resolution of 15 June 2021, of the General Technical Secretariat, publishing the Agreement of the Council of Ministers of 1 June 2021, approving the Universal Postal Service provision plan. Said provision plan applies and approves the calculation methodology which was also approved by the European Commission in accordance with the above.

In the aforementioned Agreement, the calculation methodology previously approved in 2020 by the European Commission indicates that the definitive sum of 1,282.8 million euros is not correct, therefore the Parent Company considers that there is a remote risk of a negative impact on the consolidated financial

statements and it is estimated that the net joint effect for the period 2011 to 2020 will remain positive, that is an account receivable for the Group.

As described in the Methodological Annex to the Provision Plan, the Unfair Financial Burden or Universal Postal Service Compensation in favour of the designated operator is determined by applying the Net Avoided Cost Method, in accordance with paragraphs 25 to 27 of the Commission Communication on the European Union Framework for State aid in the form of public service compensation (2011), hereinafter the 'EU Framework'. The NAC (net avoided cost) is calculated as the difference between the net cost borne by the company when operating with the public service obligation (Base Scenario) and the net cost it would incur when operating without said obligation (Counterfactual Scenario), in accordance with paragraph 25 of the 2012 SGEI Framework. Compensation for the unfair financial burden of providing universal service also includes incremental costs arising from the counterfactual scenarios, adjustments to neutralise the intangible and market advantages associated with the nature of universal service provision,

a reasonable profit for the designated operator and efficiency incentives, as set out in the terms of the aforementioned Commission Decision.

The approved methodology is in accordance with the Commission’s decision, which did not result in a refund of any sum received, and with the best estimate made by the Parent Company’s management to determine the sum to be received for the Universal Postal Service.

During the period 2021-24, there is a growing disparity between the unfair financial burden for each year estimated by the Parent Company and the amount of the advances on account for these years set in the General State Budget. This disparity was mitigated in December 2023 with an additional payment on account of 132.9 million euros.

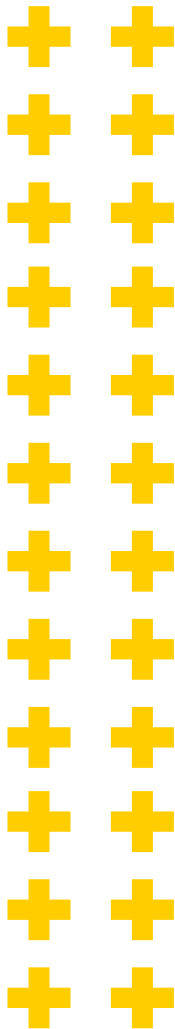
Based on this methodology for the financial year 2024, the directors of the Parent Company consider that there is a remote risk of a negative impact on the consolidated annual accounts for the current and future financial years relating to the calculation of the net cost of the Universal Postal Service for the period 2011 to 2024.

With the approval of the Universal Postal Service Provision Plan, the working criteria for the functioning and payment of the Universal Postal Service finance fund (note 1) and therefore, from this moment, the criteria for the recognition of revenue for the compensation of the Universal Postal Service is the following:

- The calculation made by the Parent Company for the financial year is recognised in the consolidated profit and loss account for the year as an operating subsidy, in accordance with the methodological annex approved by the parties involved, which will be submitted to the CNMC for review and subsequent settlement report once the year is closed.
- It is booked in the consolidated profit and loss account of the financial year, for the operating subsidy, the sums expected to be received from the Universal Postal Service financing fund, calculated as 0.5% of the taxable base corresponding to the net turnover figure recorded for the provision of the Universal Postal Service. This sum is identical to that calculated as an accrued expense at 31 December for the

Postal Contribution to be paid by the designated operator, in accordance with the provision of Article 31 of Law 43/2010. The Contribution fee is determined by the application of the current rate applicable in each year, currently 0.5% of the taxable base, corresponding to net turnover booked for the provision of the Universal Postal Service. The cost is booked as operating costs in the consolidated profit and loss account for the financial year.

- The revenue is booked in the profit and loss account once the CNMC issues the definitive resolutions, determining the unfair financial burden corresponding to all financial years from 2011 a 2020. The amount to be booked will be the amount determined by the CNMC for the whole period, less the amounts received on account corresponding to those years.





Once the CNMC issues the resolutions determining the unfair financial burden corresponding to the financial years 2011 and subsequent years, the sums transferred by the Ministry of Transport and Sustainable Mobility to the designated operator on account of the provision of the Universal Postal Service, the sum of which up to and including the year 2020, that is entered in the accounts of the Parent Company, amounts to 1,278.8 million euros, considered attributable to those years. The Ministry of Transport and Sustainable Mobility and the operator will leave a written record of the financial years settled in this way and the remaining balance, regularising that balance in the following financial years. This shall be communicated to the CNMC so that these settlements are taken into account.

It should be noted that the differences in the latest settlements received are in favour of the Parent Company (without taking into account the regularisation for notifications, which is currently in court and therefore makes it difficult to have a valid estimate for that period, knowing that, whether or not it is estimated, a positive impact is expected from the result of the resolutions of the period in relation to the collections on account received).

To date, the Directors of the Parent Company, as commented above, consider the possibility of a negative impact on this year's Consolidated Annual Accounts due to definitive resolutions of the CNMC to be remote.

The above recognition is based on the fact that the Parent Company understands the compensation for the Universal Postal Service as a non-refundable grant, subject to Entry and Valuation Rule 18 of the Spanish General Accounting Plan (PGC), once the three requirements established by said rule, and explained below, are considered to have been met.

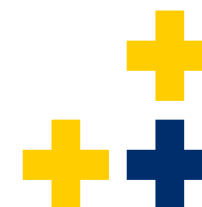
- Firstly, there must be an individual concession agreement, which is deemed to have been fulfilled once the Parent Company has been entrusted by law with the provision of the Universal Postal Service for a period of 15 years, meaning that the individual concession agreement is deemed to exist.
- Secondly, the conditions for concession must be met, and shall be once the Parent Company maintains adequate behaviour to comply with the continued obligation to provide the Universal Postal Service.

- And thirdly, there is no reasonable doubt as to the receipt of the subsidy. It is understood that it is complied with insofar as the calculation is made in accordance with the methodological annex approved by the parties involved and based on experience, there are no significant differences with the CNMC's final settlements (these also being in favour of the Parent Company as explained above).

The amounts recognised in 2024 are presented in note 17.k.

(s) Transactions with related parties

Transactions with related parties are recognised in accordance with the measurement criteria detailed above.



(t) Value Added Tax

Non-deductible input Value Added Tax (hereinafter VAT) is part of the purchase price of the capital goods and of the cost of the goods and services which are the subject of the transactions subject to this tax. Adjustments to non-deductible input VAT as a result of the adjustment of the Parent Company's definitive pro rata, including the adjustment of investment property, do not alter the initial valuations of the assets and, therefore, their effect, if any, is recorded in the consolidated profit and loss account.

Article 2 of Law 23/2005 of 18 November 2005 on Tax Reforms to Boost Productivity amended, with effect from 1 January 2006, the VAT tax regime applicable to postal services provided by the Parent Company. In particular, since 1 January 2006, the exemption from the above-mentioned tax for postal services has been reduced to universal postal services reserved to the operator entrusted with their provision, i.e. the Parent Company. This new scenario led to a significant increase in the Parent Company's deductible VAT up to that

date, which is why the Parent Company is carrying out regularisations for capital goods during the legally established periods. The income or cost accrued in each of the years arising from these adjustments has been recorded under 'Taxes' in 'Other operating costs' in the consolidated profit and loss account.

Article 22.2 of Law 43/2010 establishes, with effect from 1 January 2011, that the operator designated by the State to provide the Universal Postal Service will be exempt from the taxes levied on its activity related to the Universal Postal Service, except for corporate income tax. As far as Value Added Tax is concerned, the application of this legislative change has led to an increase in services considered exempt from VAT, insofar as the regulations in force until 31 December 2010 limited the exemption to the scope of postal services reserved for this operator.

As a result of the decrease in the proportion of taxable and non-exempt services in relation to the total services provided by the Parent Company in the financial year 2011, there was a significant

decrease in the deductible proportion of input VAT and, therefore, an increase in non-deductible input VAT on the acquisition of capital goods, as well as goods and services subject to VAT.

(u) Consolidated cash flow statement

The consolidated cash flow statements have been prepared using the indirect method, and on such statements the following expressions are used with the definition indicated below:

- Operating activities: activities that make up for the Group's main source of ordinary revenue, as well as activities that may not be classified as investment or financing activities.
- Investment activities: activities comprising the purchase, sale or otherwise disposal of long terms assets and other investment not included under cash or other equivalent liquid assets.
- Financing activities: activities causing changes on the size and composition of net equity and liabilities not belonging to operating activities.



6. Computer software and other intangible assets

The details and movements under this heading in the years 2024 and 2023 were the following:

| Financial year 2024 | Balance at 01/01/2024 | Additions | Disposals | Transfers | Balance at 31/12/2024 |
|---------------------------------------|-----------------------|-----------------|--------------|----------------|-----------------------|
| Cost | | | | | |
| Development | 366 | - | - | - | 366 |
| Patents, licences and similar | 592 | - | - | - | 592 |
| Computer software | 325,669 | 40,899 | (869) | (1,604) | 364,095 |
| Other intangible assets | 4,675 | - | - | - | 4,675 |
| Total cost | 331,302 | 40,899 | (869) | (1,604) | 369,728 |
| Accumulated amortisation | | | | | |
| Development | (366) | - | - | - | (366) |
| Patents, licences and similar | (592) | - | - | - | (592) |
| Computer software | (241,789) | (29,430) | 838 | 110 | (270,271) |
| Other intangible assets | (4,286) | (292) | - | - | (4,578) |
| Total accumulated amortisation | (247,033) | (29,722) | 838 | 110 | (275,807) |
| Net value | 84,268 | | | | 93,921 |

| Financial year 2023 | Balance at 01/01/2023 | Additions | Disposals | Transfers | Balance at 31/12/2023 |
|---------------------------------------|-----------------------|-----------------|----------------|--------------|-----------------------|
| Cost | | | | | |
| Development | 366 | - | - | - | 366 |
| Patents, licences and similar | 592 | - | - | - | 592 |
| Computer software | 290,091 | 39,852 | (3,554) | (721) | 325,669 |
| Other intangible assets | 4,675 | - | - | - | 4,675 |
| Total cost | 295,724 | 39,852 | (3,554) | (721) | 331,302 |
| Accumulated amortisation | | | | | |
| Development | (366) | - | - | - | (366) |
| Patents, licences and similar | (592) | - | - | - | (592) |
| Computer software | (221,411) | (24,035) | 3,542 | 115 | (241,789) |
| Other intangible assets | (3,438) | (848) | - | - | (4,286) |
| Total accumulated amortisation | (225,807) | (24,883) | 3,542 | 115 | (247,033) |
| Net value | 69,917 | | | | 84,268 |

The heading 'Computer software' records the amounts paid by the Correos Group to acquire ownership or the right to use computer programs, as well as the activation of evolutionary improvements on different software owned by the Group.

Additions during the year mainly correspond to investments made by the Parent Company related to the acquisition

of user licences and new software, and the evolutionary improvement of others, amounting to approximately 36,285 thousand euros (with the investment recorded during the year 2023 amounting to 34,051 thousand euros).

The cost of fully amortised items forming part of the intangible assets of the Correos Group at 31 December 2024 amounts

to 201,885 thousand euros (188,211 thousand euros in 2023).

At 31 December 2024, the Parent Company has commitments for the acquisition of computer applications and evolutionary improvements to computer systems amounting to 42,245 thousand euros (78,584 thousand euros in 2023) and, at the same date, there were no firm

sale commitments for any intangible asset owned by the Correos Group.

6.1. Consolidation goodwill

The balances and variations of the 'Consolidation Goodwill' account are:

| | 2024 | 2023 |
|--|----------------|----------------|
| Gross opening balance | 8,744 | 8,744 |
| | 8,744 | 8,744 |
| Accumulated depreciation, opening balance | (4,080) | (3,206) |
| Entries | (875) | (874) |
| | (4,955) | (4,080) |
| Net closing balance | 3,789 | 4,664 |

The Correos Group recognised consolidation goodwill in 2019 as a result of the acquisition price of CEP being higher than the fair value of the assets and liabilities acquired.

The goodwill acquired through the business combination was attributed to a single cash-generating unit, which corresponds to the entire activity of the subsidiaries acquired in Portugal, which, once acquired as a whole within the same

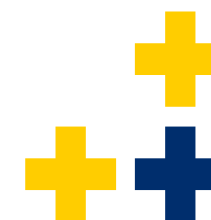
transaction, are managed as a single unit. This goodwill is primarily allocated to the labour force.

At year-end 2024, the Correos Group, taking into account the evolution of the subsidiaries, considers that the best evidence of the recoverable sum of its goodwill and intangible assets acquired in the business combination corresponds to their value in use.

The Correos Group tests goodwill and intangible assets acquired in the business combination for impairment on an annual basis. For the year 2023, the recoverable sum of the cash-generating unit (CGU) was determined based on value-in-use calculations requiring the use of certain assumptions.

In this respect, the Correos Group has contracted an independent expert to determine the value in use of the subsidiaries, which consists of discounting future cash flows based on the budget and business plan of the subsidiaries for the next 5 years, in line with the evolution of the markets in which it operates. The discount rate used, 9.12% (11.50% at 31 December 2023), has been calculated from the risk-free rate for 10-year bonds issued by Portugal, adjusted by a risk premium to reflect the risk arising from the market in which it operates and the subsidiary's own risk. A perpetual growth rate of 1.6% (1.6% as of 31 December 2023) has also been used.

A comparison of the recoverable sum calculated using the discounted future cash flow method and the net carrying amount of goodwill and intangible assets acquired in the business combination did not reveal any impairment.



7. Property, Plant and Equipment

The details and movements under this heading in the years 2024 and 2023 were the following:

| Financial year 2024 | Balance at 01/01/2024 | Registrations and provisions | Disposals | Transfers | Balance at 31/12/2024 |
|--|-----------------------|------------------------------|-----------------|----------------|-----------------------|
| Cost | | | | | |
| Land | 373,856 | 334 | - | (448) | 373,742 |
| Buildings | 1,524,543 | 7,135 | (1,754) | (6,131) | 1,523,793 |
| Technical installations and other fixed assets | 677,571 | 23,844 | (13,735) | 1,715 | 689,395 |
| Assets under construction and advances | 6,631 | 8,983 | - | (1,556) | 14,058 |
| Total cost | 2,582,601 | 40,296 | (15,489) | (6,420) | 2,600,988 |
| Accumulated amortisation | | | | | |
| Buildings | (639,814) | (23,120) | 1,351 | 1,766 | (659,817) |
| Technical installations and other fixed assets | (485,118) | (30,725) | 13,262 | (31) | (502,612) |
| Total accumulated amortisation | (1,124,932) | (53,845) | 14,613 | 1,735 | (1,162,429) |
| Adjustments for impairment | | | | | |
| Land and buildings | (109,634) | 5,733 | 61 | 392 | (103,448) |
| Technical installations and other fixed assets | (1,948) | - | 7 | - | (1,941) |
| Total adjustments for impairment | (111,582) | 5,733 | 68 | 392 | (105,389) |
| Net value | 1,346,087 | | | | 1,333,170 |

| Financial year 2023 | Balance at 01/01/2023 | Registrations and provisions | Disposals | Transfers | Balance at 31/12/2023 |
|--|-----------------------|------------------------------|-----------------|--------------|-----------------------|
| Cost | | | | | |
| Land | 373,500 | - | (307) | 663 | 373,856 |
| Buildings | 1,501,917 | 12,427 | (4,060) | 14,259 | 1,524,543 |
| Technical installations and other fixed assets | 713,941 | 21,828 | (71,935) | 13,737 | 677,571 |
| Assets under construction and advances | 29,904 | 653 | - | (23,926) | 6,631 |
| Total cost | 2,619,262 | 34,908 | (76,302) | 4,733 | 2,582,601 |
| Accumulated amortisation | | | | | |
| Buildings | (620,165) | (22,174) | 3,000 | (475) | (639,814) |
| Technical installations and other fixed assets | (526,483) | (29,266) | 70,842 | (211) | (485,118) |
| Total accumulated amortisation | (1,146,648) | (51,440) | 73,842 | (686) | (1,124,932) |
| Adjustments for impairment | | | | | |
| Land and buildings | (110,043) | (669) | 886 | 192 | (109,634) |
| Technical installations and other fixed assets | (1,950) | - | 2 | - | (1,948) |
| Total adjustments for impairment | (111,993) | (669) | 888 | 192 | (111,582) |
| Net value | 1,360,621 | | | | 1,346,087 |



The additions recorded under 'Land and buildings' and 'Assets under construction and advances' during the year relate to the Parent Company and relate to the refurbishment and adaptation of existing premises and buildings and to investments in logistics centres for postal processing and distribution.

'Technical installations and other property, plant and equipment and intangible assets' includes investments in technical installations in the properties used by the Group (whether or not they are owned by the Group), as well as investments in machinery, computer equipment, transport equipment and furniture. The most significant additions recorded under this heading during the financial year relate to the Parent Company's purchase of other facilities and machinery amounting to 6,259 thousand euros and 5,080 thousand euros, respectively (in 2023, the most significant additions related to the purchase of furniture, information processing equipment, other facilities and machinery amounting to 2,127 thousand euros, 2,430 thousand euros, 4,189 thousand euros and 10,652 thousand euros, respectively).

Of the total disposals of property, plant and equipment, most relate to fully depreciated items that have been deregistered by the Parent Company.

As mentioned in Note 5.e) to these consolidated annual accounts, the Parent Company, by virtue of the provisions of Order EHA/733/2010, of 25 March, approving accounting aspects of public companies operating under certain circumstances, recognises the impairment of assets included under property, plant and equipment at value in use, in accordance with the provisions of the aforementioned Order. In this respect, the Parent Company compares the carrying amount of assets with their recoverable sum using the value in use method, determined in reference to their depreciated replacement cost.

The depreciated replacement cost is calculated as the sum of the following components:

- a) Obtaining market studies and valuations of asset components relating to land and raw construction, carried out by independent experts

using various methods including the comparison method, the cost method and the residual value method, as well as statistical studies of property market behaviour.

- b) The capitalised cost of refurbishments to property, less accumulated depreciation, to reflect the use already made of the asset.

- c) Cost of indirect costs of acquisition and refurbishment.

A comparison of the depreciated replacement cost with the net book value of the assets assessed in the year 2024 showed a reversal of 6,152 thousand euros. In the 2023 financial year, an impairment loss of 443 thousand euros was recognised.

At as 31 December 2024, the Parent Company has commitments to acquire property, plant and equipment amounting to 64,896 thousand euros (27,153 thousand euros in 2023). At year end, the company has no commitments for the sale of assets.

The cost of fully depreciated items forming part of the Correos Group's property, plant and equipment as at 31 December 2024 amounts to 380,868 thousand euros (379,573 thousand euros as at 31 December 2023).

The net book value of the homes, premises and plots of land comprising the Parent Company's property, plant and equipment not assigned to operations amounts to 89,610 thousand euros (92,019 thousand euros at 31 December 2023), being their acquisition cost 156,936 thousand euros (163,670 thousand euros at 31 December 2023).

The Correos Group has taken out various insurance policies to cover risks that could affect most of the assets included in its property, plant and equipment.



8. Investment properties

The details and movements under this heading in the years 2024 and 2023 were the following:

| | Balance at 01/01/2023 | Registrations and provisions | Disposals | Transfers | Balance at 31/12/2023 | Registrations and provisions | Disposals | Transfers | Balance at 31/12/2024 |
|-----------------------------------|--------------------------|---------------------------------|--------------|----------------|--------------------------|---------------------------------|-----------|--------------|--------------------------|
| Cost | | | | | | | | | |
| Land | 7,762 | - | (13) | (421) | 7,328 | - | - | 111 | 7,439 |
| Buildings | 25,131 | 160 | (760) | (4,476) | 20,055 | 36 | - | 2,969 | 23,060 |
| Total cost | 32,893 | 160 | (773) | (4,897) | 27,383 | 36 | - | 3,080 | 30,499 |
| Accumulated amortisation | | | | | | | | | |
| Buildings | (9,632) | (473) | 533 | 758 | (8,814) | (340) | - | 576 | (8,578) |
| Adjustments for impairment | | | | | | | | | |
| Land and buildings | (2,790) | 85 | - | (203) | (2,908) | 149 | - | (29) | (2,788) |
| Net book value | 20,471 | | | | 15,661 | | | | 19,133 |



Investment properties are premises leased by the Parent Company to third parties. Revenue from these contracts recorded in the consolidated profit and loss account amounted to 1,991 thousand euros in the 2024 financial year (1,875 thousand euros in 2023).

The expenses associated with investment property mainly relate to annual depreciation and maintenance costs and amounted to 1,621 thousand euros in the year 2024 (1,569 thousand euros in 2023). All expenses are recognised in the consolidated profit and loss account on an accruals basis.

There are no restrictions on the realisation of investment property or on the collection of the income arising therefrom or of the proceeds from its disposal, except for those mentioned in Note (1) of these notes on 'Activity of the Parent Company'.

There are no contractual obligations for the acquisition, construction or development of investment property or for repairs, maintenance or improvements.

The Parent Company has taken out various insurance policies to cover risks that could affect most of its investment property.

Future minimum non-cancellable lease payments for operating leases linked to the Group's investment property are shown in the table below:



| | Financial year 2024 | Financial year 2023 |
|----------------------------|---------------------|---------------------|
| Up to one year | 1,750 | 1,690 |
| Between one and five years | 6,766 | 2,343 |
| More than five years | - | - |
| | 8,516 | 4,033 |

9. Non-current assets held for sale

The details and movements under this heading in the years 2024 and 2023 were the following:

| | Balance at 01/01/2024 | Registrations and provisions | Disposals | Transfers | Balance at 31/12/2024 |
|---------------------------------------|-----------------------|------------------------------|----------------|----------------|-----------------------|
| Cost | | | | | |
| Land | 540 | - | (450) | 1,136 | 1,226 |
| Buildings | 4,037 | 25 | (2,645) | 3,770 | 5,187 |
| Other installations | 81 | - | (52) | 83 | 112 |
| Total cost | 4,658 | 25 | (3,147) | 4,989 | 6,525 |
| Accumulated amortisation | | | | | |
| Buildings | (2,686) | - | 1,619 | (2,341) | (3,408) |
| Other installations | (74) | (2) | 48 | (79) | (107) |
| Total accumulated amortisation | (2,760) | (2) | 1,667 | (2,420) | (3,515) |
| Adjustments for impairment | | | | | |
| Land and buildings | (397) | (10) | 135 | (409) | (681) |
| Net book value | 1,501 | | | | 2,329 |

| | Balance at 01/01/2023 | Registrations and provisions | Disposals | Transfers | Balance at 31/12/2023 |
|---------------------------------------|-----------------------|------------------------------|----------------|--------------|-----------------------|
| Cost | | | | | |
| Land | 1,095 | - | (312) | (243) | 540 |
| Buildings | 7,503 | - | (4,661) | 1,195 | 4,037 |
| Other installations | 46 | - | (44) | 79 | 81 |
| Total cost | 8,644 | - | (5,017) | 1,031 | 4,658 |
| Accumulated amortisation | | | | | |
| Buildings | (5,225) | - | 2,822 | (283) | (2,686) |
| Other installations | (45) | - | 20 | (49) | (74) |
| Total accumulated amortisation | (5,270) | - | 2,842 | (332) | (2,760) |
| Adjustments for impairment | | | | | |
| Land and buildings | (182) | (278) | 52 | 11 | (397) |
| Net book value | 3,192 | | | | 1,501 |

At year-end 2024, the Group classifies 2,329 thousand euros (1,501 thousand euros in 2023) under 'Non-current assets held for sale', which correspond to investment in land, buildings and facilities owned that are available for immediate sale and whose sale is highly probable. The main movements during the year

are reclassifications from 'Property, plant and equipment', which are reflected in the transfers column.

In addition, the Parent Company has recorded disposals, with the proceeds from the sale of real estate amounting to 1,313 thousand euros (602 thousand euros in 2023).

10. Inventories

The composition of this heading at 31
December 2024 and 2023 is as follows:

| | Balance at 31/12/2024 | Balance at 31/12/2023 |
|---|-----------------------|-----------------------|
| Inventories valued at cost | | |
| Stamps in the possession of third parties | 98 | 140 |
| Stamps at company's post offices and warehouses | 1,694 | 2,252 |
| Philately Stamps | 4,200 | 3,748 |
| Wardrobe | 1,278 | 1,154 |
| Other stocks | 7,418 | 5,677 |
| | 8,929 | 8,199 |
| | 23,617 | 21,170 |
| Valuation adjustments due to impairment | (10,262) | (7,959) |
| | 13,355 | 13,211 |



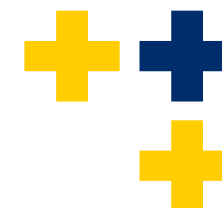
The movements of the valuation corrections for impairment of stocks in the years 2024 and 2023 were the following:

| | Valuation adjustments | | |
|---|-----------------------|--------------|---------------|
| | Stamps | Other | Total |
| Balance at 31 December 2022 | 3,999 | 723 | 4,722 |
| Valuation adjustments due to impairment | 229 | 3,150 | 3,379 |
| Reversal of valuation adjustments | - | - | - |
| Application against cost of inventories | (141) | (1) | (142) |
| Balance at 31 December 2023 | 4,087 | 3,872 | 7,959 |
| Valuation adjustments due to impairment | 1,382 | 1,428 | 2,810 |
| Reversal of valuation adjustments | - | - | - |
| Application against cost of inventories | (414) | (93) | (507) |
| Balance at 31 December 2024 | 5,055 | 5,207 | 10,262 |

The Correos Group maintains impairment losses of 10,262 thousand euros (7,959 thousand euros in 2023) in cases where

it has estimated that their net realisable value is lower than their carrying amount.

11. Current and non-current financial assets



The composition of the Correos Group's current and non-current financial assets as of 31 December 2024 and 2023, except for cash and cash equivalents described in

Note (12), including balances with public administrations that are not considered financial instruments, is as follows:

| | Notes | Balance at 31/12/2024 | Balance at 31/12/2023 |
|---|-------|-----------------------|-----------------------|
| Non-current financial investments | | | |
| Deposits and guarantees | | 6,703 | 5,863 |
| Loans to third parties | | 2,941 | 2,027 |
| Other | | 67 | 106 |
| | | 9,711 | 7,996 |
| Trade debtors and other receivables: | | | |
| Clients for sales and provision of services | | 422,810 | 475,169 |
| Clients, companies accounted for by the equity method | 20 | 9,601 | 9,294 |
| Sundry debtors | | 112,965 | 22,542 |
| Debtors, group companies and associates | 20 | 24,243 | 22,075 |
| Staff | | 6,380 | 5,454 |
| Public administration | 18 | 635 | 242 |
| | | 576,634 | 534,776 |
| Current financial investments: | | | |
| Deposits and guarantees | | 1,352 | 1,156 |

The financial instrument captions included in the above table are considered 'Assets at amortised cost'.

11.1.) Trade debtors and other accounts receivable

The sections 'Trade receivables for sales and services' and 'Sundry debtors' include 200,477 thousand euros of the Parent Company's receivables from postal operators in third countries for the provision of postal and telegraphic

services (214.671 thousand euros as at 31 December 2023).

The heading 'Staff' includes the amounts paid by the Parent Company to various employees as payroll advances in accordance with a specific plan designed by the Parent Company and which at year-end are pending recovery.

The headings 'Trade receivables for sales and services' and 'Sundry debtors' are presented net of impairment losses and their movement during the years 2024 and 2023 is as follows:



| | Valuation adjustments | | |
|---|-----------------------|------------|----------------|
| | Clients | Debtors | Total |
| Balance at 01 January 2023 | 24,867 | 481 | 25,348 |
| Valuation adjustments due to impairment | 3,823 | - | 3,823 |
| Reversals of valuation adjustments | (2,730) | (155) | (2,885) |
| Balance at 31 December 2023 | 25,960 | 326 | 26,286 |
| Valuation adjustments due to impairment | 4,137 | 1,821 | 5,958 |
| Reversals of valuation adjustments | (1,031) | (1,562) | (2,593) |
| Balance at 31 December 2024 | 29,066 | 585 | 29,651 |

The Correos Group has recorded an expense of 2,403 thousand euros under the heading 'Losses, impairment and changes in provisions for trade operations' in the consolidated income statement for the direct cancellation of bad debts (an amount of 1,069 thousand euros having been recorded for the same concept during the financial year 2023).

11.2.) Long and short-term financial investments

The heading 'Short-term deposits and guarantees' relates mainly to legal deposits deposited with various labour courts in connection with lawsuits brought by employees and former employees of the Parent Company.

The composition of 'Long-term financial investments' is the following:

| | Balance at 31/12/2024 | Balance at 31/12/2023 |
|--|-----------------------|-----------------------|
| Non-current financial investments | | |
| Loans to third parties | 2,941 | 2,027 |
| Other financial investments | 6,770 | 5,969 |
| | 9,711 | 7,996 |



The heading 'Long-term financial investments' of the Parent Company includes long-term deposits and guarantees of 5,719 thousand euros (4,878 thousand euros in 2023), plus 18 thousand euros (18 thousand euros in 2023) corresponding to the acquisition of shares in International Post Corporation (IPC). Credits to third parties pertain to advances to personnel.

The different companies of the Correos Group carry out an analysis of the solvency of each of their customers. These analyses are used to decide whether or not to award a deferred payment contract with them. The authorisations to sign these contracts are segregated according to the amount of credit.

11.3.) Information on the nature and extent of risks arising from financial instruments

11.3.1) Credit risks

The credit risk arises from the possible loss due to breach of contractual obligations on the part of the counterparties of the Parent Company, that is, the possibility of failing to recover financial assets for the sum entered and the term established.

The maximum exposure to credit risk of the Correos Group as of 31 December 2024 and 2023 is the following:

| | Balance at 31/12/2024 | Balance at 31/12/2023 |
|---|-----------------------|-----------------------|
| Non-current financial investments | 9,711 | 7,996 |
| Clients for sales and provision of services | 422,810 | 475,169 |
| Sundry debtors | 112,965 | 22,542 |
| Current financial investments | 1,352 | 1,156 |
| Banks and credit institutions (Note 12) | 70,684 | 254,323 |
| Clients, companies accounted for by the equity method | 9,601 | 9,294 |
| | 627,123 | 770,480 |

'Sundry debtors' includes, inter alia, balances receivable for interim payments for international correspondence of the Parent Company of 12,759 thousand euros (7,831 thousand euros in 2023). Also, there are 90,576 thousand euros as a result of the outstanding amount

receivable from the universal postal service and the Financing Fund.

The financial instrument captions included in the above table are considered 'Assets at amortised cost'.

The breakdown of the concentration of counterparty credit risk for 'Trade receivables for sales and services' and 'Sundry debtors' of the Correos Group as of 31 December 2024 and 2023 is the following:



| Financial year 2024 | Parent Company | | Rest of companies | |
|---|----------------|--------------------|-------------------|--------------------|
| | Number | Thousands of euros | Number | Thousands of euros |
| Clients and debtors: | | | | |
| With balance greater than 1,000 thousand euros | 18 | 65,660 | - | - |
| With balance between 500 and 1,000 thousand euros | 40 | 26,573 | 1 | - |
| With balance below 500 thousand euros | 30,054 | 68,843 | 26,868 | 75,599 |
| | 30,112 | 161,076 | 26,869 | 75,599 |
| Foreign postal operators | | 190,030 | - | - |
| Other financial assets | | 107,884 | - | 1,186 |
| | | 297,914 | | 1,186 |
| | | 458,990 | | 76,785 |



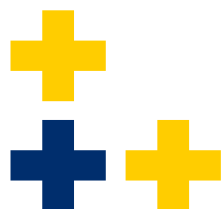


| Financial year 2023 | | Parent Company | | Rest of companies | |
|---|---------------|--------------------|---------------|--------------------|--|
| | Number | Thousands of euros | Number | Thousands of euros | |
| Clients and debtors: | | | | | |
| With balance greater than 1,000 thousand euros | 21 | 62,619 | - | - | |
| With balance between 500 and 1,000 thousand euros | 29 | 21,654 | 1 | 656 | |
| With balance below 500 thousand euros | 27,344 | 81,560 | 27,525 | 99,896 | |
| | 27,394 | 165,833 | 27,526 | 100,552 | |
| Foreign postal operators | | 208,175 | - | - | |
| Other financial assets | | 31,748 | - | 697 | |
| | | 239,923 | | 697 | |
| | | 405,756 | | 101,249 | |



The breakdown, by seniority date, of the 'Customers' and 'Foreign postal operators' of the Parent Company of the Correos Group as of 31 December 2024 and 2023, in order of the most representative, is as follows:

| | Financial year 2024 | | Financial year 2023 | |
|----------------------------|---------------------|--------------------------|---------------------|--------------------------|
| | Parent Company | | Parent Company | |
| | Clients | Foreign postal operators | Clients | Foreign postal operators |
| Not due | 125,046 | 29,385 | 147,646 | 32,151 |
| Due, non-doubtful: | | | | |
| Less than 30 days | 25,654 | 279 | 11,087 | 580 |
| Between 30 and 60 days | 7,724 | 1,084 | 3,138 | 979 |
| Between 60 and 90 days | 742 | 416 | 2,130 | 166 |
| Between 90 and 120 days | 1,358 | 9,138 | 1,070 | 23,542 |
| Over 120 days | 552 | 149,728 | 762 | 150,757 |
| | 161,076 | 190,030 | 165,833 | 208,175 |
| Doubtful clients | 13,767 | 1,979 | 11,173 | 1,979 |
| Adjustments for impairment | (13,767) | (1,979) | (11,173) | (1,979) |
| | 161,076 | 190,030 | 165,833 | 208,175 |



Accounts receivable from customers that are more than 120 days past due amounted to 552 thousand euros as of 31 December 2024 (762 thousand euros in the 2023 financial year).

The Group carries out a solvency analysis for each one of its customers. These analyses are used to decide whether or not to award a deferred payment contract with them. The authorisations to sign these contracts are segregated according to the amount of credit.

Provisional payments take into account the amounts paid by the Parent Company to other foreign operators for the provision of postal services prior to the final settlement.

11.3.2) Market risks

Market risk relates to possible losses due to changes in the fair value or in future cash flows of a financial instrument due to fluctuations in market prices. Market risk includes interest rate risk, exchange rate risk and other price risks.

Interest rate risks

Interest rate risk relates to possible losses due to changes in the fair value or in future cash flows of a financial instrument following fluctuations in market interest rates.

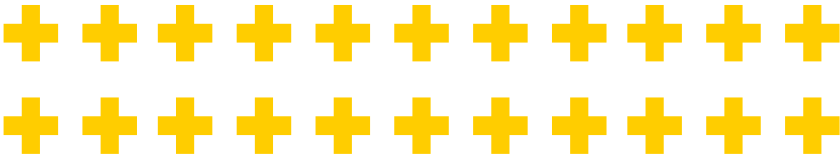
Given that a significant part of the Company's financial liabilities is contracted at variable interest rates, with reference to Euribor 3M and 6M plus an average spread of 0.29%, and maturities of over 12 months, the Company has carried out a sensitivity study to a possible rise in interest rates.

- Faced with a rise of +0.50%: interest would rise by 2,861 thousand euros.
- Faced with a rise of +1.00%: Interest would rise by 5,723 thousand euros.

Exchange rate risk

Exchange rate risk arises from the potential loss caused by changes in the exchange rate. The Group's exposure to foreign exchange risk arises mainly from sales made in currencies other than the functional currency. These balances mainly arise from services provided and received from foreign postal operators and from the provision of the Parent Company's international money order service.

As virtually all of the Company's business is domestic, this risk is not significant and therefore the Company does not follow hedging policies.



11.3.3) Liquidity risk

Liquidity risk arises from the possibility of the Correos Group not availing of liquid funds, or accessing them in sufficient quantity to meet their payment obligations at any time. The Company's aim is to maintain the necessary liquidity availability. The Parent Company has contracted credit facilities to meet any liquidity needs, which have been drawn down during 2024, the amount drawn down as at 31 December 2024 being 472 million euros (472 million euros in 2023).

In addition, a long-term loan of 325 million euros was obtained in 2021, which was repaid in 2024, and new loans totalling 474 million euros were taken out.

The breakdown of credit facilities and loan agreements is presented in Note 16.

Details of the Group's short-term financial assets and liabilities and government borrowings at 31 December 2024 and 2023 and, by difference, its ability to meet its payment obligations in the short term are as follows:

| | Balance at 31/12/2024 | Balance at 31/12/2023 |
|---|-----------------------|-----------------------|
| Current financial assets and public administrations | | |
| Clients for sales and provision of services | 422,810 | 475,169 |
| Clients, companies accounted for by the equity method | 9,601 | 9,294 |
| Debtors, group companies and associates (Note 20) | 24,243 | 22,075 |
| Sundry debtors | 112,965 | 22,542 |
| Staff | 6,380 | 5,454 |
| Public administrations (Note 18) | 635 | 242 |
| Financial investments | 1,352 | 1,156 |
| Cash and other cash equivalents | 104,443 | 281,960 |
| Current financial liabilities and public administrations | | |
| Current debts | (269,934) | (363,282) |
| Debts with group companies (Note 20) | (966) | (939) |
| Trade creditors and other accounts payable | (567,922) | (645,046) |
| Difference | (156,393) | (191,375) |

As indicated in note 3.2, the Group's ability to obtain financing has been evidenced, thereby minimising the risk

of liquidity and solvency to meet its payment obligations at all times and to undertake planned investments.

11.4) Shareholdings in companies based on the equity method

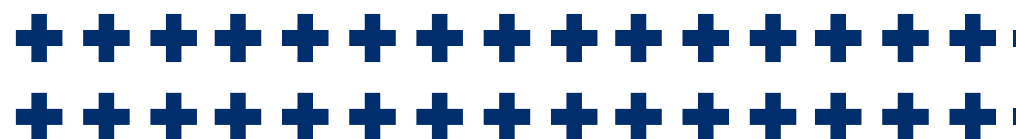
The breakdown and movements under the heading 'Shareholdings in companies based on the equity method' were as follows:

| Financial year 2024 | | | |
|-------------------------------------|--|-------------------------------------|---|
| | K Parcel Company Limited Local currency (HKD) | | KCG ecommerce solutions Company Limited Local currency (RMB) |
| Net book value (Euros) | 407,904 | Net book value (Euros) | 1,840,980 |
| Direct shareholding (%) | 35% | Direct shareholding (%) | 35% |
| Share capital + reserves (HKD) | 59,903,485 | Share capital + reserves (RMB) | 43,403,236 |
| Result of the financial year (HKD) | 12,055,575 | Result of the financial year (RMB) | 332,490 |
| Total net equity (HKD) | 71,959,060 | Total net equity (RMB) | 43,735,726 |
| Total net equity (EUR) (35%) | 2,853,324 | Total net equity (EUR) (35%) | 1,916,985 |

| Financial year 2023 | | | |
|-------------------------------------|--|-------------------------------------|---|
| | K Parcel Company Limited Local currency (HKD) | | KCG ecommerce solutions Company Limited Local currency (RMB) |
| Net book value (Euros) | 407,904 | Net book value (Euros) | 1,840,980 |
| Direct shareholding (%) | 35% | Direct shareholding (%) | 35% |
| Share capital + reserves (HKD) | 55,388,199 | Share capital + reserves (RMB) | 43,204,219 |
| Result of the financial year (HKD) | 4,519,774 | Result of the financial year (RMB) | 222,703 |
| Total net equity (HKD) | 59,907,973 | Total net equity (RMB) | 43,426,922 |
| Total net equity (EUR) (35%) | 2,356,202 | Total net equity (EUR) (35%) | 1,890,619 |

| | Balance at 31/12/2023 | Results adjustment 2023 | Stake in the result accounted for by the equity method | Balance at 31/12/2024 |
|---|-----------------------|-------------------------|--|-----------------------|
| K Parcel Company Limited | 2,356 | - | 497 | 2,853 |
| KCG ecommerce solutions Company Limited | 1,891 | 11 | 15 | 1,917 |
| | 4,247 | 11 | 512 | 4,770 |

| | Balance at 31/12/2022 | Results adjustment 2022 | Stake in the result accounted for by the equity method | Balance at 31/12/2023 |
|---|-----------------------|-------------------------|--|-----------------------|
| K Parcel Company Limited | 2,169 | - | 187 | 2,356 |
| KCG ecommerce solutions Company Limited | 1,881 | - | 10 | 1,891 |
| | 4,050 | - | 197 | 4,247 |



12. Cash and other equivalents

The composition of this heading at 31
December 2024 and 2023 is as follows:

| | Balance at 31/12/2024 | Balance at 31/12/2023 |
|-------------------------------|-----------------------|-----------------------|
| Cash: | | |
| Cash | 33,759 | 27,637 |
| Banks and credit institutions | 70,684 | 254,323 |
| | 104,443 | 281,960 |

As at 31 December 2024, the heading 'Banks and credit institutions' includes 2,571 thousand euros relating to collections made by Correos Express on behalf of customers to whom it provides a

cash on delivery service (1,330 thousand euros as at 31 December 2023).

None of the loans contracted have clauses stipulating any pledging of cash balances.



13. Shareholders' equity

Details of the movement in the Correos Group's shareholders' equity are shown in the consolidated statement of changes in net equity, which forms an integral part of these consolidated annual accounts.

a) Capital reduction

On 13 November 2024, the Sole Shareholder of the Parent Company agreed to a capital reduction in the amount of 211,521 thousand euros with the following decisions:

- The Parent Company's new share capital is set at 400,000 thousand euros. 211,521 shares were redeemed.
- It was decided to allocate 61,847 thousand euros from the Parent Company's legal reserve to offset losses from previous years. The legal reserve, following the reduction in the share capital, is set at 40,000 thousand euros, i.e. 10% of the new share capital.

- The sole shareholder of the Parent Company resolves that, once this part of the legal reserve has been used to offset losses, the amount of the reduction in the share capital shall be used for the following purposes:

- To offset losses, 23,359 thousand euros.
- To offset negative reserves for conversion to the new General Accounting Plan, 5,348 thousand euros.
- To offset negative reserves from the merger with the subsidiary Nexea, 135 thousand euros.
- To a voluntary reserve, 182,679 thousand euros.

b) Registered capital

The Share Capital of the Parent Company as at 31 December 2023 was represented by 611,521 shares with a face value of 1,000 euros each, all of the same class,

represented by registered securities, numbered sequentially from 1 to 611,521, both inclusive.

Following the capital reduction mentioned above, the capital was divided into 400,000 shares with a face value of 1,000 euros per share, numbered sequentially from 1 to 400,000, both inclusive.

c) Legal reserve

The legal reserve of the Parent Company, following the reduction in the share capital, is set at 40,000 thousand euros, i.e. 10% of the new share capital.

In accordance with Article 274 of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, companies are obliged to allocate 10% of the profits of each financial year to the Statutory Reserve until it reaches at least 20% of the share capital.

As of 31 December 2024 and 2023, this reserve has not been fully established.

d) Profit/loss for previous financial years

As at 31 December 2023, a balance of -158,956 thousand euros was recorded, corresponding to the result of the previous year. Following the capital reduction, no balance is recorded in the results of previous years.

e) Merger reserves

During 2023, the Parent Company carried out a merger by absorption of the company Nexea described in Note 1 and Note 20 of these notes to the consolidated annual accounts. As a result of the integration, negative merger reserves amounting to 135 thousand euros were generated. Following the capital reduction in 2024, no balance is recorded in these reserves.

f) Statutory reserves

As at 31 December 2023, a balance of 214,119 thousand euros was recorded. Following the allocation of the 2023 results, no balance is recorded in these reserves.

Breakdown of reserves:

The breakdown, as of 31 December 2024 and 2023, is as follows:



| | Balance at 31/12/2024 | Balance at 31/12/2023 |
|--|-----------------------|-----------------------|
| Details of Reserves: | | |
| Legal reserve | 40,000 | 101,847 |
| Statutory Reserves | - | 214,119 |
| Voluntary Reserves | 219,727 | 16,198 |
| Merger Reserves | - | (135) |
| Prior periods' negative results | - | (158,956) |
| Reserves in fully consolidated companies | (148,073) | (152,366) |
| Reserves in companies accounted for by the equity method | 2,009 | 1,801 |
| Total | 113,663 | 22,508 |

The breakdown of reserves in consolidated companies is as follows:

| | Balance at 31/12/2024 | Balance at 31/12/2023 |
|---|-----------------------|-----------------------|
| Details of reserves in consolidated companies: | | |
| Correos Telecom, S.A., S.M.E., S.U. | 11,502 | 13,191 |
| Correos Express Paquetería Urgente, S.A., S.M.E. S.U. | (159,575) | (165,557) |
| Total | (148,073) | (152,366) |

g) Consolidated results of the Correos Group

Details of the consolidated result of the
Correos Group for 2024 and 2023
are as follows:

| 2024 | Individual results | Consolidation adjustments | Consolidated results | For the parent company | For external partners |
|---|--------------------|---------------------------|----------------------|------------------------|-----------------------|
| Correos y Telégrafos, S.A., S.M.E. | (414,798) | (44,110) | (458,908) | (458,908) | - |
| Correos Telecom, S.A., S.M.E., S.U. | 2,607 | - | 2,607 | 2,607 | - |
| Grupo CEX | (3,550) | 798 | (2,752) | (3,550) | 798 |
| KCG E-commerce Solutions Company Limited | - | 15 | 15 | 15 | - |
| K-Parcel Company Limited | - | 497 | 497 | 497 | - |
| | (415,741) | (42,799) | (458,540) | (459,339) | 798 |

| 2023 | Individual results | Consolidation adjustments | Consolidated results | For the parent company | For external partners |
|---|--------------------|---------------------------|----------------------|------------------------|-----------------------|
| Correos y Telégrafos, S.A., S.M.E. | (140,369) | - | (140,369) | (140,369) | - |
| Correos Telecom, S.A., S.M.E., S.U. | 3,310 | - | 3,310 | 3,310 | - |
| Grupo CEX | 16,480 | 62 | 16,543 | 16,480 | 62 |
| KCG E-commerce Solutions Company Limited | - | 10 | 10 | 10 | - |
| K-Parcel Company Limited | - | 187 | 187 | 187 | - |
| | (120,578) | 259 | (120,319) | (120,381) | 62 |

h) Breakdown of non-controlling interests:

The details of non-controlling interests as of 31 December 2024 and 2023 is the following:

| 2024 | | | | | | | |
|---------|------------------------------|---------------|----------|--------------------|--------------|------------------------------|-------|
| Company | Percentage external partners | Share capital | Reserves | Integration CEP II | Goodwill CEP | Result for external partners | Total |
| CEP | 49% | 123 | 683 | (1,018) | 632 | 798 | 1,218 |
| 2023 | | | | | | | |
| Company | Percentage external partners | Share capital | Reserves | Integration CEP II | Goodwill CEP | Result for external partners | Total |
| CEP | 49% | 123 | 682 | (1,280) | 833 | 62 | 420 |



14. Grants, donations, bequests and compensation received for costs arising from the provision of the universal postal service

The breakdown of the movements in the years 2024 and 2023, for compensation received as capital subsidies was as follows:

| Financial year 2024 | Thousands euros |
|---|-----------------|
| Initial balance at 01 January 2024 | 210,318 |
| Grants, donations and bequests recognized | 25 |
| Others | - |
| Tax effect | (2) |
| Allocation of the profit and loss account: | |
| due to amortisation | (5,324) |
| due to adjustments for impairment | (291) |
| others | (86) |
| due to disposals | (58) |
| Tax effect | 1,436 |
| Final balance at 31 December 2024 | 206,018 |

| Financial year 2023 | Thousands euros |
|---|-----------------|
| Initial balance at 01 January 2023 | 217,836 |
| Grants, donations and bequests recognized | 76 |
| Others | (1,527) |
| Tax effect | (19) |
| Allocation of the profit and loss account: | |
| due to amortisation | (5,425) |
| due to adjustments for impairment | (1,751) |
| others | (1,010) |
| due to disposals | (20) |
| Tax effect | 2,158 |
| Final balance at 31 December 2023 | 210,318 |



The Group measures deferred tax liabilities related to equity compensation received up to 2010 at the tax rates expected at the time of reversal,

according to the regulations in force at 31 December 2024, and recognises this change in consolidated equity (see Note 5r and Note 18).

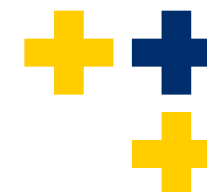
15. Long- and short-term provisions

The breakdown and movement of long-term provisions during the 2024 and 2023 financial years was as follows:

| | Long-term provisions | | | | |
|--------------------------------------|----------------------|---------------------------------|-----------------------------|--|-----------------|
| | Provision for taxes | Provision claims from the staff | Provision for court actions | Provision for voluntary termination plan | Total |
| Balance at 31 December 2022 | 1,967 | 10,818 | 48,517 | - | 61,301 |
| Provisions | 359 | 5,916 | 277 | - | 6,552 |
| Registrations (business combination) | - | - | - | - | - |
| Applications / payments | (1,001) | (941) | (7) | - | (1,949) |
| Reversals / excesses | (173) | (377) | (295) | - | (845) |
| Reclassifications | - | - | - | - | - |
| Balance at 31 December 2023 | 1,152 | 15,416 | 48,492 | - | 65,059 |
| Provisions | 26 | 904 | 6 | 277,572 | 278,508 |
| Registrations (business combination) | - | - | - | - | - |
| Applications / payments | (98) | (779) | (19,668) | - | (20,545) |
| Reversals / excesses | (369) | (10,568) | (8,704) | - | (19,641) |
| Reclassifications | - | - | (3,320) | - | (3,320) |
| Balance at 31 December 2024 | 711 | 4,973 | 16,806 | 277,572 | 300,061 |

The allocation of long-term provisions arises from litigation settlements that have been unfavourable to the Correos

Group during the financial year and which have resulted in the effective payment of certain sums.



| | Short-term provisions | | | | |
|------------------------------------|------------------------------------|--------------------------------|---------------------|---|-----------------|
| | Provision claims from the staff | Provision for court actions | Other provisions | Provision for voluntary termination plan | Total |
| Balance at 31 December 2022 | 1,346 | 27,910 | 5,056 | - | 34,312 |
| Provisions | 732 | 713 | 6,278 | - | 7,723 |
| Applications / payments | (146) | (20,664) | (4,451) | - | (25,261) |
| Reversals / excesses | - | - | (499) | - | (499) |
| Reclassifications | - | - | - | - | - |
| Balance at 31 December 2023 | 1,932 | 7,959 | 6,384 | - | 16,275 |
| Provisions | 107 | 456 | 4,250 | 150,336 | 155,149 |
| Applications / payments | (268) | (5,495) | (5,212) | - | (10,975) |
| Reversals / excesses | - | - | (409) | - | (409) |
| Reclassifications | - | 3,320 | - | - | 3,320 |
| Balance at 31 December 2024 | 1,771 | 6,240 | 5,013 | 150,336 | 163,360 |

Provision for staff claims

The balance of this provision as of 31 December 2024 and 2023 records the estimated amounts payable for employment claims and litigation against the Correos Group.

Provision for litigation

The balance of this provision at 31 December 2024 and 2023 includes the amounts estimated by the Parent Company in relation to certain proceedings which, if decided against the Parent Company, will result in an outflow of resources for settlement.

On 21 February 2022, the CNMC notified the Company of its decision dated 18 February 2022, which put an end to the disciplinary proceedings, opened in 2019, in relation to discounts for large customers. In this decision, the CNMC declared that Correos had committed an infringement and imposed a fine of 32.6 million euros. The Company appealed the resolution before the Audiencia Nacional by filing the appropriate contentious-administrative appeal. The statement of claim of the Company was formalised by written submission of 8 July 2022, and

State Legal Counsel was requested to respond to same, a response the Company is awaiting to date. The favourable evolution of other legal proceedings underway of a similar nature (Note 23) has led to an estimate of the probable risk of cash outflows from the CNMC sanctioning proceedings of 50% at the end of 2024 (75% probability at the end of 2023). This update of the risk estimate resulted in a reversal of the provision of 8.2 million.

During the financial year 2018, the National Market and Competition Commission issued a resolution sanctioning Correos Express for a total of 19,635 thousand euros for alleged breaches of antitrust regulations.

In May 2018, Correos Express obtained a precautionary suspension of the payment of the fines imposed and, on 6 February 2019, filed an action before the Spanish High Court against the aforementioned resolution.

On 7 December 2022, the Spanish High Court issued its judgement confirming the sanctions imposed on the subsidiary Correos Express by the National Commission for Markets and Competition. The Spanish High Court's judgement is not

final, and is subject to appeal, which the subsidiary company intends to submit.

However, based on the principle of prudence, Correos Express increased the provision recorded at the time by 9,818 thousand euros, corresponding to the remaining amount, up to the total amount of the penalty imposed. The total provision recorded at year-end 2023 was 19,635 thousand euros.

On 17 June 2024, the penalty of 19,635 thousand euros was paid.

The claims of Correos Express against resolutions of the Toledo Provincial Directorate of the General Treasury of Social Security arising from proceedings initiated by the Labour Inspectorate, which resolved to process the registration with Social Security of drivers belonging to companies supplying CEX and the other proceedings linked to this principal, are currently pending before the courts.



Provision for Voluntary Termination Plan

At year-end 2024, the Parent Company has recognised the expense for the estimated amount corresponding to the Voluntary Termination Plan whose cash outflows will occur in the period 2025-28. See Note 3.2.

The current value of the provision has been calculated by an independent actuarial expert. The accounting criterion is explained in Note 5k).

The Plan aims to implement a Voluntary Termination Plan 2025-28 for permanent employees who are at least 61 years old and a Voluntary Leave of Absence Plan for civil servants. Adherence to the Termination Plan is voluntary both parties and is based on the following considerations:

- Incentivised Voluntary Termination Plan for permanent employees with three groups with differentiated conditions:
 - People over the age of 65 with a permanent employment contract and access to ordinary retirement, fulfilling the requirements of age and contribution record.

The compensation would be the equivalent of one year's gross annual salary with a maximum of 50,000 euros.

- People between 63 and 65 years of age with a permanent employment contract: pension in accordance with Article 208 of the General Law on Social Security. An additional gross salary annuity payable monthly or annually up to a maximum of 50,000 euros would be compensated.
- People under the age of 63 with a permanent employment contract: they will join the Plan when they reach the age of 61 in one of the years covered by the Plan. Conditions:
 - > Termination of the contract from the age of 61, provided that the requirements of age and contributions are met.
 - > They will receive an income plan guaranteeing up to 80% of the gross annual salary, a premium for adhering to

compensate for the effect on personal income tax until the age of 63, and a special agreement with the Social Security until reaching the early retirement age.

- > From the age of 63, pension in accordance with Article 208 of the General Law on Social Security. An additional gross salary annuity payable monthly or annually up to a maximum of 50,000 euros would be compensated.
- Incentivised Voluntary Leave of Absence Plan for civil servants over the age of 57, which is part of the continuing agreements signed between Correos and the trade unions, in line with the provisions of the current regulations governing incentivised voluntary leave for civil servants, and which will begin in the second quarter of 2025.

Short-term provisions

Within short-term provisions, the subsidiary CEX records an amount of 2,921 thousand euros for estimated amounts payable for present and future claims against the subsidiary itself, arising from past parcel transport claims (3,508 thousand euros as at 31 December 2023), as well as an estimate of future payments arising from labour-related claims amounting to 2,416 thousand euros (3,542 thousand euros as at 31 December 2023).

In addition, short-term provisions for litigation include estimated amounts related to certain proceedings which, if decided against the Group, would result in an outflow of resources for settlement.



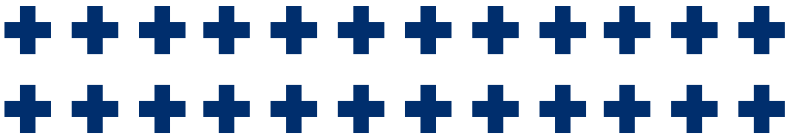
16. Financial liabilities

The composition of the Correos Group's long-term and short-term financial liabilities as of 31 December 2024 and 2023, including balances with public administrations that are not considered financial instruments, is as follows:



| Non-current payables | Balance at 31/12/2024 | Balance at 31/12/2023 |
|--|-----------------------|-----------------------|
| Debts with credit institutions | 714,181 | 471,934 |
| Non-current debts convertible into subsidies | 59 | 159 |
| Deposits and guarantees | 2,092 | 2,381 |
| Creditors for financial leases | 585 | 808 |
| Other non-current payables | 1,404 | 973 |
| | 718,321 | 476,255 |
| Non-current accruals | 21,209 | 25,293 |

[Continue >](#)



| Current payables | Balance at 31/12/2024 | Balance at 31/12/2023 |
|---|-----------------------|-----------------------|
| Debts with credit institutions | 239,522 | 329,968 |
| Money order deposits | 1,817 | 8,345 |
| Deposits and guarantees | 6,728 | 7,574 |
| Other current payables | 21,867 | 17,395 |
| Total Current payables | 269,934 | 363,282 |
| Short-term debts with group companies and associates (Note 20) | 966 | 939 |
| Trade creditors and other accounts payable | | |
| Suppliers | 2,839 | 5,383 |
| Sundry creditors | 301,328 | 332,054 |
| Staff (unpaid wages) | 23,578 | 34,750 |
| Other debts with public administrations (Note 18) | 66,775 | 79,523 |
| Customers advances | 173,402 | 193,336 |
| Trade creditors and other accounts payable | 567,922 | 645,046 |
| Current accruals | 5,305 | 5,377 |

The financial instrument headings included in the above table are considered 'Liabilities at amortised cost' except for payables to public authorities.

Long-term accruals include an amount of 6,133 thousand euros (10,133 thousand euros in 2023) recorded by the Parent Company which corresponds to the

long-term portion to be recognised in profit or loss as a non-refundable one-off payment for exclusivity received from the customer Western Union in the amount of 20,000 thousand euros, which is being amortised over the term of the contract, which expires in 2027. The short-term portion is recorded under the heading short-term accruals in current liabilities

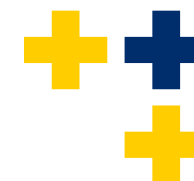
on the consolidated balance sheet for an amount of 4,000 thousand euros (4,000 thousand euros in 2023).

Also included is 15,076 thousand euros (15,160 thousand euros in 2023) from the subsidiary Telecom, which corresponds to prepayments collected in connection with contracts

with customers for the provision of telecommunications services and infrastructure leases. The short-term portion is recorded under the heading advances from customers in current liabilities on the consolidated balance sheet for an amount of 1,282 thousand euros (1,236 thousand euros in 2023).

In 2021, the Parent Company took out a loan with the financial institution Kutxabank for 325 million euros, which was repaid in full on 14 April 2024. During 2024, several loans were taken out for a total amount of 474 million euros.

The breakdown of debts with credit institutions, both short-term and long-term, is as follows:



| Contract date | Due date | Credit facility limits (euros) | Amount drawn at 31.12.2024 (euros) |
|--------------------|------------|--------------------------------|------------------------------------|
| 18/03/2022 | 18/03/2025 | 123,500,000 | 123,499,239 |
| 28/06/2022 | 28/06/2025 | 10,000,000 | 10,000,000 |
| 05/07/2022 | 05/07/2025 | 98,800,000 | 98,198,700 |
| 30/03/2023 | 30/03/2026 | 139,597,000 | 139,574,068 |
| 30/03/2023 | 30/03/2026 | 10,000,000 | 10,000,000 |
| 16/11/2023 | 16/11/2026 | 30,000,000 | 30,000,000 |
| 16/11/2023 | 16/11/2026 | 50,000,000 | 50,000,000 |
| 16/11/2023 | 16/11/2026 | 10,585,000 | 10,585,000 |
| 12/04/2024 | 12/04/2029 | 275,000,000 | 275,000,000 |
| 12/04/2024 | 12/04/2029 | 25,000,000 | 25,000,000 |
| 12/04/2024 | 12/04/2029 | 25,000,000 | 25,000,000 |
| 01/07/2024 | 01/07/2027 | 20,000,000 | 20,000,000 |
| 01/07/2024 | 01/07/2027 | 75,000,000 | 75,000,000 |
| 17/07/2024 | 17/07/2027 | 54,000,000 | 54,000,000 |
| Total amount drawn | | | 945,857,007 |

| Total amount drawn | Due date | Credit facility limits (euros) | Amount drawn at 31.12.2023 (euros) |
|---------------------------|--------------|--------------------------------|------------------------------------|
| 14/04/2021 | 14/04/2021 | 325,000,000 | 325,000,000 |
| 18/03/2022 | 18/03/2025 | 123,500,000 | 123,338,699 |
| 28/06/2022 | 28/06/2025 | 10,000,000 | 9,994,002 |
| 05/07/2022 | 05/07/2025 | 98,800,000 | 98,698,874 |
| 30/03/2023 | 30/03/2026 | 139,597,000 | 139,448,330 |
| 30/03/2023 | 30/03/2026 | 10,000,000 | 9,875,000 |
| 16/11/2023 | 16/11/2026 | 10,585,000 | 10,579,504 |
| 16/11/2023 | 16/11/2026 | 30,000,000 | 30,000,000 |
| 16/11/2023 | 16/11/2026 | 50,000,000 | 50,000,000 |
| 22/04/2019 | 22/04/2024 | 15,000,000 | 1,500,000 |
| October 2019 | October 2024 | 1,000,000 | 155,638 |
| Total amount drawn | | | 798,590,046 |

In addition, as at 31 December 2024 there are 7,846 thousand euros in short-term liabilities for accrued and unpaid interest (3,312 thousand euros as at 31 December 2023).

As a result of signing the loan agreements in 2024 and the credit policies in 2023, the Group is required to comply with certain financial obligations that are normal in

this type of financing. As at 31 December 2024, the Group's Management considers that there is no reason for early termination of the above contracts, as it considers that all financial obligations have been fulfilled or waived by the financial institutions. They are also expected to be complied with within the next 12 months or, if non-compliance is expected, to obtain the corresponding exemption.

'Money orders' include money orders accepted prior to 31 December 2024 and pending payment to their recipients on that date.

The heading 'Sundry creditors' includes amounts collected by the Parent Company on behalf of third parties amounting to 15.771 thousand euros (15,075 thousand euros in 2023).

In addition, the headings 'Sundry creditors' include 80,924 thousand euros originating from the obligations pending payment to various third-country postal operators for postal services received from them (67,872 thousand euros as at 31 December 2023).

In accordance with the provisions of Law 18/2022, the Parent Company's information on the average period for payment to

suppliers in commercial transactions as of 31 December 2024 and 2023, as it is the most representative of the Group, as follows:

| | Financial year 2024 | Financial year 2023 |
|--|---------------------|---------------------|
| | Days | Days |
| Average settlement period for suppliers | 52 | 53 |
| Ratio of paid transactions | 55 | 56 |
| Ratio of outstanding transactions | 33 | 30 |
| | Thousands of euros | Thousands of euros |
| Total payments made in a period shorter than that established in the regulations | 224,644 | 223,875 |
| Total payments made in a period longer than that established in the regulations | 211,607 | 195,417 |
| Total outstanding payments | 62,062 | 59,092 |

| | 2024 | | | 2023 | |
|---|--------------------|--------------------|---|--------------------|--------------------|
| | Number of invoices | Thousands of euros | | Number of invoices | Thousands of euros |
| Total payments made | 64,366 | 436,251 | Total payments made | 65,513 | 419,292 |
| Invoices paid in a period lesser than the maximum established in the payment defaults regulations | 48,908 | 224,644 | Invoices paid in a period lesser than the maximum established in the payment defaults regulations | 49,690 | 223,875 |
| % of total invoices paid | 76% | 51% | % of total invoices paid | 76% | 53% |

17. Income and expenses

a) Postal revenues

The Parent Company is the operator designated by law to provide the universal postal service in Spain, pursuant to the requirements of quality, regularity, accessibility and affordability that make effective the right of all citizens to postal communications, in a market that was fully liberalised on 1 January 2011, in accordance with Law 43/2010, on the Universal Postal Service, Users' Rights and the Postal Market.

This Law, together with the new Postal Regulations, deals mainly with the regulation of the conditions of collection, acceptance, distribution and delivery of the universal postal service required of the designated operator, as well as the cost and financing of these obligations, prices and other tariff conditions for postal services.

b) Revenue from parcel services

The Group offers a wide range of parcel delivery options and is subject to Law 16/1987, of 30 July, on the Regulation of Land Transport, and Law 15/2009, regulating the Contract of Land Transport of Goods. Most of the contracts are short-term and with different types of companies.

c) Revenue from parcel services

The Group's extensive portfolio of services includes layout services for its clients. The revenue for these services is identified in the contracts signed with customers, detailing the rates proposed and accepted by the parties.

Revenues for these services are recognised when the layout and subsequent communication requested by the customer are all completed, fulfilling the performance obligations set out in the contract. The Group does not invoice in advance for these services, as they do not require significant hourly charges.

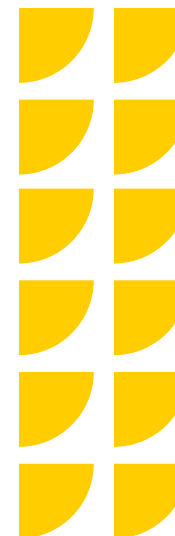
d) Revenues from Printing and Enveloping Services

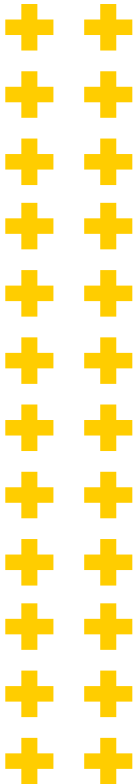
These services are intended for any type of company, in any sector, that wishes to establish physical communications with its customers.

Revenues for these services are generated over time as the Group provides services according to the requirements and standards of its customers and once these services are provided, the right to receive payment for them is generated. It is not the Group's practice to invoice for these services in advance.

e) Digital Communication Services Revenues

These types of services are included in the portfolio of services offered to customers to qualify for omni-channel services. They are mainly intended for private companies and public administrations that need to establish communications with their customers through digital devices, such as e-mail, mobile devices (smartphones or tablets), etc.





f) Telecommunications infrastructure rental

Rental of dark fibre, rights of way, co-location on radio sites mainly for telecommunications operators. Revenue for these services is recognised over time as the Group provides services to each customer.

Some contracts include multiple obligations. Sometimes, the development of the project, laying of the fibre, and subsequent periodic maintenance. Consequently, in these cases, the transaction price is allocated between the different obligations in the contract. These are usually long-term agreements. In this type of contract, the Group usually invoices advances to finance the development of the project and is therefore recognised as an advance from customers under the balance sheet heading 'long-term accruals and short-term accruals'. In this type of contract, the Group begins to recognise revenue when the customer can make use of the asset.

g) Connectivity services

Optical transport services offering high bandwidth connectivity between different customer sites, via circuits connected at their ends to terminal equipment, without access to public networks.

Revenue for these services is recognised over time, to the extent that the Group provides a tailored, customer-specific service and has the right to collect for all work performed for the customer to date.

h) Income from provision of services

Income from provision of services is valued at the fair value of the compensation received or to be received, arising from same, after deducting any discount or similar, as well as any indirect taxes on transactions which may be charged on to third parties.

Revenue is booked depending on the financial significance of the transaction, and is recognised when all of the following conditions are met.

- The amount of income may be reliably assessed.
- It is probable that the Group obtains financial benefits or returns arising from the transaction, and
- The costs incurred or to be incurred in the transaction may be reliably measured.

There are no financial components in the transactions of these kinds of services described above.

Revenue and expenditure are allocated based on the actual flow of the goods and services they represent and irrespective of when the monetary or financial flow arising from them occurs.

i) Net turnover

The distribution of the turnover of Correos Group corresponding to the ordinary activities for categories of

activities, and for the geographic activities for the financial years 2024 and 2023 is as follows:



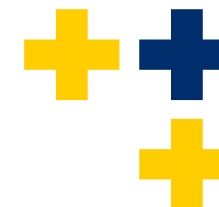
| | Financial year 2024 | Financial year 2023 |
|---|---------------------|---------------------|
| Segmentation by origin | | |
| Clients under contract | 1,584,318 | 1,509,749 |
| Cash collections | 282,935 | 296,948 |
| Franking machines | 32,655 | 32,864 |
| International (ETOE and activity in Portugal) | 77,433 | 78,451 |
| Penalties | (4,319) | (13) |
| Others | 134,067 | 195,045 |
| Total | 2,107,089 | 2,113,044 |
| Segmentation by geographical markets | | |
| National | 2,088,363 | 2,094,055 |
| International | 18,726 | 18,989 |
| Total | 2,107,089 | 2,113,044 |

The heading 'Customers under contract' is presented net of the figure for rebates granted by the Correos Group to its customers during the year in the amount

of 1,190 thousand euros (the same figure for the 2023 financial year being equivalent to 1,169 thousand euros).

j) Supplies

The breakdown of the heading 'Supplies' in the consolidated profit and loss account for the financial years 2024 and 2023 is as follows:



| | Financial year 2024 | Financial year 2023 |
|---|---------------------|---------------------|
| National purchases of merchandise | | |
| Stamps and other franking signs | 4,003 | 3,470 |
| Other products | 10,972 | 11,125 |
| Changes in inventories | (2,340) | (1,277) |
| Merchandise used | 12,635 | 13,318 |
| Impairment of merchandise, raw materials and other supplies | 2,303 | 3,378 |
| Work carried out by other companies | 410,425 | 410,604 |
| Supplies | 425,363 | 427,300 |

'Work performed by other companies' includes the Parent Company's 'international correspondence expenses', which include the costs invoiced to the Parent Company by postal operators in the various countries in connection with the provision of postal and telegraphic services for recipients residing in those

countries, 52,539 thousand euros in financial year 2024 (53,433 thousand euros in financial year 2023). Also included is expenditure on transport contracted with third parties, 98,252 thousand euros in the financial year 2024 (98,208 thousand euros in the financial year 2023).

In addition, this heading includes charges received from suppliers who work on their own account providing goods distribution services for the Correos Express Group, 255,284 thousand euros in the financial year 2024 (254,980 thousand euros in the financial year 2023).

k) Compensation for costs arising from the provision of the universal postal service

The Parent Company has recognised consideration for the provision of the universal postal service amounting to 200,577 thousand euros (247,301 thousand euros in 2023).

The accounting criterion is explained in note 5r).

During the financial year, the Parent Company accrued other subsidies amounting to 620 thousand euros (560 thousand euros in the 2023 financial year).



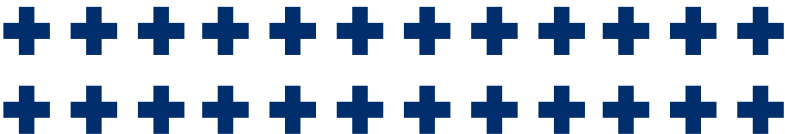
| Financial year 2023 | |
|--|---------------|
| UPS compensation: | |
| From the transfers consigned in the State's general budgets (PGE) for the year 2023 | 242,905 |
| From the 2022 postal contribution of the rest of the operators | 148 |
| From the 2023 postal contribution of Correos | 4,248 |
| Amounts discounted by the CNMC | - |
| Compensation collected from UPS Financing Fund: | |
| Transfers consigned in the PGE of 2023 | (242,905) |
| From the 2022 postal contribution of the rest of the operators | (148) |
| Bank charges discounted by the CNMC | - |
| Compensation for provision of the UPS pending collection as of 31 December 2023 | 4,248 |
| Financial year 2024 | |
| UPS compensation: | |
| From the transfers consigned in the State's general budgets (PGE) for the year 2024 | 196,324 |
| From the 2023 postal contribution of the rest of the operators | (22) |
| From the 2024 postal contribution of Correos | 4,275 |
| Compensation collected from UPS Financing Fund: | |
| Transfers consigned in the PGE of 2024 | (110,000) |
| From the 2023 postal contribution of the rest of the operators | 22 |
| Bank charges discounted by the CNMC | - |
| Compensation for provision of the UPS pending collection as of 31 December 2024 | 90,599 |

I) Staff expenses

The breakdown of staff costs for the years ended 31 December 2024 and 2023 is as follows:



| | Financial year 2024 | Financial year 2023 |
|-------------------------------|---------------------|---------------------|
| Salaries, wages and similar | 1,246,579 | 1,271,542 |
| Social Security contributions | 384,655 | 381,835 |
| Other expenses | 7,715 | 8,111 |
| Voluntary termination plan | 427,908 | - |
| | 2,066,857 | 1,661,488 |



In line with current regulations and as explained in Note 5k), it is considered that the valid expectation is created at year-end 2024 and, as explained in Note 15, an expense has been recognised for the estimated amount corresponding to the Voluntary Termination Plan to be carried out in the period 2025-28.

The social charges for the financial years 2024 and 2023 do not include any sum for pension contributions and endowments. In accordance with the provisions of Article 2 of Royal Decree 20/2011, on urgent budgetary, tax and financial measures to correct the public deficit, the Group does not make contributions to pension plans (see Note 5o)).

m) External services

The breakdown of the heading 'External services' for the years ending 31 December 2024 and 2023 is as follow:

Other expenses' include, inter alia, costs arising from the maintenance and management of the data processing centres by a third party, legal, advisory and consultancy fees of the Group.

| | Financial year 2024 | Financial year 2023 |
|---|---------------------|---------------------|
| Leases | 84,029 | 75,866 |
| Repairs, preservation and maintenance | 90,222 | 82,729 |
| Independent professionals | 63,384 | 69,938 |
| Insurance premiums | 3,334 | 3,260 |
| Supplies | 47,448 | 58,705 |
| Advertising, marketing and public relations | 8,404 | 16,895 |
| Banking and similar services | 1,008 | 920 |
| Other expenses | 23,603 | 50,512 |
| | 321,432 | 358,825 |

At 31 December 2024 and 2023, the minimum future non-cancellable payments arising from the operating lease contracts signed by the various companies of the Correos Group are broken down in the following table:

| | Financial year 2024 | Financial year 2023 |
|----------------------------|---------------------|---------------------|
| Up to one year | 24,954 | 25,308 |
| Between one and five years | 20,928 | 19,734 |
| More than five years | 19,550 | 22,502 |
| | 65,432 | 67,544 |

n) Taxes

The heading 'Taxes' includes, inter alia, the effect of the adjustment of the pro rata of indirect taxes on investment property from previous years and the effect of the adjustment of the definitive pro rata for the year 2024 (see Note 5-t).

In 2024, the Group's Parent Company has recorded an increase of 3 points in its VAT

deduction pro-rata, and has therefore recorded an income of 2,646 thousand euros due to an increase of 3 points in the definitive pro-rata percentage of VAT deduction compared to the provisional one (in 2023, it recorded an expense of 1,741 thousand euros due to a decrease of 2 points in the pro-rata percentage). With regard to the adjustment of the deductible VAT on investment property from previous years, the Parent

Company has recognised income of 90 thousand euros (in the 2023 financial year, the income recognised was 102 thousand euros).

With regard to other taxes, the most significant is the property tax recorded by the Parent Company, which has resulted in an expense of 5,435 thousand euros in 2024 (5,635 thousand euros in 2023).

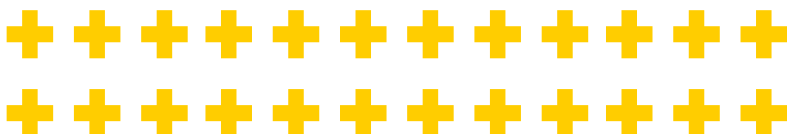
o) Impairment and profit/loss on disposal of fixed assets

The breakdown of this heading for the years ending 31 December 2024 and 2023 was as follows:

| I. Fixed assets and non-current assets held for sale | | | | | |
|--|-------------------------|--------------------|--------------|-------------------------|----------------|
| Financial year 2024 | Intangible fixed assets | Land and buildings | Other assets | Technical installations | Total |
| Adjustments for impairment: | | | | | |
| Provisions | - | 217 | - | - | 217 |
| Reversals | - | (6,157) | - | - | (6,157) |
| | - | (5,940) | - | - | (5,940) |
| Income from disposals and other results: | | | | | |
| Profits | - | (3,183) | - | - | (3,183) |
| Losses | 31 | 907 | - | - | 938 |
| | 31 | (2,276) | - | - | (2,245) |
| | 31 | (8,216) | - | - | (8,185) |

I. Fixed assets and non-current assets held for sale

| Financial year 2023 | Intangible fixed assets | Land and buildings | Other assets | Technical installations | Total |
|---|--------------------------------|---------------------------|---------------------|--------------------------------|----------------|
| Adjustments for impairment: | | | | | |
| Provisions | - | 867 | - | - | 867 |
| Reversals | - | (1,120) | - | - | (1,120) |
| | - | (253) | - | - | (253) |
| Income from disposals and other results: | | | | | |
| Profits | - | (2,209) | - | - | (2,209) |
| Losses | 135 | 1,366 | 11 | - | 1,512 |
| | 135 | (843) | 11 | - | (697) |
| | 135 | (1,096) | 11 | - | (950) |



p) Revenue and financial costs

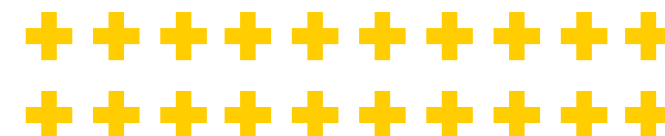
The breakdown of this heading for 2024 and 2023 was as follows:

| | Financial year 2024 | Financial year 2023 |
|-----------------------------------|---------------------|---------------------|
| Financial Income- | | |
| From associated companies: | | |
| Loans | - | 9 |
| From third parties: | | |
| Other financial income | 650 | 276 |
| | 650 | 285 |
| Financial expenses- | | |
| From Group companies | 27 | 90 |
| From third parties: | | |
| Other financial expenses | 23,920 | 9,406 |
| | 23,947 | 9,496 |



18. Tax situation

The breakdown of the balances held by the Group with Public Administrations as of 31 December 2024 and 2023 is as follows:



| | Balance at 31/12/2024 | Balance at 31/12/2023 |
|---|-----------------------|-----------------------|
| Non-current assets- | | |
| Deferred tax assets | 207,476 | 89,302 |
| Total non-current assets with Public Administrations | 207,476 | 89,302 |
| Current assets- | | |
| Others (Note 11) | 635 | 242 |
| | 635 | 242 |
| | (Note 11) | (Note 11) |
| Non-current liabilities- | | |
| Deferred tax liabilities | 68,673 | 70,215 |
| Current liabilities- | | |
| Personal Income Tax – (IRPF as per the Spanish) | 24,795 | 23,767 |
| Value Added Tax - VAT | 6,735 | 18,065 |
| Social security | 33,961 | 35,969 |
| MUFACE and passive rights | 537 | 673 |
| Others | 747 | 1,049 |
| | 66,775 | 79,523 |
| | (Note 16) | (Note 16) |

In 2011, the Correos Group was taxed under the tax consolidation regime, Tax Group no. 38/11, comprising all the companies of the Correos Group and the company Correos y Telégrafos S.A., S.M.E. (Sole-Shareholder Company), as Parent Company.

During the 2012 financial year, as a result of the transfer of the Company's shares to SEPI, formalised in the Act of 5 June 2012, all the companies of the Correos Group were integrated into the SEPI Tax Consolidation Group with number 9/86, and the consequent extinction of Tax Group no. 38/11.

In the financial year 2023, the merger by absorption took place between Correos, the absorbing company, and Nexea Gestión Documental, S.A., S.M.E. (Sole-Shareholder Company), the absorbed company. This Merger led to the extinction of the absorbed company through its dissolution without settlement and the transfer en bloc of its assets and liabilities to Correos, which acquired by universal succession all of said assets and liabilities, as well as the rights and obligations thereof, among others, in the tax area. Correos filed with the Spanish Tax Agency (AEAT), on 18 September

2023, the notification of the special regime for mergers, spin-offs, contributions of assets and exchange of securities set out in Chapter VII of Title VII of the Corporate Income Tax Act.

The Consolidated Tax Group consists of Sociedad Estatal de Participaciones Industriales (SEPI) and the companies resident in Spanish territory in which it holds a direct or indirect interest equal to or greater than 75% and a majority of the voting rights, in accordance with the provisions of Art. 58 of Law 27/2014 on Corporate Income Tax.

The application of the consolidated tax regime means, on the one hand, that the individual credits and debits for corporate income tax are integrated into the parent company and, on the other hand, the right to obtain compensation for the tax credits included in the consolidation, called Tax Liability.

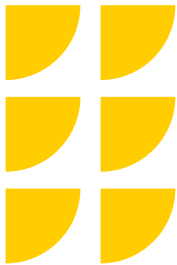
The taxable income of the Tax Group is determined by adding together the individual taxable income of the companies comprising the group. Notwithstanding the above, all Group companies submit their individual settlement. As a result of the merger described above, Correos

submitted the corporate income tax return for 2023 integrating the results generated by Nexea up to the time of its extinction, regardless of the fact that Nexea's formal obligations (including the filing of Form 200 in July 2024, with a taxable base of €0) were met by Nexea up to the end of 2023. The taxable income of the Tax Group is determined by adding the individual taxable income of the companies that make up the Group, taking into account that CEP and CEP II would be outside the Tax Group detailed above. Notwithstanding the above, all companies of the Correos Group submit their individual settlement.

The Corporate Income Tax of each Group Company is calculated based on the financial or accounting result, which is obtained by applying generally accepted accounting principles which do not necessarily have to coincide with the tax result, understood as the tax base.

In order to determine the individual tax bases, certain adjustments or eliminations of inter-group transactions are made at the individual level, i.e. these are transferred to the individual tax bases of the Group companies instead of being made at the consolidated level. The

most common of these transactions relate to dividends received by Group companies and provisions for impairment of investments in subsidiaries. The aim of this 'homogenisation' of the tax bases to be included in the base of Tax Group no. 9/86 is to avoid duplication in the calculation of tax debts and credits.



The reconciliation of the consolidated result with the tax base for profit tax as of 31 December 2024 and 2023:



| | Financial year 2024 | | |
|--|---------------------|-----------|------------------|
| | Increases | Decreases | Total |
| Aggregate pre-tax result | | | (555,563) |
| Consolidation adjustments | | | (43,599) |
| Consolidated profit before taxes | | | (599,161) |
| Permanent differences | | | |
| Individual companies | 1,709 | (51,848) | (50,139) |
| Consolidation adjustments | 43,599 | - | 43,599 |
| Temporary differences | | | |
| Arising in the financial year | 459,373 | - | 459,373 |
| Arising in previous financial years | - | (19,535) | (19,535) |
| Preliminary tax base (tax result) | | | (165,864) |
| Compensation for negative tax bases generated outside the SEPI Tax Group | | | (1,425) |
| Tax base after offsetting | | | (167,289) |
| Tax base Spain | | | (167,289) |
| Tax base Portugal | | | - |

| | Financial year 2023 | | |
|--|---------------------|-----------|------------------|
| | Increases | Decreases | Total |
| Aggregate pre-tax result | | | (173,043) |
| Consolidation adjustments | | | (3,203) |
| Consolidated profit before taxes | | | (176,246) |
| Permanent differences | | | |
| Individual companies | 4,297 | (1,144) | 3,153 |
| Consolidation adjustments | 3,203 | - | 3,203 |
| Temporary differences | | | |
| Arising in the financial year | 24,306 | - | 24,306 |
| Arising in previous financial years | - | (16,544) | (16,544) |
| Preliminary tax base (tax result) | | | (162,127) |
| Compensation for negative tax bases generated outside the SEPI Tax Group | | | (3,146) |
| Tax base after offsetting | | | (165,273) |
| Tax base Spain | | | (168,106) |
| Tax base Portugal | | | 2,834 |

With regard to the permanent differences recorded in the year, a positive permanent adjustment in the amount of 1,709 thousand euros has been included, corresponding to the expense recorded for penalties (1,519 thousand euros in Correos and 190 thousand euros in Correos Express), which are considered non-deductible expenses in accordance with article 15 of Law 27/2014 on Corporate Income Tax.

In 2022, Nexea recorded an impairment of these assets amounting to 1,057 thousand euros, which was considered non-deductible in its corporate income tax settlement for 2022, and the corresponding permanent positive adjustment was recognised. In 2023, these assets were integrated into the equity of Correos, and the reversal of the impairment recorded by Nexea in the previous year was recorded. As a result, Correos recognised a permanent negative adjustment for the amount of the accounting reversal (1,057 thousand euros) in its 2023 corporate income tax.

In 2024, the Parent Company received a total of 9,991 thousand euros in dividends from its subsidiaries Correos Express and

Correos Telecom (4,991 thousand euros and 5,000 thousand euros, respectively). A permanent negative adjustment of 9,492 thousand euros, corresponding to 95% of the amount of the dividend received, is included in the Parent Company's accounting result, in accordance with article 21.1 of the Corporate Income Tax Law. The purpose of this adjustment is to harmonise the tax bases of the companies for their integration into the Consolidated Tax Group.

A permanent negative adjustment of 34,120 thousand euros is included in the Parent Company, corresponding to the accounting reversal of the impairment of Correos' shareholding in the share capital of the subsidiary Correos Express. The income recorded in the accounts is considered non-taxable income as the provision for the impairment of the shareholding in Correos Express from which this reversal derives has been fully taxed in accordance with Royal Decree Law 3/2016.

The Parent Company also incorporates a permanent negative adjustment of 8,150 thousand euros derived from the accounting reversal of a provision for penalties which in the year in which it was recorded, 2021, was considered non-deductible by means

of the corresponding positive permanent adjustment to the accounting profit for that year.

With regard to the Tax Loss generated by the Parent Company in 2024 (176,375 thousand euros), Law 7/2024 of 20 December (B.O.E. of 21 December) has redrafted the Nineteenth Additional Provision (A.P.19) of Law 27/2014, on Corporate Income Tax, so that the measure consisting of the fact that, for the purposes of determining the taxable income of the Tax Group for the 2023 financial year, only 50% of the amount of the individual tax losses of the companies comprising it may be computed is also applicable to the 2024 and 2025 financial years.

In order to comply with this legal provision, the Parent Company has made the following off-balance sheet adjustments to the amount of the previous tax loss of the Parent Company for the purpose of determining the individual taxable income for the financial year 2024:

- A positive off-balance sheet adjustment of 50% of this previous taxable base, amounting to 88,187 thousand euros.

- A negative off-balance sheet adjustment of 8,706 thousand euros, corresponding to 10% of the positive off-balance sheet adjustment of 50% of the tax loss made in the corporate income tax settlement for the financial year 2023.

The tax credit offsetting of 24,223 thousand euros to be received by the Company from SEPI in July 2025 is the result of multiplying the taxable base resulting from these transactions (96,893 thousand euros) by the general tax rate of 25%. In 2023, the adjustment corresponding to the Parent Company's Tax Loss not incorporated into the group amounted to 87,058 thousand euros.

The remaining 50% of the Parent Company's individual taxable income not included in the taxable income of the Tax Group for 2023 and 2024 will be included in tenths, by means of negative off-balance sheet adjustments, in the tax assessments as from 2024 and 2025 respectively.

The breakdown of deferred tax assets and liabilities is as follows:

| | Financial year 2024 | Financial year 2023 |
|--|---------------------|---------------------|
| Temporary differences: | | |
| Provisions for risks and costs | 1,398 | 1,895 |
| Goodwill amortisation | 347 | 739 |
| Staff-related provisions | 107,524 | 678 |
| Provisions related to fixed assets | 5,533 | 6,277 |
| Amortisation of fixed assets | 1,307 | 2,463 |
| Financial expenses | 7,975 | 2,254 |
| Other | 1 | 1 |
| | 124,086 | 14,307 |
| Adjustment for change in tax rate | (180) | (180) |
| Credits for negative tax bases Portugal | 188 | 403 |
| Credits for negative tax bases Spain | 20,591 | 31,316 |
| Deferred tax 50% BIN 2023 DA 19ª LIS | 19,588 | 21,765 |
| Deferred tax 50% BIN 2024 DA 19ª LIS | 22,047 | - |
| Credit for deductions | 21,157 | 21,691 |
| Deferred tax assets | 207,476 | 89,302 |
| Temporary differences: | | |
| Tax effect of universal postal service capital offsets received up to 2010 | 68,673 | 70,088 |
| Intangibles generated in Business Combinations | - | 109 |
| Other temporary adjustments | - | 18 |
| Deferred tax liabilities | 68,673 | 70,215 |

Movements in deferred tax assets for
Corporate Income Tax for 2024 and
2023 are as follows:

| | Balance at 31/12/2023 | Recognitions | Adjustments | Reversal | Balance at 31/12/2024 |
|---|--------------------------|----------------|--------------|-----------------|--------------------------|
| Deferred tax base | 182,992 | 459,388 | - | (63,478) | 578,902 |
| Tax effect: | | | | | |
| Temporary differences | 14,127 | 114,841 | (180) | (4,884) | 123,904 |
| Credits for losses to compensate (Portugal) | 403 | 3 | - | (218) | 188 |
| Credits for losses to compensate (Spain) | 31,317 | - | - | (10,726) | 20,591 |
| Credit for deductions | 21,690 | - | - | (533) | 21,157 |
| Deferred tax 50% BIN 2023 DA 19ª LIS | 21,765 | - | - | (2,176) | 19,588 |
| Deferred tax 50% BIN 2024 DA 19ª LIS | - | 22,047 | - | - | 22,047 |
| Total deferred tax assets | 89,302 | 136,891 | (180) | (18,537) | 207,476 |

| | Balance at 31/12/2022 | Recognitions | Adjustments | Reversal | Balance at 31/12/2023 |
|---|--------------------------|---------------|--------------|----------------|--------------------------|
| Deferred tax base | 130,227 | 73,821 | - | (21,056) | 182,992 |
| Tax effect: | | | | | |
| Temporary differences | 12,368 | 6,081 | (180) | (4,142) | 14,127 |
| Credits for losses to compensate (Portugal) | 625 | 65 | - | (287) | 403 |
| Credits for losses to compensate (Spain) | 19,805 | 12,298 | - | (787) | 31,316 |
| Credit for deductions | 20,882 | 808 | - | - | 21,691 |
| Deferred tax 50% BIN DA 19ª LIS | - | 21,765 | - | - | 21,765 |
| Total deferred tax assets | 53,681 | 41,017 | (180) | (5,216) | 89,302 |

The higher temporary difference amounts to 427,908 thousand euros, which corresponds to the accounting entry made by the Parent Company of a provision to cover the payment obligations arising from the Voluntary Termination Plan. This provision is considered a non-deductible expense pursuant to article 14 of the Corporate Income Tax Law. As a result of this off-balance sheet adjustment, the Parent Company has recognised a deferred tax asset of 106,977 thousand euros, which is recoverable for tax purposes as the aforementioned provision is applied.

In addition, the Parent Company has recognised a positive temporary adjustment of 22,889 thousand euros as a result of the application of the limitation on the deductibility of financial expenses contemplated in article 20 of the Corporate Income Tax Law. Royal Decree Law 12/2012 established a limit for the deduction of net financial expenses of 30% of the operating profit for the year, and, in any case, the amount of 1 million euros.

However, paragraph 4 of section 20 determines that in the case of entities taxed under the consolidated tax regime, the limits are applied considering all the entities of the tax group. SEPI, as the parent

company of the tax group, after calculating the limit established in RDL 12/2012 and in the Resolution of 16 July 2012 of the Directorate General for Taxation, has determined that all the entities that form part of the tax group may deduct 1 million euros, proceeding to make a proportional distribution to each entity in accordance with the provisions of letter a) of article 63 of the Corporate Income Tax Act. Net finance costs which have not been deducted may be deducted in the tax periods ending in the 18 years immediately following, after application of the above limits in each year. On the other hand, the tax base for the year includes an off-balance sheet adjustment as a result of the recognition of the provision for impairment of non-financial assets in the parent company, amounting to 1,918 thousand euros, a provision which, pursuant to the provisions of section 13 of Law 27/2014 on Corporate Income Tax, is considered to be a non-deductible expense for tax purposes.

Provisions arising from implicit or tacit obligations (provision for contingencies and expenses amounting to 1,735 thousand euros at the parent company and provision for claims and contingencies and expenses amounting to 3,937

thousand euros at Correos Express) were also considered non-deductible. The aforementioned expenses are considered non-deductible expenses in accordance with the provisions of Law 27/2014 on Corporate Income Tax and, therefore, have led to an increase in the positive temporary differences arising in 2024.

The sum of the recoveries of temporary differences recorded in 2024 corresponds, on the one hand, to the reversal of the temporary measures established by Law 16/2012 adopting various tax measures aimed at consolidating public finances and boosting economic activity, by virtue of which the deductibility of fixed asset depreciation expense in 2013 and 2014 was limited to 70%, establishing its recovery in years commencing on or after 1 January 2015. The amount corresponding to this recovery in 2023 is 3,600 thousand euros in the case of the Parent Company and 253 thousand euros in the case of the Subsidiaries as a whole. These negative temporary adjustments complete the recovery of the adjustments made in 2013 and 2014.

In addition, the Parent Company recognises as negative temporary adjustments the amount of the reversal

of the provision for the impairment of fixed assets deriving from non-deductible provisions (4,892 thousand euros) and the amount of the provision for implicit or tacit obligations which has been reversed for accounting purposes in the year 2024 (2,260 thousand euros).

The subsidiary Correos Express recorded a recovery of a temporary difference for the provision for claims and for contingencies and expenses amounting to 5,450 thousand euros. Also, arising from the tax amortisation of the goodwill of the subsidiary Correos Express Paquetería Urgente, SA. S.M.E. (Sole-Shareholder Company), this entity reduced its taxable income by 1,565 thousand euros.



Movements in deferred tax assets for
Corporate Income Tax for 2024 and 2023
are as follows:

| | Financial year 2024 | | | | |
|---|-----------------------|--------------|------------------------|----------------|-----------------------|
| | Balance at 01/01/2024 | Recognitions | Adjustment Rate change | Reversal | Balance at 31/12/2024 |
| Deferred tax liability UPS capital compensation | 70,106 | - | - | (1,433) | 68,673 |
| Deferred tax liability business combination | 109 | - | - | (109) | - |
| Temporary differences | - | - | - | - | - |
| Tax effect of temporary differences | - | - | - | - | - |
| Total deferred tax liabilities | 70,215 | - | - | (1,542) | 68,673 |

| | Financial year 2023 | | | | |
|---|-----------------------|--------------|------------------------|----------------|-----------------------|
| | Balance at 01/01/2023 | Recognitions | Adjustment Rate change | Reversal | Balance at 31/12/2023 |
| Deferred tax liability UPS capital compensation | 71,757 | - | - | (1,651) | 70,106 |
| Deferred tax liability business combination | 437 | - | - | (328) | 109 |
| Temporary differences | - | - | - | - | - |
| Tax effect of temporary differences | - | - | - | - | - |
| Total deferred tax liabilities | 72,194 | - | - | (1,979) | 70,215 |

The effective tax expense and corporate income tax expense are calculated as follows:

| | Financial year 2024 | Financial year 2023 |
|--|--------------------------------------|--------------------------------------|
| | Consolidated profit and loss account | Consolidated profit and loss account |
| Aggregate result before tax | (555,563) | (173,043) |
| Consolidation adjustments | (43,599) | (3,203) |
| Consolidated result before tax | (599,161) | (176,246) |
| Detail of aggregated results before tax: | | |
| Positive accounting basis | 14,038 | 10,184 |
| Negative accounting basis | (569,600) | (186,626) |
| Non-taxable accounting base | (43,599) | (3,203) |
| | (599,161) | (179,645) |
| Theoretical tax charge | (3,456) | (2,665) |
| Tax credits | 142,400 | 46,515 |
| Non-calculable income | 12,963 | 286 |
| Non-deductible expenditure | (427) | (1,074) |
| Deductions | 536 | - |
| Effective aggregate taxable income / (expense) | 152,016 | 43,062 |
| Detail of effective aggregate taxable income / (expense): | | |
| Current taxes | (1,682) | (1,621) |
| Deferred Tax 50% BIN 2023 DA 19ª LIS | (2,176) | 21,765 |
| Deferred Tax 50% BIN 2024 DA 19ª LIS | 22,047 | - |

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| | Financial year 2024 | Financial year 2023 |
|---|--------------------------------------|--------------------------------------|
| | Consolidated profit and loss account | Consolidated profit and loss account |
| Tax credits | 24,223 | 21,765 |
| Deferred taxes | 109,604 | 1,153 |
| Total effective aggregate taxable income / (expense) | 152,016 | 43,062 |
| Tax rate change adjustment | (180) | (180) |
| Tax rate change repurchase tax credit adjustment | - | - |
| Corporate income tax adjustment for previous year | - | - |
| Activation negative tax bases and temporary | (11,105) | 13,106 |
| Consolidation adjustment | (109) | (389) |
| Tax effect business combination | - | 328 |
| Aggregate income / (expense) from corporate income tax | 140,621 | 55,927 |

The calculation of corporate income
tax payable and receivable as of 31
December 2024 and 2023 is as follows:

| | Financial year 2024 | | Financial year 2023 | |
|--------------------------------------|---------------------|----------------------|---------------------|----------------------|
| | Tax current debtor | Tax current creditor | Tax current debtor | Tax current creditor |
| Aggregate current tax | 22,047 | 966 | 21,765 | 939 |
| Deferred tax 50% BIN 2023 DA 19ª LIS | 2,176 | - | - | - |
| Withholdings and payments on account | 20 | - | 310 | - |

In accordance with Law 27/2014 on Corporate Income Tax, with effect for years commencing on or after 1 January 2015, if, by virtue of the rules applicable to the determination of the tax base, the tax base is negative, there is no maximum period for offsetting this sum. The offsetting shall be carried out at the time as the filing of the corporate income tax return, without prejudice to the powers of verification that correspond to the tax authorities.

Tax losses prior to integration into Tax Group no. 9/86, generated in 2011 and prior years by the companies of the Correos Group, may be offset against future tax losses generated by these companies, since SEPI, the parent company of this tax consolidation group, allows this. In any case, and in accordance with the provisions of the Fifteenth Additional Provision of Law 27/2014 following the approval of Royal Decree Law 3/2016, the maximum compensation limit will apply, by virtue of which companies whose net turnover in the 12 months prior to the start date of the tax period exceeds 60,000 thousand euros may compensate a maximum of 25 per cent of the previous positive taxable income.

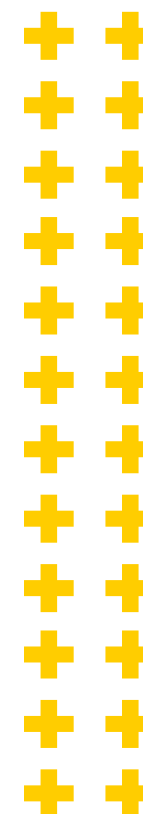
As indicated above, Additional Provision 19 of Law 27/2014, as amended by Law 7/2024, established a limit of 50% of the amount of the individual tax losses that each entity belonging to a Tax Group may incorporate into the taxable income of the Group in 2023, 2024 and 2025.

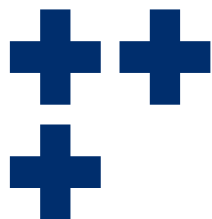
It also determined that the remaining 50% of these tax losses must be incorporated in tenths in the financial years beginning on or after 1 January 2024, 2025 and 2026 respectively. As a result, these companies will receive 25% of 50% of the non-integrated tax losses in these tax periods from SEPI at a rate of 10% per annum as from July 2025, 2026 and 2027, respectively.

By virtue of the foregoing, in 2023, the Parent Company recognised a deferred tax asset of 21,765 thousand euros, corresponding to 25% of 50% of the tax loss generated and not contributed to the tax group in that year, with one tenth of this deferred tax asset, 2,176 thousand euros, being reversed in 2024, which will be paid by SEPI to the Parent Company in July 2025.

In 2024, the Parent Company has recorded an amount of 22,047 thousand euros as a deferred tax asset, corresponding to 25% of 50% of the tax loss generated by this company in 2024, whose integration into the tax group will take place over 10 years (years 2025 to 2034).

In the financial year 2024 Correos Express Paquetería Urgente S.A., S.M.E. (Sole-Shareholder Company) has offset against its positive taxable income generated in 2024 an amount of 1,425 thousand euros (3,146 thousand euros in 2023) from the tax loss generated by this subsidiary prior to its inclusion in the SEPI Tax Group, the tax effect of which is 356 thousand euros (789 thousand euros in 2023).





In this regard, it should be noted that on 18 January 2024, the Constitutional Court, in a ruling, declared null and void the fifteenth additional provision and section 3 of the sixteenth transitional provision of Act 27/2014, of 27 November, on Corporate Income Tax, in the wording given by art. 3. First, sections One and Two of Royal Decree Law 3/2016, whereby the special limits of 50% and 25% for offsetting tax losses were not applicable for the 2023 financial year and, therefore, in that tax period, the general limit of 70% provided for in article 26.1 of Corporate Income Tax Law was applicable and the company Correos Express recorded a deferred tax asset corresponding to tax losses pending offset in the amount of 12,298 thousand euros in 2023.

Subsequently, Law 27/2014 was again amended as a result of the provisions of Law 7/2024, of 21 December 2024, re-establishing the limits approved in Royal Decree-Law 3/2016, so that for the

financial year 2024, the 25% limit for the offsetting of tax losses indicated above is applicable. As a result of this regulatory amendment, in 2024, the subsidiary Correos Express has reduced the deferred tax asset corresponding to tax loss carryforwards of 10,370 thousand euros, thus recording a deferred tax asset of 20,591 thousand euros.

Secondly, it has been considered that the limit of 1 million euros referred to in the second paragraph of section 1 of section 26 of the Corporate Income Tax Act will not be applied in the compensation of tax losses by the companies of the Correos Express Group. This criterion applicable in the legal-private relations between SEPI and the subsidiaries which form part of its tax consolidated Group, is based on the fact that in the case of groups under the tax consolidation regime, such quantitative limit is not the result of multiplying 1 million euros for each of the entities of the Group, but, on the contrary,

it is 1 million euros for the Group (which is considered as a taxpayer for the purposes of corporate income tax in accordance with article 56.1 of the Corporate Income Tax Law). This is clearly inferred from the literal wording of article 66 of the Corporate Income Tax Law - according to which the offsetting of Negative Income Base by the Group must be carried out 'under the terms set out in article 26 of this Act' - and from the criteria expressed by the General Directorate of Taxation in its replies to binding consultations no. V1057/2016, of 16-3-2016 and V1762/2015, of 21-4-2016.

Therefore, the Parent Company of the SEPI Group, in view of said limitation applicable as from 1 January 2015, in the internal quota distribution procedure established in the SEPI Tax Group, applies exclusively the percentage limit indicated (up to the financial year 2022, 25%; in the financial year 2023, 70%; and in the financial year 2024, 25%).

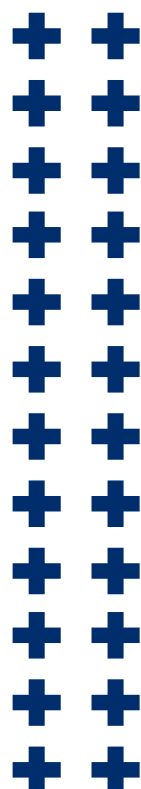


For its part, Correos, as the absorbing company in the merger between Correos and Nexea, is subrogated to the right to offset the tax bases contributed by Nexea to the SEPI Tax Group at the time of its incorporation in 2012, amounting to 2,701 thousand euros.

As at 31 December 2024, the Group companies, except CEP and CEP II, have tax losses to offset against possible future taxable profits (generated prior to their inclusion in the SEPI Tax Group) amounting to 179,157 thousand euros (180,581 thousand euros in 2023).

These taxable bases correspond to Correos Express Paquetería Urgente, S.A., S.M.E. (Sole-Shareholder Company) (176,456 thousand euros) and to Sociedad Estatal Correos y Telégrafos, S.A. S.M.E. (Sole-Shareholder Company) for subrogation after the merger (2,701 thousand euros) are detailed below:

| | Correos Express Paquetería Urgente S.A., S.M.E. | S.E. Correos y Telégrafos S.A., S.M.E. |
|------|--|---|
| 2002 | 18,424 | - |
| 2003 | 52,569 | 83 |
| 2004 | 38,670 | 135 |
| 2005 | 22,011 | - |
| 2006 | 11,179 | - |
| 2007 | 9,769 | - |
| 2008 | 1,475 | - |
| 2009 | 6,134 | 947 |
| 2010 | 6,933 | 115 |
| 2011 | 9,291 | 1,421 |
| | 176,455 | 2,701 |



Correos Express Paquetería Urgente S.A., S.M.E. (Sole-Shareholder Company), after entering into a profit path that began in 2016, proceeded to activate the taxable income tax bases that could be offset for the future 10 years, in addition to the existing temporary differences and deductions, as from 2017.

The existing balance as at 31 December 2024, corresponding to the tax credit recorded by Correos Express Paquetería Urgente S.A. S.M.E., which amounts to 20,591 thousand euros, corresponds to an amount of tax loss carryforwards of 82,363 thousand euros to be offset against future taxable income.

The tax losses corresponding to CEP II pending offset as at 31 December 2024 amount to 928 thousand euros (1,967 thousand euros as at 31 December 2023), of which 704 thousand euros (1,743 thousand euros as at 31 December 2023) have been capitalised as at 31 December 2024, and are detailed in the following table:

| Generation year | Negative tax bases | Compensation | Negative tax bases pending |
|-----------------|--------------------|----------------|----------------------------|
| 2019 | 921 | (921) | - |
| 2020 | 1,046 | (118) | 928 |
| | 1,967 | (1,039) | 928 |

There exists a tax credit arising from the tax deductions generated and not applied by the Parent Company for the sum of 20,883 thousand euros corresponding to the following deductions: for Technological Innovation (13,017 thousand euros), for investments in fixed assets made in the Canary Islands (4,245 thousand euros), for investments in events of exceptional public interest (1,520 thousand euros), for reversal of temporary measures under Law 16/2012 (817 thousand euros), for job creation for persons with disabilities (1,183 thousand euros) and for donations to non-profit entities (101 thousand euros).

Current legislation provides that taxes may not be deemed fully paid until the submitted tax returns have been duly reviewed by tax authorities or the four-year inspection period has elapsed. As of 31 December 2024, the companies comprising the Group remain open to inspection by the tax authorities for all applicable taxes from 01 January 2020. The directors of the Parent Company do not expect any significant additional liabilities to arise for the Parent Company as a result of an inspection.

19. Other information

a) Number of employees

The breakdown the Group's average number of full-time employees during the financial years 2024 and 2023 was as follows:

| | Financial year 2024 | Financial year 2023 |
|---|---------------------|---------------------|
| Management Committee | 18 | 18 |
| Rest of workforce: | | |
| Civil servants | 3,238 | 4,048 |
| Workers under ordinary employment contracts | 47,023 | 46,155 |
| | 50,279 | 50,221 |

As of 31 December 2024 and 2023, the number of employees of the Correos Group by category and sex was as follows:

| | Balance at 31/12/2024 | | | Balance at 31/12/2023 | | |
|---|-----------------------|---------------|-----------------|-----------------------|---------------|-----------------|
| | Men | Women | Total workforce | Men | Women | Total workforce |
| Management Committee | 10 | 6 | 16 | 11 | 6 | 17 |
| Rest of workforce: | | | | | | |
| Civil servants | 1,964 | 4,955 | 2,919 | 2,431 | 1,224 | 3,654 |
| Workers under ordinary employment contracts | 22,314 | 26,132 | 48,446 | 23,006 | 26,782 | 49,788 |
| | 24,288 | 27,093 | 51,381 | 25,447 | 28,012 | 53,459 |

The average number of the Group's full-time employees with a disability of 33% or more during the financial years 2024 and 2023 was as follows:

| | Financial year 2024 | Financial year 2023 |
|---|---------------------|---------------------|
| Civil servants | 103 | 126 |
| Workers under ordinary employment contracts | 1,076 | 1,067 |
| | 1,179 | 1,193 |

b) Commitments and contingencies

As of 31 December 2024, guarantees granted by various financial institutions to the Correos Group amounted to 122,208 thousand euros (138,947 thousand euros in 2023), of which 40,489 thousand euros (75,077 thousand euros in 2023) were arising from contracts with customers, 73,244 thousand euros (55,555 thousand euros in 2023) were arising from legal matters, and the remainder were arising from other causes. The Directors of the Parent Company consider that the additional liabilities, if any, that might arise from guarantees provided to third parties would not be material.

c) Fees of auditors and their group or related companies

The amounts accrued during the financial year 2024 for the audit services of Grant Thornton S.L.P. amounted to 135 thousand euros excluding VAT (135 thousand euros in 2023).

The auditor of the accounts of the subsidiaries CEP I and CEP II is Carmo & Cerqueira, SROC, and the audit fees for the year ended 31 December 2024 were 14 thousand euros excluding VAT, regardless of the time of invoicing (14 thousand euros as at 31 December 2023).

In addition, the fees accrued for services not related to the audit of these annual accounts during the financial year 2024 by other companies in the Grant Thornton, S.L.P. network amount to 65 thousand euros (68 thousand euros in 2023).

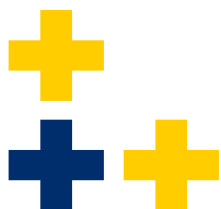
20. Related parties

a) Related companies

The related companies with whom the companies of the Correos Group have maintained transactions in the financial

years 2024 and 2023 and the nature of the relationships are the following:

| Name of the company | Nature of the relation ship |
|---|--|
| Sociedad Estatal de Participaciones Industriales SEPI | Parent company tax group no. 9/86 |
| Grupo SEPI | SEPI Group companies |
| Rangel Invest, S.A. | Grupo Rangel company (Portugal) |
| Rangel Invest Africa, S.A. | Grupo Rangel company (Portugal) |
| Feirexpo, S.A. | Grupo Rangel company (Portugal) |
| Eduardo Rangel Despachante Oficial, Lda | Grupo Rangel company (Portugal) |
| Rangel Transitários, S.A. | Grupo Rangel company (Portugal) |
| Rangel Distribuição e Logística, S.A. | Grupo Rangel company (Portugal) |
| Rangel Internacional- Aérea e Marítima, S.A. | Grupo Rangel company (Portugal) |
| Rangel 2 Consumer, S.A. | Grupo Rangel company (Portugal) |
| Rangel Mozambique | Grupo Rangel company (Portugal) |
| Rangel Angola Expresso e Tránsitos | Grupo Rangel company (Portugal) |
| Gerastro, SGPS | Grupo Rangel company (Portugal) |
| K Parcel | Company accounted for by the equity method (China) |



The balances receivable and payable from and payable to the related companies listed in the table above as of 31 December 2024 and 2023 are as follows:

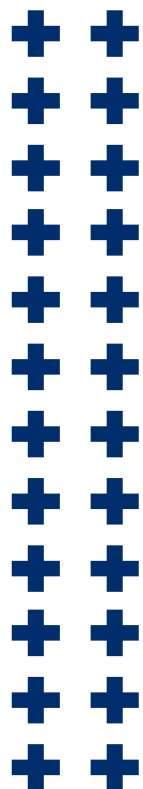
| | Clients | | Suppliers | |
|--------------------------|---------------|---------------|--------------|------------|
| | 31/12/2024 | 31/12/2023 | 31/12/2024 | 31/12/2023 |
| Rangel Group | 811 | 1,055 | 370 | 411 |
| K-Parcel Company Limited | 9,601 | 9,294 | - | - |
| SEPI Group, reminder | 255 | 3,420 | 663 | 163 |
| | 10,667 | 13,769 | 1,033 | 574 |
| | (Note 11) | (Note 11) | (Note 16) | (Note 16) |

The cross receivables and payables relating to the Tax Group's operations (see Note 18) are as follows:

| | Debtors, Group companies | | Debtors, Group companies | |
|------|--------------------------|---------------|--------------------------|--------------|
| | 31/12/2024 | 31/12/2023 | 31/12/2024 | 31/12/2023 |
| SEPI | 24,243 | 22,075 | (966) | (939) |
| | 24,243 | 22,075 | (966) | (939) |



The breakdown of the tax balances
with SEPI is the following:



| | Balance at 31/12/2024 | |
|---------------------------------------|-----------------------|------------|
| | Debtor | Creditor |
| Telecom | - | 431 |
| Grupo Correos Express | - | 535 |
| Correos: | | - |
| Tax fee SEPI | 22,047 | - |
| Deferred Tax fee SEPI 2023 DA 19º LIS | 2,176 | - |
| Tax withholdings and prepayments 2023 | 14 | - |
| Tax withholdings and prepayments 2024 | 6 | - |
| Total (Note 18) | 24,243 | 966 |

| | Balance at 31/12/2023 | |
|---------------------------------------|-----------------------|------------|
| | Debtor | Creditor |
| Telecom | - | 602 |
| Grupo Correos Express | - | 337 |
| Correos: | | |
| Tax fee SEPI | 21,765 | - |
| Tax withholdings and prepayments 2022 | 296 | - |
| Tax withholdings and prepayments 2023 | 14 | - |
| Total (Note 18) | 22,075 | 939 |

The Parent Company has recorded a tax asset of 22,047 thousand euros corresponding to 50% of the tax loss generated in 2024 (an amount of 21,765 thousand euros was recorded for the same concept in 2023) which will be paid annually by SEPI in tenths as from July

2026 (in the case of the asset generated in 2023, it will also be paid in tenths as from July 2025).

The transactions with SEPI Group and Rangel Group companies in the years 2024 and 2023 were the following:

| | Revenue from provision of services | | Operating costs | |
|-----------------------|------------------------------------|-----------------------|-----------------------|-----------------------|
| | Balance at 31/12/2024 | Balance at 31/12/2023 | Balance at 31/12/2024 | Balance at 31/12/2023 |
| SEPI | 4 | 3 | - | - |
| Rangel Group | 2,033 | 2,958 | 1,349 | 1,531 |
| SEPI Group, remainder | 525 | 1,149 | 6 | 657 |
| | 2,562 | 4,110 | 1,355 | 2,188 |

| | Financial income | | Financial costs | |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Balance at 31/12/2024 | Balance at 31/12/2023 | Balance at 31/12/2024 | Balance at 31/12/2023 |
| SEPI | - | - | 27 | 90 |
| K-Parcel Company Limited | - | 9 | - | - |
| | - | 9 | 27 | 90 |

b) Directors and Senior Management of Parent Company

The members of the Board of Directors and Senior Management of the Parent Company have not participated, either directly or indirectly, in the financial years 2024 and 2023 in unusual and/or significant transactions with companies of the Correos Group.

- *Remuneration and other benefits of directors and senior management personnel of the Parent Company during the financial year*

Remuneration accrued for all items during the financial year by the members of the Board of Directors and Senior Management of the Parent Company amounted to 2,009 thousand euros (1,595 thousand euros in 2023), of which 158 thousand euros correspond to allowances received by the members of the Board of Directors

of the Parent Company for attending Board meetings (141 thousand euros in 2023), and the remainder relates to salaries and other remuneration items (including severance payments to several outgoing directors) of Senior Management.

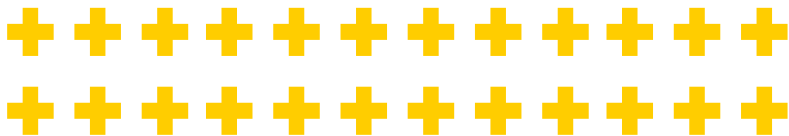
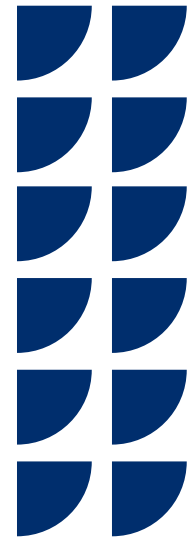
The average number of Senior Management staff has increased in 2024 from 9 to 10, as the commercial management position, vacant during 2023, has been filled. The increase in the average remuneration amount in 2024, without taking into account allowances, is similar to that applied in 2023 for this category.

As of 31 December 2024, no member of the Board of Directors or Senior Management had any balances receivable or payable from the Company, nor did the Company have any pension and/or life insurance obligations to them.

- *Other information concerning the Board of Directors*

In the duty to avoid situations of conflict within the Group Companies, the Directors who have sat on the Board of Directors of Group Companies have fulfilled their obligations under Article 228 of the recast text of the Capital Companies Act. Both the directors and persons related to them have refrained from any conflict of interest provided for under Article 229 of said Law.

At the date of preparation of these annual accounts, the Board of Directors consisted of 11 men and 4 women (10 men and 4 women in 2023).



21. Business combination

In the financial year 2023, the Parent Company carried out a merger by absorption. This merger was carried out for reasons of internal organisation and economies of scale in the unification of processes that will improve liquidity, solvency and obtain competitive advantages by transforming the absorbed company into a Business Unit within the parent company, thus guaranteeing the viability and profitability of Nexea's core business, and was justified within the framework of a restructuring process of the Correos Group aimed at optimising commercial operations.

Merger by absorption NEXEA GESTIÓN DOCUMENTAL S.A

On 3 July 2023, the merger agreement adopted by the Boards of Directors of Nexea (absorbed company), Correos (absorbing company), SEPI and authorised by the Council of Ministers was notarised. This resolution agreed the merger by

absorption by Correos of the company Nexea, transferring all its assets and liabilities to the absorbing company en bloc, acquiring by universal succession the rights and obligations thereof and with accounting effect from 1 January 2023.

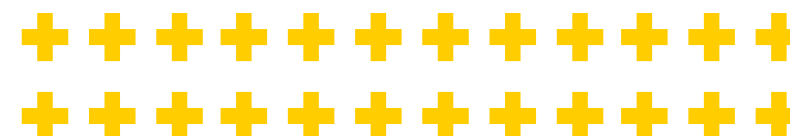
The merger was approved on 23 February 2023 by Nexea's Board of Directors on the basis of the merger plan of the same day. The merger plan was not filed with the Business Registers where the merging companies were registered, nor was it published in the Official Gazette of the Commercial Registry pursuant to Section 42 (1) of the LME.

As this is a merger between related companies, covered by article 31.7 'LME' and the General Accounting Plan, the accounting effects of the merger have been recorded as of 1 January 2023. All assets and liabilities have been integrated into the acquiring company at their book values in the consolidated annual accounts.

Nexea was entirely owned by the sole shareholder Correos.

As a result of the integration, positive merger reserves amounting to 135 thousand euros were generated.

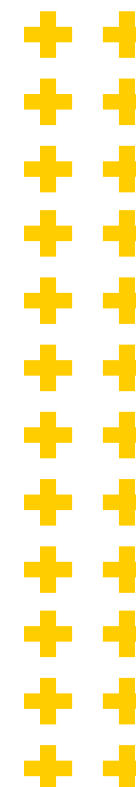
The approved merger balance sheet of Nexea, dated 31 December 2022, is shown below:



| ASSETS | Balance at 31/12/2022 |
|--|-----------------------|
| NON-CURRENT ASSETS | 5,794,220 |
| Intangible assets | 60,863 |
| Computer software | 60,863 |
| Property, plant and equipment | 5,669,155 |
| Land and buildings | 3,753,252 |
| Technical installations and other fixed assets | 1,915,903 |
| Non-current financial investments | 60,000 |
| Other financial investments | 60,000 |
| Deferred tax assets | 4,202 |
| CURRENT ASSETS | 5,319,205 |
| Inventories | 1,268,418 |
| Raw materials and other supplies | 1,268,418 |
| Trade and other receivables | 3,944,896 |
| Clients for sales and provision of services | 2,818,738 |
| Clients, group companies and associates | 92,391 |
| Debtors, group companies and associates | 1,008,559 |
| Sundry creditors | 25,208 |
| Current financial investments | 47,435 |
| Other financial assets | 47,435 |
| Current accruals | 39,845 |
| Cash and cash equivalents | 18,611 |
| Cash and cash equivalents | 18,611 |
| TOTAL ASSETS | 11,113,425 |



| EQUITY AND LIABILITIES | Balance at 31/12/2022 |
|---|------------------------------|
| EQUITY | (11,491,716) |
| Shareholder's equity | (11,633,104) |
| Capital | 973,842 |
| Reserves | 67,583 |
| Prior periods' negative results | (8,738,115) |
| Result for the year | (3,936,414) |
| Grants, donations and bequest received | 141,388 |
| NON-CURRENT LIABILITIES | 18,000,000 |
| Long term debts with group companies and associates | 18,000,000 |
| CURRENT LIABILITIES | 4,605,141 |
| Current provisions | 23,395 |
| Current payables | 239,208 |
| Other financial liabilities | 239,208 |
| Short term debts with group companies and associates | 1,963,192 |
| Trade creditors and other accounts payable | 2,379,346 |
| Suppliers | 940,745 |
| Suppliers, group companies and associates | 170,392 |
| Sundry creditors | 1,010,209 |
| Staff (Unpaid wages) | 56,146 |
| Other debts with public administration | 201,854 |
| TOTAL EQUITY AND LIABILITIES | 11,113,425 |



22. Segmented information

The Group's segment results for the financial years 2024 and 2023 as well as the balance sheet and cash flow statement are as follows:



| | Financial year 2024 | | | |
|--------------------------|--------------------------------|--------------------------|----------------------------------|--------------------|
| | Postal, telegraphic and parcel | Urgent parcel and others | Homogenisations and eliminations | Total |
| Revenue | 1,707,811 | 437,892 | (38,614) | 2,107,089 |
| Supplies | (166,588) | (267,979) | 9,204 | (425,363) |
| UPS compensation | 200,577 | - | - | 200,577 |
| Staff costs | (1,989,938) | (76,989) | 70 | (2,066,857) |
| Other results | (321,462) | (78,886) | (14,259) | (414,607) |
| Result before tax | (569,600) | 14,038 | (43,599) | (599,161) |

| | Financial year 2023 | | | |
|--------------------------|--------------------------------|--------------------------|----------------------------------|--------------------|
| | Postal, telegraphic and parcel | Urgent parcel and others | Homogenisations and eliminations | Total |
| Revenue | 1,721,575 | 423,195 | (31,725) | 2,113,045 |
| Supplies | (169,152) | (267,760) | 9,611 | (427,301) |
| UPS compensation | 247,301 | - | - | 247,301 |
| Staff costs | (1,583,070) | (78,468) | 49 | (1,661,489) |
| Other results | (402,713) | (67,351) | 22,262 | (447,802) |
| Result before tax | (186,059) | 9,616 | 197 | (176,246) |

| | Balance at 31/12/2024 | | | |
|--|-----------------------------------|-----------------------------|-------------------------------------|------------------|
| | Postal, telegraphic and parcel | Urgent parcel and others | Homogenisations and eliminations | Total |
| Fixed assets and investment property | 1,391,825 | 58,188 | - | 1,450,013 |
| Non-current investments in Group companies | 220,213 | - | (215,443) | 4,770 |
| Other non-current assets | 8,677 | 1,213 | (179) | 9,711 |
| Deferred tax assets | 184,554 | 22,922 | - | 207,476 |
| Non-current assets | 1,805,269 | 82,323 | (215,622) | 1,671,970 |
| Trade and other receivables | 497,096 | 90,396 | (10,858) | 576,634 |
| Other current assets | 37,148 | 13,678 | (26,563) | 24,263 |
| Cash | 94,307 | 10,136 | - | 104,443 |
| Current assets | 628,551 | 114,210 | (37,421) | 705,340 |
| Total assets | 2,433,820 | 196,533 | (253,043) | 2,377,310 |

| | Balance at 31/12/2023 | | | |
|--|-----------------------------------|-----------------------------|-------------------------------------|------------------|
| | Postal, telegraphic and parcel | Urgent parcel and others | Homogenisations and eliminations | Total |
| Fixed assets and investment property | 1,391,070 | 59,610 | - | 1,450,680 |
| Non-current investments in Group companies | 186,093 | - | (181,847) | 4,247 |
| Other non-current assets | 6,924 | 1,251 | (179) | 7,996 |
| Deferred tax assets | 53,975 | 35,328 | - | 89,302 |
| Non-current assets | 1,638,062 | 96,189 | (182,025) | 1,552,225 |
| Trade and other receivables | 440,185 | 111,720 | (17,129) | 534,776 |
| Other current assets | 22,426 | 25,657 | (24,917) | 23,166 |
| Cash | 274,537 | 7,423 | - | 281,960 |
| Current assets | 737,148 | 144,800 | (42,046) | 839,902 |
| Total assets | 2,375,209 | 240,988 | (224,071) | 2,392,127 |

| | Balance at 31/12/2024 | | | |
|--|-----------------------------------|-----------------------------|-------------------------------------|------------------|
| | Postal, telegraphic and parcel | Urgent parcel and others | Homogenisations and eliminations | Total |
| Shareholder's equity | 207,881 | 61,886 | (215,443) | 54,324 |
| External partners | - | 1,218 | - | 1,218 |
| Grants, donations and bequest received | 205,965 | 53 | - | 206,018 |
| Equity | 413,846 | 63,157 | (215,443) | 261,560 |
| Non-current provisions | 299,770 | 291 | - | 300,061 |
| Deferred tax liabilities | 68,655 | 18 | - | 68,673 |
| Other non-current liabilities | 724,029 | 15,680 | (179) | 739,530 |
| Non-current liabilities | 1,092,454 | 15,989 | (179) | 1,108,264 |
| Current payables | 269,697 | 263 | (26) | 269,934 |
| Trade creditors and other accounts payable | 482,586 | 96,167 | (10,832) | 567,921 |
| Other current liabilities | 175,237 | 20,957 | (26,563) | 169,631 |
| Current liabilities | 927,520 | 117,387 | (37,421) | 1,007,486 |
| Total equity and liabilities | 2,433,820 | 196,533 | (253,043) | 2,377,310 |

| | Balance at 31/12/2023 | | | |
|--|-----------------------------------|-----------------------------|-------------------------------------|------------------|
| | Postal, telegraphic and parcel | Urgent parcel and others | Homogenisations and eliminations | Total |
| Shareholder's equity | 622,679 | 72,816 | (181,847) | 513,648 |
| External partners | - | 420 | - | 420 |
| Grants, donations and bequest received | 210,264 | 54 | - | 210,318 |
| Equity | 832,943 | 73,289 | (181,847) | 724,386 |
| Non-current provisions | 45,106 | 19,952 | - | 65,059 |
| Deferred tax liabilities | 70,088 | 127 | - | 70,215 |
| Other non-current liabilities | 485,741 | 15,986 | (179) | 501,548 |
| Non-current liabilities | 600,936 | 36,065 | (179) | 636,822 |
| Current payables | 361,319 | 1,963 | - | 363,282 |
| Trade creditors and other accounts payable | 541,752 | 120,423 | (17,129) | 645,046 |
| Other current liabilities | 38,259 | 9,248 | (24,917) | 22,590 |
| Current liabilities | 941,330 | 131,633 | (42,046) | 1,030,919 |
| Total equity and liabilities | 2,375,209 | 240,988 | (224,071) | 2,392,127 |

| | Financial year 2024 | | | |
|---|-----------------------------------|-----------------------------|-------------------------------------|------------------|
| | Postal, telegraphic and parcel | Urgent parcel and others | Homogenisations and eliminations | Total |
| Operating activities | | | | |
| Result for the financial year before tax | (569,600) | 14,038 | (43,599) | (599,161) |
| Adjustments to the result | 445,304 | 8,689 | 48,739 | 502,732 |
| Changes in current capital | (145,371) | (9,631) | 29,528 | (125,474) |
| Other cash flows from operating activities | 7,642 | (21,064) | (12,791) | (26,213) |
| Total cash flows from operating activities | (262,025) | (7,968) | 21,877 | (248,116) |
| Investment activities | | | | |
| Payments for investments | (76,010) | (9,621) | 63 | (85,568) |
| Proceeds from disposals | 3,450 | 18,372 | (18,372) | 3,450 |
| Total cash flows from investment activities | (72,560) | 8,751 | (18,309) | (82,118) |
| Financing activities | | | | |
| Total cash flows from financing activities | 149,765 | 1,932 | (3,570) | 148,127 |
| Effect of exchange rates fluctuations | 4,590 | - | - | 4,590 |
| Net variation in cash or equivalents | (180,230) | 2,715 | (2) | (177,517) |
| Cash and other cash equivalents at the start of the financial year | 274,537 | 7,423 | 0 | 281,960 |
| Cash and other cash equivalents at the end of the financial year | 94,307 | 10,137 | 0 | 104,443 |

| | Financial year 2023 | | | |
|---|-----------------------------------|-----------------------------|-------------------------------------|------------------|
| | Postal, telegraphic and parcel | Urgent parcel and others | Homogenisations and eliminations | Total |
| Operating activities | | | | |
| Result for the financial year before tax | (186,059) | 9,616 | 197 | (176,246) |
| Adjustments to the result | 67,201 | 8,295 | 1,709 | 77,205 |
| Changes in current capital | 46,289 | (1,992) | 13,301 | 57,598 |
| Other cash flows from operating activities | 65,464 | (5,619) | (15,034) | 44,811 |
| Total cash flows from operating activities | (7,105) | 10,300 | 173 | 3,368 |
| Investment activities | | | | |
| Payments for investments | (80,061) | (9,040) | 162 | (88,939) |
| Proceeds from disposals | 9,428 | 2,424 | (1,713) | 10,139 |
| Total cash flows from investment activities | (70,633) | (6,616) | (1,551) | (78,800) |
| Financing activities | | | | |
| Total cash flows from financing activities | 240,929 | (3,476) | 1,358 | 238,811 |
| Effect of exchange rates fluctuations | 7,087 | - | - | 7,087 |
| Net variation in cash or equivalents | 170,278 | 208 | - | 170,486 |
| Cash and other cash equivalents at the start of the financial year | 104,259 | 7,196 | 0 | 111,474 |
| Cash and other cash equivalents at the end of the financial year | 274,537 | 7,423 | 0 | 281,960 |

23. Environmental information

Details of the Parent Company's investments and expenses for environmental protection and improvement for the financial years 2024 and 2023 are the following:

| | Financial year 2024 | Financial year 2023 |
|-----------------------------------|---------------------|---------------------|
| Investments | 4,500 | 1,932 |
| Expenses | | |
| Environmental protection services | 489 | 426 |
| Environmental management costs | 105 | 135 |
| Environmental taxes | 875 | 845 |
| Clean-up costs | 11 | 59 |
| Prevention costs | 1,172 | 895 |
| Total expenses | 2,652 | 2,360 |



During the financial year, environmental subsidies amounting to 105 thousand euros (77 thousand euros in 2023) were recorded as income.

The Directors of the Parent Company deem there to be no significant contingencies relating to the protection and improvement of the environment, not deeming it necessary to make any allocation to the provision for environmental risks and costs as of 31 December 2024.

24. Contingent liabilities

On 4 June 2020, UNIPOST S.A.U. filed a lawsuit before the Commercial Court No. 7 of Barcelona, in which said company brought an action for non-contractual liability against Correos with the aim of ordering the Company to pay UNIPOST a compensation of 301,259,464 euros, as well as interest from the date on which the claim was brought and the costs of the proceedings. On 11 October 2024, the Court dismissed the claim in its entirety and ordered Unipost to pay the costs. Correos has filed a notice of opposition to the appeal lodged by Unipost. As of the date of preparation, the hearing has not taken place. The risk is estimated as possible.

On 17 November 2023, the Parent Company received a claim from the company RECERCA I DESENVOLUPAMENT EMPRESARIAL, S.L. (hereinafter, 'RD Post') for the payment of compensation ranging from 41,401,381 euros (the higher amount) to 4,131,117 euros (the lower amount) due, in its opinion, to the deficient and defective provision of postal services contracted with Correos. At the date of preparation of these annual accounts,

the proceedings are pending a decision by the Court on the objection raised by Correos and, consequently, its ruling on whether or not it has jurisdiction to hear the claim. The risk associated is estimated as possible.

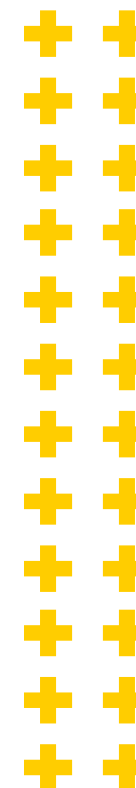
On 27 November 2023, Evelop filed a claim against the Parent Company before the Court of First Instance of Madrid for the amount of 15,842 thousand euros, corresponding to operating invoices and other costs relating to the post-contractual settlement of the Pilot Collaboration Agreement for the Joint Development of a Business Plan for the Air Transport of Goods and Parcels. Although the overall risk has been classified as possible, at the date of preparation of these annual accounts, the Parent Company's cash outflow in the event of a loss in litigation is estimated to be probable, the maximum amount estimated being that for which provision has been made.

The claims of Correos Express against resolutions of the Toledo Provincial Directorate of the General Treasury of Social Security arising from proceedings initiated by the Labour Inspectorate, which resolved to process

the registration with Social Security of drivers belonging to companies supplying CEX and the other proceedings linked to this principal, are currently pending before the courts. (Note 15). At the date of preparation of these annual accounts, the risk is estimated as possible.

25. Events after year-end

Except as indicated in Notes 3.2, 5k), 15 and 17l) in relation to the Parent Company's Voluntary Termination Plan, and as detailed in Note 3.2 regarding new financing, no subsequent events have occurred. However, as indicated in Note 3.2, the Sole Shareholder's contribution to the Parent Company's equity is expected to be received by the end of March 2025.



Consolidated Management Report

Financial Year 2024

1. Business model and evolution

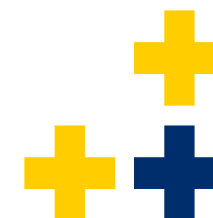
The Correos Group operates in the physical and digital communications sector, as well as in the parcels market. In the latter, it leads the non-urgent transport segment, a benchmark for e-commerce companies.

Correos, the Group's parent company, is the main company in the Spanish postal market and one of the leading companies in the parcels sector, due to the excellence and reliability of its service. It is also the operator designated by law to provide the Universal Postal Service throughout the territory, with criteria of efficiency, quality and affordability, contributing to the sustainability of postal communications for all citizens.

Correos complements its activities with those of its subsidiaries:

- Correos Express, dedicated to express parcel delivery for the B2B (business-to-business) and B2C (business-to-private) segments.
- Correos Telecom, responsible for the management and marketing of Correos' telecommunications infrastructures, as well as providing technological support to the rest of the Group's companies.
- Correos Express Portugal, a subsidiary incorporated into the Group in 2019, following the acquisition of 51% of Rangel Expresso by Correos Express. With this incorporation, the Group embarked upon the international expansion process defined in its strategy, offering an integrated express parcel service for the entire Iberian market.

Correos also holds a stake in the Chinese companies KCG eCommerce Solutions and K Parcel, joint companies with Asian operators Kerry Logistics Network Limited and Global Freight Systems (GFS). These shared companies carry out comprehensive management of export parcels originating in China and Hong Kong as part of international eCommerce flows.



2. Business environment and markets

In 2024, the Eurozone recorded a GDP increase of just 0.7%, while traditional European powerhouses like Germany failed to avoid recession. In contrast, the Spanish economy grew four times more, at 3.2%, thanks to the performance of the labour market, the increase in household disposable income and private consumption, as well as to a positive contribution from foreign trade, with record figures in tourism.

By 2025, the Government's forecast is for GDP to increase by 2.6%. This growth is expected to come almost entirely from domestic demand, with inflation risks persisting, despite the gradual decline in interest rates.

Global economic development in 2025 will be influenced by protectionist policies in the United States and the more than likely reaction of the countries concerned. The imposition of trade tariffs on different countries is expected to reduce international trade flows and economic activity and push up inflation. This could also put new stress on global supply

chains, which many companies are already preparing for by diversifying their suppliers.

Postal and parcel market

The weakness of European economies spread to the postal operators' business. During the first half of 2024, the sector continued to be subject to the same restrictive conditions as in late 2023: high procurement and labour costs and declining consumer purchasing power.

This caused major European operators to experience declines in profits for at least the first half of the year, due to increased operating costs and declines in their postal or financial businesses, which could not be offset by the growth in parcels.

The Spanish parcels market performed more positively, again driven by demand in the B2C segment (as opposed to a decline in B2B) and the growth of e-commerce.

According to the National Commission for Markets and Competition (CNMC), in the first quarter of last year, e-commerce turnover increased by 13.7%, about half of the growth experienced in the same period of 2023, in a trend similar to the rest

of Europe. However, in the second quarter, the increase was 12.8%, almost the same percentage as in 2023, revealing a revival of consumption, which seemed to consolidate in the second part of the year.

Online orders in Spain during the last Christmas campaign may have increased by 22%, surpassing the initial forecasts for the sector. In this regard, both Correos and Correos Express saw record volumes, making their hub and distribution networks available to major online retailers to ensure they could meet the demanding delivery deadlines of the busiest season of the year.

Over the next few years, online sales in France, Germany, Italy, Spain and the United Kingdom are expected to grow by a cumulative 45% until 2029. Similarly, in Portugal, the expansion of e-commerce is expected to continue, which would allow the Group's subsidiary, Correos Express Portugal, to maintain the increase in turnover and volumes recorded in 2024.

Against this forecast of increasing demand, further increases in operating costs in 2025 cannot be ruled out, due to inflation, the introduction of new regulations, international tensions or higher labour costs.



3. The quest for efficiency in the parcel delivery sector

During the last financial year, fierce competition and the need for heavy investment in technology led to new takeovers of smaller operators by companies in the sector in order to strengthen their regional structure or to complement their service portfolio for the entire customer value chain.

A number of companies, especially international ones, made acquisitions in virtually all segments of the logistics business, ranging from fulfilment to healthcare logistics and cold transport, with great potential for growth over the coming years.

As a result of this inorganic growth, some recovery of investment in infrastructure (warehouses, specialised reverse logistics centres and urban micro-hubs) was observed in response to the increased demand for ultra-fast delivery services, efficient returns management and more convenient delivery solutions for recipients.

Following a general trend in all European countries, parcel operators and large marketplaces concentrated on expanding their networks of out-of-home delivery points, with Correos' network (including its post offices and Citypaq smart parcel lockers), one of the most extensive in Spain, with extensive accessibility, physically and in terms of opening hours. In this regard, faced with declining mail volumes and the growth in parcels, some European postal operators decided to adopt a model of shared networks of collection and delivery points. These alliances, which took place in various countries, also reached the Iberian Peninsula.

At the same time, competitive pressure continued to increase due to the entry of new players in the urban delivery sector, such as ride-hailing companies, following the Supreme Court's authorisation for the distribution of small goods.

In order to increase operational efficiency, companies in the sector incorporated greater robotisation, especially for warehousing and fulfilment tasks. Investment in technology also proved decisive in ensuring business security, with

logistics being one of the sectors most affected by cyber-attacks in Spain.

The exploration of new uses of Artificial Intelligence to improve demand forecasting and customer insight remained important throughout the past year. Other technologies that have proven to be very useful in the sector are Big Data and digital twins, which facilitate the automation of processes, the optimisation of resources and sustainability in all phases of the logistics chain, as seen by the European SENATOR project led by Correos.

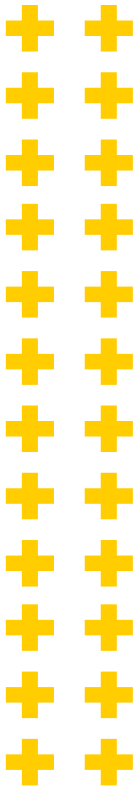
4. Key financial results

The Correos Group closed December 2024 with a result after tax of -459 million euros. As explained in the notes to the annual accounts, the provision for the Voluntary Termination Plan that will be implemented in the financial years 2025-28 in the amount of 428 million euros, has been accounted for in the Parent Company. The Group's result after tax without the aforementioned provision would have amounted to -138 million euros.

The net turnover accumulated as of December 2024 is 2,107 million euros, representing a decrease of 0.3% compared to the 2023 financial year.

The Correos Group closes 2024 with a workforce of more than 50,000 people.





5. Risk management

The activity of the Correos Group is conditioned both by factors that are common to their sectors and by unique impacts that only affect each of them. Among the most important risks are market risk, operating risk, employment risk, environmental risk, reputational risk, legal risk, tax risk and financial risk.

Market risk concerns among other factors, the progressive decline in postal activity due to the growth electronic formats, increased competition and the emergence of disruptive technologies leading to rapid changes in demand.

Operating technological risk pertain to the structural complexity of the Correos Group, the need for the flexible incorporation of new technologies to increase the efficiency of distribution and delivery processes and the challenges to cybersecurity. As an employer of more than 50,000 professionals, the Correos Groups also faces an employment risk, in relation to the need to maintain a presence across the entire country.

There is also a significant environmental risk, due to the impact on the environment of the extensive network of infrastructure and fleet of vehicles and a reputational risk in terms of unpredictable changes in the perception different stakeholders have of the Correos Group.

In addition to these, there are legal risks arising from possible changes in sectoral regulations and the company's own operations.

Finally, the Correos Group is exposed to financial risk, including:

- Credit risk, which arises from the potential loss caused by the failure of counterparties to fulfil their contractual obligations, i.e. the possibility of not recovering financial assets at their carrying amount and within the established time frame.
- Liquidity risk concerns the possibility of the Correos Group not availing of liquid funds, or accessing them in sufficient quantity to meet their payment obligations at any time.

- Market risk relates to possible losses due to changes in fair value or in future cash flows of a financial instrument due to fluctuations in market prices. This includes interest rate risk, exchange rate risk and other price risks.
- The exposure to foreign exchange risk arises mainly from transactions carried out in currencies other than the functional currency. These balances arise from services provided to, and received from, foreign postal operators and from the provision of the international money order service.

Details of these financial risks are explained in note 11.3 of the consolidated annual accounts.



6. Human Resources

Integral people management is one of the essential elements of the strategy of the Correos Group, one of the largest public groups in terms of size and human capital. Its main employment impacts are related to job quality and stability, training and career development, talent attraction and retention, diversity and inclusion, as well as occupational health and safety.

These impacts are managed through a policy, whose lines of action and monitoring indicators are designed in accordance with current labour legislation and in line with the main reference frameworks in the Spanish public sector and in the international postal sector.

As at 31 December 2024, the Group had a total of 51,381 employees (53,459 employees as at 31 December 2023).

The Group's average full-time workforce in 2024 has been 50,279 employees (50,221 employees in 2023).

In terms of the composition of the workforce by gender, men represent 47.27% and women 52.73%.

Information relating to the workforce is included in Note 19 a) of the Notes to the Consolidated Annual Accounts.

7. Protection of the environment

Information relating to environmental activities is included in Note 23) of the Notes to the Consolidated Annual Accounts.

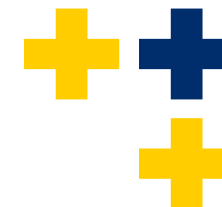
8. Events after year-end

Except as indicated in Notes 3.2, 5k), 15 and 17l) in relation to the Parent Company's Voluntary Termination Plan, and as detailed in Note 3.2 regarding new financing, no subsequent events have occurred. However, as indicated in Note 3.2, the Sole Shareholder's contribution to the Parent Company's equity is expected to be received by the end of March 2025.



9. Others

In accordance with the provisions of Law 18/2012, the Parent Company's information on the average period for payment to suppliers in commercial transactions as of 31 December 2024 and 2023, as it is the most representative of the Group, as follows:



| | Financial year 2024 | Financial year 2023 |
|--|---------------------|---------------------|
| | Days | Days |
| Average settlement period for suppliers | 52 | 53 |
| Ratio of paid transactions | 55 | 56 |
| Ratio of outstanding transactions | 33 | 30 |
| | Thousands of euros | Thousands of euros |
| Total payments made in a period shorter than that established in the regulations | 224,644 | 223,875 |
| Total payments made in a period longer than that established in the regulations | 211,607 | 195,417 |
| Total outstanding payments | 62,062 | 59,092 |



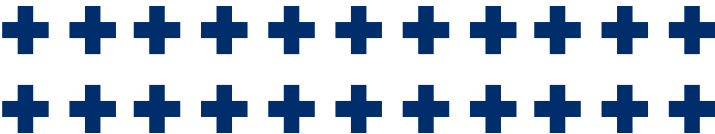
| | 2024 | | 2023 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Number of invoices | Thousands of euros | Number of invoices | Thousands of euros |
| Total payments made | 64,366 | 436,251 | 65,513 | 419,292 |
| Invoices paid in a period lesser than the maximum established in the payment defaults regulations | 48,908 | 224,644 | 49,690 | 223,875 |
| % of total invoices paid | 76% | 51% | 76% | 53% |

The Correos Group does not hold any treasury shares, nor has it carried out any transactions with financial products during the financial year.

Throughout 2024, the Parent Company has made investments in R&D&I amounting to 22,772 thousand euros (20,371 thousand euros in 2023).

10. Statement of non-financial information

The 'Statement of non-Financial information 2024 of the Correos Group' forms part of this consolidated directors' report, which is presented in a separate document, and which is formulated with this consolidated management report.



Governing Board statement

GOVERNING BOARD SOCIEDAD ESTATAL CORREOS Y TELÉGRAFOS, S.A., S.M.E. AND SUBSIDIARIES

PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS AND MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 OF SOCIEDAD ESTATAL CORREOS Y TELÉGRAFOS, S.A., S.M.E. AND SUBSIDIARIES

The previous **CONSOLIDATED** Annual Accounts of Sociedad Estatal Correos y Telégrafos, S.A., S.M.E, comprising the Consolidated Balance Sheet (on two pages of ordinary paper), the Consolidated Profit and Loss Account (on one page of ordinary paper), the Consolidated Cash Flows Statement (on two pages of ordinary paper), the Consolidated Statement of

Recognised Income and Expenses (on one page of ordinary paper), the Consolidated Statement of Changes in Equity (on one page of ordinary paper) and the accompanying consolidated report on the common sheets of paper numbered consecutively from page 1 to 113 (both inclusive) for the year ended **31 December 2024**, as well as the management report for the same year contained on the pages numbered consecutively from page 1 to 8 (both inclusive), were submitted for approval by the Board of Directors of the Parent Company on **25 March 2025**. In accordance with the provisions in force, the directors proceed to sign and approve all the aforementioned documents.

In Madrid on 25 de March de 2025

| PRESIDENTE | |
|------------------------------------|---------------------------------|
| D. Pedro Saura García | |
| VOCAL | |
| D. Pedro Enrique Blanco Chinarro | D.ª Dolores Alonso Galdo |
| D.ª Marta Fano González | D.ª Arda Joaquín Acosta |
| D.ª Lucía Valdés Lorenzo | D. Juan Pablo Martín de Andrés |
| D. Luis Álvarez Osorio Álvarez | D. Jaime Pérez de la Cruz |
| D. José María Pérez Rosado | D. Alberto Requena Navarro |
| D. Luis Gonzaga Serrano de Toledo | D. Tomás Suárez-Inclán González |
| D. Manuel Esteban Pacheco Manchado | D. Dámaso Riaño López |

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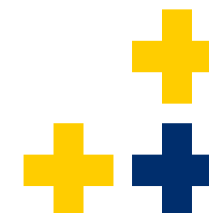
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This Integrated Annual Report of the Correos Group 2023 has been made in digital format. This report is publicly accessible in Correos web. All reports are also available in English. In the event of any disparity between the versions, the information contained in the Spanish version shall take precedence.

We want to know your opinion about this report. If you want to make comments and suggestions, you can refer them to rsc@correos.com or send them to: ➤

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