

FINECO

FINECOBANK

Italian Sustainability Week 2022
Borsa Italiana

Milan, 7th September 2022

Agenda

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- 3 SUSTAINABILITY PRINCIPLES AND COMMITMENTS
- 4 SUSTAINABILITY GOVERNANCE STRUCTURE
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- 6 ESG RISK FRAMEWORK
- 7 SUSTAINABILITY STRATEGY AND INTEGRATION INTO GROUP ACTIVITIES

Diversified business model for a sustainable growth

Fully integrated offer of Banking, Brokerage and Investing via multi-channel approach

Corporate purpose:

to support clients in the responsible management of their savings in order to create the conditions for a more prosperous and fairer society



Physical distribution network

2,887 PFAs
423 Fineco Center

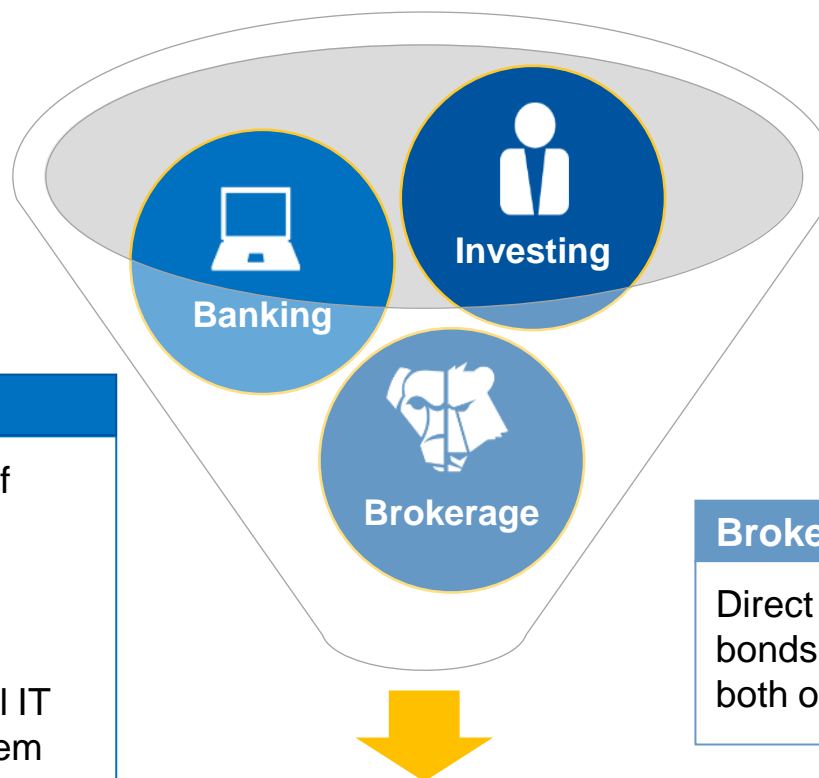


Online e Mobile banking

100% of operations can be performed online or from apps

High quality Lending

- Lending offered only to existing base of retail clients (no corporate)
- Strong focus in building a low-risk and high-quality portfolio
- Safe lending portfolio thanks to internal IT culture, powerful data-warehouse system and Big Data analytics



Guided open architecture platform

- More than **5,850** mutual funds by more than **70** Asset Managers worldwide
- **4,944** funds have an ESG rating provided by Morningstar

Brokerage platform

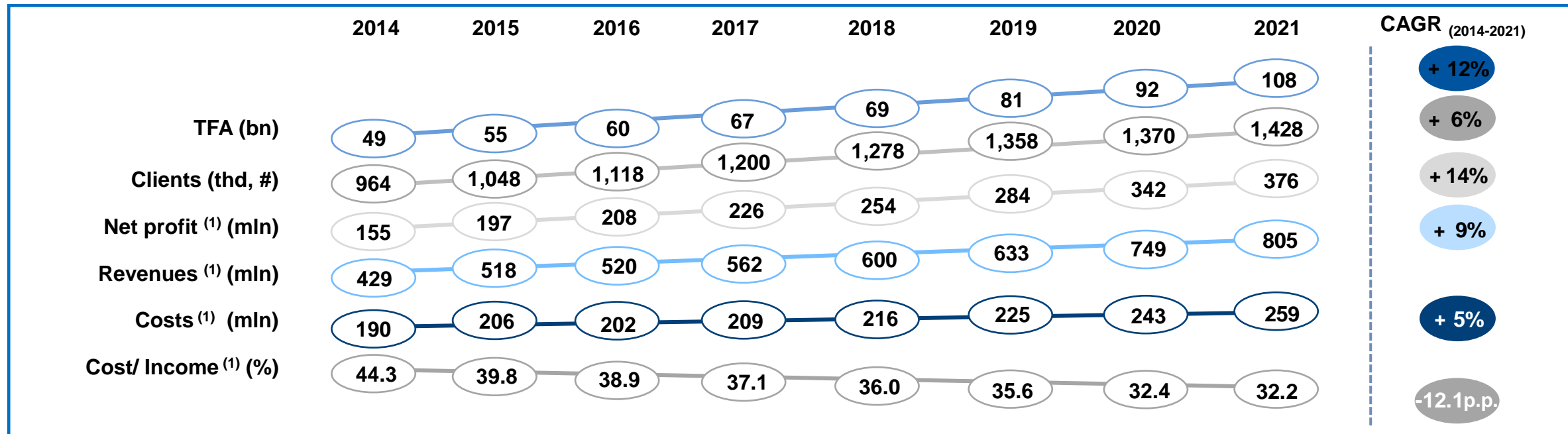
Direct access to **26** global markets, bonds, ETFs, futures and **21** currencies both online and mobile

FINECO

**ONE-STOP
solution**

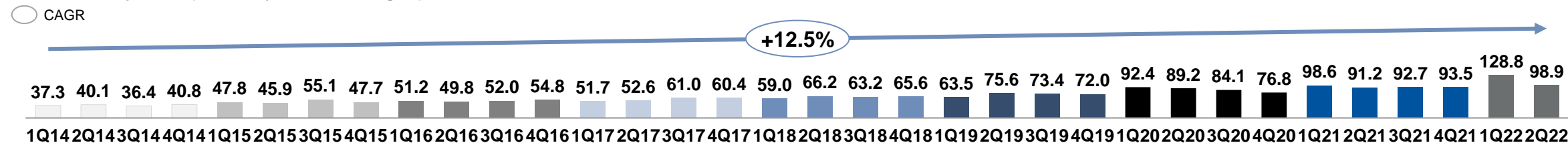
Healthy and sustainable growth with a long-term horizon

Highly scalable operating platform...



...with a diversified revenues mix leading to consistent results in every market conditions

Net Profit adjusted (net of systemic charges) ⁽¹⁾, mln



(1) Figures adjusted by non recurring items and Net Profit adjusted net of systemic charges (FY15: -3.1mln net, FY16: -7.1mln net, FY17: -7.1mln net, FY18: -9.6mln net, FY19: -12.1 mln net, 1Q20: -0.3mln gross, -0.2mln net, 2Q20: -0.7mln gross, -0.4mln net; 3Q20: -28.0mln gross, -18.7mln net; 4Q20: +2.1mln gross, +1.4mln net; 1Q21: -5.8mln gross, -3.9mln net; 2Q21: -1.9mln gross, -1.3 mln net; 3Q21: -30.0mln gross, -20.1mln net; 4Q21: -2.3mln gross, -1.6mln net; 1Q22: -7.7mln gross, -5.2mln net)

A new market structure enlarging our growth opportunities

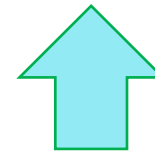
A structurally higher profitability and capital light business model, leading to higher DPS and to invest in our growth

The current environment has significantly changed

Acceleration of structural trends reshaping our society

- ✓ Increasing demand for advice
- ✓ Increasing digitalization
- ✓ Consolidation in traditional banking system

New interest rates environment⁽¹⁾



+62 bps on 2022 AVG Euribor 3M vs beginning of the year
+108 bps on 2022 AVG EURIRS 10Y vs beginning of the year

Fineco as a fully-fledged Platform benefitting from the new market structure

Net Financial Income:

Expected strong increase vs recent past

Thanks to the strong gearing to the interest rates of our **quality and capital light NII: driven by our clients' valuable transactional liquidity** and not by lending as for other banks

Investing:

Strong results in a challenging environment thanks to resilient inflows and FAM

Inflows driven by structural trends, top-quality product offer and fair pricing. Growing contribution by FAM, which is taking a higher control of the value chain

Brokerage:

Higher floor thanks to our quality target market and business model

Target market focused on wealthy and financially aware clients and our one-stop-solution business model

Our Pillars as key drivers for Sustainability

We are a looking-forward organization playing for the long-run and able to generate a **positive impact for all our Stakeholders** and the society as a whole.

The keys of our Strategy leads path of sustainable growth committed to **maximize Stakeholders' value**



EFFICIENCY

- ✓ **Proprietary back-end:** in-house development and automated processes allow an efficient cost structure and fast time to market
- ✓ **Strong focus on IT & Operations** and more flexibility
- ✓ **Strong operating leverage** thanks to best-in-class operating platform and internal IT culture



INNOVATION

- ✓ **Digitization** as a main market trend and a key driver for Sustainability
- ✓ Anticipate customers need by **simplifying** their life
- ✓ Lending: strong competitive advantage leveraging on **Big Data analytics**



TRANSPARENCY

- ✓ **Fairness** and respect for all our stakeholders
- ✓ **High quality** products and services for our clients
- ✓ **Fair pricing**⁽¹⁾ and no performance fees
- ✓ **Cost of funding** close to zero
- ✓ **High quality lending portfolio**, offered only to existing base of clients and low cost of risk

Total alignment with Clients' interest in the way we grow the business



CUSTOMER SATISFACTION at 96%⁽¹⁾



NO short-term aggressive COMMERCIAL OFFERS and ZERO REMUNERATION on current accounts



Total ABSENCE OF PERFORMANCE FEES



BENEFITS from FAM SHARED WITH CLIENTS: better quality and timely products with lower TER

Low UPFRONT FEES representing only

2%
of Investing fees⁽²⁾



FOCUS ON ORGANIC GROWTH
Low incidence of net sales from recruiting
(~11%)⁽²⁾



2021-22: New Features and Updates

GROUP POLICIES, STRATEGY & GOVERNANCE

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Highlights⁽¹⁾ (1/2)

Our People



1,305 Employees (+43 vs 2020)

2,790 Personal Financial Advisors (+184 vs 2020)



41.7% women employees (42.2% in 2020)

58.3% men employees (57.8% in 2019)



17.4% women PFA (17.1% in 2020)

82.6% men PFA (82.9% in 2020)



99% employed on permanent contracts



82% Engagement Index⁽²⁾

82.9 points of internal reputation⁽²⁾



31 h average training per employee

77 h average training per Personal Financial Advisor

Our Customers



1,400,353 Customers

around **320,000** contacts per month



2,742 complaints received (3,473 in 2020)

Approximately **91% processed** in the year



Financial Education: 57,500 participants in **1,673 events** (of which 1,278 held online); participation in **Financial Education Month⁽³⁾**

(1) Source: 2021 Consolidated Non-Financial Statement

(2) 2020 Survey

(3) The initiative, held annually in October, is organized by the Committee for Planning and Coordination of Financial Education Activities (Edufin Committee) with the aim of disseminating throughout Italy financial, insurance and pension culture through events, conferences, seminars and public meetings

Highlights⁽¹⁾ (2/2)

ESG Offer



83% funds have Morningstar ESG Rating of which 74% have a rating «High», «Above Average» and «Average»



€ 497 mn AUM Core Pension ESG lines (+65% vs 2020)



€ 273 mn AUM Linee Private Value ESG (+40% vs 2020)



21% of the capital disbursed for loans falls under the category **Green Mortgage** for the purchase of **A or B energy class buildings**



€ 891.5 mn in portfolio of **ESG bonds**

	FINECO	FINECO ASSET MANAGEMENT
Funds ex Art. 6 SFDR ⁽²⁾	51% (€ 20.8 bn)	71% (€ 17.6 bn)
Funds ex Art. 8 SFDR ⁽³⁾	45% (€ 14.2 bn)	28% (€ 6.9 bn)
Funds ex Art. 9 SFDR ⁽⁴⁾	4% (€ 1.0 bn)	1% (€ 0.2 bn)

Reducing environmental impacts



53.8 TJ total energy consumption



214,560 kWh energy saved through efficiency measures



99.6% electricity purchased from renewable sources⁽⁵⁾



2,807 tCO₂e total **GHG emissions** - scope 1, 2 (market-based) and 3



54 tons of paper saved through dematerialisation initiatives

(1) Source: 2021 Consolidated Non-Financial Statement

(2) Funds not classified as SFDR Article 8 or Article 9 funds








(3) Funds that, in addition to other characteristics, promote environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made comply with good governance practices

(4) Funds that have sustainable investments as their objective

(5) The figure refers to electricity consumption related to the properties where the utilities are registered to Fineco

Sustainability performance recognised by external parties

ESG RATINGS

	Eval. scale	2020	Today	
	(0-100)	54	65	11pt improvement on previous year
	(100-0)	18.7	13.2	Among the best international banks with low ESG risk
	(0-100)	35	54	Robust performance
	(0-100)	85	85	In the Top 3% among banking services companies
	(CCC-AAA)	A	A	In line with average for the diversified financials sector
		-	Aligned: 1.5°C	Aligned with the Paris Agreement target ($\leq 1.5^\circ\text{C}$)
	(CCC-AAA)	EE+	EE+	Highest rating awarded to credit institutions

(1) Moody's ESG Solutions is the source of this ESG score

(2) The "MSCI Implied Temperature Rise" rating has been made available by the rating agency since the year 2021

ESG INDICES

Fineco included in:



FTSE4Good



Nasdaq CRD Global Sustainability Index

S&P Global

S&P Global 1200 ESG index

RECENT ESG AWARDS



Top Job 2021-2022
Top Employer Italy 2022



MF Investment Manager & Advisor Awards 2022
assigned for the Standard Ethics rating



Sustainability Leader 2022



Best Practice Leader in the **Gender Diversity Index Report 2021**



Best Company in IR & **Best company** in **ESG (Mid Cap)**

Sustainability Yearbook Member 2022

S&P Global

S&P's Sustainability Yearbook Member

Sustainability Principles and Commitments

The orientation toward a sustainable growth is a founding element of our long-term value creation strategy.

In line with the principles and standards of conduct enshrined in the Group's **Code of Ethics, Charter of Integrity** and **Code of Conduct**, Sustainability commitments has been formalized through the adoption of a number of **policies and commitments in specific areas**:



Environment



Human
Rights



Gender
Equality



Compensation



Combating
Harassment, Sexually
Inappropriate
Behaviour and Bullying



Privacy



Anti-Corruption



Anti-Money
Laundering and
Combating the
Financing of
Terrorism



Whistleblowing



Conflicts of Interest



In 2022, the adoption of a Global **Sustainability Policy** has defined the **reference framework for all these commitments**, as well as for setting the governance structure and compliance oversight with respect to ESG issues, for regulating the process of identifying and managing ESG risks, and for identifying the main areas of integration of Sustainability factors into the Group's business and activities

National and international commitments subscribed



UN Global Compact is a voluntary initiative of the United Nations that promotes corporate social responsibility through respect for and adherence to **Ten Principles** concerning **human and labour rights, environmental protection and anti-corruption**



The United Nations Principles for Responsible Banking are the set of measures developed by the innovative collaboration between the world's banks and the UN Environment Finance Initiative (UNEP FI) to design a **sustainable future for the banking sector**



The membership to the United Nations Principles for Responsible Investment (PRI) initiative reinforces the commitment to the development of a sustainable financial system through **the integration of social, environmental and good governance criteria into investment practices**



Valore D is the organisation with a network of over 320 companies in Italy committed to **ensuring an inclusive culture within organisations**. Thanks to this partnership, Fineco participates in specific training courses aimed at promoting female talent within the company

FinecoBank:
Signatory since September 2020

FinecoBank:
Signatory since December 2020

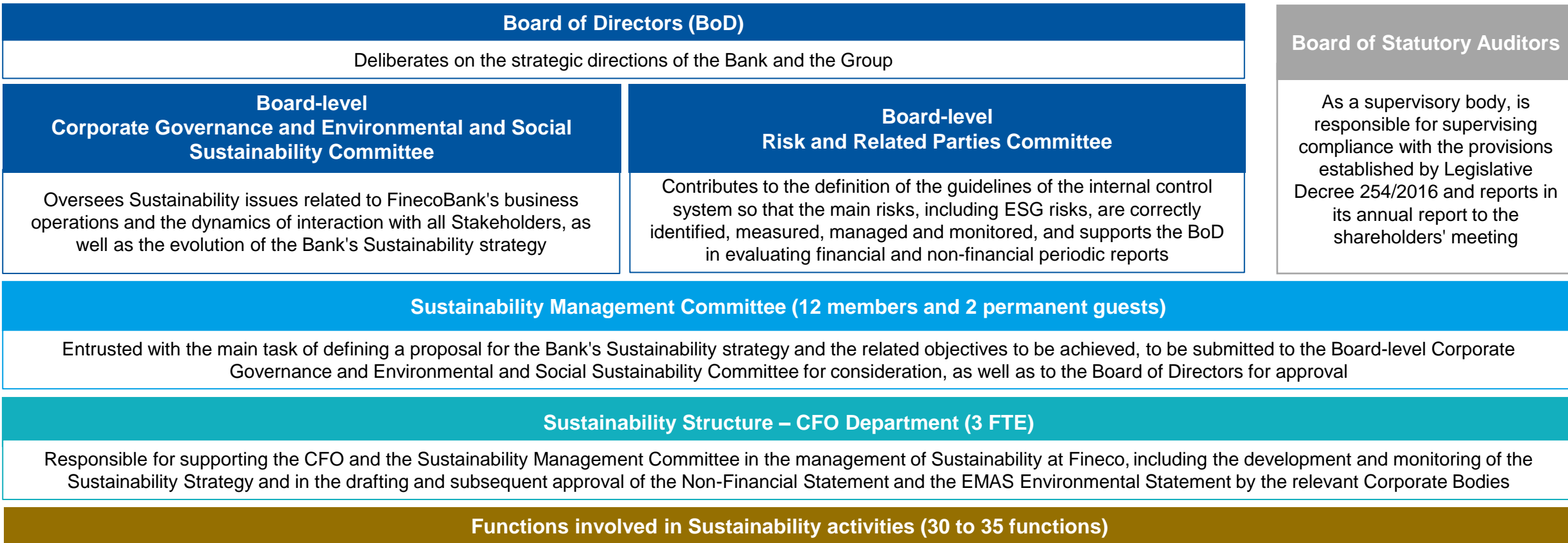
Fineco Asset Management:
Signatory since October 2020

FinecoBank:
Signatory since 2019

NEW
Fineco Asset Management:
Signatory since March 2022

Sustainability Governance Structure

Since 2018, Fineco has integrated ESG principles into its governance, assigning specific responsibilities to governing bodies and operational functions






NEW


Each Subsidiary:

Identifies an internal organizational structure with the role of main Coordinator of the implementation and ongoing supervision of the Sustainability-related activities and initiatives planned and carried out according to the responsibility of each Subsidiary

Oversight in the ESG Area

A dedicated ESG regulatory oversight organizational model is established in FinecoBank, structured into thematic macro-areas:

Macro-area	Corporate structure in charge of regulatory oversight
 Non-Financial Disclosure	Sustainability Structure
Requirements of corporate officers, related parties and connected persons, operation of the Assembly	Corporate Law & Board Secretary's Office
Health and Safety	Real Estate Unit ⁽¹⁾
Labour Law	Chief People Officer Department
Tax	Tax Affairs and Advisory Unit
 Environmental Protection	Chief People Officer Department ⁽²⁾ ; Real Estate Unit ⁽³⁾ ; Chief Financial Officer ⁽⁴⁾
 Other Sustainability obligations	Chief Risk Officer department ⁽⁵⁾ ; Compliance Department ⁽⁶⁾

 Proportionate to size and in consideration of the type of business, **Subsidiaries adopt the necessary oversight to ensure ESG compliance** at the local level and, therefore, at Group level

(1) With reference to both employees' health and safety of employees and the safety of construction sites commissioned by the Bank

(2) With reference to legislation related to mobility management

(3) With reference to regulations on responsible consumption, waste disposal and pollution reduction at properties used by the Bank and Financial Advisors

(4) As Management Representative under EMAS Regulation; Sustainability Structure, reporting to the CFO, with reference to regulations related to the Environmental Management System

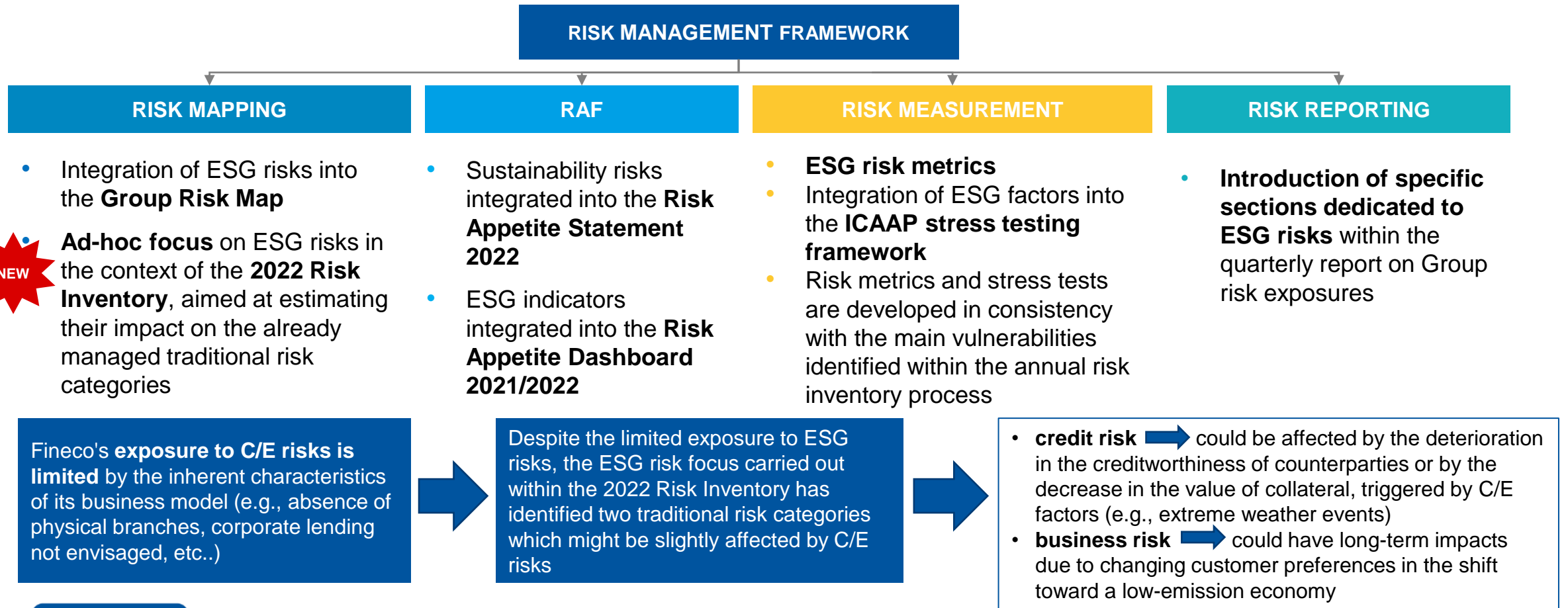
(5) With reference to the regulations related to ESG risk management

(6) With reference to regulations on investment services, banking and credit products, anti-corruption, anti-money laundering and combating the financing of terrorism, Conflicts of Interest, Gender Equality, Combating Harassment, Sexually Inappropriate Behaviour and Bullying, Privacy, Compensation Policies, Whistleblowing

ESG Risk Framework

Since 2020, the Group have been **integrating ESG risks** into its **Risk Management Framework**

Consistently with Regulators' guidance, priorities have primarily focused on the Pillar II framework, with particular reference to **climate and environmental (C/E) risks**



Cyber security

- Security strategy follows a multi-tiered approach based on deep customer knowledge, behavioral analysis and risk assessment; **vulnerability analysis** and management capabilities well defined; strong monitoring of ICT Risk at 1 and 2 levels
- Formal and comprehensive **Security Incident Response Plan**. A detailed plan with a number of different levels (governance, organization, operation and reporting) tested at least annually
- **Specific indicators** related to **losses for system failure** and **ICT incidents** are monitored in the **RAF** and in the **second-level control framework**
- Core system and security services **internally managed: ICT & Security Office Department** (CIO – 17% of total HC⁽¹⁾) with a dedicated **Anti-Fraud Team**
- In **2021**:



Over 12% of FinecoBank's technology budget invested in **security solutions**



>99.9% Uptime on main services⁽²⁾



Fraud rate level: official figures in bps⁽³⁾ close to zero, both for debit/credit cards management (0,013 bps) and online money/wired transfers (0,002 bps)
➔ better performance than industry benchmark, both for banking and cards businesses



No significant losses registered for system failure

Sustainability Strategy: improving our accountability

In order to ensure an increasing integration of environmental, social and governance aspects within our Strategy, in January 2020 the Board of Directors approved a first set of **sustainability goals to be pursued in the years 2020-2023**, regarding **6 areas**.

NEW In 2022, the **Materiality Analysis is being updated** through an **extensive Stakeholder Survey**, which will lead to the new prioritization of material issues and to the release of the updated Sustainability Strategy of the Group



Responsible Finance



Human Resources



**Financial Education and
Community Support**



Supply Chain



Relations with Shareholders



Environment

For each area, Fineco aligns the specific objectives with the most relevant 17 [UN Sustainable Development Goals](#) on the basis of the common elements between the total 169 global targets and the Group's goals:



Sustainability Strategy: our goals



RESPONSIBLE FINANCE

- **Increased supply of products with social and environmental value** within the mortgages and loans sector
- Introduction of **ESG criteria in product evaluation**. ESG evaluation extended to **100% of new FinecoBank Group funds⁽¹⁾**
- **Promotion and design of new funds** based on ESG criteria
- Increased **coverage of green and social bonds** in FinecoBank's portfolio



HUMAN RESOURCES

- Monitoring and ongoing attention to the **Gender Pay Gap** issue; focus on issues such as the **promotion of women in managerial roles**, equal **gender representation** and the **monitoring** of how the **return from maternity leave** is managed
- Implementation of an **employee training and awareness plan on Diversity & Inclusion** and sustainability
- **Performance management programme**, aimed at all employees
- Implementation of **initiatives related to flexible work** (greater use), creation of **employee areas** (such as break areas), **preventive health and healthcare**
- Initiatives for **consultations and turnover monitoring**



FINANCIAL EDUCATION AND COMMUNITY SUPPORT PROJECTS

- Promotion of specific **training and awareness-raising courses** on topics such as savings' management, which in the future will particularly involve targeted groups such as young people
- Provision of **specific training on ESG issues for Financial Advisors** in order to meet the demands of clients more attentive to these issues and, at the same time, to promote sustainability among less interested clients
- Allocation of annual investments in **projects that benefit the community**, according to different local needs and allocation of natural disaster funds (to postpone mortgage and loans payments, and suspend debt collection actions for insolvent customers)



SUPPLY CHAIN

- **Suppliers assessment** on the basis of ESG criteria, through an initial self-assessment questionnaire



SHAREHOLDERS

- Strengthening **dialogue with socially responsible investors** and **sustainability rating agencies**
- **Participation in external initiatives** that support the company's commitment to ESG themes



ENVIRONMENT

- Implementation of the **Environmental Declaration**
- **Energy consumption/emissions**: monitoring of internal company consumption with the aim of reducing consumption and emissions
- **Company fleet**: modernisation of the car fleet with hybrid / electric cars (with the possibility of recharging in the parking lot of company offices)
- **Sustainable Mobility**: refund of employees' annual bike-sharing subscriptions, upon request (both in Milan and Reggio Emilia)
- **Material/waste management**: reduction of plastic consumption by creating digital credit cards; replacement of plastic bottles by installing water dispensers and providing all employees with water bottles; purchase of recycled or certified paper and provision of separate collection facilities to all offices



Responsible Products and Investments

LENDING

GOAL



increased supply of products with social and environmental value within the mortgages and loans sector

- **FinecoBank's lending policy** focuses on granting credit facilities to Retail customers (**no corporate lending**) and provides that the assessment of real estate collateral shall also consider climate and environmental risks
- **Strategic investments** are mainly focused on Government bonds issued by countries not significantly exposed to climate and environmental risks
- **Green mortgage offer:** enables the financing of the purchase of class A or B energy properties through a mortgage loan, at favorable conditions compared to the standard price list
- **Transfer of tax credits:** the offering to customers relates to the transfer of tax credits under the 110% Superbonus initiative for the energy upgrade and reduction of seismic risk of buildings
- Initiatives aimed at **promoting access to banking and financial services for young people**

INVESTING

GOAL



introduction of **ESG criteria in product evaluation**; promotion and design of new investment solutions integrating ESG criteria; **increased coverage of green and social bonds** in FinecoBank's portfolio

- Advisory services focused on offering solutions that take ESG criteria into account during the creation of model portfolios, through specific quantitative and qualitative analyses and with the support of **ESG ratings of the main providers** that are widely recognised by the market
- **Global Policy on New Product Process integrated with sustainability risks:** the assessment of the risks associated with new products and substantial changes to existing products is integrated with the assessment of sustainability risks, establishing the requirement for any environmental, social and/or governance objectives to be included among the features of the products contained in the product identification form
- **Regularly mapping the SFDR classification** of the funds in its platform allows Fineco to guarantee an ESG offering in line with market's preferences

Fineco Asset Management, adding value to our Sustainability Strategy



Fineco AM's sustainability approach is fully aligned to our long-term Sustainability Strategy



FAIR PRICING to our customers, **NO PERFORMANCE FEES** as a strategic choice



MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT approved by the Board of Directors and published in **June 2022**



FIRST RESPONSIBLE INVESTMENT POLICY approved by the Board of Directors and published in **March 2021**



INVESTMENT EXCLUSION POLICY approved by the Board of Directors and published in **July 2022**



Publication of the **LIST OF ESG PRODUCTS** falling under Article 8 & 9 of the Sustainable Finance Disclosure Regulation - Reg. (EU) n. 2088/2019



Involved in **COLLECTIVE ENGAGEMENT** through the **UN PRI Advance**: a stewardship initiative for human rights and social issues



Human Resources

People constitute one of the main **Key Success Factors**: the goal that Fineco aims to achieve every day is to become “**The Place To Be**” for its staff, a workplace in which everyone can fully express their potential and aspirations, contributing to the success and sustainability of the business.

With this aim, **Human Resources Department** is committed to:



- Invest in people **development and growth**, by creating an **inclusive and sustainable working environment**, in which equal opportunities among employees are ensured, free of any form of discrimination



- Maintain a high level of **motivation and engagement** which is measured through a specific survey to determine both the employee Engagement Index and the level of Fineco’s reputation among the employees (Engagement & Reputation Survey). People Care, Working Environment, Work-Life Balance, Best Place To Work are the areas Fineco is focusing on as a result of employee feedback



- Design **appropriate training plans and programmes** to develop and strengthen personal, professional and managerial skills as well as the appropriate competencies to allow us to maintain our competitive advantage



- Provide for a **total compensation approach** with the aim to attract, motivate and retain strategic resources. The remuneration strategy is based on a balance of fixed and variable, monetary and non-monetary components. Moreover, we support the well-being of employees and their families, by offering a comprehensive package of **welfare, healthcare and life balance** benefits



Focus - Diversity and inclusion

Diversity of gender, thinking, experience and skills represents a value that enhances Fineco's professionalism, as well as a source of strength in an ever-changing competitive environment.

Our approach to diversity and inclusion focuses on:



Fineco is committed to ensuring equal opportunities in terms of:

- **professional development** (training and growth opportunities)
- **recruitment and selection** process in line with the Global Policy on Gender Equality
- **remuneration** (with particular regard to **gender pay gap**)
- **work-life balance** (ad hoc insurance plans, additional permits). Ahead of the local market, Fineco has reached an agreement with the trade unions on **smart working**

Fineco is committed to a workplace in which everyone, regardless of age, can fully express their potential and aspirations.

- **Customer Care** is as a "talent incubator" for young people
- Fineco establishes a channel with '**digital natives**' through social media and digital job fairs
- Fineco invests in **training** for all levels of the organization
- **Fineco@Work** supports internal job rotation

The Group is committed to supporting people with disabilities through:

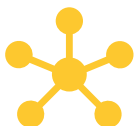
- participation in **Digital Diversity day and Inclusion Day**
- partnership with **Jobmetoo**, an online company for recruiting candidates with disabilities
- enhanced **insurance plans**
- **Contribution** for relatives with disabilities

The Group does not tolerate any form of **discrimination**. Among the initiatives:

- Ad hoc training on "**cultural diversity**"
- a **digital platform** for language training
- **Managerial and Behavioral training**, for promoting fair and inclusive environment
- **Global Mobility** opportunities



Our PFA Network



The FinecoBank Network’s strategy is based on the fundamental pillars of **growth, transparency and quality of customer relations, innovation and efficiency**



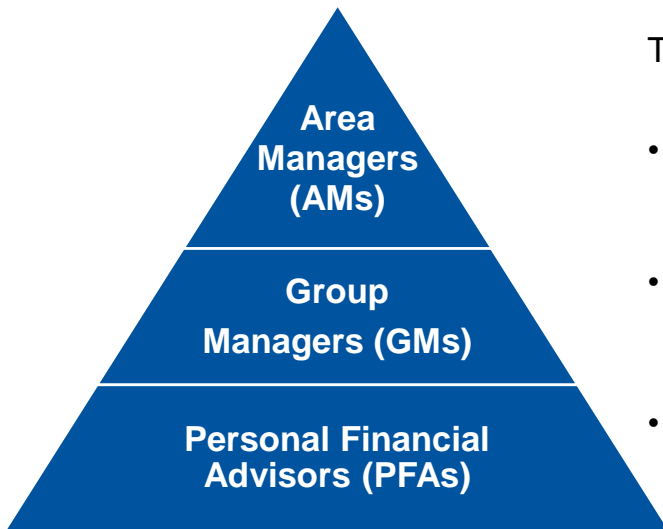
The selection process focuses on **qualified professionals** with proven experience



Another pillar is the Bank’s **investment in junior talent**, to promote generational change in the network and update the working methods and professional culture. New PFAs are provided thorough a strong **induction process**



The implementation of the Network strategy is always based on **listening to the needs, suggestions and ideas originating from the advisors**, who have direct contact on the community and are more aware of customer expectations



The Network, the third largest in Italy in terms of total financial asset⁽¹⁾, is organised on **three levels**:

- **AMs are the most senior role** in the Network and are mainly dedicated to **promoting business development** and **coordinating staff** in the geographical areas assigned to them
- **GMs are the intermediate role** in the Network, who, in addition to **managing customers**, have the managerial task of **coordinating the PFAs within local areas**
- **PFA's represent the base of the pyramid** and are the people almost exclusively responsible for the customer management



Financial Education and Community Support

FINANCIAL EDUCATION

GOAL



Promotion of specific **training and awareness-raising courses** on topics such as savings' management;
Provision of specific **training on ESG issues** for Financial Advisors

- Financial education activities aim to **increase awareness and knowledge** of the way in which the financial markets function, and of the best and most appropriate use of financial instruments in order to better manage resources
- Training and financial education initiatives **target both customers and prospects** and cover a **variety of topics**, such as:
 - ✓ behavioural finance
 - ✓ financial planning
 - ✓ supplementary pensions
 - ✓ asset management
 - ✓ accumulation plans
 - ✓ asset planning

COMMUNITY SUPPORT

GOAL



Allocation of annual investments in **projects that benefit the community**, according to different local needs (e.g.: schools, universities, hospitals, health and cultural associations);
Allocation of natural disaster funds (to postpone mortgage and loans payments, and suspend debt collection actions for insolvent customers in the event of disasters or natural disasters)

- Since its foundation, FinecoBank has been committed to **supporting effective charitable projects** in various areas of intervention (e.g., social and health care, training, education, culture and art, scientific research and environmental protection)
- To be approved, **projects must be promoted by non-profit organisations** (NGOs, Foundations, Associations, Religious bodies, Universities, Public Institutions) whose activities cover a wide area across Italy
- The process of identifying associations and approving donations involves a **careful selection and a compliance assessment**, by requesting and analysing specific documentation concerning the association and the initiative for which the contribution is being requested. A questionnaire is also submitted to organisations in order to avoid taking on initiatives that would benefit entities involved in acts of corruption

Supply Chain



Suppliers who invoice FinecoBank for a total annual amount of €25,000 or more (including VAT)⁽¹⁾ are required to submit an **ESG Questionnaire**. The process enables the **monitoring of any risks related to the procurement process**, mainly related to the possible selection of suppliers involved in illegal operations or who have been involved in disputes regarding social responsibility



As of January 1, 2022, FinecoBank has signed an Agreement with nationwide supplier of electricity and natural gas, according to which:



the electricity supplied comes from **100% renewable sources**

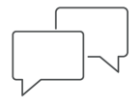


methane gas is **100% CO₂ free**, thanks to the purchase of an amount of **certified carbon credits** that allows for full offsetting of the carbon dioxide generated

All PFAs who own an electric utility in the Fineco Center can join the Agreement for the supply of 100% renewable electricity at the **same contractual and economic conditions** applied to Fineco



As for the procurement of image processing devices (i.e., printers, multifunctional devices, scanners, professional image processing product), in early 2022 FinecoBank has adopted specific guidelines in tender specifications that include **green procurement criteria** based on best practices and EU GPP criteria⁽²⁾



Relations with the Financial Community

Fineco supports a constant, transparent and thorough dialogue with the financial community, within its strategy aimed at creating **Shareholders' value** in the long term.



In this context, the Board of FinecoBank on December 16th 2021 approved the **Policy for Managing the dialogue with the Financial Community**, aimed at:



Managing dialogue in accordance with the Principles of **transparency of information** provided to the Financial Community by ensuring that it is **clear, complete, truthful and not misleading**



Respecting the Principle of **equal treatment of the holders** of financial instruments issued by the Company



Comply with the laws and regulations in force from time to time, with particular attention to those relating to the banking and listed issuer nature of the Company - especially the regulations on market abuse and inside information - as well as the internal governance rules, in full cooperation and transparency with supervisory authorities



Environmental management at FinecoBank

As part of the Environmental Policy, numerous commitments on environmental management involve the Bank and the PFA Network



Implementation of an **Environmental Management System**, verified by a third-party independent auditor in compliance with the requirements of the European [EMAS Regulation no. 1221/2009/EC](#)



Adoption of a Global **Policy on Reducing Energy Consumption** and appointment of an **Energy Manager** in charge of the coordination of **energy efficiency initiatives**



Adoption of **sustainable mobility initiatives** for employees



Implementation of an **Environmental Internal Audit Plan** covering the **whole Fineco Center Network** in Italy



Over 70 audited sites per year



Support to the entire PFA Network with the provision of a **Vademecum for Efficient and Effective Environmental Management** and related **ongoing helpdesk**



Plan for Net-Zero emissions by 2050

RESPONSIBLE FINANCE - Scope 3 emissions from internal investment portfolio

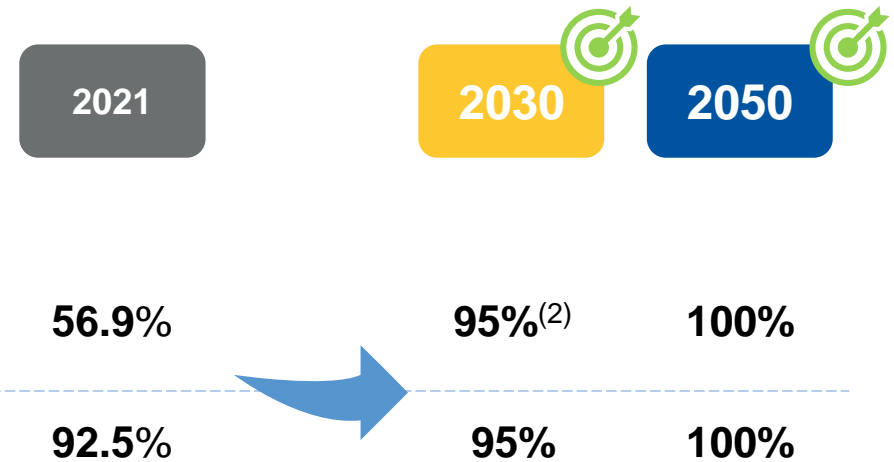
Exposure in countries, institutions and banks: > 70% of 2021 Total Consolidated Assets



% exposure in **countries and institutions with a Net-Zero target** by 2050 formalised in national/international policy document⁽¹⁾



% exposure in **Banks with a Net-Zero target** by 2050 on **financed emissions**



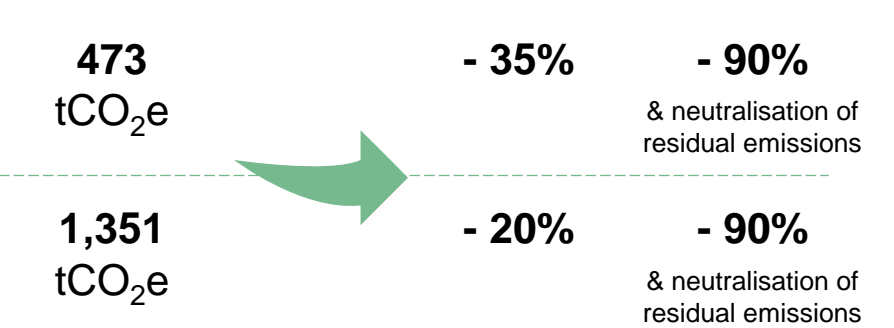
ENVIRONMENT - Scope 1, 2 and Scope 3 emissions from operations



Scope 1 – CO₂e from energy consumption of Milan registered office and of the Fineco Centers with utilities in the Bank's name; CO₂e from fuel for company car fleet

Scope 2 (market based) - CO₂e from energy consumption of Milan registered office and of the Fineco Centers with utilities in the Bank's name

Scope 3 - CO₂e from paper consumption of all sites; CO₂e from energy consumption of Reggio-Emilia Headquarters⁽³⁾, of Fineco AM's Dublin office, of the Data Processing Centers⁽³⁾ and of the Fineco Centers with utilities in the Personal Financial Advisors' name.



(1) Source: <https://www.climatewatchdata.org/>; 'In Policy Document' and 'In law' objectives are accepted, 'In Political Pledge' objectives are not accepted

(2) Target subject to formalisation of Net-Zero's commitment in a national policy document by Italy

(3) For the purposes of the Net-Zero plan, the approach to accounting emissions from renewable electricity consumption at sites where the utilities are not registered to Fineco was revised, accounting them as 0 in case of the presence of Guarantee of Origin certificates. Therefore, the figure reported here differs from that reported in the 2021 consolidated Non-Financial Statement

Disclosure and Transparency

All commitments, goals, actions implemented and results achieved are reflected in our **transparent and full disclosure approach** and are available on our [website](#). In 2022:

- the third **Consolidated Non-Financial Statement of the FinecoBank Group**, prepared in accordance with Articles 3 and 4 of Legislative Decree 254/2016 and covering the financial year 2021, was published. In line with the previous years, the Report was prepared in accordance with the GRI Standards: Core option⁽¹⁾
- the second **EMAS Environmental Statement**⁽²⁾ was also prepared and verified by a third-party independent auditor within the annual EMAS verification process

2021 CONSOLIDATED NON FINANCIAL STATEMENT



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2021 EMAS ENVIRONMENTAL STATEMENT



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2. COMPANY PROFILE
3. GOVERNANCE AND ORGANISATION
4. FINECO'S ENVIRONMENTAL ASPECTS
5. ENVIRONMENTAL MANAGEMENT SYSTEM
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7. REGISTRATION DATA
8. ANNEXES

(1) The scope of data and information includes companies consolidated on a line-by-line basis within the Consolidated Financial Statements 2021, namely FinecoBank S.p.A. and the Irish-based subsidiary Fineco Asset Management DAC
 (2) The scope and data include FinecoBank S.p.A., consistently with the scope of EMAS Registration. The 2021 EMAS Environmental Statement will be published once the Registration process is finalized