



Standard Ethics Rating [corpSER]: **EEE-**
Long Term Expected corpSER [3y to 4y]: **STABLE**

Issuer: **FinecoBank S.p.A.**
Listing: Borsa di Milano
ISIN: IT0000072170
Market Capitalisation: 9.18 Bln EUR
Sector: *Financials*
Industry: *Banking*
Type of rating: Corporate Standard Ethics Rating [SER]
Date: 30 September 2024
Expiry Date: 15 September 2025
Last action: 27 July 2023
Previous SER: EE+ *Outlook Stable*
Type of document: Rating Report

Level of Compliance

EEE	EEE-	EE+	EE	EE-	E+	E	E-	F
Full	Excellent	Very strong	Strong	Adequate	Non-compliant	Low	Very Low	Lowest level
Sustainable					Not Fully Sustainable		Not Sustainable	

Summary

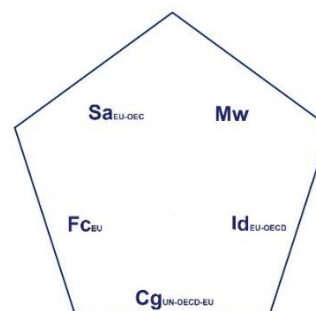
FinecoBank is a multi-channel direct bank offering credit, trading and investment services.

ESG (Environmental, Social, Governance) policy management is integrated into the Bank's structure and the sustainability governance model is aligned with the voluntary guidelines of major international bodies (UN, EU, OECD).

Company policies govern various areas of interest, with consistent coverage of the Group's business, and are subject to an appropriate risk management system. Non-financial reporting is timely and comprehensive, as is the definition of the medium- to long-term objectives of the new 2024-2026 ESG Multi-Year Plan. Technological and product innovations offered by the Bank take into account sustainability aspects. The qualitative-quantitative composition of the main bodies (in terms of independence, diversity and gender equality) is in line with best practices in the sector.

The short- and long-term outlook is positive.

Snapshot (adj.)



Each side of the diamond represents one of the five "standards" measured by the Standard Ethics Algorithm. The symbolic representation of a normal (Gaussian) distribution provides an intuitive indication of those areas where the Company probably will, or should, take action. See below for further details.

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Standard Ethics Ltd

167-169 Great Portland Street, Fifth Floor

W1W 5PF London, UK – Company Number: 7703682

Published and produced by SE Research Office

Analysis, research, review: G. Crocchini; M. Morello; B. Gornati; L. Inserra

Head of Communication Office: T. Waters

Hub and Corporate Website in www.standardethics.eu

For all enquiries, please write to: headquarters@standardethics.eu

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BACKGROUND, METHODOLOGY, RATING

New elements – such as the evolution of the Internet – have created open and transparent financial markets, in which growing segments of the population participate. This has resulted in:

- greater attention to **extra-financial** factors, both tangible and intangible, with repercussions on the level of trust and credibility of issuers;
- new assessments of the quality and **long-term durability** of listed financial products, related to both companies (stocks, bonds, green bonds) or institutional issuers (such as government bonds).

Standard Ethics has ascertained that we have reached the end of the classic financial era, which was focused exclusively on economic variables. Despite their fallibility and volatility, regulated markets have evolved and are proving to be the most important and independent system in assessing the long-term **sustainability**¹ of numerous human activities.

The Standard Ethics Rating helps refine the strategies, language and ways in which an issuer operates on the market.

STANDARD ETHICS

Standard Ethics Ltd (SE) is a **Self-Regulated Sustainability Rating Agency** that issues Non-Financial Solicited Ratings to companies and sovereign nations. The Standard Ethics® brand has been around since 2004 in the world of “sustainable finance” and ESG (Environmental, Social and Governance) studies.

Standard Ethics is supervised by internal control and audit offices. The composition of the Board complies with the international guidelines on diversity of nationality, professional skills, independence and gender equality.

STANDARD ETHICS RATING

The Standard Ethics Rating, which has been put to the test over the last 15 years, is a Solicited Sustainability Rating (SSR). It has 3 main characteristics:

- **Solicited:** it is issued only at the request of an applicant, by means of a direct, bilateral and regulated agreement.
- **Standard:** it is always comparable to other ratings, as the methodology and issuance parameters are aligned to pre-established guidelines, and the algorithm takes into account the size and typology of the issuer.
- **Independent:** in order to remain third party to investors, Standard Ethics does not provide any individual investor with advice, analysis or data regarding companies under rating, it does not use the data gathered for asset management advisory services (to banks or funds) and it does not share it with third parties.

In short, the Standard Ethics Rating indicates the level of compliance by companies (and sovereign nations) in the field of sustainability on the basis of documents and guidelines published by:

- The European Union (EU);
- The Organisation for Economic Cooperation and Development (OECD);
- The United Nations (UN).

Standard Ethics uses an analyst-driven rating process, meaning the analysis performed does not require applicants to fill out forms and questionnaires or to provide any

¹ Standard Ethics synthesizes its vision in three cornerstones of sustainability:

1. Sustainable development policies are about the generations of the future; they have taken on a global dimension; and they are implemented on a voluntary basis. It is up to the main supranational organisations, officially recognised by nations across the globe, to establish the definitions, guidelines and strategies related to sustainable development through science.
2. Economic entities do not define the guidelines, goals and strategies on sustainability: they pursue them to the extent deemed possible.
3. Measuring the sustainability of economic entities means providing comparable and third-party data on their overall compliance with international guidelines.

documents other than those already available and that Standard Ethics does not use artificial intelligence or software either in data analysis or in decision-making.

SE ANALYSIS UNIT

According to the methodology, guidelines and procedures of Standard Ethics, the Analysis Unit working on this rating has carefully analysed the following areas based on the set-up of the Client (the areas have been divided into about **220** analysis points):

- MARKET AND COMPETITORS (13 analysis points)
- MARKET AND DOMINANT POSITIONS (10 analysis points)
- CONTRACTS, FINANCINGS AND PUBLIC AIDS (7 analysis points)
- MARKET DISTORTIONS, FAVOURITISM & CORRUPTION (8 analysis points)
- OWNERSHIP, SHARE CAPITAL AND SHAREHOLDERS (8 analysis points)
- INTERNAL VOLUNTARY RULES ON OWNERSHIP EXERTION (8 analysis points)
- INDEPENDENCE AND CONFLICT OF INTERESTS (12 analysis points)
- MINORITY MEMBERS PROTECTIONS AND DIRECTORS APPOINTMENT (7 analysis points)
- COMMUNICATION, INFORMATION AND TRANSPARENCY (5 analysis points)
- BOARD OF DIRECTORS AND EXECUTIVE GROUP TRANSPARENCY (9 analysis points)
- INTERNAL VOLUNTARY RULES REGARDING MANAGEMENT (10 analysis points)
- INDEPENDENCE AND CONFLICT OF INTERESTS (13 analysis points)
- DISCLOSURE AND TRANSPARENCY (22 analysis points)
- PARTICIPATION AND VOTE IN GENERAL MEETINGS (5 analysis points)
- EMPLOYMENT AND HUMAN RESOURCES SELECTION (11 analysis points)
- HEALTH, SAFETY AT WORK AND SOCIAL DIALOGUE (16 analysis points)
- ADAPTATION TO CHANGES (6 analysis points)
- ENVIRONMENT (17 analysis points)
- CONSUMERS AND QUALITY (9 analysis points)
- SCIENCE AND TECHNOLOGY (4 analysis points)
- LOCAL COMMUNITIES (3 analysis points)
- BUSINESS PARTNERS (9 analysis points)
- HUMAN RIGHTS (6 analysis points)
- EUROPEAN STRATEGIES (2 analysis points)

RESEARCH OFFICE AND RATING COMMITTEE

The Research Office compiles a Final Report and issues a rating based on its review of the work of the Analysis Unit.

The Rating Committee analyses the conformity of the collected data and the ensuing conclusions and it approves the issued rating.

Chinese Walls between the Analysis Unit, the Research Office, the Rating Committee and all other company offices ensure maximum transparency. A Compliance Officer oversees all steps and processes.

SE ALGORITHM OF SUSTAINABILITY ©

Standard Ethics has developed a **proprietary algorithm** based on five “standards” and a premium variable – “k” – to process the data provided by the Analysis Unit (F_{CEU} ; $Sa_{EU-OECD}$; Mw ; $Id_{EU-OECD}$; $Cg_{UN-OECD-EU}$). The balance between the five “standards” is the final pre-assessment underlying the rating.

F_{CEU} = Fair competition.

Main areas: Fair competition, including analysis of dominant positions, market distortions, cartels. Factors that can affect the other variables (Sources: the EU, and the main OECD regulators).

$Sa_{EU-OECD}$ = Shareholders’ agreements.

Main areas: Shareholders’ agreements, rights of minority shareholders, access to information (Sources: the EU and OECD, and the main OECD regulators).

Mw = Market weight.

Main areas: Shareholding structure, weight and type of major shareholders, potential conflicts of interest in relation to other variables (Sources: mainly OECD regulators).

$Id_{EU-OECD}$ = Independent directorship.

Main areas: Structure and quality of boards and executive groups, ESG Risk and Control Management system, Risk Analysis. This standard is most likely to mitigate the risks associated with other variables and can increase the “k” variable. (Sources: the EU and the OECD).

$Cg_{UN-OECD-EU}$ = Corporate Governance and Sustainability.

Main areas: Overall assessment of applicant's ESG strategies and corporate governance (in terms of shareholding structure and sustainability) by weighting the various elements also in relation to the balance of the other variables (Sources: the EU, OECD and UN).

k = Sustainability at Risk (SaR). Statistical projections.

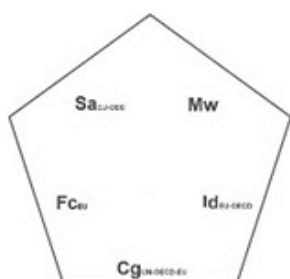
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$$\frac{(F_{cEU} + S_{aEU-OECD} + I_{dEU-OECD} + M_w \cdot f(S_{aEU-OECD}) \cdot f(I_{dEU-OECD}) + C_{gUN-OECD-EU} \cdot f(F_{cEU}) \cdot f(I_{dEU-OECD}))}{10} + k$$

ISSUED RATING

Standard Ethics Rating [corpSER]: **EEE-**
Long Term Expected corpSER [3y to 4y]: **STABLE**

ALGORITHM – INPUT
VALUES (SUMMARY)



The values for each standard are between **0 and 2**.

Assigned and input values are as follows:

FcEU = 1.9

SaEU-OECD = 1.9

Mw = 1.7

IdEU-OECD = 1.9

CgUN-OECD-EU = 1.9

NB: The variable Mw may be neutral, when below 1, indicating the presence of a major shareholder restraining the influence of a controlling shareholder. The Mw value assigned indicates the type of shareholding and related risks.

Each side of the diamond represents one of the five “standards” measured by the Standard Ethics Algorithm. The symbolic representation of a normal (Gaussian) distribution provides an intuitive indication of those areas where the Company probably will, or should, take action.

Other companies in the Banking industry.²

Banca Pop. di Sondrio	EE+	Mediobanca	EE-	Natixis	E+
Banca Generali	EE+	PKO Bank Polski	EE-	OTP Bank	E+
Banco BPM	EE+ (pos.)	Skandinaviska Enskilda B.	EE-	Unicaja	E+
BPER Banca	EE+	Societe Generale	EE-	Banca Ifis	E
Svenska Handelsbanken	EE+	Standard Chartered	EE-	Banca Sistema	E
Unicredit	EE+	Swedbank	EE-	Bank of Communications	E
Banca Mediolanum	EE	AIB Group	E+ (pos.)	BNP Paribas Fortis	E
Banca MPS	EE (pos.)	Banca Profilo	E+	China Construction Bank	E
BBVA	EE	Banco Comercial Port.	E+	CITIC Limited	E
BNP Paribas	EE	Bank of China HK Holdings	E+	Credit Industriel et Com.	E
HSBC Holding	EE	Bank of Ireland	E+ (und. mon.)	Danske Bank	E
Intesa Sanpaolo	EE	Bank Pekao	E+	DNB Group	E
illimity Bank	EE	Bankinter	E+ (pos.)	KBC Group	E
Nordea Bank	EE	Barclays Plc	E+	National Bank of Greece	E
Commerzbank	EE- (pos.)	CaixaBank	E+ (pos.)	Natwest Group	E
ABN Amro Bank	EE- (pos.)	Credito Emiliano	E+	Raiffeisen Bank Int.	E
Banco de Sabadell	EE-	Credit Agricole	E+	UBS Group	E
Banco Desio Brianza	EE	CYBG Plc	E+	Bank of China	E-
Banco Santander	EE-	Erste Group Bank	E+	Deutsche Bank	E-
Bankia	EE-	Goldman Sachs	E+	Banca Carige	Pending
Credito Valtellinese	EE-	Hang Seng Bank	E+ (neg.)	Banca Finnat	Pending
Deutsche Pfandbriefbank	EE-	ING Group	E+	Banca Intermobiliare	Pending
Julius Baer Group	EE-	JPMorgan Chase	E+	Credit Suisse	Pending
Lloyds Banking Group	EE-	Mitsubishi UFJ Financial	E+		

² A full list of other global and Italian companies in the Banking industry can be found at www.standardethicsrating.eu.

FINECOBANK REPORT

1. MARKET AND DOMINANT POSITIONS

FinecoBank S.p.A. (hereinafter “FinecoBank” or “the Bank”) is a **multi-channel direct bank**. It is one of the largest FinTech banks in Europe, and one of the largest **brokerage** firms in Europe³ thanks to a network of financial advisors managing more than **one million and five hundred thousand clients**.

Founded as a digital bank in 1999, it later joined the Unicredit Group following its integration with UniCredit Xelion Banca in 2008. It was floated in 2014 and in 2019 left the UniCredit Group.⁴

Technological and digital innovation plays a key role for FinecoBank, as it is a crucial tool for a FinTech company.

The Bank carries out its activities in **Europe**, mainly in **Italy**, in an **open** and **free** market environment which is highly evolved in terms of legislation.⁵

The banking sector is **supervised** and strictly **regulated**. The regulatory context is organic and well-coordinated at different levels: national, supranational (European Union) and international (OECD). Overall, the legislation guarantees such aspects as the smooth functioning of free market principles, respect for fair competition, transparency, consumer protection and the protection of personal data.

The bodies with market oversight functions are the European Central Bank (ECB) and the Bank of Italy, both of which have regulatory and sanctioning powers. Administrative authorisation procedures govern operations in this banking market.

In relation to fair competition, and within the scope of **Standard Ethics Ratings** (SERs), the market in which FinecoBank operates has regulatory, strategic and size-related barriers to entry.⁶ In any case, national and European regulatory provisions tend to remove restrictions and obstacles from the free market, and guarantee freedom of choice between different banking and/or financial operators.

The Bank focuses on three sectors: **Banking and Credit** (current and deposit accounts; payment services; debit, credit and prepaid cards; personal loans and mortgages); **Brokerage** (fulfilling customers’ orders on the main financial markets); and **Investing** (placement and distribution of financial products between mutual funds and SICAV sub-funds, insurance products, saving products and consultancy services).

The Bank **does not hold** a monopoly position nor does it participate in agreements restricting competition in any of the three above mentioned sectors. Italian, European or other supervisory and antitrust authorities have not identified any problems in this regard.

FinecoBank **does not hold** major, direct or indirect shareholdings in other companies operating in the same market. It is not a party to any major commercial agreements or agreements distorting competition.

2. CONTRACTS, FINANCING AND PUBLIC AID

As highlighted in previous Reports, the Bank does **not** benefit from public funding, special terms or other State aid that could distort fair competition or the market.

³ The Bank is number 1 in Italy in terms of number of transactions and volumes traded on the stock market. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 12.

⁴ A review of all the Bank’s policies has begun following its listing and the withdrawal from the Unicredit Group.

⁵ Fundamental freedoms are guaranteed in the integrated single market of the European Union.

⁶ This sector requires entities to meet complex regulatory authorisation requirements, with greater financial and compliance efforts than other industries. In addition, there are size-related requirements to be able to enjoy the necessary economies of scale and compete in the market. Finally, there are strategic barriers put in place by existing market players, through legitimate behaviour to discourage the arrival of new competitors.

3. MARKET DISTORTIONS, FAVOURITISM AND CORRUPTION

The Bank does not provide public utility services. As has already been pointed out in previous Reports, FinecoBank's annual results do not depend on calls, competitions or domestic or public administration assignments.

Its main relationships with public institutions have to do with supervisory and compliance activities. Therefore, the risk of corruption or cronyism is low, and is being monitored and supervised through the Internal Organisational Model⁷ (and its appendices), supported by the Code of Ethics, related policies,⁸ the Integrity Charter and the Code of Conduct.

In 2023⁹ the Bank renewed its **whistleblowing** policy which defines and regulates how illegal conduct is reported. Local units manage reports but, in some specific cases, FinecoBank's Internal Audit function can replace them.¹⁰

Risk prevention and management in relation to tax compliance are defined in FinecoBank's **Tax Strategy**.¹¹

4. INTERNAL VOLUNTARY RULES ON OWNERSHIP

FinecoBank is **listed** on the **Italian Stock Exchange** in the Mercato Telematico Azionario or MTA.¹²

The subscribed and paid-up capital¹³ of FinecoBank is **EUR 201.6 million**, divided into **610,999,427** ordinary shares with a nominal value of EUR 0.33 each.

The majority of FinecoBank shares are **held by the market**, with a free float of **76.227%**.¹⁴ The remainder is held by **BlackRock Inc. (9.201%)**, **Schroders PLC (5.058%)**, **Capital Research and Management Company (5.050%)**, and finally **FMR LLC (4.464%)**.¹⁵

No shareholder is an offshore company.

The following are not present nor are there plans to introduce them:¹⁶

- Securities with **special control rights**;
- **Special prerogatives** for specific types of shares or bonds;
- **Restrictions** to the transfer of securities;
- **Multiple or increased voting** as per Articles of Association;
- **Shareholders' agreements**;
- **Employee Financial Participation** in the Bank's capital.

Derivatives on regulated markets with underlying FinecoBank securities are conventional and in line with the risk profiles set by the regulators.¹⁷

⁷ Reference is made to the Organisation and Management Model pursuant to Legislative Decree no. 231 of 2001, updated in 2023. The Code of Ethics was updated in 2023. The Integrity Charter and Code of Conduct were updated in July 2023.

⁸ The Global Anti-Corruption Policy was updated in May 2024, establishing the tools through its Operational Instructions, with the minimum compliance criteria set out in the area of anti-corruption, which apply to all FinecoBank employees and contractors. The Group also has a corporate-wide Anti-corruption Programme to ensure proper implementation of anti-corruption measures. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 119.

⁹ The Global Policy on Whistleblowing guarantees the anonymity of the persons involved in the report (both the whistleblower and the individual being reported), protecting the possibility of using the pre-established reporting tools for all staff involved in FinecoBank's activities. The Policy is accessible on the Group's website. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 116.

¹⁰ This is the Compliance Officer based in the company where the report was made. If the "Compliance Officer is hierarchically and functionally subordinate to the person to whom the complaint relates, or if he or she is held responsible for the violation or has a potential interest in the report that is liable to compromise his or her impartiality and independence of judgement, the company's Internal Audit Department may be contacted directly." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 117.

¹¹ The above strategy can be easily retrieved on the Group's website. This works in synergy with the Tax Control Framework, i.e., a system used to check tax risk providing for "controls and procedures that ensure the correctness of the data entered in the relevant tax returns, tax payments, and communications to the financial authorities, which is checked periodically in order to be able to promptly adopt the necessary mitigation actions." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 126.

¹² FinecoBank has also been a member of the FTSE MIB and the Standard Ethics Italian Index since 2016, and of Stoxx Europe 600 since 2017. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 11.

¹³ Source: Consob data at 28 August 2024. The Bank's share capital was increased on 6 February 2024 in order to launch employees' incentive plans. Source: 2023 Report on the Corporate Governance and Ownership Structure, p. 17.

¹⁴ It refers to Free Floating shares.

¹⁵ Source: Consob data at 28 August 2024.

¹⁶ Source: 2023 Report on the Corporate Governance and Ownership Structure, pages 17-20.

¹⁷ There are many derivatives with underlying FinecoBank shares including Futures (with various maturities), traditional options (Call, Put), and other structured products.

FinecoBank adopts **equity** incentive plans.¹⁸

5. OWNERSHIP AND CONFLICTS OF INTEREST

No shareholder **is** a public authority or involved in regulating the market segment where the Bank operates.

6. PROTECTION OF MINORITY SHAREHOLDERS AND APPOINTMENT OF DIRECTORS

The issue of protection of **minority shareholders** and their **representation** is ensured by the Articles of Association according to the law and the Italian Corporate Governance Code.¹⁹

The scope for implementing voluntary supervision in this respect is limited in view of the lack of a majority shareholder, the share of capital in the market and the applicable legislation.²⁰

The criteria applied for the composition of the Board take into account gender balance, independence of Directors and ownership of specific skills, including in the field of **sustainability**.²¹

7. INTERNAL VOLUNTARY RULES FOR DIRECTORS

FinecoBank has adopted the “traditional” **management** and control **system** based on two bodies appointed by the shareholders’ meeting: the **Board of Directors**, and the **Board of Auditors**.²² The Articles of Association grant the **Board of Directors** broad-ranging powers to ensure ordinary and extraordinary management of the Bank.²³

The Board of Directors has **11 members**.²⁴ Its composition **complies with gender equality**.²⁵ As already pointed out in the previous Report, **10 out of 11** Board members **meet** the **independence** criteria; there are no cases of interlocking directorships within the Board of Directors.²⁶ Directors’ CVs are published on the Bank’s website. There is no employee representative on the Board.

As outlined in the previous Report and in line with current legislation, the Board of Directors has created the **Risk and Related Party Committee**,²⁷ the **Remuneration Committee**,²⁸ the **Appointments Committee**²⁹ and the **Corporate Governance**

¹⁸ See the 2024 Remuneration Policy and Report, pages 62-68. The short-term incentive for Identified Staff is also mentioned where, above a certain threshold, incentives with shares as well are offered. See pages 47-55 of the 2024 Remuneration Policy and Report.

¹⁹ The mechanism for the representation of minority shareholders is found in the 2023 Report on the Corporate Governance and Ownership Structure, pages 32-33.

²⁰ At the last election of the corporate bodies, two members of the Board of Directors (Elena Biffi and Marin Gueorguiev) were elected as representatives of the minority shareholders. In the Board of Statutory Auditors, Luisa Marina Pasotti, Massimo Gatto and Giacomo Ramenghi were elected as full auditors, whereas Lucia Montecamozzo and Marco Salvatore were elected as alternate auditors. Source: 2023 Report on the Corporate Governance and Ownership Structure, p. 36.

²¹ For details on the requirements, see the 2023 document on the qualitative and quantitative composition of the Board of Directors of FinecoBank S.p.A. Source: Corporate website. With regard to the required gender balance, FinecoBank complies with the requirements of national law, in accordance with Article 147-ter(1-ter) of the Consolidated Act on Financial Intermediation (TUF), last amended by Law no. 160 of 27 December 2019. Attention is also paid to generational balancing within corporate bodies, as can be seen in the 2023 Report on the Corporate Governance and Ownership Structure, p. 42. Cybersecurity, AI and IT are the main new competencies in the Board of Directors.

²² The Board of Directors has managerial and strategic functions whereas the Board of Auditors has control functions.

²³ Except those powers that the Italian legislation exclusively vests in shareholders’ meetings.

²⁴ The shareholders’ meeting of 27 April 2023 appointed, by means of a list vote, the following Directors, with a term of office until the shareholders’ meeting that will have to approve the financial statements at 31 December 2025: Marco Mangiagalli – Chairman, Gianmarco Montanari, Alessandro Foti – Chief Executive Officer and General Manager, Patrizia Albano, Elena Biffi, Giancarla Branda, Maria Lucia Candida, Paola Generali, Marin Gueorguiev, Arturo Patarnello and Maria Alessandra Zunino de Pignier. Source: Corporate website.

²⁵ There are 6 elected female Directors, and 5 male Directors. The Board therefore has a predominance of female Directors, in continuity with the previous year (in March 2021 FinecoBank became the first FTSE MIB company with a majority of female members on its Board – 55%), as reported in the 2023 Report on the Corporate Governance and Ownership Structure, pages 41-43.

²⁶ See the 2023 Report on the Corporate Governance and Ownership Structure, pages 54-56, for Directors’ independence, and the 2023 Report on the Corporate Governance and Ownership Structure, pages 43-48, for details on interlocking-directorship.

²⁷ The Risk and Related Party Committee is composed of Maria Alessandra Zunino de Pignier (Chairwoman), Elena Biffi, Arturo Patarnello, Marin Gueorguiev and Maria Lucia Candida. Source: Corporate website.

²⁸ The members of the Remuneration Committee are: Gianmarco Montanari (Chairman), Giancarla Branda and Marin Gueorguiev. Source: Corporate website.

²⁹ The members of the Appointments Committee are: Elena Biffi (Chairwoman), Patrizia Albano and Arturo Patarnello. Source: Corporate website.

and Environmental and Social Sustainability Committee.³⁰ The **Sustainability Management Committee**, chaired by the Bank's Chief Financial Officer (CFO), is also operational to support the Bank's activities.³¹

All FinecoBank all employees, including members of the Board of Directors, are required to comply with the requirements of the **Code of Ethics**, which provides for internal voluntary rules (IVR). In addition, the guidelines contained in the **Integrity Charter**, the **Code of Conduct** and the **Compliance Culture** are also available.³²

The Bank has a **supervisory body**, specifically provided for by the Supervisory Committee, which supervises compliance with the Code of Ethics as laid down in the FinecoBank Organisation and Management Model pursuant to Legislative Decree no. 231 of 2001.³³

8. DIRECTORS, CONFLICT OF INTERESTS AND RELATED COMMITTEES

There are **no** Directors who are members of national and local government bodies, jurisdiction bodies or licence-granting bodies or bodies exercising control over the markets. There are no cases of cross-directorship **nor** are there shareholders' agreement involving Directors and managers.

The **Integrity Charter** sets out the limits and methods for accepting goods or gifts, except in cash, so that they do not have any consequences on relations with customers.³⁴

The **Remuneration Policy** is in line with the guidelines of the Supervisory Authority and its definition and approval involve control bodies.³⁵

Variable remuneration linked to the Bank's commercial performance does not apply to non-executive Directors and members of the supervisory body, who are therefore excluded from incentive plans based on the Group's financial instruments.³⁶

FinecoBank uses equity incentive plans for a limited number of executives identified by the Bank, linking the variable remuneration part to the Bank's financial and sustainability performance, as required by the Group's **ESG strategy**.³⁷

The remuneration policy also monitors the **Gender Pay Gap**, mitigating its impact where necessary.³⁸

³⁰ The members of the Corporate Governance and Environmental and Social Sustainability Committee are: Patrizia Albano (Chairwoman), Maria Alessandra Zunino de Pignier and Gianmarco Montanari. Source: Corporate website. In January 2023, the Committee's tasks were integrated and will contribute to the analysis of ESG products manufactured by the Bank. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 74.

³¹ The Sustainability Office is the technical unit that helps the Board Committee and the Management Committee manage sustainability at Fineco. Its functions include "the development and monitoring of the ESG strategy (corporate plans, rules and procedures on social and environmental issues) and the drafting and subsequent approval of the Consolidated Non-Financial Statement by the competent Corporate Bodies." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 75.

³² The Integrity Charter and the Code of Conduct were updated and published during 2023. The Charter defines the Group's core values, whereas the Code sets out the core principles to guide one's own conduct while carrying out the Bank's activities. Source: Integrity Charter and Code of Conduct, p. 4.

³³ The Supervisory Committee is composed of Marianna Li Calzi (Chairwoman), Salvatore Messina and Patrizia Verdesca (Head of Internal Audit). "In accordance with the provisions of Art. 6 of Leg. Dec. No. 231/2001, the Supervisory Committee is granted the powers necessary for the precise and efficient supervision of the operation of and compliance with the Organisation and Management Model. An integral part of the Model is the Code of Ethics under the terms of Leg. Dec. No. 231/2001." Source: Corporate website.

³⁴ The Integrity Charter states that "In the context of a business relationship, Recipients may offer or receive gifts, entertainment, hospitality only if they are of reasonable and proportionate value within the limits and under the conditions set out in the applicable Group Policies. It is prohibited to: offer, promise, or give (directly or indirectly) gifts, entertainment, hospitality or any other advantage to public officials, foreign or domestic, except where local procedures provide for approval by the compliance function with local is not allowed." Source: Integrity Charter and Code of Conduct, p. 37.

³⁵ The Policy is published on an annual basis on the corporate website. For details, see the 2024 Remuneration Policy and Report.

³⁶ Please note that "For non-executive members of the Board of Directors and for the members of the Board of Statutory Auditors, in line with the regulatory provisions, incentives systems are avoided. The remuneration of said subjects is fixed and is defined on the basis of the relevance of the role, of possible additional duties, and of the requested efforts for carrying out the assigned tasks and is not linked to economic results." Source: 2024 Remuneration Policy and Report, pages 44-45.

³⁷ In this respect, "the remuneration approach is consistent with the ESG Multi-Year Plan 2024-2026, through the implementation of the environmental, social and governance factors within the remuneration framework." Source: 2024 Remuneration Policy and Report, p. 6.

³⁸ In fact, according to the Policy "In order to further strengthen the commitment on gender diversity topics with a focus on gender pay gap and gender balance and in line with the commitments within the Gender Equality Certification achieved in 2023, the 2024-2026 ESG MYP, among others, includes the following objectives: 1) Increase in the percentage of the least represented gender in the organization in

9. DISCLOSURE, TRANSPARENCY AND INTERESTED PARTIES

The Bank drafts and publishes a **Non-Financial Statement** in accordance with the **GRI Sustainability Reporting Standards** published by the Global Reporting Initiative (GRI).³⁹ In line with the previous Statement, the Non-Financial Statement includes the **Reporting and Self-Assessment Template**,⁴⁰ linked to the signing of the United Nations **Principles for Responsible Banking**, which have been subject to assurance, as well as a specific section concerning the disclosure related to the so-called **European Taxonomy**.⁴¹

For 2023, the Non-Financial Statement also includes a section on **sustainability governance** for Fineco Asset Management, a subsidiary of the Group.⁴²

The **Environmental Statement** required by the **EMAS Regulation** for the 2024-2027 period to achieve certification was also published.

The **2024-2026 ESG Multi-Year Plan**, the Group's new sustainability strategy after the conclusion of the 2020-2023 Sustainability Objectives Plan, has been defined. Following the publication of the 2024-2026 ESG MYP, the **Global Sustainability Policy** was updated in order to align it with the new strategy.⁴³

The system of risk control and management, which is applicable to all companies in the Group, is based on the traditional three-tier model. This also includes **ESG risks** and their related mitigation countermeasures.⁴⁴

In the area of sustainable finance,⁴⁵ the **Local Policy – Policies on the Integration of Sustainability Risks in Advisory Services**⁴⁶ and the **Global Policy – Sustainability-related disclosures in the financial services sector** have been updated.⁴⁷

FinecoBank has continued to publish a chapter entitled **Disclosure of Environmental, Social and Governance Risks** in the quarterly **FinecoBank Group Public Disclosure – Pillar III**,⁴⁸ after renewing its **MiFID questionnaire** by integrating sustainability issues, in line with European sustainability requirements.⁴⁹

The Bank follows good practices in traditional corporate **reporting** using its institutional communication tools and its website.

positions of responsibility with a minimum target of 5%; 2) Gender equity pay gap below 5% for all comparable categories of employees."
Source: 2024 Remuneration Policy and Report, p. 26.

³⁹ In order to prepare the 2023 Non-Financial Statement, a number of analyses were performed in the context of the definition of the 2024-2026 ESG MYP, in particular benchmarking of peers and the main ESG rating agencies, an impact analysis according to the requirements of the Principles for Responsible Banking (see Annex V), and an examination of the relevant legislation. Overall, these updates reconfirmed the topicality and validity of the material themes defined in 2022, which had been defined on the basis of double materiality (see the 2022 Consolidated Non-Financial Statement – FinecoBank Group, p. 39). During 2024, a new stakeholder engagement exercise was carried out in order to analyse the dual materiality according to the CSRD. The materiality analysis is carried out following the principles of Directive (EU) 2022/2464, called the Corporate Sustainability Reporting Directive or CSRD, which introduces the concept of double materiality. Source: Company source.

⁴⁰ For details see the 2023 Consolidated Non-Financial Statement 2023 – FinecoBank Group, pages 217-243.

⁴¹ This is Regulation (EU) 2020/852; see the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 202-215.

⁴² Details can be found in the 2023 Consolidated Non-Financial Statement 2023 – FinecoBank Group, p. 76.

⁴³ The Policy acts as a framework for the Group companies with the aim "to regulate how Sustainability is managed in the Fineco Group."
Source: Sustainability Policy, p. 7.

⁴⁴ Please note that "Also, for 2023, the ESG risk assessment, in line with the priorities highlighted by the regulators, has been carried out considering different time horizons (short and medium/long-term), and has focused on climate and environmental risks. For all the time horizons considered, the assessment did not show a high impact of the latter on the risk profile of the Group, given the limited exposure of Fineco's business model to climate and environmental risk factors." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 87.

⁴⁵ For full details on this issue, see the dedicated section in the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 50-58.

⁴⁶ The new version of the Policy can be found on the corporate website. It also includes the investment Group's investment exclusion policy. For further details on the exclusion criteria see Policies on the Integration of Sustainability Risks into Advisory Services, p. 6.

⁴⁷ Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 50.

⁴⁸ The documents can be found on the corporate website, where they are regularly published on a quarterly basis as required by law.

⁴⁹ Fineco has done this following the entry into force of Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021 amending Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament (the so-called MiFID II).

The dialogue with the financial community is governed by the **Policy for Managing Dialogue with the Financial Community** adopted in 2021.⁵⁰

The **Comply or Explain** principle is generally adopted.⁵¹

10. PARTICIPATION AND VOTE IN GENERAL MEETINGS

The Policy for Managing Dialogue with the Financial Community mentioned above also defines relations with shareholders, which are further supervised within the Group's Code of Ethics.

The Group's Articles of Association set out the procedures to facilitate participation in meetings, as per best practices in the sector.⁵²

11. EMPLOYMENT AND HUMAN RESOURCES SELECTION

As of 31 December 2023, there were **1,384 employees**, up from 1,336 in the previous year.⁵³

The process of selecting, hiring and managing human resources is guided by criteria of objectivity, equal opportunities and the prohibition of any discrimination.⁵⁴ These values are reflected in the Code of Ethics and in appropriate procedures and policies.⁵⁵ The recruitment process consists of traditional methods of examining curricula and holding interviews, but also including the use of new technologies.⁵⁶

The Bank is constantly active in the field of **Diversity & Inclusion**. Within it there is a **Diversity Manager** who monitors training activities on the subject and dedicated initiatives.⁵⁷ During 2023,⁵⁸ **Certification on Gender Equality** was achieved in accordance with the **UNI 125/2022** practice, reinforcing the Group's Gender Equality commitment.

FinecoBank devotes part of its strategies to gender equality, inclusiveness, and the promotion of diversity.⁵⁹ The Bank constantly monitors the **Gender Pay Gap** in order to achieve gender pay equality.⁶⁰

⁵⁰ This Policy is "aimed at defining the set of rules, responsibilities and processes to carry out and manage Dialogue, in line with the recommendations of the Corporate Governance Code, the Assonime Principles, the engagement policies adopted by institutional investors and asset managers, as well as international best practices on the subject." Source: Policy for Managing Dialogue with the Financial Community, p. 6.

⁵¹ The application of this principle can be deduced from the adoption of the Corporate Governance Code of the Italian Stock Exchange (for the governance side of its business) and the non-financial and standard reporting (for the reporting side). The principle is also mentioned in the Compliance section of the 2023 Report on the Corporate Governance and Ownership Structure, p. 22.

⁵² Article 8 of FinecoBank's Articles of Association sets out the possibility of participating and voting electronically or through a representative, in compliance with relevant regulations and the notice of call. Source: Articles of Association, pages 8-9.

⁵³ Among these, there are 804 male and 580 female employees, of which more than 98% are permanent and 95% are based in Italy. In addition, 2,962 financial advisors affiliated to the Group must be considered. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 10 and 130.

⁵⁴ In this regard, "The Bank's search and selection of staff is guided by criteria of objectivity, competence and professionalism, applying the principle of equal opportunity without favouritism, with the aim of securing the best people in the labour market and complying with the relevant legislation." Source: Code of Ethics, p. 14.

⁵⁵ Human resources management is guaranteed and regulated in the Group Integrity Charter and Code of Conduct, and in the Global Policy – HR Policy Framework. Source: Company source.

⁵⁶ The selection process is entirely digital, in line with the innovative nature of the Group. For further details, see the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 98-99.

⁵⁷ The Group has a plan dedicated to D&I which includes mandatory internal training courses and communication activities on the subject. Source: 2024-2026 ESG MYP published in the 2023 Non-Financial Statement on pages 197-200.

⁵⁸ "The certification, which is voluntary, requires the adoption of specific KPIs relating to gender equality policies and enabling the measurement, reporting and evaluation of gender-related data, with the aim of closing any existing gaps, as well as producing sustainable and lasting change over time. Gender equality objectives have been included in Fineco's MYP ESG 2024-2026." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 136.

⁵⁹ Examples include 3 KPIs as part of the long-term incentive relating to the achievement of the objectives of diversity, fairness and inclusion, as well as the objectives included in the 2024-2026 ESG MYP such as the endorsement of the ABI Agreement for Women Victims of Violence in January 2024. In addition, the Bank has renewed its subscription to the association Valore D, and made its contribution to the fight against gender violence through the project "Dai segni ai sogni" (From signs to dreams) by the Libellula Foundation. For further information on the initiatives, see the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 136-138.

⁶⁰ On this subject, please note that "In fact, the Gender Pay Gap, understood as the ratio between the average remuneration of the most represented gender and the average remuneration of the least represented gender, is monitored. In addition, the Gender Equity Pay Gap is calculated, which makes it possible to make an assessment according to the concept of equal pay for equal work, considering the organisational complexity of the roles and taking into account homogeneous professionalism." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 137.

The Bank regularly provided **training and refresher courses** for its staff. Training is diversified and is mainly carried out remotely.⁶¹ The Group also provided training to its advisory network.⁶²

12. HEALTH AND SAFETY AT WORK AND SOCIAL DIALOGUE

The Bank has adopted an ad hoc **Health and Safety** management system in line with national legislation.⁶³

The Code of Ethics enshrines the value of **work-life balance** for the Group,⁶⁴ demonstrated through a set of policies on this issue⁶⁵ and a corporate governance function to protect employees' work-life balance.⁶⁶ **Work-related stress** is also monitored annually.⁶⁷

The **corporate welfare plan** is well-structured;⁶⁸ in 2023 it was integrated with the measures adopted to achieve the objectives set out in the **2024-2026 ESG MYP**.⁶⁹

As outlined in the previous Report, the Group remains involved in the **dialogue with the Social Partners**, as demonstrated by the extension of the **Agreement regulating Agile Work** and the three-year renewal of the **2022-2024 Health Insurance Plans**.⁷⁰

13. ADAPTATION TO CHANGES

Considering the organisational structure and the sector in which FinecoBank operates, the issue of adaptation to change, which remains central in the EU and the OECD, is less relevant. Therefore, the absence of significant initiatives in this area **does not have a negative impact**.

14. ENVIRONMENT

FinecoBank has formally expressed its commitment to environmental protection in the **Code of Ethics**,⁷¹ the Group's⁷² **Environmental Policy** and the **Global Policy – Reducing Energy Consumption**.⁷³

⁶¹ In 2023 FinecoBank provided over 47,842 hours of training, involving all employees, more than 34.6 average hours of training per capita. The mandatory training courses focused on various topics, in particular the courses held on ESG, banking sector compliance, data processing and cybersecurity. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 140-145.

⁶² In total, more than 218,000 hours of training were provided in 2023 (approximately 73 hours for each financial advisor). On the subject of ESG, Fineco has decided to support the EFPA ESG Advisor certification for its financial advisors: in 2023, 232 consultants obtained the certification. The Bank also continued with its Youth Project, the training initiative for young consultants, with 77 courses dedicated to the new young staff of the network. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 145-149. Also within the Youth Project, a partnership with Sole24ore has been forged for a master course for young consultants. Source: Company source.

⁶³ The Health and Safety Management System is coordinated and managed by the Prevention and Protection Office which is composed of "an external Prevention and Protection Officer (PPO), an external Company Doctor (responsible for coordinating two other doctors, one in Milan and one in Reggio Emilia), an internal Safety Officer, and two Worker Safety Representatives (below WSRs), one for the Milan office and one for the Reggio Emilia office." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 153.

⁶⁴ Source: Code of Ethics, p. 13.

⁶⁵ The Agreement regulating Agile Work signed with the unions in 2022 and renewed in 2023 was further extended to establish the modalities on the use of smart working, thus extending and exceeding what was already provided for in the National Sector Collective Agreement. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 150. In addition, a scheme to assist employees' family life has also been included in the Multi-Year Plan, with support measures for parenting and life-work balance through the introduction of a supplementary allowance paid by the Bank for parental leave. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 198.

⁶⁶ This is the Joint Commission on work-life balance, set up between the Bank and the trade union. In particular, in 2023 "the Commission met three times over the course of the year with the aim of developing and improving services and initiatives relating to four macro-thematic areas: (i) Gender Equality; (ii) Welfare: increase in the services made available within the welfare platform; (iii) Wellbeing: inauguration of the multifunctional area in the Milan headquarters, designed for physical and mental relaxation, to encourage sociability and a more comfortable and healthy lunch break experience; (iv) Work-life balance: working from home." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 150.

⁶⁷ This is the Work-Related Stress Assessment carried out in collaboration with the RSPP: "(...) during 2023 work continued on analysing and monitoring the indicators required for the Work-Related Stress Assessment in cooperation with the RSPP." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 154.

⁶⁸ For further details, see the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 150-152.

⁶⁹ The targets set within the 2024-2026 ESG MYP can be found in the Consolidated Non-Financial Statement 2023 – FinecoBank Group, p. 199.

⁷⁰ See the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 150-151.

⁷¹ Source: Code of Ethics, pages 16 and 17.

⁷² It is the document that "sets out Fineco's general intentions and direction with respect to its environmental performance." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 166.

⁷³ It outlines the guidelines to contain energy consumption in buildings occupied and/or managed by the companies of the Group. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 166.

The certification for the **Environmental Management System** under the **EMAS** Regulation has been renewed.⁷⁴ The **Environmental Statement** required to obtain the certification has been integrated into the Group's 2023 Non-Financial Statement, with further details available on the corporate website.⁷⁵

The **2024-2026 ESG Multi-Year Plan** contains the Bank's environmental objectives and targets, which make up the 2024-2027 **EMAS Environmental Programme**.⁷⁶ Within the 2024-2026 MYP,⁷⁷ the milestones for the **Net-Zero Emission Commitment** have been updated to **2050**, as the previous target has already been achieved.

The Bank staff includes the **Energy Manager**⁷⁸ and the **Mobility Manager**,⁷⁹ who are responsible for managing initiatives to contain FinecoBank's environmental impact at various levels, from reducing emissions to monitoring energy consumption.

15. CONSUMERS AND QUALITY

The Code of Ethics and the Group Integrity Charter and Code of Conduct enshrine **consumer protection** as one of the founding values of the FinecoBank Group.⁸⁰ There are also procedures for advertising as further guarantees.⁸¹

In order to ensure high security standards for its customers, Fineco keeps its cybersecurity and IT security protocols constantly updated.

The **ICT & Security Strategic Guidance Document** defines the Group's strategic objectives in this regard, which are then taken up in the dedicated policies.⁸²

Given that FinecoBank predominantly uses its website and digital platforms to provide services and communicate with its customers, the issue of **accessibility** and ease of use of the online platform is of crucial importance.⁸³ With this in mind and in accordance with the legislation in force in September 2023, the **Accessibility Statement** has been updated on all the Bank's portals.⁸⁴

⁷⁴ This voluntary certification is part of Regulation no. 1221/2009/EC (EMAS Regulation – Eco-Management and Audit scheme). It confirms both compliance with all current legal requirements on the environment and commitment to continuously measure, assess and improve a business' environmental performance. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 167.

⁷⁵ In this respect, please note that "FinecoBank has integrated the data and information to meet the requirements of Annex IV of EMAS Regulation no. 1221/2009/EC within the 'Consolidated non-financial statement of FinecoBank Group' (hereinafter also 'NFS') prepared annually pursuant to Legislative Decree no. 254/2016 and approved by the Board of Directors of FinecoBank S.p.A. on March 12th, 2024. (...) This document, therefore, is a linking tool between the data and information (year 2023) included in the NFS and the requirements for the Environmental Statement according to EMAS Regulation, for the purpose of EMAS validation by the Environmental Verifier." Source: FinecoBank S.p.A. 2024-2027 Environmental Statement – Data as at 31.12.2023, p. 3.

⁷⁶ For details of the KPIs and environmental targets, please refer to the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 197-200.

⁷⁷ Specifically, this is a 55% reduction in scope 1 and 2 (market-based) emissions by 2026, with a baseline in 2021, compared to the target initially set for a 35% reduction in emissions by 2030, with the same baseline. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 17.

⁷⁸ The Bank's Energy Manager is the head of the Real Estate Unit and is responsible for the reduction of the Group's energy consumption and related environmental impacts. In 2023, the Bank continued its activities in line with the Circular on Operational Measures for Responsible Energy Consumption issued in October 2022, which transposes the European Commission's guidelines as defined in Regulation (EU) 2022/1369 and the related National Consumption Control Plan of the Ministry of Ecological Transition. For all technical details on the measures, see the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 171-175.

⁷⁹ The Mobility Manager coordinates the drafting of the Home-Work Travel Plan for the Milan and Reggio Emilia offices and, with the support of the local branches, oversees the effective implementation of initiatives aimed at promoting sustainable mobility by monitoring emissions from commuting. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 179-180.

⁸⁰ In particular, the Code of Ethics stipulates that "Relations with customers of the Bank (regardless of their public or private nature) must be based on criteria of honesty, courtesy, transparency, fairness, professionalism and collaboration. The persons in charge of relations with customers must ensure compliance with all the rules concerning fairness, completeness, adequacy and transparency in the performance of services." Source: Code of Ethics, p. 5.

⁸¹ These are the guidelines to follow when preparing marketing and advertising initiatives "designed to facilitate the establishment and dissemination of an internal culture founded on the principles of honesty, fairness and compliance with the relevant regulations." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 61.

⁸² In particular, "The ICT & Security Strategy is then set out annually in a specific Operational Plan, which describes the main project initiatives identified to achieve the strategic objectives and is submitted to the CEO and General Manager for approval." For further details, see the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 98-99.

⁸³ The Bank's new website was published in 2023 after being designed and developed taking into account the International Web Content Accessibility Guidelines (WCAG 2.1). Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 60.

⁸⁴ It should be noted that "the Accessibility Statement was published on all the Bank's portals in September 2023, according to the regulatory requirements laid by the Digital Italy Agency (AGID). These statements contain a reference to the so-called feedback mechanism, through which customers can address their complaints in the area of accessibility of services." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 60.

Customer relationships are cared for by the Bank, with customer care in the foreground.⁸⁵

FinecoBank is constantly renewing its offer, with financial services in line with the Group's sustainability.⁸⁶

16. SCIENCE AND TECHNOLOGY

As a FinTech company, FinecoBank is active in the field of technological and digital innovation. In 2023, the FinecoX online trading platform was launched, thus continuing the Bank's commitment to broadening access to financial markets as directly and transparently as possible.⁸⁷

In order to implement the new European legislation on Artificial Intelligence, namely Regulation (EU) 2024/1689, called the Artificial Intelligence Act, the **Global Policy – General Principles on Artificial Intelligence** was published in July 2024 to regulate its use in the Group's activities.⁸⁸

17. LOCAL COMMUNITIES

FinecoBank carries out many initiatives to support local communities. Furthermore, in consideration of the sector in which it operates, the Bank has continued its efforts to disseminate financial education⁸⁹ with the inclusion in the 2024-2026 ESG MYP of targets related to this topic.⁹⁰

The Group also formalised its membership of the **Water Defenders Alliance**,⁹¹ with projects aimed at protecting waters and seas from the dangers of pollution.

The commitment to the areas where it operates and to solidarity has been expressed through multiple initiatives and donations.⁹²

18. BUSINESS PARTNERS

The Code of Ethics and the FinecoBank Organisation and Management Model govern the management of relations between the Bank and its suppliers.⁹³

⁸⁵ On this subject, it should be noted that "In 2023, 3,328 complaints were received (compared to 3,297 in 2022) and 3,351 were processed (of these, 362 were received in 2022). (...) the Customer Satisfaction Index (TRI*IM new index, produced by Kantar Italia, an independent firm and market leader), (...) showed a score of 95.540 at the end of 2023. (...) in 2023 the percentage of customers expressing dissatisfaction was stable at 3% (of which less than 1% related directly to dealings with the Customer Relationship Management staff)." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 34-35.

⁸⁶ Specifically, these are two products already available to customers: the first is the green mortgage to buy buildings with A or B energy class. This is a mortgage at favourable terms compared to the standard list, promoting the renovation of Italian real estate assets. The second is the green loan to finance the installation of renewable energy technologies at a better rate. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 50. In addition, the Bank is developing a novelty, i.e., a current account for minors. This is an account for underage customers that is co-managed by their parents. It comes with financial education content and aims at making young clients aware of their spending and thus start managing their personal budgets. Source: Company source.

⁸⁷ Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 66-67.

⁸⁸ Please note that "The purpose of this Global Policy (...) is to transpose, from time to time and consistently with the characteristics of its business model, the voluntary indications on ethical profiles defined at European Union and Organization for Economic Co-operation and Development (OECD) level, with reference to the governance of AI (Artificial Intelligence) models used by FinecoBank Group. The Group also commits to implement these guidelines in compliance with Information Security rules." Source: Global Policy – General Principles on Artificial Intelligence, p. 6.

⁸⁹ The Group's mission is "to increase awareness and knowledge of the functioning of financial markets and the best and most appropriate use of financial instruments, aimed at better managing one's assets." To do this, initiatives have been developed for schools, seminars, webinars and in-person events have been and are being held. Source: 2023 Consolidated Non-Financial Statement – FinecoBank, pages 158-160.

⁹⁰ Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 198.

⁹¹ The project follows on from the partnership with LifeGate to protect water against pollution and invasion of plastics. In this regard, "Fineco has decided to join the Water Defenders Alliance, a project promoted by LifeGate to respond to the problems of our waters by proposing concrete, measurable and science-based solutions. The objective is to defend and save Italian waters from the three most serious threats, namely plastic pollution, hydrocarbon pollution and the fragility of the habitats. As Water Defender, Fineco supports LifeGate's initiatives to defend the sea by adopting solutions that contribute to reducing the waste present in our waters." Source: Corporate website.

⁹² For all the details of the activities, please refer to the 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 161-163.

⁹³ Source: Code of Ethics, p. 9.

The selection of business partners involves the use of **ESG criteria**, which⁹⁴ is why a sustainability training course has been provided for the Group's Procurement team within the 2024-2026 ESG MYP.⁹⁵

19. HUMAN RIGHTS

The Code of Ethics enshrines the protection of human rights, which is then reprised by the Group's policies, such as the **Human Rights Commitment**⁹⁶, a document with references to the **Universal Declaration of Human Rights** and the main international conventions on the subject.⁹⁷

Monitoring of breaches and reporting arrangements are set out in the Bank's whistleblowing system.⁹⁸

20. EUROPEAN AND INTERNATIONAL STRATEGIES

The subsidiary **Fineco Asset Management** signed the **United Nations Principles for Responsible Investment (UN PRI)** and the **United Nations Global Compact (UN GC)** in March 2022, both of which⁹⁹ had already been signed by the parent Company, as highlighted in previous Reports. Since December 2020, FinecoBank has been a signatory to the **United Nations Principles for Responsible Banking (UN PRBs)**. Its report on this matter can be found in the Consolidated Non-Financial Statement. In addition, since 2024, this document has been subject to the assurance procedure.¹⁰⁰

In accordance with the terms of membership, FinecoBank prepared its Communication on Progress, which was published on the UN Global Compact web platform.¹⁰¹

The Bank is committed to aligning itself with what is envisaged in European strategies, thus designing its business model in an increasingly sustainable fashion. It is in this direction that the **2024-2026 ESG Multi-Year Plan**, the Group's sustainability plan that integrates the **Sustainable Development Goals** of the **UN 2030 Agenda** into FinecoBank's activities, is heading towards.¹⁰²

21. CONCLUSIONS (SUMMARY)

FinecoBank is a multi-channel direct bank offering credit, trading and investment services.

ESG (Environmental, Social, Governance) policy management is integrated into the Bank's structure and the sustainability governance model is aligned with the voluntary guidelines of major international bodies (UN, EU, OECD).

Company policies govern various areas of interest, with consistent coverage of the Group's business, and are subject to an appropriate risk management system. Non-financial reporting is timely and comprehensive, as is the definition of the medium- to long-term objectives of the new 2024-2026 ESG Multi-Year Plan. Technological and product innovations offered by the Bank take into account sustainability aspects. The

⁹⁴ The Bank has asked to fill out a self-assessment questionnaire on ESG since 2021, and asks to be provided with any certificate of management systems (ISO 14001, ISO 45001, SA8000, ISO 50001, ISO 37001). It also requires compliance with statutory provisions on social security, accident prevention, insurance, and occupational health and safety. A further requirement is self-certification against the exploitation of workers (e.g., illegal recruitment). Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 16.

⁹⁵ An MYP target for 2025 is the provision of specialist training on green and sustainable procurement for all the Procurement Office staff. Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 200.

⁹⁶ Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 121.

⁹⁷ The list of sources referred to can be found in paragraph 3 "Basic principles" of this Policy. Source: Global Policy – Human Rights Commitment, pages 4-5.

⁹⁸ In particular, "the 'whistleblowing' infringement reporting system has been put in place with the aim not only of reporting potential unlawful behaviour, which can result in possible violations of human rights, but also of protecting confidentiality with regard to the identities of both the whistleblower and the accused in order to prevent discriminatory behaviour as a result of such reporting." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 122.

⁹⁹ Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, p. 54.

¹⁰⁰ Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 227-243.

¹⁰¹ The Communication on Progress (COP) is a document required by the Global Compact to report on how the 10 principles are applied. The most recent COP was published on the Global Compact website on 12 July 2024. Source: UN Global Compact website.

¹⁰² "In continuity with the previous Sustainability Plan 2020-2023, the goals of the new MYP ESG 24-26 have also been aligned with the UN Sustainable Development Goals (SDGs) deemed most relevant based on the common ground between the 169 targets of the SDGs and the material topics." Source: 2023 Consolidated Non-Financial Statement – FinecoBank Group, pages 218-219.

qualitative-quantitative composition of the main bodies (in terms of independence, diversity and gender equality) is in line with best practices in the sector.

The short- and long-term outlook is positive.

* * *

SOURCES

(Where there are no dates, the most recent versions prevail)

The documents that have been consulted were approved and communicated at least twenty days before the publication of this document.

Main sources (but not exclusively): Code of Ethics; Report on Corporate Governance and Ownership Structures; Financial Report; ESG and non-financial reporting (in all its forms); Procedures; Internal Regulations; Policies; Press Releases.

Data and information given during conversations and through correspondence with internal functions were also used. In this case, the source is 'the Company'.

OTHER SOURCES

Documents supplied by national and international regulatory bodies, the Italian stock exchange and independent websites were also considered.

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For any information, please write to: headquarters@standardethics.eu



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