

*This is an English translation of the original Italian document. The original version in Italian takes precedence.*



## ENVIRONMENTAL STATEMENT

*under the Regulation EC n. 1221/2009 of 25/11/2009*

*revised by Regulations EC n. 1505/2017 and n. 2026/2018*

*Data as of 31/12/2020*



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**Approving Function** Board of Directors

**Date** June 2021

**Proposing Function** CFO Department - Sustainability

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# 1. INTRODUCTION

This document is the first edition of FinecoBank's Environmental Statement, with data updated as at 31 December 2020, prepared and published in accordance with the provisions of the European Union EMAS Regulation no. 1221/2009 of 25 November 2009 based on the voluntary participation by organisations in a system of eco-management and audit scheme, known as "EMAS III", as amended by Regulations no. 2017/1505/EU and no. 2018/2026/EU.

With the Environmental Statement, FinecoBank intends to establish an open dialogue with the public, authorities and other stakeholders, including customers and communities in relation to the environmental management of its operations. This communication and transparency tool complements the "Consolidated non-financial statement of FinecoBank Group<sup>1</sup>", prepared annually pursuant to Legislative Decree no. 254/2016, in which the economic, environmental and social sustainability objectives are integrated into the Company's long-term strategy in a structured manner.

In this first edition of the Environmental Statement, the following information is presented:

- a description of the company and its activities;
- the governance and organisational structure of the company;
- the Environmental Policy and a description of Fineco's environmental management system;
- staffing figures for Fineco's corporate offices and the network of financial advisors of the Fineco Centers;
- a description of the environmental aspects and the results of the significance assessments of these aspects;
- quantitative data and indicators relating to environmental performance from 2019 onwards (the year in which Fineco left UniCredit Group and an independent data collection system has been put in place);
- environmental improvement targets for the period 2021-2024.

## 1.1. Methodological note

The perimeter of Fineco's EMAS registration (as detailed in paragraph 2.2.3) includes the company's offices, where the organisation's employees work, and the commercial network of the Fineco Centers (FC), offices where financial advisors (Personal Financial Advisors, PFA), individuals who are not employed by Fineco and who operate on behalf of the company on the basis of an agency relationship, carry out their activities.

For the purposes of greater representativeness of the data and in view of the differences between the company offices and the Fineco Centers, both in operational and organisational terms, the environmental performance indicators are calculated separately for the two types of site, using as a reference value respectively the number of Fineco employees for the company offices and the number of advisors for the Fineco Centers.

The reporting period is the two-year period 2019-2020, from 1 January to 31 December of the respective years. In this regard, it should be noted that prior to this two-year period, Fineco did not have an environmental data collection system that was independent from the UniCredit's one.

With the aim of providing a fair representation of performance and ensuring the reliability of data, the use of estimates has been limited as much as possible and, if present, are based on the best available methodologies and appropriately reported.

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<sup>1</sup> The Group consists of FinecoBank S.p.A. and Fineco Asset Management DAC, a subsidiary based in Ireland.

The scope of the Environmental Management System (EMS) includes, since the first EMAS Registration, all the company sites and financial shops (Fineco Centers) of the organisation included in the national perimeter (hereinafter "Italy Perimeter").

In this regard, the Ecolabel-Ecoaudit Committee EMAS Italy Section has accepted the requests for derogation from the application of points 2.4.3.2 and 2.4.4 of EU Decision 2285/17<sup>2</sup> made by the Company and the Certification Body ("EMAS User Guide"). Specifically, these are requests for derogation from the EMAS User Guide in relation to:

- "Eligibility criteria for organisations" (p. 2.4.3.2), with specific reference to the following provision: «*All sites included in the EMAS registration [...] prior to the first registration shall all be subject to internal audit*»;
- "Guidelines for the use of a sampling approach for the verification of organisations with more than one site" (p. 2.4.4.2), regarding point (e) "*Minimum number of sites to be included in the sample for each group (cluster) of sites*"<sup>3</sup>.

Thanks to the acceptance of the derogation requests, it was possible to distribute the internal audits of the whole Italy Perimeter over the first two three-years periods of Registration and not before the first registration, due to the characteristics of the commercial network, which make it appropriate to use a sample method, on an annual basis, also for conducting internal audits, such as the number of sites, the homogeneity of the activities carried out and the environmental impacts, regulatory obligations, procedures and similar practices for environmental management and control.

Concerning the Certification Body, it was possible to use a sampling method for third-party audits based on the square root of the number of sites in each homogeneous group rounded up, without multiplying the result by two as required by the User Guide.

With reference to regulatory obligations, it should be noted that the legislative compliance of the entire perimeter subject to registration is a prerequisite for obtaining (and maintaining) registration and that the organisation's Environmental Management System is controlled and administered centrally.

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<sup>2</sup> Commission Decision (EU) 2017/2285 of 6 December 2017 amending the user guidelines outlining the steps necessary to join EMAS, pursuant to Regulation (EC) No 1221/2009 of the European Parliament and of the Council allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

<sup>3</sup> According to the provisions of the above-mentioned Decision, given the economic sector to which Fineco belongs, it is allowed to the certification body to use a sampling method for carrying out audits aimed at issuing the first registration. This sampling is based on a subdivision of the sites into clusters meeting criteria of homogeneity within each group in terms of activities carried out, size, environmental impact, regulatory obligations, etc. In particular, paragraph 2.4.4.2, letter e) provides that the minimum number of sites to be included in the sample for each cluster of sites shall be obtained, for the first EMAS registration, by the square root of the number of sites in each cluster multiplied by 2 and rounded up to the next whole number.

## 2. COMPANY PROFILE

### 2.1. FinecoBank's Activities

FinecoBank S.p.A. is a joint-stock company, listed on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A., since 1 April 2016 included in the FTSE Mib stock index and since 2017 in the Stoxx Europe 600.

FinecoBank S.p.A. is the Parent Company of the FinecoBank Banking Group, which includes the Irish asset management company Fineco Asset Management Designated Activity Company.

FinecoBank became an autonomous and independent public company on 11 July 2019, following its final exit from the UniCredit Group. As early as 11 May 2019, the Bank was registered as the Parent Company in the Register of Banking Groups, with the Bank of Italy, following the sale by UniCredit S.p.A of the majority shares held until then.

Long-term organic and sustainable growth is the cornerstone of Fineco's development strategy and is achieved through:

- maintaining and developing the client base by continuously providing **high-quality services**;
- solid **internal IT culture** and core systems as operational levers for competitive advantage;
- sound and **low risk** capital structure;
- sustainability and **ESG** aspects increasingly structured and integrated in the governance.

In terms of its activities, Fineco is a direct multi-channel bank, one of the most important FinTech banks (i.e. providers of financial products and services through the most advanced information technologies) in Europe and a leader in Italy in terms of volumes traded on the stock market. Its transaction and consulting services and platforms are developed in-house with proprietary technology, designed to be innovative and user-friendly to ensure a seamless and intuitive customer experience across all channels. In addition, FinecoBank is also one of the most important players in the Italian private banking sector, owing to an advisory approach tailored to the needs of individual clients, which includes advice on fiduciary services, protection and succession planning of personal and corporate assets and, more in general, risk management.

The business model is structured into three areas of integrated activities: **Banking and Credit, Investing and Brokerage.**

- **Banking e Credit.** Current account and deposit services, payments, issuing debit, credit and prepaid cards, mortgages, Lombard loans and personal loans.
- **Investing.** The Group offers customers an extremely wide range of asset management products - comprising collective asset management products, such as units of UCITS and SICAV shares - from carefully selected Italian and international investment firms, as well as pension and insurance products and investment advisory services. Thanks to a vertically integrated business model, asset management activities carried out by the subsidiary FAM include product placement and distribution services, mutual funds and SICAV sub-funds managed by 70 leading Italian and international investment firms, insurance and pension products, and investment advisory services through a network of financial advisors.
- **Brokerage.** This activity ensures order execution services on behalf of customers, with direct access to major global equity markets and the ability to trade CFDs (Contract for Difference) (on currencies, indices, shares, bonds and commodities), futures, options, bonds, ETFs and certificates. In this area, the Bank coordinates and oversees the development of trading products and services to be offered on the domestic and international markets according to the needs of the customer base and to changes in the target market and in regulations.

The three macro-areas, due to the particular business model that provides for strong integration between the different types of activities, are interdependent. Fineco offers its services (banking and investment) through its network of financial advisors and its online and mobile channels, which operate in a coordinated and integrated manner.

## 2.2. Geographical location and workforce

In Italy, FinecoBank Group operates through:

- the **company sites**, where the organisation's employees work and which include:
  - a **Registered Office**;
  - a **Headquarters**;
  - two **Data Processing Centers (DPCs)**;
  - a site of **Business Continuity (BC)** (active until February 2021);
- a commercial network of 410 **Fineco Centers (FC)**, where financial advisors operate.

Abroad, there is also the subsidiary Fineco Asset Management DAC in Dublin and a Group representative office in London, both of which are excluded from the scope of application.

The EMAS registration perimeter is detailed in paragraph 2.2.3. of this document.

### 2.2.1. The company sites

The company's **Registered Office** is located in the northern area of Milan, between Via Padova, Via Marco d'Aviano, Piazza Durante and Via Cecilio Stazio, in a complex comprising ten buildings, eight of which are adjacent and communicating with each other and two consisting of small buildings completely isolated from the complex. The buildings have a maximum of seven floors above ground, with a height at the eaves that varies from one building to another and in any case less than 24 m, and four basement floors.

The total surface area of the complex is estimated at 15,992 m<sup>2</sup>, of which 3,448 m<sup>2</sup> leased to UniCredit and 936 m<sup>2</sup> (ground floor and basement) leased to Custodia Valore - Credito su Pegno S.p.A..

All above-ground floors of the building are used for office activities. With the exception of some areas containing rooms with single workstations, almost all the workstations are organised in open spaces, containing up to 60-70 units. On the ground floor is the reception, common to the whole complex, as well as an area used for unloading goods with a quay on the Via Padova side and a conference room on the Via D'Aviano side. The basement floors house a private garage, completely separate and independent, the technical rooms, the air-conditioning plant, the central heating plant, the data processing center DPCs (in decommissioning), and rooms dedicated to archives and warehouses.

The number of people working within the Registered Office is **953**.

The **Headquarters** is located in Reggio Emilia, in a building owned by UniCredit, consisting of fourteen floors above ground and one basement. All the above-ground floors are used as offices, while the basement floor houses warehouses, archives, technical rooms and a garage.

Fineco occupies, on lease from UniCredit, floors 2 to 8, part of floor 1 and part of the ground floor with the mailroom, for a total of approximately 3,170 m<sup>2</sup>.

The number of operational staff within the Head Quarter is **266**.

Following the separation of Fineco and UniCredit, UniCredit retained the building management activities of the building, including the areas used by Fineco.

The two **Data Processing Centers (DPCs)** are located in Pero (MI) and Milan, in spaces owned by third parties and leased by Fineco.

The Pero Data Center is managed by the company *Verizon* and consists of a complex of approximately 5,000 m<sup>2</sup> of technical areas and 350 m<sup>2</sup> of office space on two floors. Fineco is the lessee of the spaces at its disposal, which measure approximately 560 m<sup>2</sup>.

Verizon makes available to the center and manages directly with its own suppliers all the systems supporting the activities of the tenant companies (e.g. Medium Voltage lines, UPS "Uninterruptible Power Supply" generators to be activated in case of emergency, air conditioning system, exchangers, smoke detection and extinguishing system, diesel generator).

The Milan Data Center is managed by *Equinix* and consists of three macro-buildings, one main building with a security lobby and offices (HQ of Equinix Italia), plus three technical rooms, for a total of approximately 2,250 m<sup>2</sup>. Fineco is the tenant of the spaces at its disposal, which consist of an office area and a data center (DC2) for exclusive use, for a total of approximately 750 m<sup>2</sup>.

Equinix manages, through its suppliers, all the equipment and services supporting the activities of the center and of the tenant companies such as Fineco (e.g. power supply, UPS generators for emergency situations, cooling systems for technological use and air conditioning systems, emergency management, fire prevention, maintenance activities, waste management, cleaning services, etc.).

The **Business Continuity (BC)** site in Milan, or recovery site, is an environment located on the ground floor of a residential building, which can be used by Fineco in the event of the registered office being unavailable.

The introduction of the new Home Working mode, as a countermeasure put in place to ensure business continuity during the pandemic phase, allowed FinecoBank employees to oversee almost all operational processes entirely from a remote location. In this context, an analysis related to business continuity safeguards was launched, aimed at identifying the residual processes for which it would be necessary to guarantee an alternative recovery site, to which essential employees could be transferred, in the event of a potential crisis scenario involving the unavailability of the workplace. The analysis led to the identification of a total of 9 workstations, 2 to be set up at the Reggio Emilia Headquarters, Via Rivoluzione d'Ottobre (to accommodate some processes overseen in Milan) and 7 to be set up at the Milan Office, P.zza Durante (to accommodate some processes overseen in Reggio Emilia).

As a result of this analysis, the activities aimed at divesting the entire recovery site in Milan, P.zza Napoli, were started, defining an agreement for the early termination of the lease contract with the owner and completing the divestment of all 120 workstations and the related network and electrical equipment present on the site. The termination was formalised by registration in the Companies Register with effect from 01/03/2021.

Until this decommissioning, the site was only used in case of emergency, while under normal conditions no employees were present. In the Business Continuity site, the service and electricity contracts were registered to Fineco, while the heating system was managed directly by the property.

### 2.2.2. The commercial network: Fineco Centers

**Fineco Centers** are offices where financial advisors (Personal Financial Advisors, PFA), who are not employees of Fineco, operate on behalf of the organisation on the basis of an agency relationship. Fineco Centers are distributed in the 20 Italian regions as follows:

Figure 1: Distribution of Fineco Centers in Italy (data as at 31/12/2020)



Two categories of Fineco Centers (FC) can be distinguished:

- **“corporate” FC**: offices for which Fineco holds the lease and which are given on a free loan for use basis to PFAs,
- **"PFA and Personal Studio" FC**: buildings in which the lease is registered to the PFAs who work there.

The distinction between corporate FCs and PFA and Personal Studio FCs is relevant in terms of Fineco's different levels of control and influence in managing environmental aspects.

In the corporate FCs, Fineco has direct control over most of the environmental aspects related to property management, while in the PFA and Personal Studio FCs the management of these aspects - indirect for Fineco - is in the hands of the PFAs. From the point of view of the environmental aspects connected with the performance of the organization's business activities (e.g. environmental aspects connected with credit and investment policies), there are no differences in the commercial network between corporate and PFAs and Personal Studio FCs (see section 4.2).

### 2.2.3. EMAS Registration Perimeter

The scope of the EMAS Environmental Management System of FinecoBank SpA includes all its activities (as described in the previous paragraphs) and all its sites in Italy (hereinafter " **Italy** "



perimeter"). Consequently, the representative office in London and the activities carried out there are not included.

The following table shows the characteristics of the offices and the commercial network which are part of the perimeter of the Registration as of 31/12/2020:

Table 1: National perimeter of sites and financial shops included in the scope of the Environmental Management System

TYPE		N°	LOCATION	MQ	STAFF
Company sites	Registered Office	1	Milan	15,992	953
	Headquarters	1	Reggio Emilia	3,170	266
	DPCs - Data Processing Centers	2	Milan	750	3
			Pero (MI)	560	4
	Business Continuity	1	Milan	750	-
<b>TOTAL</b>		<b>5</b>		<b>21,222</b>	<b>1,226</b>
Commercial Network	Corporate Fineco Centers	97	Abruzzo (1); Calabria (1); Campania (8); Emilia Romagna (8); Friuli Venezia Giulia (2); Lazio (13); Liguria (6); Lombardia (21); Marche (5); Piemonte (7); Puglia (4); Sardegna (1); Sicilia (5); Toscana (8); Trentino Alto Adige (1); Umbria (1); Veneto (5)	≤ 500 m <sup>2</sup>	1,081
		25	Abruzzo (1); Campania (1); Emilia Romagna (2); Friuli Venezia Giulia (1); Lazio (3); Liguria (2); Lombardia (4); Piemonte (3); Sicilia (1); Toscana (3); Trentino Alto Adige (1); Umbria (1); Veneto (2)	≥ 500 m <sup>2</sup> ≤ 1200 m <sup>2</sup>	603
	PFA and Personal Studio Fineco Centers	288	Abruzzo (9); Basilicata (5); Calabria (6); Campania (17); Emilia Romagna (16); Friuli Venezia Giulia (7); Lazio (20); Liguria (8); Lombardia (46); Marche (10); Molise (2); Piemonte (30); Puglia (16); Sardegna (3); Sicilia (29); Toscana (21); Trentino Alto Adige (8); Umbria (4); Valle d'Aosta (2); Veneto (28)	≤ 500 m <sup>2</sup>	922
		0	-	≥ 500 m <sup>2</sup> ≤ 1200 m <sup>2</sup>	-
	<b>TOTAL</b>		<b>410</b>		

As of 31/12/2020, Fineco employed 3,832 people in Italy, including 1,226 employees and 2,606 financial advisors, spread over a total area (company sites and FC) of 94,891 m<sup>2</sup>.

The indicator of gross floor area per employee (taken as an indicator of total land use according to the EMAS Regulation<sup>4</sup>) is 17.31 m<sup>2</sup> per employee in company sites and 28.27 m<sup>2</sup> per advisor in Fineco Centers, as calculated below:

Table 2: Gross area per employee and per advisor

DATA	UNIT OF MEASURE	2020
Gross floor area company sites	m <sup>2</sup>	21,222
Number of employees	n.	1,226
<b>Gross area per employee</b>	m <sup>2</sup> per capita	<b>17.31</b>
Gross floor area FC	m <sup>2</sup>	73,669
Number of advisors	n.	2,606
<b>Gross area per advisor</b>	m <sup>2</sup> per capita	<b>28.27</b>

<sup>4</sup> Annex IV of the EMAS Regulation lists "land use in relation to biodiversity" as a key environmental performance indicator. In this regard, it is required to collect information on: total land use, total impervious surface, total nature-oriented surface of the site, total nature-oriented surface off-site. With reference to FinecoBank's EMAS registration, the indicator in question was constructed exclusively in relation to the m<sup>2</sup> of land occupied in total by the Company's offices and commercial network (total land use).

## **3. GOVERNANCE AND ORGANISATION**

### **3.1. Governance and organizational structure**

FinecoBank adopts a traditional administration and control system, based on the presence of two bodies appointed by the Shareholders' Meeting: the Board of Directors, with strategic supervision functions, and the Board of Statutory Auditors, with control functions.

The Chief Executive Officer and General Manager performs the role of the body with management functions pursuant to the Supervisory Provisions. In addition, four committees have been set up within the Board of Directors with investigative, proposing, advisory and coordinating functions:

- Corporate Governance and Environmental and Social Sustainability Committee;
- Nomination Committee;
- Remuneration Committee;
- Risk and Related Parties Committee.

The FinecoBank organisational chart is available in Annex 1 to this document.

### **3.2. Sustainability Governance**

On the occasion of the renewal of corporate bodies in 2020, the Board of Directors decided to set up a special committee exclusively competent on sustainability matters, particularly in light of how important this issue is also becoming for the financial and banking sector. To this end, the responsibilities for corporate governance and sustainability, previously given to the Appointments Committee, have been assigned to the new Corporate Governance and Environmental and Social Sustainability Committee.

Specifically, with regard to sustainability issues, the Corporate Governance and Environmental and Social Sustainability Committee supervises sustainability matters connected with FinecoBank's business activities and the interactions with all its stakeholders, providing support to the Board of Directors. It oversees the evolution of the Group's sustainability strategy, assesses the risks associated with sustainability issues; examines and, if necessary, makes proposals regarding company plans, objectives, rules and procedures relating to social and environmental issues; monitors the positioning of the Company and the Group with respect to the financial markets on sustainability issues and relations with stakeholders; and examines the Non-Financial Statement (NFS) before it is submitted for approval to the Board of Directors.

In support of this committee, a Sustainability Management Committee has also been in place since 2018, consisting of FinecoBank managers, who have the main task of drawing up a proposal for the Bank's sustainability strategy (company plans, rules and procedures in relation to social and environmental issues) and the related objectives to be achieved, to be examined by the Corporate Governance and Environmental and Social Sustainability Committee and where necessary approved by the Board of Directors.

Lastly, since July 2019, the Bank has established a Sustainability Office, a technical structure supporting the CFO and the Sustainability Management Committee.

### **3.3. Governance of the commercial network**

FinecoBank's Sales Network is made up of financial advisors, whose structure is organised on three levels in ascending hierarchical order: Personal Financial Advisor (PFA), Group Manager (GM) and

Area Manager (AM). At the end of 2020, the network consisted of 2,401 PFAs, 179 GMs and 26 AMs.

PFAs represent the base of the pyramid and are the figures responsible almost exclusively for client management; some of them also collaborate with managers in the search/selection of new advisors (and for this, they have a dedicated position called "Network PFA Developer") or in the training/growth of young recent graduates who join the network as part of the so-called youth project (and for this, they have a dedicated side letter as "Trainer"). Depending on the portfolio managed by the PFAs, there are different qualifications, which do not in any way change the purpose of the role or the positioning in the hierarchical structure but do determine commission awards and/or additional benefits.

GMs are the intermediate network figure; in addition to customer management, they also have the managerial task of coordinating PFAs in the territory, generally limited to one or more provinces. In carrying out their managerial duties, GMs are the first point of reference for the coordinated PFAs.

The AMs are the network's top figure; to a more marginal extent, they also have clients that they manage directly, but they are mainly dedicated to fostering business development and coordinating resources (PFAs and GMs) in the territory entrusted to them (one or more regions, rather than part of a region, depending on the size of the territory and the number of financial advisors that oversee it).

### **3.4. Fineco's environmental commitment**

In 2020, the Board of Directors approved the FinecoBank Group's Environmental Policy, that is the document formalising Fineco's general intentions and orientation with respect to its environmental performance, including compliance with all relevant environmental regulatory obligations and its commitment to continuously improving its environmental performance. The text of the FinecoBank Group's Environmental Policy is available in Annex 2 to this document.

## 4. FINECO'S ENVIRONMENTAL ASPECTS

### 4.1. Context and Environmental Analysis

In order to define the scope and structure of the Environmental Management System, Fineco conducted an analysis of its activities in accordance with the provisions of the EMAS Regulation, in order to:

- Understand the external and internal context in which the Company operates and identify the expectations of Fineco's stakeholders that may influence, positively or negatively, the way it addresses and manages its environmental responsibilities;
- Identify the obligations of compliance in environmental matters, meaning the requirements that Fineco is committed to fulfilling within its own management system (both the binding legislative ones, the voluntary ones and the requirements linked to the expectations of its stakeholders);
- Identify and assess the significance of the organisation's environmental aspects, as well as the risks and opportunities associated with its environmental aspects and compliance obligations (in terms of consequences for the organisation and its business).

Within the scope of Fineco's activities, it is possible to distinguish two macro-types of environmental aspects:

- *Business-related environmental aspects*, which are identified in the analysis of the organisation's context.
- *Environmental aspects related to property management*, distinguishing between company sites and Fineco Centers.

See section 4.4 for a description of the criteria and results of the significance assessment of environmental aspects.

### 4.2. Business-related environmental aspects

With the aim of ensuring the concrete pursuit of its organic and sustainable growth strategy, Fineco has approved a set of sustainability objectives to be pursued over the years 2020-2023. The purpose of this "ESG Plan 2020-2023" is to gradually and dynamically integrate environmental, social and governance (ESG) aspects into Fineco's strategy and the products and services it offers, on the basis of continuous review and periodic verification of results. The task of promoting this integration falls mainly to the *Advisory, Third Party & Banking Solutions and Product and Services functions*.

With particular reference to the *Investing* area, advisory services are oriented towards proposing solutions that consider ESG criteria in the offer of investment products and services through specific quantitative and qualitative analyses, also using the support of the ESG rating of the main providers recognised by the market; ESG factors are also increasingly widespread and considered in asset management (Private Value Lines) and supplementary pension products (Amundi Core Pension).

With reference to the Banking and Credit area, the year 2020 confirmed the spread of green mortgages (around 21% of the total amounts disbursed), products aimed at financing the purchase of class A or B energy properties at advantageous conditions. In addition, Fineco offered incentives for energy requalification work and reduction of seismic risk in buildings as provided for by Decree Law no. 34 of 19 May 2020 converted with amendments into Law no. 77 of 17 July 2020 (Ecobonus and Sismabonus at 110%).

Moreover, the green finance market, with recent green bond transactions and sustainable issues, represents an increasingly important part of the financial market, particularly in Europe. In this regard, Fineco too has continued to consider these types of financial instruments in its financing decisions, as an integral part of its sustainability strategy.

Since 2020, the Irish subsidiary Fineco Asset Management DAC has become a signatory to the internationally recognised United Nations Principles for Responsible Investment (UN PRI), allowing it to publicly demonstrate its commitment to include environmental, social and governance (ESG) factors in investment decision-making processes. FAM is also working on drafting a Sustainable Investment Policy, which will cover responsible and sustainable investment practices for all products. The evolution in the integration of ESG criteria in FAM's investment choices also has repercussions on the Bank's business, as the Irish subsidiary, as the Group's asset manager, selects funds for the creation of fund portfolios, the distribution of which is then carried out by FinecoBank through the commercial network.

Among the products and services offered by FAM, the most notable are *FAM Sustainable* and *FAM MegaTrends*. The latter, in particular, is a multi-thematic fund that allows the identification of different investment themes in line with relevant socio-economic, environmental and technological factors reflecting the changing lifestyle of today's world, including demographics, sustainability, urbanisation, technology and innovation<sup>5</sup>.

Finally, with reference to risk management, ESG risks linked to environmental aspects deriving from Fineco's operations have been mapped. From this mapping, a connection emerged between mortgage loans (on real estate) and a physical risk linked to climate change, specifically hydrogeological/seismic, on which work will be carried out to build and monitor dedicated indicators over time. In the 2021 RAF (*Risk Appetite Framework*), in fact, some **new elements** have been introduced in the **ESG area** aimed at implementing the recent European guidelines on the subject. In particular, the Dashboard of risk/performance indicators was integrated with indicators aimed at monitoring the strategic objective relating to ESG investments in the Group's own portfolio and the concentration of real estate guarantees in areas with a high seismic/hydrogeological risk. These indicators are:

- % of mortgage guarantees in areas with high hydrogeological/seismic risk;
- €/mln of exposure to green social bonds in Fineco's investment portfolio (excluding UniCredit portfolio).

It should be noted that, with regard to environmental aspects related to business activities, the Fineco Group does not have significant exposure to environmental risks in view of its operating activity and business model, which is based on granting credit to retail customers and investing in Central Government financial instruments (Government bonds).

Exposures to the Corporate segment are residual, thus reducing both the risk of causing impacts on the environment through the financing of counterparties with high environmental risk and the risk of being indirectly affected by such impacts: the high diversification of the commercial portfolio (both in individual and territorial terms) protects against the possible deterioration of the solvency of customers due to environmental factors, such as weather events or natural disasters.

### 4.3. Environmental aspects related to property management

In order to analyse the environmental aspects connected with the management of buildings, it is necessary to distinguish the different types of sites that characterise the perimeter of Fineco's EMAS Registration (Corporate sites, Data Processing Centers, Corporate and PFA and Personal Studio Fineco Centers), which have different characteristics in terms of the activities carried out, the complexity of the buildings in terms of size and technical-plant profiles, environmental aspects, and the subjects involved in their generation and management.

The following is a description of the various environmental aspects and an analysis of the relative Key Performance Indicators (KPIs) provided for by Annex IV of the EMAS Regulation no.

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<sup>5</sup> Specifically, the multi-thematic fund allows investments in eight areas: climate change, demographic ageing, water, smart cities, drones, fintech, electric and autonomous vehicles and oncology.

1221/2009/EC (as amended by EU Regulation no. 2026/2018), capable of providing a quantitative representation of the company's performance in relation to the specific environmental aspects.

#### 4.3.1. Consumption of materials

Paper is the main raw material used, as it is linked both to daily office practices and to the commercial/advisory activities of Fineco Centers.

Thanks to significant steps taken by Fineco towards the dematerialisation and digitalisation of activities, such as digital signatures and more generally the creation of highly automated processes, and due to the extensive use of Home Working by colleagues as a result of the Covid-19 pandemic, paper consumption was drastically reduced in 2020 compared to the previous year (around 20 tonnes less).

In addition, all the paper used over the past two years has been **FSC (Forest Stewardship Council)**<sup>6</sup> certified, underlining the company's sensitivity to sustainability issues and since 2020, 100% of paper used has the **EU Ecolabel**<sup>7</sup> environmental excellence label.

Paper consumption and related indicators are shown below. With regard to Fineco Centers, the data reported are the result of an estimate<sup>8</sup> based on the consumption of reams of paper recorded in a sample of Fineco Centers.

Table 3: Paper consumption and related indicators

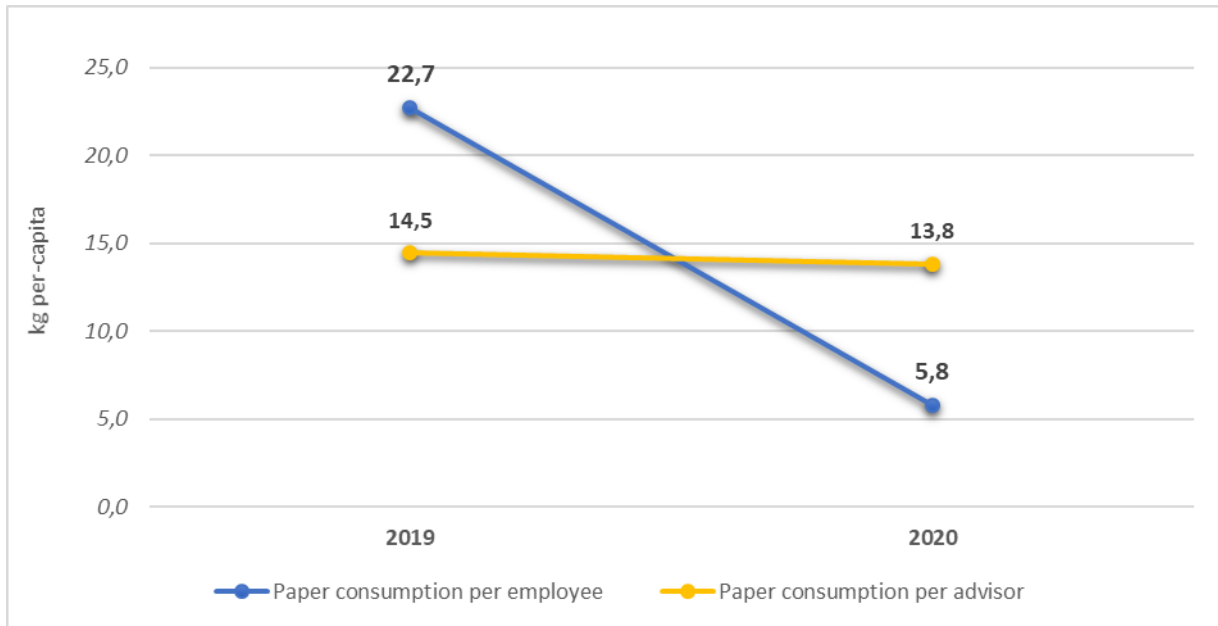
PAPER CONSUMPTION	Unit of measure	2019	2020
Total paper consumed in the company sites	kg	27,288	7,125
of which FSC certified paper	%	100%	100%
of which EU Ecolabel certified paper	%	n.a.	100%
Total employees	n.	1,201	1,226
<b>Paper consumption per employee</b>	<b>Kg per capita</b>	<b>22.7</b>	<b>5.8</b>
Total paper consumed in Fineco Centers	kg	36,723	36.043
of which FSC certified paper	%	42%	47%
of which EU Ecolabel certified paper	%	49%	62%
Total advisors	n.	2,541	2,606
<b>Paper consumption per advisor</b>	<b>Kg per capita</b>	<b>14.5</b>	<b>13.8</b>

<sup>6</sup> FSC is a non-governmental organisation set up in 1993 to promote responsible forest management; the FSC label is awarded to products containing wood from forests that are managed sustainably and responsibly according to environmental, social and economic criteria.

<sup>7</sup> The EU Ecolabel is a label of environmental excellence developed in 1992 by the European Commission; it is awarded to products that meet high standards of environmental performance throughout their life cycle.

<sup>8</sup> Paper consumption in the commercial network was estimated by collecting, from a sample of Fineco Centers, the number of reams consumed each year and, consequently, the total weight of paper consumed. This data was used to obtain an indicator of the kg of paper consumed per PFA, multiplying it in turn by the total number of PFA in order to obtain total consumption.

Figure 2: Development of paper consumption indicators per employee (company sites and FC)



Still on the subject of material consumption, tests began in the last few months of 2019 that will lead to the gradual and complete replacement of water bottle dispensers in the company's premises with dispensers connected directly to the water network, in order to reduce the use of plastic. The pilot project involved around 200 employees, who were given a durable water bottle to test the two different models of dispensers, which will allow them to have filtered natural or sparkling, chilled or room temperature water. Due to the Covid-19 pandemic, at the end of 2020, this project was being re-evaluated for the following year.

#### 4.3.2. Energy consumption

Within the financial sector, to which FinecoBank belongs, energy consumption represents the main source of impact on natural resources and is therefore the main environmental aspect to be managed. This mainly includes consumption of natural gas and electricity used in office activities (for air conditioning, lighting, PCs and printers use, etc.), as well as fuel consumption associated with the car fleet. In the Reggio Emilia office, as far as heating is concerned, the building is connected to a district heating network.

The following the main data and indicators relating to energy consumption are presented, both direct (gas and diesel) and indirect (electricity and heat purchased), relating to the company's sites and Fineco Centers respectively.

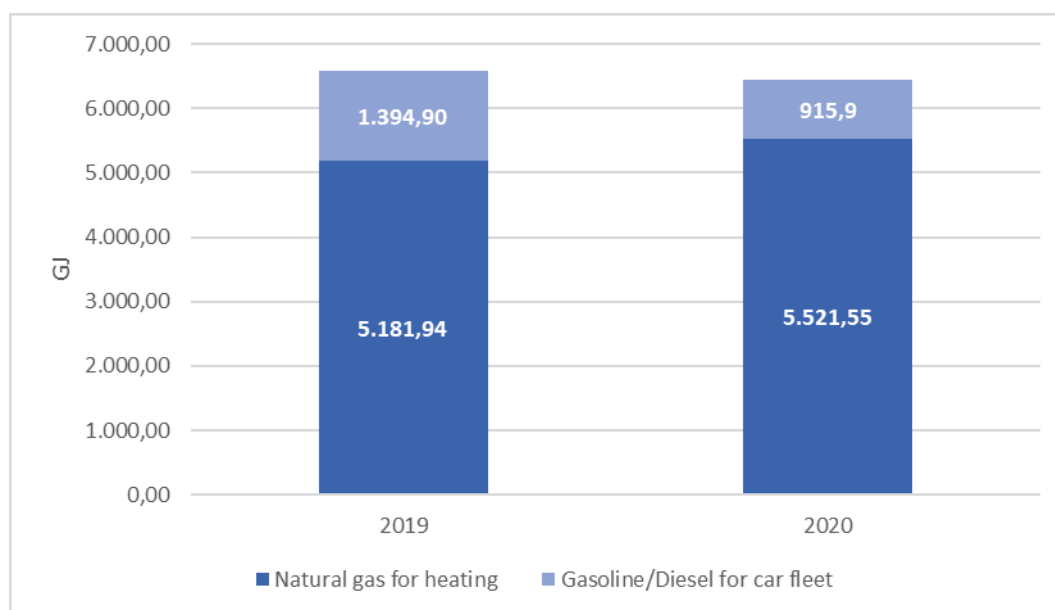
Indirect consumption also includes a breakdown of the share attributable to data processing centers (DPCs) only.



Table 4: Energy consumption of Fineco sites and related indicators

ENERGY CONSUMPTION COMPANY SITES	Unit of measure	2019	2020
Natural gas for heating	GJ	5,181.94	5,521.55
Gasoline/Diesel for car fleet <sup>9</sup>	GJ	1,394.90	915.90
<b>TOTAL DIRECT CONSUMPTION</b>	<b>GJ</b>	<b>6,576.83</b>	<b>6,437.45</b>
Electricity	GJ	25,921.02	22,299.69
<i>of which electricity consumption of the DPCs</i>	<i>GJ</i>	<i>12,718.68</i>	<i>12,109.26</i>
District heating	GJ	2,840.33	2,314.01
<b>TOTAL INDIRECT CONSUMPTION</b>	<b>GJ</b>	<b>28,761.35</b>	<b>24,613.70</b>
Total energy purchased from renewable sources	GJ	25,510.80	21,953.75
<b>TOTAL CONSUMPTION (DIRECT AND INDIRECT)</b>	<b>GJ</b>	<b>35,338.18</b>	<b>31,051.15</b>
Number of employees	n.	1,201	1,226
<b>Energy consumption per employee</b>	<b>GJ per capita</b>	<b>29.42</b>	<b>25.33</b>

Figure 3: Direct energy consumption (company sites)



<sup>9</sup> It should be noted that for company cars for mixed use leased on a continuous basis, 70% of total consumption was considered, as indicated in the ABI Lab Guidelines on the application in banks of the GRI (Global Reporting Initiative) Standards on environmental matters - December 2020 version.

Figure 4: Indirect energy consumption, with details of DPCs (company sites)

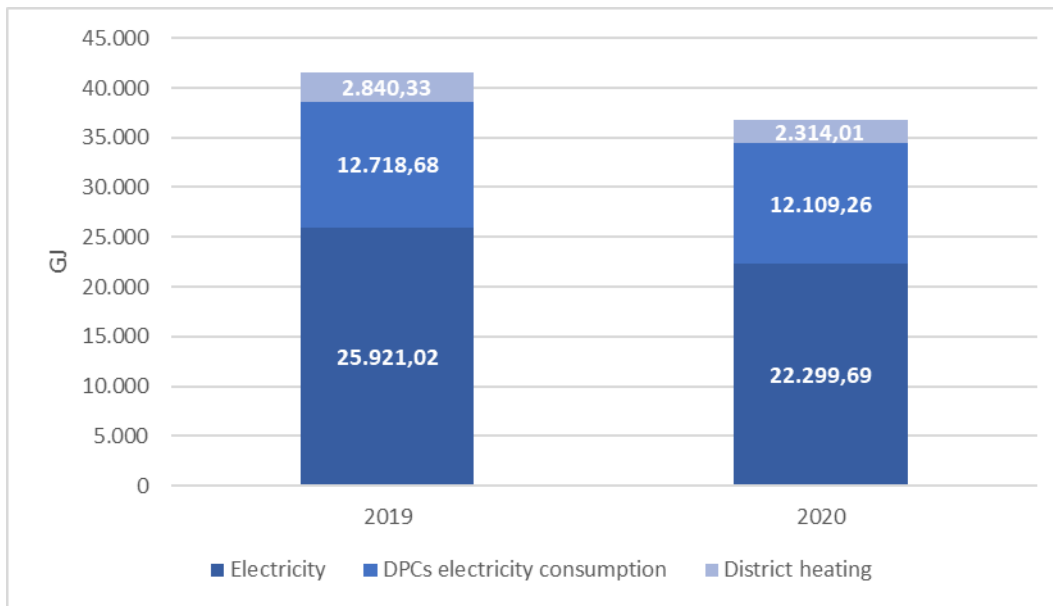
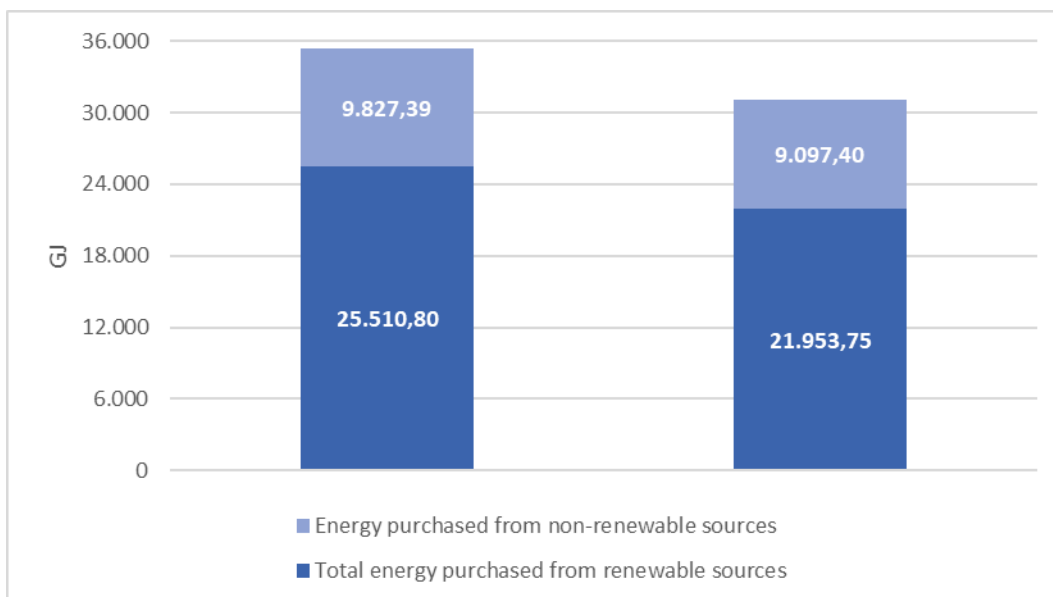


Figure 5: Total energy consumption by renewable and non-renewable source (company sites)



As regards Fineco Centers, where the utilities are registered to Fineco<sup>10</sup> measured consumption data is available, while for the remaining Fineco Centers energy consumption is currently estimated<sup>11</sup> on the basis of the characteristics of the offices, including in particular the surface area serving the activities.

<sup>10</sup> Within the corporate Fineco Centers, it is possible to distinguish the FCs in which Fineco is the owner of the electrical utilities (15% of all Fineco Centers and 52% of corporate Fineco Centers) from those in which these utilities are registered to the PFA.

<sup>11</sup> On the basis of the amounts of the invoices relating to the Fineco Centers where Fineco holds the utilities, the electricity and gas consumption per square metre of each FC was calculated, the average value of which was in turn used to estimate the total consumption of the Fineco Centers where Fineco does not hold the utilities.

Table 5: Energy consumption of FCs and related indicators

ENERGY CONSUMPTION FINECO CENTER	Unit of measure	2019	2020
Natural gas for heating	GJ	190.97*	3,187.38
Gasoline/Diesel for car fleet	GJ	-	-
<b>TOTAL DIRECT CONSUMPTION</b>	<b>GJ</b>	<b>190.97</b>	<b>3,187.38</b>
Electricity	GJ	18,385.83	18,780.04
District heating	GJ	186.6	69.92
<b>TOTAL INDIRECT CONSUMPTION</b>	<b>GJ</b>	<b>18,572.43</b>	<b>18,849.96</b>
Total energy purchased from renewable sources	GJ	5,589.13	5,833.30
<b>TOTAL CONSUMPTION (DIRECT + INDIRECT)</b>	<b>GJ</b>	<b>18,763.40</b>	<b>22,037.33</b>
Number of advisors	n.	2,541	2,606
<b>Energy consumption per advisor</b>	<b>GJ per capita</b>	<b>7.38</b>	<b>8.46</b>

\* The gas consumption figure is not comparable over the years as for 2019 it was not possible to estimate the consumption of FCs for which Fineco does not hold utilities, due to the limited availability of data.

Figure 6: Indirect energy consumption (Fineco Center)

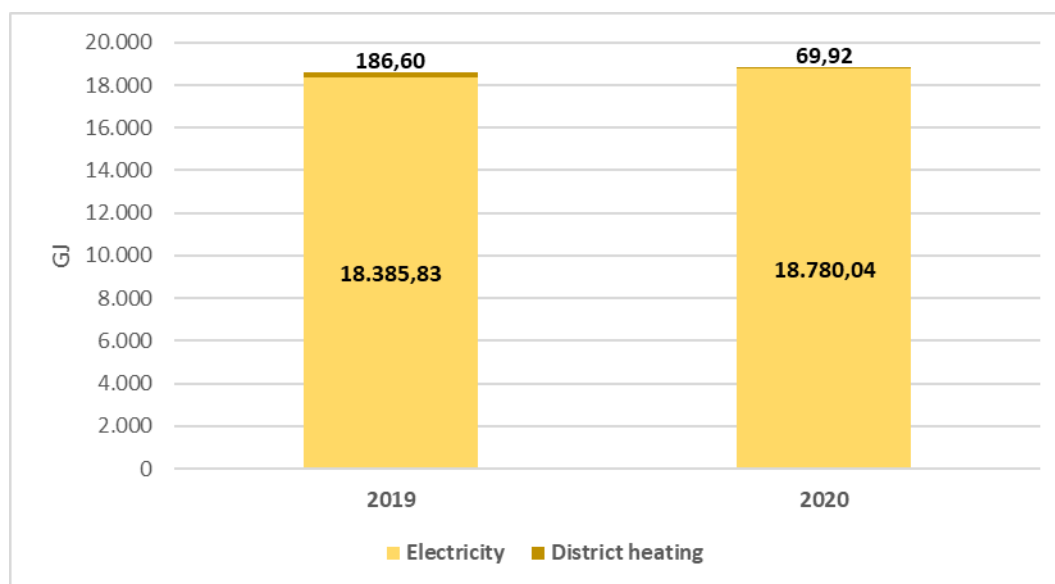
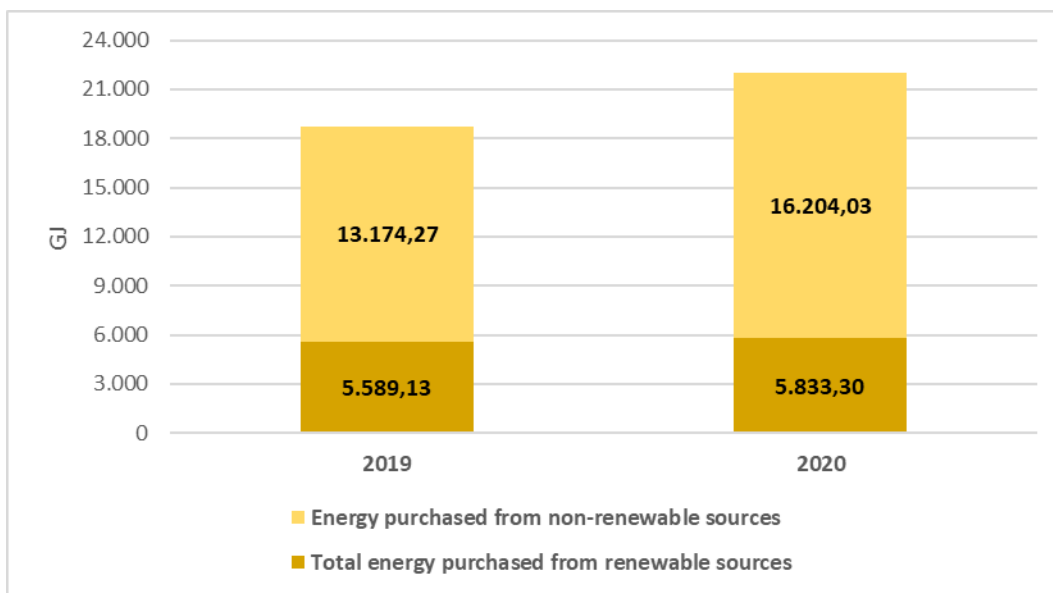
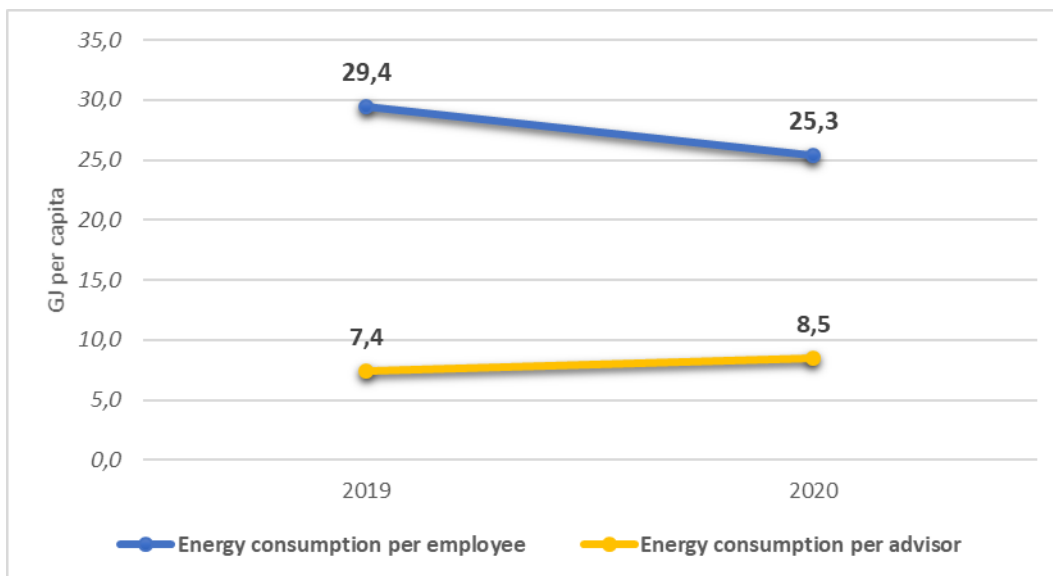


Figure 7: Total energy consumption by renewable and non-renewable sources (Fineco Center)



An analysis of the consumption of company sites and the commercial network shows a greater use of "green" energy in the corporate offices (as a % of the total). There is also an opposite trend in overall consumption, with the company sites seeing a reduction of around 12% over the last year, probably due to greater use of home working, than the commercial network. This trend is confirmed by the following indicators.

Figure 8: Evolution of energy consumption indicators per employee (company sites and FC)



Pursuant to Law no. 10 of 9/1/1991, Fineco appointed its own Energy Manager, identified as the Head of the Real Estate function. In 2020, a professional consulting firm specialising in energy management was also appointed to conduct specific analyses aimed at designing energy efficiency measures, and activities were launched to proceed with the tender for the selection of a single national supplier for the supply of natural gas and electricity, which will also take into account sustainability factors, including possible certifications.

### 4.3.3. Atmospheric emissions

Within the financial sector, atmospheric emissions are generally low and are mainly due to heating and electricity consumption. In order to monitor this environmental aspect as well, emissions were calculated in terms of tonnes of CO<sub>2</sub> equivalent, broken down into the following scopes based on the operational control approach of the utilities:

- Direct emissions (Scope 1), directly caused by Fineco's activities and deriving from the consumption of natural gas for heating and fuel for the car fleet;
- Indirect emissions (Scope 2), resulting from the production of electricity and heat consumed by the company;
- Other indirect emissions (Scope 3), related to paper consumption and activities "external" to Fineco.

In the specific case of FinecoBank, the Milan P.zza Durante office, the business continuity site (BC) and the corporate FCs where the utilities are registered to Fineco, fall within Scope 1 and Scope 2. The Reggio Emilia site (owned by UniCredit), the Data Processing Centers and the FCs with utilities registered to the financial advisors, fall under Scope 3. The tables below show data and indicators relating to atmospheric emissions, broken down by site and FC:

Table 6: Atmospheric emissions from Fineco sites and related indicators

TYPE OF EMISSION	CATEGORY	2019	2020
Direct emissions (t CO <sub>2</sub> e/year)	Natural gas	301	319
	Diesel	97	59
	Gasoline	7	9
<b>TOTAL DIRECT EMISSIONS – SCOPE 1</b>		<b>405</b>	<b>388</b>
Indirect emissions (t CO <sub>2</sub> e/year) (location-based)	Electric power	1,026	712
	District heating	-	-
<b>TOTAL INDIRECT EMISSIONS – SCOPE 2 (Location-based)<sup>12</sup></b>		<b>1,026</b>	<b>712</b>
Indirect emissions (t CO <sub>2</sub> e/year) (market-based)	Electric power	55	45
	District heating	-	-
<b>TOTAL INDIRECT EMISSIONS – SCOPE 2 (Market-based)</b>		<b>55</b>	<b>45</b>
Other indirect emissions (t CO <sub>2</sub> e/year)	Natural gas	-	-
	Electric power	1,297	1,134
	District heating	254	192
	Office paper	11	3
<b>TOTAL OTHER INDIRECT EMISSIONS – SCOPE 3</b>		<b>1,562</b>	<b>1,329</b>
<b>TOTAL EMISSIONS (with Scope 2 - "Location-based")</b>		<b>2,993</b>	<b>2,428</b>
<b>TOTAL EMISSIONS (with Scope 2 - "Market-based")</b>		<b>2,022</b>	<b>1,761</b>
Number of employees		1,201	1,226
<b>Emissions per employee (with Scope 2 - "Location-based")</b>		<b>2.5</b>	<b>2.0</b>
<b>Emissions per employee (with Scope 2 - "Market-based")</b>		<b>1.7</b>	<b>1.4</b>

<sup>12</sup> The energy conversion and emission factors used are those indicated in the ABI Lab Guidelines on the application of the GRI (Global Reporting Initiative) Environmental Standards - December 2020 version. In particular, the reporting standard used (GRI Sustainability Reporting Standards) provides for two different approaches to calculating Scope 2 emissions: "Location-based" and "Market-based". The "Location-based" approach provides for the use of average emission factors relating to specific national energy mixes for electricity production (emission coefficient used equal to 297.9 gCO<sub>2</sub>e/kWh from the ABI 2020 Guidelines). The "Market-based" approach foresees the separation of electricity and thermal energy purchased from renewable sources with certificates of Guarantees of Origin, as well as the use - as an emission factor - of the national "residual mix", which for Italy is equal to 466 gCO<sub>2</sub>/kWh and for Ireland is equal to 495 gCO<sub>2</sub>/kWh (Source: European Residual Mixes 2020, AIB).

Greenhouse gas emissions per employee over the last year have decreased by around 20% taking into account Scope 2 emissions calculated using the Location-based approach and by around 15% taking into account the Market-based approach. This improvement in performance over the last year reflects the improvement in energy consumption as a result of the extensive use of Home Working due to the Covid-19 pandemic.

Figure 9: Atmospheric emissions from Fineco sites

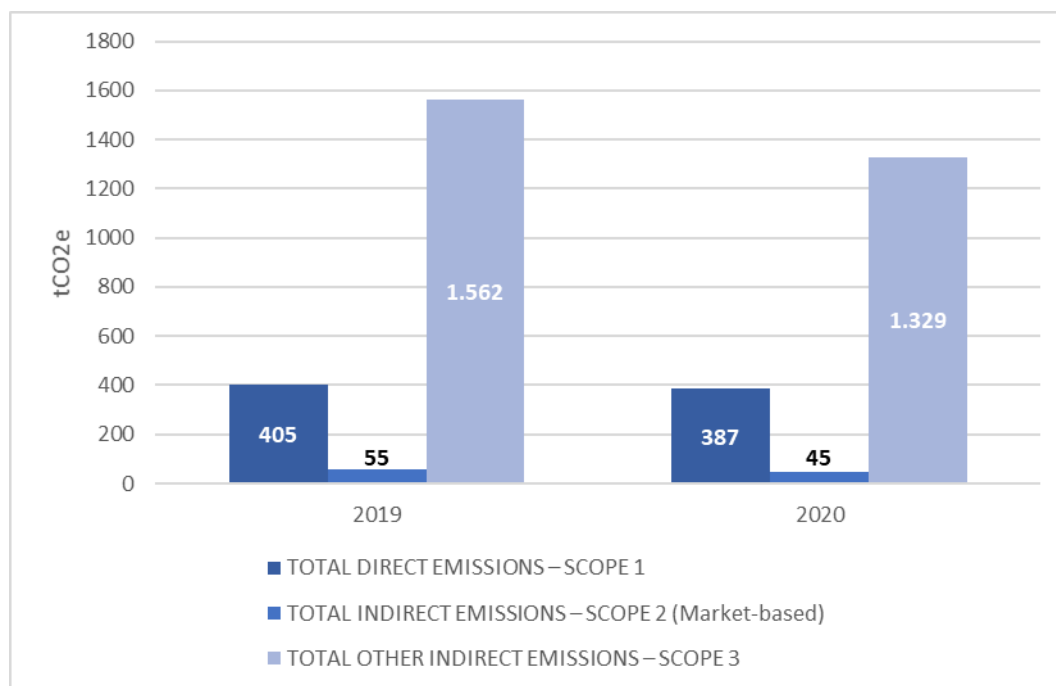


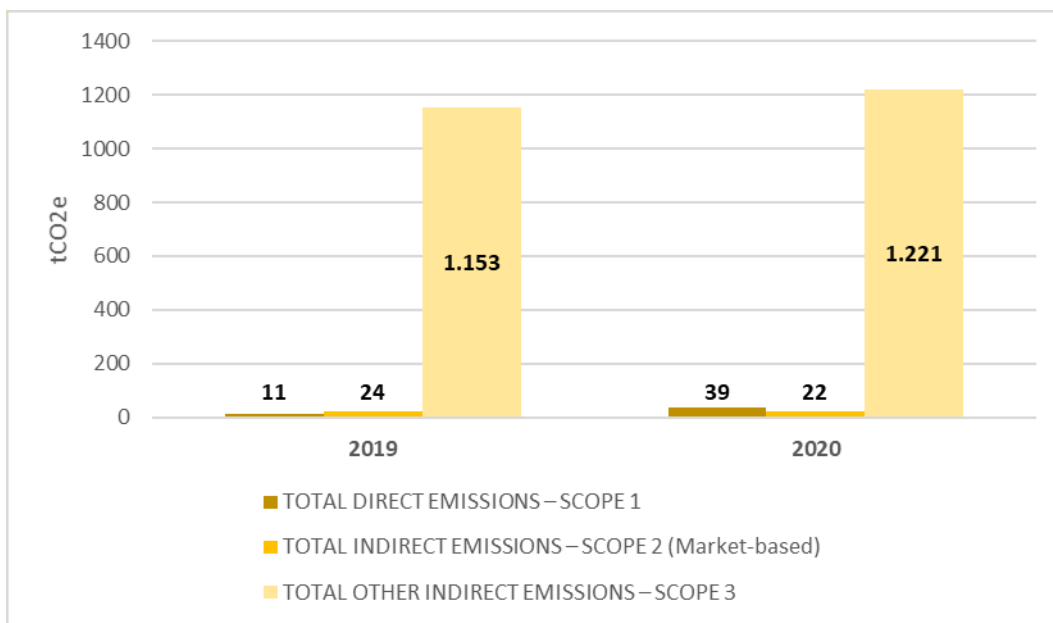
Table 7: Atmospheric emissions from FC and related indicators

TYPE OF EMISSIONS	CATEGORY	2019	2020
Direct emissions (t CO <sub>2</sub> e/year)	Natural gas	11	39
	Diesel	-	-
	Gasoline	-	-
<b>TOTAL DIRECT EMISSIONS – SCOPE 1</b>		<b>11</b>	<b>39</b>
Indirect emissions (t CO <sub>2</sub> e/year)	Electric power	510	493
	District heating	11	6
<b>TOTAL INDIRECT EMISSIONS – SCOPE 2 (Location-based)</b>		<b>521</b>	<b>499</b>
Indirect emissions (t CO <sub>2</sub> e/year)	Electric power	13	16
	District Heating	11	6
<b>TOTAL INDIRECT EMISSIONS – SCOPE 2 (Market-based)</b>		<b>24</b>	<b>22</b>
Other indirect emissions (t CO <sub>2</sub> e/year)	Natural gas	n,a,*	146
	Electric power	1,138	1,061
	District heating	-	-
	Office paper	14.7	14.4
<b>TOTAL OTHER INDIRECT EMISSIONS – SCOPE 3</b>		<b>1,153</b>	<b>1,221</b>
<b>TOTAL EMISSIONS (with Scope 2 - “Location-based”)</b>		<b>1,685</b>	<b>1,759</b>

TYPE OF EMISSIONS	CATEGORY	2019	2020
<b>TOTAL EMISSIONS</b> (with Scope 2 - "Market-based")		<b>1,188</b>	<b>1,282</b>
Number of advisors		2,541	2,606
<b>Emissions per advisor</b> (with Scope 2 - "Location-based")		<b>0.66</b>	<b>0.68</b>
<b>Emissions per advisor</b> (with Scope 2 - "Market-based")		<b>0.47</b>	<b>0.49</b>

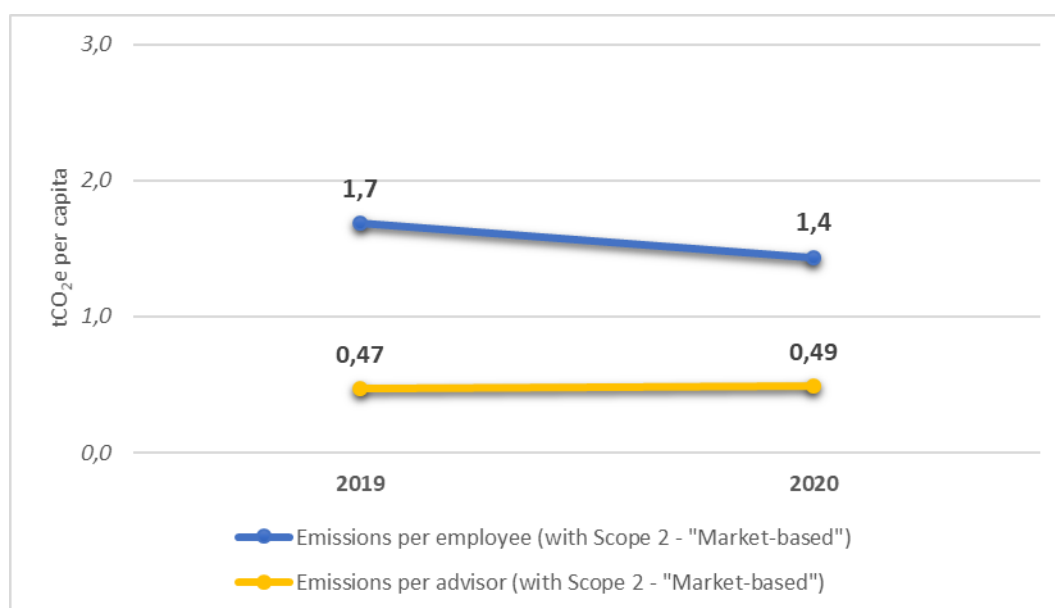
\* It was not possible to calculate the CO<sub>2</sub> emissions related to natural gas consumption in FCs with non-Fineco utilities in 2019 in a timely manner due to the difficulties in estimating consumption explained in the note to Table 5.

Figure 10: Atmospheric emissions from Fineco Centers



Emissions relating to Fineco Centers have remained more or less constant over the last two years, with a significant predominance of indirect Scope 3 emissions. The following is a comparison between the indicators relating to employees and those relating to advisors, using the Market-based approach for Scope 2 emissions, in order to highlight the proactive approach and the initiatives already undertaken by the Company.

Figure 11: Evolution of indicators on emissions per worker (company sites and FC)



#### 4.3.4. F-gas-Ozone-depleting substances

The air-conditioning of the premises in which the activities are carried out is provided by equipment containing fluorinated greenhouse gases (so-called f-gas), which, in accordance with the provisions of the regulations, are subject to periodic checks on the absence of leaks and undergo ordinary and extraordinary maintenance in order to ensure their proper functioning. This activity is entrusted to maintenance companies contracted by Fineco for company sites and corporate Fineco Centers.

In the course of 2021, a plant census will be carried out by means of a new IT platform with which the Company will manage Facility Management activities on the corporate FCs; in addition, a first and single survey of plants relating to PFA and Personal Studio FCs will be carried out.

#### 4.3.5. Discharges and water consumption

Water discharges are managed in accordance with current regulations (delivered to public sewers) and are not a significant environmental aspect for Fineco's business. The water consumption originated by the Company in the offices and in the commercial network included in the Registration's perimeter derives mainly from toilet and office cleaning activities.

Water is supplied from the aqueduct.

Table 8: Water consumption of company sites and Fineco Centers and related indicators

WATER CONSUMPTION	Unit of measure	2019	2020
Total water consumption of company sites	mc	21,059.27*	2,177.46*
Total employees	n.	1,201	1,226
<b>Water consumption per employee</b>	<b>mc per capita</b>	<b>17.5</b>	<b>1.78</b>
Total water consumption in FCs	mc	25,992.23	29,346.97
Total advisors	n.	2,541	2,606
<b>Water consumption per advisor</b>	<b>mc per capita</b>	<b>10.2</b>	<b>11.3</b>

\* As a result of Fineco's recent departure from the UniCredit Group, it was not possible to separately quantify the water consumption of the employees of the two companies present at the Reggio Emilia site. Therefore, the figure presented includes the consumption of both UniCredit and Fineco staff, although this site is mainly occupied by Fineco employees. The commitment for the coming years will be to implement independent consumption reading systems.



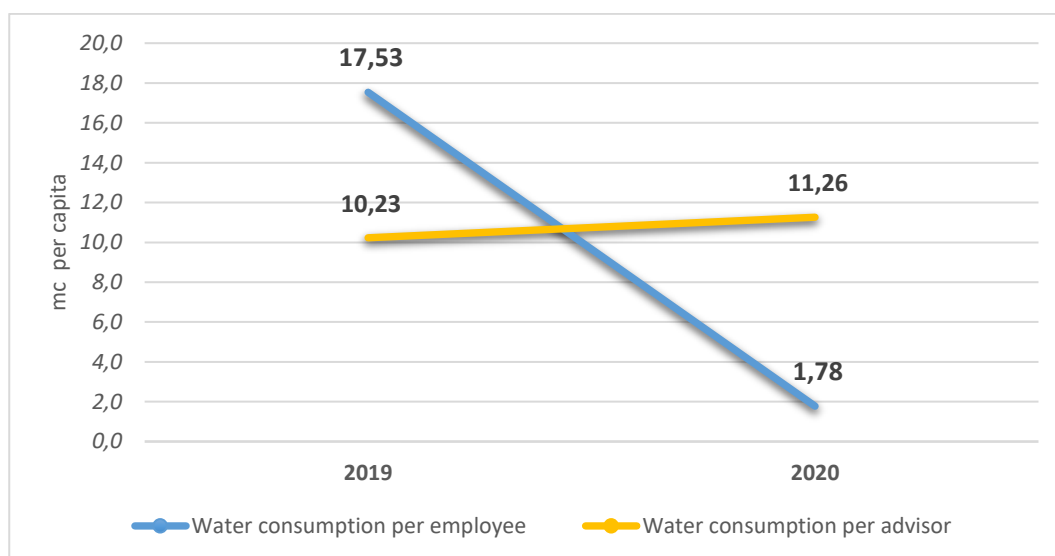
Total water consumption at the company sites has seen a drastic drop over the last year, as a result of extensive use of Home Working at both the Milan and Reggio Emilia sites.

The figure for the offices does not include the water consumption of Fineco staff at the DPCs; however, it accounts for a very limited amount due to the small number of staff at the centers (a total of 7) and the fact that it is used exclusively for hygiene and sanitary purposes.

The water consumption of Fineco Centers is the result of an estimation<sup>13</sup> based on the number of PFAs present in FCs to which an average consumption value per advisor was applied.

This explains the trend of the indicators shown below.

Figure 12: Trend of water consumption indicators per worker (company sites and Fineco Centers)



#### 4.3.6. Waste production and management

The waste produced at Fineco sites mainly consists of non-hazardous waste such as paper and cardboard, toner and other waste similar to urban waste (plastic, wet waste, various packaging).

As far as company sites are concerned, in 2021 a specialised company was contracted to collect and send for treatment waste consisting of paper and toner. The other types of urban waste produced are delivered to the municipal public collection service for which they are responsible.

In particular, in the DPCs, paper and cardboard waste is managed by the host companies. Servers no longer in use are sold; hard disks and tapes are entrusted to specialised destruction and disposal companies contracted by Fineco.

As far as Fineco Centers are concerned, waste disposal is managed by the managers of the individual FCs; for FCs with a lease in the name of the Company, the relevant report is made to the relevant municipality for the taxation of "TARI" in the name of Fineco.

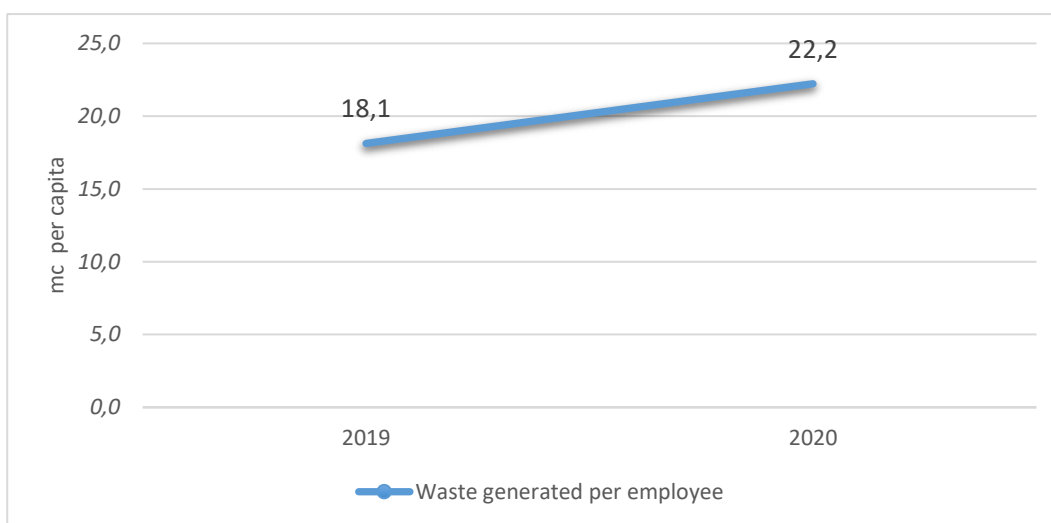
The following table shows the quantities of waste produced by Fineco and managed by a contracted company, taken from the relevant Waste Identification Forms (Formulari di Identificazione dei Rifiuti - FIR) that accompany their transport to the recovery or disposal plants. These data refer exclusively to the company's offices.

<sup>13</sup> The amounts of the invoices for the years 2019 and 2020 of the Fineco Centers whose utilities are registered to the Bank were collected to quantify first the consumption in cubic metres of each office and then a consumption per PFA, based on the number of financial advisors associated with the individual FCs considered. The average consumption of cubic metres of water per PFA was used to estimate the total consumption.

Table 9: Waste production by company sites and related indicators

TYPE OF WASTE	Unit of measure	2019	2020
Paper and cardboard <sup>14</sup>	kg	20,550	26,050
Discs/tapes (DPCs)	kg	1,220	1,200
<b>Total waste generated at sites</b>	<b>kg</b>	<b>21,770</b>	<b>27,250</b>
Total employees	n.	1,201	1,226
<b>Waste generated per employee</b>	<b>kg per capita</b>	<b>18.1</b>	<b>22.2</b>

Figure 13: Trend of the waste indicator



Although not related to the waste directly generated by the Bank, the LifeGate PlasticLess® project was launched with the aim of protecting the health of the sea by collecting floating waste, including plastics and microplastics, in the waters of ports and nautical clubs, promoting a circular economy and consumption model capable of reducing, reusing and recycling waste.

Fineco has chosen to support LifeGate in its important project by installing six Seabin devices with the aim of removing three tonnes of floating waste in just one year. The Seabins will be installed in the following locations: La Spezia, Punta Ala (Grosseto), Portoferraio (Livorno), Polignano a mare (Bari), Riva del Garda (Trento), Alghero (Sassari).

#### 4.3.7. Emergency Management

Within the registration perimeter, emergency management mainly concerns fire prevention measures. The Company complies with all the general measures for the protection of workers' health and safety pursuant to Legislative Decree no. 81/2008 and organises the necessary relations with the competent public services regarding first aid, rescue, firefighting and emergency management.

Emergency evacuation tests are carried out annually at the company's premises; the evidence emerging from the tests is duly recorded and any anomalies are taken into account and managed promptly. For the Milan and Reggio Emilia offices, a site-specific fire emergency plan is in place.

<sup>14</sup> The figure for paper and cardboard waste includes the Milan site only; it was not possible to include the figure for Reggio Emilia because, as at 31/12/2020, paper and cardboard waste was collected mainly through the urban collection service.

For the Milan Durante site, a Fire Prevention Certificate (C.P.I.) expiring on 28/11/2023 is present; for the Reggio Emilia site, the same Certificate expires in July 2023. The activities included are shown in the following tables:

Table 10: Activities subject to fire prevention – Milan Registered Office

ACTIVITY	SUBSECTION	CATEGORY	DESCRIPTION
71	3	C	Offices with more than 800 people
2	2	C	Combustible and oxidising gas de/compression systems (capacity > 50 Nmc/h)
74	3	C	Thermal power station - Heat production installations with a capacity exceeding 700 kW
75	4	C	Garages and similar, covering an area of more than 3,000 sqm
34	1	B	Deposits of paper, cardboard and similar materials, quantities from 5,000 to 50,000 kg
12	1	A	Storage and resale of liquids with ignition point > 65°C
49	2	B	Power generator and/or cogeneration units with motors of 350 to 700 kW

Table 11: Activities subject to fire prevention – Reggio Emilia Headquarters

ACTIVITY	SUBSECTION	CATEGORY	DESCRIPTION
71	2	B	Offices with between 500 and 800 staff
75	1	A	Garage up to 1,000 sqm
49	1	A	Subsidiary power generating set with a capacity of less than 350 kW

In the Fineco Centers there are no activities subject to fire prevention controls by the Fire Brigade pursuant to Presidential Decree no. 151/2011.

#### 4.3.8. Asbestos

The presence of asbestos or other hazardous substances does not appear to be a significant environmental aspect of Fineco's business.

In general, for the purposes of assessing the environmental significance of the aspect, the possible presence of asbestos found on sites is considered significant to the extent that it represents a criticality for the external environment and not in terms of human health and safety. In this sense, the presence of asbestos can be considered significant for the environment only in cases where it is detected in areas and parts of buildings in contact with the outside world, such as for example, flues and building roofs. For the Milan site, there are no items with Materials Containing Asbestos (MCA) in contact with the external environment.

In 2020, the Company commissioned an external company to carry out a specific survey at all the corporate FCs to check for the presence of asbestos-containing products in contact with the external

environment. The check was negative and the absence of MCA in contact with the external environment was confirmed for the company sites.

#### **4.3.9. Mobility**

With regard to mobility management, Fineco promotes innovative solutions that make remote meetings possible using technology. All employees have access to videoconferencing systems and all the technology needed for remote meetings. For both the Milan and Reggio Emilia offices, employees also have the option of requesting reimbursement for any annual bike-sharing subscription they may have taken out.

With reference to company vehicles, as of 31 December 2020 the company car fleet consisted of 46 cars, of which 38 with gasoline or diesel engines and 8 hybrid/electric. As part of the renewal of the contract with the company car fleet provider, the car list will be updated in 2021 to include only cars with low greenhouse gas emissions (hybrid and electric cars).

Fineco has also appointed its Mobility Manager responsible for personnel mobility pursuant to Ministerial Decree of 27 March 1998, as amended, within the *HR Planning & Reward* unit.

#### **4.3.10. Radon**

Within the Fineco Centers, an analysis was carried out on all the properties present in the Puglia and Campania Regions (corporate FCs and PFA and Personal Studio FCs). In the FCs in the Puglia Region, no gas levels above the limits set by regional regulations were detected, while in the Campania Region the survey is still in progress and will be completed in 2021, as will the remaining corporate Fineco Centers. Checks for the presence of radon gas are carried out not only in the basement rooms, but also on the ground floors of the buildings (as required by the regional regulations of the Puglia and Campania Regions only and which Fineco has decided to extend as a type of check to the other Regions).

#### **4.3.11. Noise**

In general, noise sources can be identified in the engines of air conditioning systems, both in company offices and in Fineco Centers; in both cases, however, these are not situations capable of generating significant disturbances. At the Milan and Pero data centers, the assessment of risks related to noise sources represented by the systems supporting the functioning of the data centers themselves, conducted from the point of view of the health and safety of workers as part of the fulfilments implemented pursuant to Legislative Decree no. 81/2008, does not reveal any critical issues.

As a result, noise is not a significant environmental aspect for Fineco's business.

#### **4.3.12. Electromagnetic fields**

In the Italy perimeter considered for Fineco's EMAS registration, there are no critical situations related to the presence of electromagnetic fields and the consequent compliance with applicable regulations; consequently, the environmental aspect in question is not significant.

#### 4.3.13. Storage of dangerous substances

The presence of hazardous substances at Fineco sites does not appear to be a significant environmental aspect. This environmental aspect may derive from the possible presence of diesel storage for generators at the company's premises (for which visual checks are carried out periodically to ensure that they are functioning properly) or from the possible use of hazardous substances by Fineco's suppliers during maintenance or construction activities.

#### 4.4. The assessment of environmental aspects

The environmental aspects related to business and property management, described in the preceding paragraphs, have been assessed according to a consolidated methodology consisting of three phases:

1. Identification and assessment of **business-related environmental aspects for the organisation**. In this case, the distinction between locations where the activity physically takes place is not relevant. Business-related environmental aspects are identified and assessed as part of the analysis of the organisation's internal and external context. Significance is defined as part of the assessment of risks and opportunities for the organisation related to identified compliance obligations.
2. Identification and assessment of **environmental aspects related to property management**. The activity is carried out by distinguishing **two main macro areas of investigation – company sites and commercial network** - which, as already explained, have different characteristics.

For each of the two areas (sites and network), the environmental aspects related to the management of the buildings, their impacts and risks to the environment are then identified and assessed.

Environmental aspects are identified and assessed under normal and abnormal/emergency conditions:

- under **normal conditions**, environmental aspects generate impacts and are assessed on the basis of criteria of frequency and entity of the impacts themselves; the latter is developed on four levels and is assessed on the basis of the quantities emitted/consumed and the level of circumscription of the impact (from "Not relevant/low" - *low quantities emitted/consumed and impact limited to the site where it is generated* - to "High" - *high quantities emitted/consumed and impact that extends beyond the site where it is generated* -)
- under **abnormal or emergency conditions**, environmental aspects are associated with a risk to the environment, which is assessed according to the criteria of probability and magnitude of the associated potential damage; the magnitude of the damage is also developed on four levels: from "absent/low", where the potential damage to the environment is minimal and delimited, to "high", where the potential damage to the environment is high.

In the context of the assessment, the main reference legislation is also identified and the risks for the organisation of legislative non-compliance related to failure to comply or partial compliance with legislative requirements are assessed. In this case too, the risk is associated with sanctions that may vary in extent: from environmental aspects which, although regulated, do not provide for sanctions in the event of a violation, to administrative/fine sanctions, criminal sanctions, up to the actual environmental offence under Legislative Decree 231/2001.

3. **Definition of priorities for intervention**. The outcome of the assessments of the significance of environmental aspects and risks feeds into the definition of priorities for action in terms of:
  - Improvement plans and programmes;

- Activities and initiatives to prevent, manage and mitigate risks;
- Activities and initiatives to pursue identified opportunities.

The following tables show the results of the assessments carried out respectively on the environmental aspects related to the company's business, the management of the company's premises and the Fineco Centers.

Table 12: Evaluation of significance of business-related aspects

ENVIRONMENTAL ASPECT	EVALUATION
Environmental aspects related to the provision of social and environmental products in Lending (mortgages and loans)	<b>SIGNIFICANT</b>
Environmental aspects related to the offering of ESG investment products and services	<b>SIGNIFICANT</b>
Environmental aspects related to green and social bond investment policies and their management in the bank's portfolio	<b>MODERATELY SIGNIFICANT</b>

Table 13: Evaluation of the significance of environmental aspects related to the management of buildings (company sites)

ENVIRONMENTAL ASPECT	CONDITIONS	EVALUATION
ENERGY CONSUMPTION	N	<b>SIGNIFICANT</b>
	A-E	<b>NOT SIGNIFICANT</b>
ATMOSPHERIC EMISSIONS	N	<b>SIGNIFICANT</b>
	A-E	<b>NOT SIGNIFICANT</b>
FGAS - OZONE-DEPLETING SUBSTANCES	N	<b>NOT SIGNIFICANT</b>
	A-E	<b>NOT SIGNIFICANT</b>
WATER CONSUMPTION	N	<b>NOT SIGNIFICANT</b>
	A-E	<b>NOT SIGNIFICANT</b>
WATER DISCHARGES	N	<b>NOT SIGNIFICANT</b>
	A-E	<b>NOT SIGNIFICANT</b>
PAPER CONSUMPTION	N	<b>NOT SIGNIFICANT</b>
CONSUMPTION OF OTHER MATERIALS - PLASTICS	N	<b>NOT SIGNIFICANT</b>
WASTE PRODUCTION AND MANAGEMENT	N	<b>NOT SIGNIFICANT</b>
	A-E	<b>NOT SIGNIFICANT</b>

ENVIRONMENTAL ASPECT	CONDITIONS	EVALUATION
EMERGENCY MANAGEMENT	A-E	NOT SIGNIFICANT
STORAGE OF DANGEROUS SUBSTANCES	N	NOT SIGNIFICANT
	A-E	NOT SIGNIFICANT
ASBESTOS	N	NOT SIGNIFICANT
	A-E	NOT SIGNIFICANT
EMPLOYEE MOBILITY	N	<b>SIGNIFICANT</b>
RADON	N	NOT SIGNIFICANT
NOISE	N	NOT SIGNIFICANT
ELECTROMAGNETIC FIELDS	N	NOT SIGNIFICANT

Table 14: Evaluation of the significance of environmental aspects related to the management of buildings (Fineco Center)

ENVIRONMENTAL ASPECT	CONDITIONS	EVALUATION
ENERGY CONSUMPTION	N	<b>SIGNIFICANT</b>
	A-E	NOT SIGNIFICANT
ATMOSPHERIC EMISSIONS	N	<b>SIGNIFICANT</b>
	A-E	NOT SIGNIFICANT
FGAS - OZONE-DEPLETING SUBSTANCES	N	NOT SIGNIFICANT
	A-E	NOT SIGNIFICANT
WATER CONSUMPTION	N	NOT SIGNIFICANT
	A-E	NOT SIGNIFICANT
WATER DISCHARGES	N	NOT SIGNIFICANT
	A-E	NOT SIGNIFICANT
PAPER CONSUMPTION	N	NOT SIGNIFICANT
WASTE PRODUCTION AND MANAGEMENT	N	NOT SIGNIFICANT
	A-E	NOT SIGNIFICANT
EMERGENCY MANAGEMENT	A-E	NOT SIGNIFICANT
ASBESTOS	N	NOT SIGNIFICANT
	A-E	NOT SIGNIFICANT
PFA MOBILITY	N	NOT SIGNIFICANT

ENVIRONMENTAL ASPECT	CONDITIONS	EVALUATION
RADON	N	NOT SIGNIFICANT
NOISE	N	NOT SIGNIFICANT
ELECTROMAGNETIC FIELDS	N	NOT SIGNIFICANT



## 5. ENVIRONMENTAL MANAGEMENT SYSTEM

Fineco aims to strengthen the integration of environmental management in the company's strategies and business priorities through the active involvement in the Environmental Management System of all the corporate functions of the various key processes (such as Real Estate; Risk Management; Marketing; Compliance; Investor Relations; Procurement). This is also facilitated by the operation of the Sustainability Management Committee and the Corporate Governance and Environmental and Social Sustainability Committee at Board level.

In particular, with reference to the EMAS Environmental Management System, the following roles have been defined:

- The Board of Directors is responsible for assessing and approving the principles and general guidelines necessary for defining the environmental strategy, as set out by the relevant structures, and for approving the Group's Environmental Policy and Environmental Programme, after consulting with the Corporate Governance and Environmental and Social Sustainability Board Committee;
- The Chief Executive Officer is responsible for approving, after consultation and assessment by the Corporate Governance and Environmental and Social Sustainability Committee, the elements of the system submitted to him, such as the Environmental Statement, Global Operational Regulations and Process Narratives;
- The Corporate Governance and Environmental and Social Sustainability Committee is responsible for reviewing and, if appropriate, making proposals on the elements of the system submitted to it, such as: strategy, environmental policy, environmental objectives, environmental statement and Global Operational Regulations;
- The Sustainability Management Committee, at least once a year, has the task of conducting the Management Review during which all evaluations of the input and output elements foreseen by the EMAS Regulation are carried out;
- The Chief Financial Officer, as Management Representative and Chairman of the Sustainability Management Committee, ensures that the Environmental Management System is established, implemented and maintained in accordance with the requirements of the EMAS Regulation No. 1221/2009/EC, and reports to the senior management on its performance, including recommendations for improvement in preparation for the Review. With reference to the latter, it convenes its meetings and organises, with the support of the Sustainability Office, all the activities arising from it;
- The Sustainability structure, which reports directly to the Management Representative, is responsible for managing all operational aspects related to the maintenance of the EMS and EMAS registration; from the preparation of documents, to the involvement of the company departments responsible from time to time, it ensures that EMAS principles and practices are appropriately disseminated within the company.

### 5.1. Legislative compliance management

Compliance is a prerequisite for the legitimacy and sustainability of all Group activities. Compliance with all applicable laws, regulations and internal rules, both at local and Group level, makes it possible to prevent unlawful behaviour and to maintain legal compliance over time. Fineco proactively monitors and manages the risks associated with non-compliance to laws and regulations, carrying out all activities in line with the applicable rules, internal procedures, best practice standards and ethical principles.

With particular reference to environmental legislation, the Real Estate structure is responsible for monitoring the regulatory obligations applicable in terms of the technical and plant management of the buildings of the registered office, the recovery site and the corporate FCs. As described, in this

area, the structure is responsible, among other things, for ensuring compliance with the legislative and contractual obligations of contractors, as well as monitoring compliance by third-party companies engaged to provide the various services.

The Organisation, Management and Control Model adopted by Fineco pursuant to Legislative Decree no. 231/2001 also defines the *principles of conduct and the control principles* adopted by the company for the prevention of some of the environmental offences included in the Decree, with particular reference to the management of waste, the pollution of the soil, subsoil, surface and underground waters and the use of harmful substances.

The Compliance structure oversees, according to a risk-based approach, the management of the risk of non-compliance with the regulations applicable to the Group, including the regulation of obligations, from an ESG point of view, under the regulations governing banking, credit and financial activities. It also verifies that internal procedures are adequate to prevent the risk of non-compliance with regulations by measuring the risk itself, with the support of the Risk Assessment & Controls unit (within the department). In the context of the fulfilments related to the updating of the Bank's Organisation and Management Model of Legislative Decree no. 231/2001, the Banking Services & General Rules team, internal to the Compliance function, also acts as the Secretariat of the Supervisory Board.

In this context, the Sustainability structure - which is responsible for the operational supervision of the organisation's Environmental Management System - plays a coordinating role for the other functions with respect to Fineco's overall environmental sustainability strategy.

## 5.2. Operational building management

The maintenance, management, organisational and design activities aimed at maintaining the value of the buildings are entrusted to a Global Service company on the basis of a specific contract. The Global Service supplier also has the task of ensuring, within the managed buildings, compliance with laws and regulations on health, plant safety, rational use of energy and avoiding the occurrence of breakdowns or functional anomalies. The services included in the Global Maintenance Service are:

- Routine maintenance;
- Management support services (management of requests for intervention, use of property management applications, preparation and maintenance of documentation, regulatory monitoring, assistance to certification bodies such as EMAS and LEED (Leadership in Energy and Environmental Design), etc.);
- Design and implementation services (energy saving, design and implementation of extraordinary maintenance).

The services provided by Global Service include: electrical installations; mechanical installations (heating, air conditioning, plumbing, drainage); building and complementary structures (masonry work, blacksmith, carpenter, glazier, etc.); outdoor green areas.

In addition to the Global Service activities, other services are provided by external companies, such as cleaning, fire-fighting and waste management.

The main environmental aspects related to the activities of service providers are:

- Management of waste from activities;
- Use and storage, subject to authorisation by Fineco, of any hazardous substances;
- Management of thermal installations and equipment containing f-gas.

With regard to the management of the environmental aspects connected to the activities carried out by third party companies - on company premises - the respective contracts define the various legislative and operational requirements that the contractors are obliged to comply with when

performing the services and the verification methods adopted by Fineco to control and monitor their compliance.

For example, with reference to the management of thermal systems for winter and summer air conditioning, the contractors must ensure the management of the systems in compliance with all the regulations in force - at both national and local level - with reference to emissions into the atmosphere, energy efficiency, the presence in the systems of fluorinated greenhouse gases and the possible presence of ozone-depleting substances.

With particular reference to the waste produced during the execution of the services, the contracts provide that all the materials deriving from maintenance activities at the contracted premises are to be considered an integral part of the production cycle of the contractor, who must therefore dispose of them at his own expense in accordance with the provisions of Legislative Decree no. 152/2006 and s.m.i..

In addition, the waste produced by the maintenance may not be temporarily deposited at the property subject to the maintenance, but the contractors must arrange for its transport to their own premises or home. Any exceptions must always be authorised by Fineco in advance.

### **5.3. Selection and control of suppliers**

The selection of suppliers is carried out by FinecoBank's Procurement Office, which ensures that the supply chain is managed in line with the criteria of transparency and objectivity and that suppliers are selected on the basis of knowledge and professional skills such as to meet certain requirements, including the adoption of socially responsible behaviour.

The procurement process, at Group level, is governed by the Expense Regulation (a policy that defines the parameters to be assessed in the selection process), together with FinecoBank's Code of Ethics and Organisation and Management Model, which describe the principles underlying the relationship between Fineco and its suppliers. During the evaluation and selection process, in addition to sharing the Code of Ethics, which requires compliance with the principles of fundamental human rights of the ILO (International Labour Organization), suppliers whose supply is greater than or equal to € 25,000 (including VAT) are subjected to an ESG questionnaire relating to aspects such as, for example:

- Quality management systems (ISO 9001);
- Environmental management systems (ISO 14001, EMAS);
- Occupational health and safety management systems (ISO 45001, ex OHSAS 18001);
- Working conditions and discriminatory practices.

With reference to service contracts, during the course of the work, Fineco, through the appointment of a specialised technical figure identified as Real Estate Manager or through the use of external personnel, reserves the right to check the perfect observance of all contractual prescriptions by the various suppliers.

### **5.4. Training**

The development and enhancement of human resources is a strategic factor for Fineco, even more so in an environment that is constantly evolving and characterized by constant challenges. For this reason, Fineco is committed to fostering the growth and development of its employees, promoting adequate training plans and programs aimed at developing the skills of each individual.

In April 2021, training activities were launched for Fineco employees, focusing on the description of the EMAS Regulation and the presentation of the path taken by the Company in this area. The aim is to ensure that employees at all levels are aware of Fineco's strategy and are considered an integral part of the implementation of the Environmental Management System. To this end, the first days of training were aimed at the functions directly involved in EMS-related activities, in order to develop internal skills that will enable all personnel to be covered by a training plan spread over time.

In addition, in April 2021, two training meetings were held in web-conference mode for the network of financial advisors during which, among the sustainability topics, the EMAS Regulation and the importance of implementing an Environmental Management System (EMS) were addressed, as well as the opportunities it can bring to the activities conducted.

Finally, a new online course aimed at all employees was launched at the beginning of May 2021, entitled "Introduction to Sustainability" and consisting of two modules that will describe:

- The evolution of the concept of sustainability in its three dimensions - economic, environmental and social - from the first definitions to the current scenario;
- The practical application of the concept of sustainability to the world of business and in particular to Fineco, the organisational and communication implications that derive from it and the reference to projects undertaken by the Company.

## **5.5. Communication, awareness and information**

Fineco plays an active and proactive role in communicating its commitment to sustainability and in sharing with its stakeholders the initiatives undertaken with the aim of promoting sustainable business in the long term.

The initiatives promoted include:

- Since September 2020 Fineco has been a signatory to the United Nations Global Compact Principles and participates in the respective Italian Network, with the aim of managing the challenges of climate change and future socio-economic impacts;
- Since October 2020 FAM has become a signatory of the United Nations Principles for Responsible Investments;
- Since December 2020 FinecoBank has become a signatory of the United Nations Principles for Responsible Banking.

In addition, since 2018 Fineco has started a stakeholder mapping process, developing, over the years, numerous activities aimed at involving stakeholders and improving the management of relations with them. The Company has developed targeted strategies and preferential channels for each category of stakeholders. Some examples are: customer satisfaction assessment and customer care service for customers; engagement and reputation survey activities and new-hire onboarding for employees; workshops, training and a dedicated platform for advisors.

## 6. ENVIRONMENTAL IMPROVEMENT PROGRAMME

N.	Area of improvement	Project / Initiative and Objectives	Improvement measures	Company structures involved	Resources deployed	Performance indicators	Targets	Deadline	Status at 31.12.2020
1	Lending	Increasing the offer of products with environmental value in mortgages and loans	Design of new products with these characteristics	<ul style="list-style-type: none"> <li>Banking &amp; Credit Products</li> </ul>	Quantification of FTEs to be estimated on the basis of the technical and functional requirements expressed in the project in line with Fineco's operating procedures	Integration of environmental aspects into the various credit solutions offered	Design of credit solutions with environmental value: <ul style="list-style-type: none"> <li>Development of green lending</li> <li>Strengthening Superbonus 110%</li> </ul>	2023	<ul style="list-style-type: none"> <li>Development of green lending: to be launched</li> <li>Superbonus 110%: launched in November 2020</li> </ul>
2	Distribution of funds	Increasing coverage of ESG-rated funds in the platform	ESG assessment of funds on the Fineco platform	<ul style="list-style-type: none"> <li>Advisory, Third Party &amp; Private Banking Solutions</li> </ul>	<ul style="list-style-type: none"> <li>Existing data provider cost: € 80.000 (VAT incl.) / year</li> <li>Cost of additional data provider (under evaluation)</li> </ul>	% ESG-rated ISINs on total ISINs on platform	Positive delta Y/Y <sup>15</sup>	Rolling	<ul style="list-style-type: none"> <li>57 % ESG-rated ISINs out of total ISINs in platform</li> <li>+2pp Vs 31.12.2019 (55%)</li> </ul>
			Introduction of ESG criteria in the evaluation of new funds	<ul style="list-style-type: none"> <li>Advisory, Third Party &amp; Private Banking Solutions</li> </ul>	<ul style="list-style-type: none"> <li>Existing data provider cost: € 80.000 (VAT incl.) / year</li> </ul>	% of new ESG-rated ISINs out of total new ISINs entered into the platform since 2021	100% <sup>16</sup>	2023	<ul style="list-style-type: none"> <li>85% new ESG-rated ISINs out of total new ISINs entered into platform in year (185)</li> </ul>

<sup>15</sup> In line with the evolution of the data provided by product houses to ESG rating providers, Fineco will be able to provide better coverage on the funds it has in distribution.

<sup>16</sup> Excluding the UK, which is a newly opened market for Fineco, and extraordinary transactions.

N.	Area of improvement	Project / Initiative and Objectives	Improvement measures	Company structures involved	Resources deployed	Performance indicators	Targets	Deadline	Status at 31.12.2020
3	Investment solutions	Promotion and design of new investment solutions integrating ESG criteria	Design of new products incorporating ESG criteria	<ul style="list-style-type: none"> <li>Advisory, Third Party &amp; Private Banking Solutions</li> </ul>	<ul style="list-style-type: none"> <li>Approx. 2 man-days per week</li> </ul>	Integration of ESG aspects into different investment solutions on the platform	Designing ESG investment solutions in the following advisory categories: <ul style="list-style-type: none"> <li>pension</li> <li>wealth management</li> </ul>	2021	Design of ESG investment solutions in the following advisory categories: <ul style="list-style-type: none"> <li>pension - Core Pension</li> <li>wealth management – Private Value and Private Global Lines</li> <li>insurance - FIA ESG</li> </ul>
							Design/enhancement of ESG investment solutions in the following advisory categories: <ul style="list-style-type: none"> <li>insurance</li> <li>benchmark certificates</li> </ul>	2023	
4	Green and Social Bond	Increased coverage of green and social bonds within FinecoBank's portfolio	Prioritising the purchase of ESG bonds	<ul style="list-style-type: none"> <li>Finance</li> </ul>	<ul style="list-style-type: none"> <li>The activity does not require additional resources</li> </ul>	Exposure to green and social bonds as a % of the total FinecoBank portfolio <sup>17</sup>	Positive delta Y/Y	Rolling	<ul style="list-style-type: none"> <li>4.4%</li> <li>€ 742 mln</li> <li>+3,5pp Vs 31.12.2019 (0.9% amounting to € 136 mln)</li> </ul>
5	Supply chain	Reducing environmental impacts associated with the supply chain	Integration of ESG criteria into new supplier qualification procedures	<ul style="list-style-type: none"> <li>Procurement Office</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>The activity does not require additional resources as it will be carried out using the Procurement Office application</li> </ul>	% of annual supply volumes assessed on the basis of ESG criteria out of the total annual volumes of suppliers with an expenditure	50%	2023	- (activity launched in 2021)

<sup>17</sup> Excluding UniCredit portfolio.

N.	Area of improvement	Project / Initiative and Objectives	Improvement measures	Company structures involved	Resources deployed	Performance indicators	Targets	Deadline	Status at 31.12.2020
						≥ €25,000 (incl. VAT)			
6	Energy consumption/ atmospheric emissions	Reducing greenhouse gas emissions	Purchase of electricity from renewable sources	• <i>Real Estate</i>	• Additional costs for cancellation of guarantees of origin: approx. € 5.000 / year	% electricity consumption from renewable sources, related to buildings in which the electric utilities are registered to Fineco <sup>18</sup>	100%	2022	97% <sup>19</sup>
		Energy efficiency	Energy efficiency initiatives	• <i>Real Estate</i>	Resources defined within the energy efficiency plan of the company's headquarters, which is continuously updated	kWh saved through efficiency measures	Targets defined within the energy efficiency plan of the company's headquarters, which is continuously updated	Rolling	5,540 kWh
7	Mobility	Reducing emissions associated with staff mobility	Modernisation of the car fleet with hybrid/electric cars	• <i>HR</i>	No significant additional costs are expected. There is also a potential resource saving in terms of fuel costs due to the hybrid/electric motorisation of the car fleet	% of hybrid/electric cars in the total car fleet	100%	2024	17.4%

<sup>18</sup> The perimeter includes the registered office in Milan and the Fineco Centers where the utilities are registered to Fineco (64 Fineco Centers as of 31.12.2020).

<sup>19</sup> The figure at 31.12.2020 also includes the recovery site decommissioned in February 2021.

N.	Area of improvement	Project / Initiative and Objectives	Improvement measures	Company structures involved	Resources deployed	Performance indicators	Targets	Deadline	Status at 31.12.2020
8	<b>Resource consumption/dematerialisation</b>	Reducing business-related plastic consumption	Creation of digital credit cards in addition to traditional ones	<ul style="list-style-type: none"> <li>• <i>Banking &amp; Credit Products</i></li> </ul>	Quantification of FTEs to be estimated on the basis of the technical and functional requirements expressed in the project in line with Fineco's operating procedures	<p>No. of digital credit card applications</p> <p>% digital cards on total number of cards</p>	To be defined, year on year, following the launch of the new product and on the basis of the results obtained and the interest shown by customers	Rolling	To be launched
9	<b>Resource consumption/dematerialisation</b>	Reduction of plastic consumption related to office activities; raising awareness of employees towards more sustainable behaviour, also outside office activities	Installation of water dispensers in premises to replace plastic bottles	<ul style="list-style-type: none"> <li>• <i>Real Estate</i></li> </ul>	Cost currently not estimable as it is related to the number of employees who will return to company sites in the coming months/years as a result of the Covid-19 pandemic	Company sites where dispensers have been installed	<ul style="list-style-type: none"> <li>• Registered Office - Milano</li> <li>• Headquarters - Reggio Emilia</li> </ul>	2023 (deadline linked to the evolution of the pandemic context)	Pilot project launched at Milan registered office
			Delivery of reusable water bottles to all employees	<ul style="list-style-type: none"> <li>• <i>HR</i></li> <li>• <i>Brand, Advertising &amp; Events</i></li> <li>• <i>Global Banking Services</i></li> </ul>	Cost of buying water bottles: € 15.000-25.000 (incl. VAT) depending on the model selected	Number of water bottles delivered / Number of employees	100%	2022 (deadline linked to the evolution of the pandemic context)	- Activities to be launched after completion of the pilot project in the Milan registered office



N.	Area of improvement	Project / Initiative and Objectives	Improvement measures	Company structures involved	Resources deployed	Performance indicators	Targets	Deadline	Status at 31.12.2020
10	<b>Resource consumption/dematerialisation</b>	Optimisation of the processes of entering and managing requests as well as product reporting, with the aim of reducing environmental impacts associated with paper consumption	Reduction in paper consumption within the processes covered by the optimisation projects	<ul style="list-style-type: none"> <li>• <i>Banking &amp; Credit Products</i></li> </ul>	<ul style="list-style-type: none"> <li>• External supplier set-up costs: €43.000 (incl. VAT)<sup>20</sup></li> <li>• FTE Product Office: 1 FTE per 60 days<sup>21</sup></li> <li>• Other costs for future initiatives (<i>to be estimated</i>)</li> </ul>	kg of paper saved thanks to dematerialisation initiatives	<ul style="list-style-type: none"> <li>• Introduction of digital signature on Credit Lombard applications entered through X-Net</li> <li>• Introduction of the "Digital Courier" for the collection of mortgage documents</li> <li>• Digitalisation: <ul style="list-style-type: none"> <li>○ Loans transparency letters</li> <li>○ Letter of Credit Acceptance</li> <li>○ Account statement of the collateral dossier</li> </ul> </li> </ul>	2021	<p>Digital signature introduced on Credit Lombard applications: initiative launched on 16/12/2020, 11 kg of paper saved in 2020.</p> <p>Digitised E/C guarantee files: the exchange of these documents in digital mode started at the beginning of 2021, so there are no paper savings in 2020.</p> <p>Other activities under development.</p>

<sup>20</sup> The amount relates to the one-off contractual expenditure on the "Digital Courier" for the collection of loan documents.

<sup>21</sup> This figure refers to the dematerialisation activities related to Credit Lombard and Mortgages.

## 7. REGISTRATION DATA

### GENERAL INFORMATION

**Organisation name:** FinecoBank S.p.A.

**Registered office:** Piazza Durante 11, Milan

**ISTAT – ATECO – NACE code:** 64.19.1

**Activity:** Monetary intermediation by monetary institutions other than central banks

**N. Employees** (as of 31/12/2020): 1.226.

#### **Contacts:**

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<https://finecobank.com/en/online/>

#### **SCOPE OF APPLICATION:**

Collection of savings, exercise of credit in its various forms, banking and financial transactions and services in Italy.

#### **DEADLINE FOR SUBMITTING THE NEXT VALIDATED ENVIRONMENTAL STATEMENT**

FinecoBank S.p.A. intends to prepare the update of this Environmental Statement for validation by the accredited Environmental Auditor by June 2022.

The drafting and validation of the next Environmental Statement expected by June 2024.

#### **VALIDATION OF THE ENVIRONMENTAL STATEMENT**

The Accredited Environmental Verifier who verified the validity and conformity of this Environmental Statement with the requirements of EC Regulation No. 1221/2009 (as amended by EU Regulations No. 1505/2017 and No. 2026/2018) is:

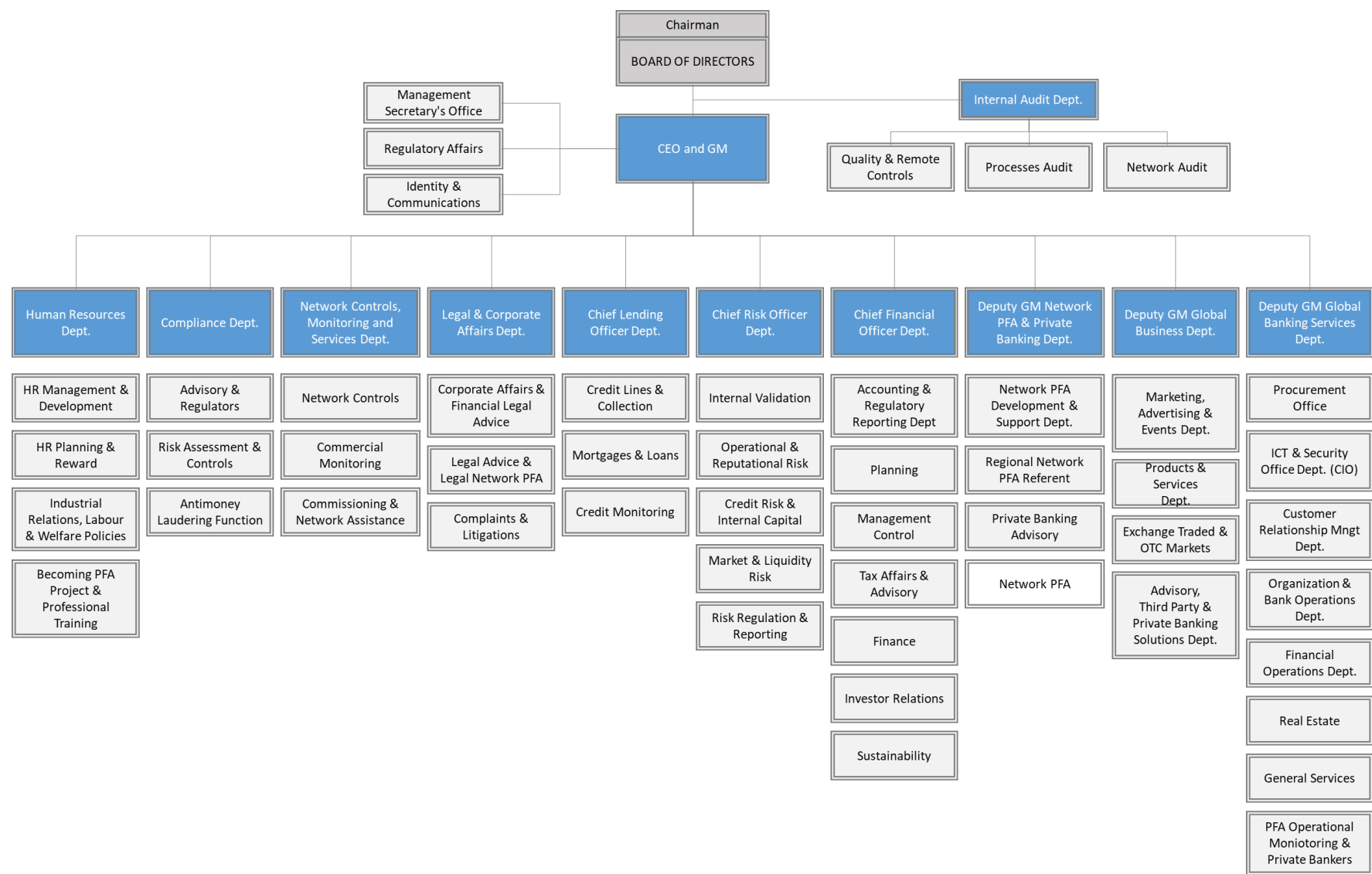
**DNV Business Assurance Italia S.r.l.**

**14, Energy Park - 20871 Vimercate (MB)**

**Accreditation or licence registration number: 009P-rev00-Cod. EU n° IT-V-003**

# 8. ANNEXES

## 8.1. ANNEX 1 – Company organisation chart updated as of February 2021



## 8.2. ANNEX 2 – Environmental Policy



Global Policy

### **Environmental Policy FinecoBank Group**

*FB 068\_2020*

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**Approving Function**    Board of Directors

**Data** December 2020

**Proposing Function**    CFO Department - Sustainability

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## 1. FOREWORD

FinecoBank Group's mission is to provide top quality services and products at fair pricing, committing to do business in an innovative, efficient and transparent way - inherent to the identity of all the Group's companies - and with the will to integrate, in an increasingly structured way, the economic, environmental and social sustainability objectives in its short, medium and long term strategy.

Within FinecoBank's Code of Ethics, which is the cornerstone of the Organisation and Management Model adopted pursuant to Legislative Decree no. 231/2001, Environmental Protection is a key principle, aimed at guaranteeing full and substantial compliance with environmental legislative requirements in all the activities carried out. The reporting of environmental impacts is an integral part of the obligations implemented through the Non-Financial Statement prepared pursuant to Legislative Decree no. 254/2016.

In this framework, the Parent Company has adopted the Environmental Management System in line with the EMAS standard of excellence (Reg. no. 1221/2009/EC), as the main tool to implement the environmental principles and commitments, endorsed and formalised through this Environmental Policy.

## 2. GLOSSARY AND DEFINITIONS

Keyword	Definition
Parent company	FinecoBank S.p.A. (hereinafter also "FinecoBank", "Fineco" or the "Bank").
Subsidiary	Entity directly or indirectly controlled by FinecoBank S.p.A. (hereinafter also "Subsidiary Entity", or "Subsidiary Company" or "LE")
Group Companies	Companies of the FinecoBank Group, which is the Parent Company FinecoBank and its Subsidiaries
Group	Fineco Group, consisting of FinecoBank S.p.A. and the Group Companies (hereinafter also "Fineco Group")
ESG	Environmental, Social and Governance
SRI	Socially Responsible Investors

## 3. PURPOSE AND SCOPE

The Environmental Policy applies to all the activities carried out by FinecoBank Group, in Italy and abroad, and is structured through the definition of a series of General principles - which express the organization's guidelines and orientations - and of Main areas of intervention, which constitute the framework for establishing specific environmental objectives and targets, in the pursuit of continuous improvement of our environmental performance.

## 4. BASIC PRINCIPLES

As a financial institute, the Group through all its structures is aware of the crucial role it plays in the transition towards a sustainable, low-carbon and climate-resilient economic model. In addition to ensuring compliance with current environmental legislation and limiting the impacts generated by its operations according to a logic of continuous improvement, the Group is committed to promoting and supporting this transition through the integration of ESG criteria in its internal investment policies as well as in the range of products and services it offers.

The protection of the environment, meeting compliance obligations, the adoption of tools and operating methods aimed at limiting the consumption of natural resources, preventing and mitigating risks related to the environment and reducing the impacts that could arise from the Group's activities are objectives that must be pursued along the entire value chain - from procurement decisions to the operations of the financial advisor network - in line with the environmental commitments arising from signing the United Nations' Global Compact Principles.

The involvement of personnel and the network of financial advisors, through initiatives aimed at spreading awareness of the role and contribution that each individual can make to improve the Company's environmental performance, is a further element underpinning the Group's commitment.

## 5. MAIN AREAS OF INTERVENTION

Through the Environmental Management System, FinecoBank intends to implement its strategies and pursue concrete improvement objectives in the following areas:

- **Responsible Finance** – credit products with an environmental value, ESG assessment of the funds on the FinecoBank platform, coverage of green and social bonds within the FinecoBank portfolio
- **Supply chain** – assessment of suppliers also based on ESG criteria
- **Shareholders** – strengthening dialogue with Socially Responsible Investors (SRI) and Sustainability Rating Agencies
- **Environmental impacts** – reduction of energy consumption and emissions, initiatives to support sustainable travel for employees, responsible consumption of paper and plastic.

## 6. ADOPTION AND DISTRIBUTION

FinecoBank intends to use and distribute this Group Policy so that it constitutes the reference framework for establishing objectives and improvement programs and is a tool for transparency and dialogue with all Stakeholders. For this reason it is distributed to all personnel of all Group Companies and to financial advisors, and is made available to the public, clients, investors, regulators and suppliers of products and services through the institutional website.

### 8.3. ANNEX 3 – List of verified company locations and Fineco Centers

#	Region	Site type	City	Province	Address	AUDIT mode
1	Emilia Romagna	Headquarters	REGGIO EMILIA	RE	Via Rivoluzione D'Ottobre 16	ON SITE
2	Lombardia	DPC	PERO	MI	Via del Carroccio 6	REMOTE
3		Registered Office	MILANO	MI	Piazza Durante 11	ON SITE
4		DPC	MILANO	MI	Via Savona 125	REMOTE
5	Abruzzo	Fineco Center	VASTO	CH	Via Giulio Cesare, 77	REMOTE
6	Campania	Fineco Center	ARIANO IRPINO	AV	Via Vico V Vitale, 49	REMOTE
7		Fineco Center	AVERSA	CE	Via Salvo D'acquisto, 56	REMOTE
8		Fineco Center	NAPOLI	NA	Centro Direzionale Isola F3	REMOTE
9		Fineco Center	NAPOLI	NA	Centro Direzionale Isola F4	REMOTE
10	Friuli - Venezia Giulia	Fineco Center	UDINE	UD	P.za Libert�, 5	REMOTE
11		Fineco Center	CODROIPO	UD	Via Italia, 5	REMOTE
12	Lazio	Fineco Center	FROSINONE	FR	Via Aldo Moro, 501	REMOTE
13	Lombardia	Fineco Center	COMO	CO	P.za Alessandro Volta, 56	REMOTE
14		Fineco Center	CREMA	CR	Via Diaz, 44	REMOTE
15		Fineco Center	VARESE	VA	Via Piave, 12	REMOTE
16		Fineco Center	VOGHERA	PV	Via Camillo Benso Cavour, 6	ON SITE
17		Fineco Center	CUSAGO	MI	Via Alessandro Manzoni, 9	REMOTE
18	Marche	Fineco Center	ASCOLI PICENO	AP	Viale Sinibaldo Vellei, 21	REMOTE
19		Fineco Center	CAGLI	PU	Via Goffredo Mameli, 67	REMOTE
20		Fineco Center	CASTELFIDARDO	AN	Via Giacomo Matteotti, 51	REMOTE
21	Sicilia	Fineco Center	CATANIA	CT	C.so Italia, 266	REMOTE
22		Fineco Center	FERLA	SR	Via Giuseppe Garibaldi, 139	REMOTE
23		Fineco Center	AVOLA	SR	C.so Garibaldi, 5	REMOTE
24		Fineco Center	MARSALA	TP	C.so Giovanni Amendola, 38	ON SITE
25		Fineco Center	MAZARA DEL VALLO	TP	Via Castelvetro, 35	ON SITE
26		Fineco Center	TRAPANI	TP	Viale Regione Siciliana, 103	ON SITE
27	Toscana	Fineco Center	FIRENZE	FI	Lungarno Corsini, 8	ON SITE
28		Fineco Center	CAMAIORE	LU	P.za Armando Diaz, 9	REMOTE
29		Fineco Center	CARRARA	MS	Via Werther Muttini, 7/A	REMOTE
30		Fineco Center	FIRENZE	FI	Viale Alessandro Volta, 80	ON SITE
31	Veneto	Fineco Center	ARSIERO	VI	Via Mezzavilla, 49	REMOTE
32		Fineco Center	MESTRE	VE	P.za Ferretto, 24	REMOTE
33		Fineco Center	BASSANO DEL GRAPPA	VI	Viale Armando Diaz, 41	REMOTE
34		Fineco Center	TREVISO	TV	P.za del Quartiere Latino, 11	REMOTE
35	Veneto	Fineco Center	VERONA	VR	C.so Porta Nuova, 125	ON SITE
36		Fineco Center	VERONA	VR	Via Citt� di Nimes, 7	ON SITE