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Principles for
Responsible Banking

FinecoBank's 2024 Responsible Banking Progress Statement



Summary template

FinecoBank 2024

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>Content</p> <p>The sustainability strategy, defined at the end of 2023 through the adoption of the Multi-Year Plan ESG 2024 – 2026 (MYP ESG), has set goals in line with the Group's corporate purpose, aimed at supporting clients in a responsible approach to their financial life to create the conditions for a more prosperous and fairer society. The year 2024 is the first year of implementation of the goals set forth in the MYP ESG, that in some cases have a three-year horizon.</p> <p>The overall sustainability strategy is consistent with the UN Sustainability Development Goals, the Paris Climate Agreement, the UN Global Compact, the UN Guiding Principles on Business and Human Right and the International Labour Organization Conventions on fundamental human rights.</p>	<p>Content</p> <p>Following the Impact Analysis done in 2023 to outline the targets of the MYP ESG, the most significant impact areas are:</p> <ul style="list-style-type: none"> Sustainable Finance, whose performance is measured by the percentage of new funds classified SFDR Article 8 and 9, the percentage of existing funds classified SFDR Article 8 and 9 and the percentage of new funds with Fineco ESG Rating $\geq 6^1$ (on a scale from 1 to 10). These performances are among the targets of the MYP ESG. Financial Education, meant to raise the knowledge of clients and savers to take financially responsible decisions. The performances are assessed by the number of events arranged, of the contents made available and by other targets, still linked to MYP ESG. Climate Change Mitigation whose performance is assessed by the Net Zero Emissions Commitment 2050, one of the targets of the MYP ESG. 	<p>Content</p> <p>The clients are involved and engaged through the network of Personal Financial Advisors (PFAs) and the structure of the Bank.</p> <p>Events and training courses are addressed towards clients and the community. FinecoBank collaborates with a foundation to promote financial education, disseminates, through its channels, educational contents and takes part into institutional initiative with this purpose. The organization of financial education events (26 done in 2024), the dissemination of contents for the financial education (22 videos delivered in 2024), the arrangement of at least 1 customer event with ESG focus for the business areas of the Bank, the realization of at least 1 event dedicated to specific targets of the community by 2024 (done), the activation of a scholarship by 2025 and the launch of the Underage Account “Conto Minori” by 2024 (done) are among the targets of the MYP ESG (KPIs set in the Impact Analysis of 2023 PRB Report).</p> <p>Moreover, there are two tools to foster the clients' engagement:</p> <p>1) the “Call For Suggestion”, activated at every interaction with the CRM (Customer Relationship</p>

¹ This rating, developed by the Bank in 2022, re-processes the ESG scores assigned by a leading external specialist company to investment products - on a scale of 1 to 100 (1 'low risk', 100 'high risk' ESG) - reclassifying these scores via a conversion table, along a scale of 1 to 10 (1 'high risk', 10 'low risk' ESG).

		<p>Management) structure to give feedback about the assistance received and to highlight areas of improvement.</p> <p>2) the “TRI*M”, a tool for assessing clients’ satisfaction and preference indicators, calculated by a third-party company based on a proprietary algorithm combining satisfaction and preference indicators (calculated twice a year), to measure the strength of the relationship with clients.</p>
<p>Links & references</p> <p>Accounts and Reports 2024 pages: 104, 194-195, 285-290. 2023 Consolidated Non-Financial Statement page: 201.</p>	<p>Links & references</p> <p>2023 Consolidated Non-Financial Statement page: 223</p> <p>Net Zero Commitment 2050</p>	<p>Links & references</p> <p>Accounts and Reports 2024 pages: 238, 249, 286-287</p>

Principle 4: Stakeholders	Principle 5: Governance & Culture	Principle 6: Transparency & Accountability
<p>Content</p> <p>In 2024, the Stakeholder Map was updated to identify the stakeholders to be involved in the Double Materiality Analysis (to spot sustainability-related impacts, risks and opportunities). In addition, over the years Fineco has developed numerous listening and interaction activities to collect and take the opinions of the stakeholders (meetings with investors, direct customer contact, etc...). The main dialogues and engagement activities involved: employees, clients, personal financial advisors, financial community and regulators. Compared to 2023 the ways of engagement and the most relevant stakeholders are unchanged.</p>	<p>Content</p> <p>The key governance structures in 2024 remain unchanged from 2023 and include the Board of Directors (BoD) and its appointed Board-level committees (the Corporate Governance and Environmental and Social Sustainability Committee; the Risk and Related Parties Committee; the Appointments Committee; the Remuneration Committee).</p> <p>Besides the BoD there is also the Board of Statutory Auditors, with functions of check and control.</p> <p>In addition to these ones, there are also the Sustainability Management Committee—composed of top management and department heads—and the Sustainability Unit, which reports to the Chief Financial Officer. The responsible banking and sustainability culture are fostered internally through:</p> <ol style="list-style-type: none"> 1) the implementation of the Global Policies of Code of Conducts and Compliance Culture, Diversity, Equity & Inclusion, Gender Equality Policy, etc... 2) mandatory training courses on topics like fighting harassment, gender equality, sustainability commitments, etc... 3) linking 20% of the short-term and 15% of the long-term variable remuneration of the CEO and GM (and of other Identified Staff) to sustainability targets. 	<p>Content</p> <p>The information contained in the Consolidated Sustainability Reporting is included within the Accounts and Reports 2024 and has been subject to a limited assurance engagement (as defined by ISAE 3000 Revised) by the independent auditing firm KPMG S.p.A.</p>
<p>Links & references</p> <p>Accounts and Reports 2024 pages: 107-108</p>	<p>Links & references</p> <p>Accounts and Reports 2024 pages: 135-141, 143-144, 199-203, 207</p> <p>Integrity Charter and Code of Conducts</p>	<p>Links & references</p> <p>Accounts and Reports 2024 pages 545-548</p>

Supplements templates

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

[Accounts and Reports 2024](#) pages: 103-104

[Financial results presentation](#) page: 32

FinecoBank S.p.A. is a joint-stock company listed on Euronext Milan, included in FTSE MIB index since 2016 and in the Stoxx Europe 600 index since 2017. The Group is made by the Parent Italian Company FinecoBank S.p.A. and by the fully owned Irish subsidiary Fineco Asset Management. The latter was set up in 2018 to improve the offering of asset management products to the clients of the Bank.

At end-2024 the Group reaches its 1.656 million clients (over 1.5 million at end-2023) in Italy, through the network of 3,002 of Personal Financial Advisors (2,962 at end-2023) in 438 Fineco centers (428 at end-2023) and the functionalities of the online platform.

The offering of products and services to clients is broken down in three main areas:

- Banking & Credit area (55% of revenues in 2024) which includes: current accounts and basic banking services, payment cards, financing products and the investment portfolio of the Bank (largely funded by clients' deposits).
- Investing area (28% of revenues in 2024) which includes investment products (mutual funds, ETFs, segregated accounts, pension products, etc.) and advisory services.
- Brokerage area (17% of revenues in 2024) which includes order execution, on behalf of clients, on the trading platform.

Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

[Accounts and Reports 2024](#) pages: 103-104, 173-175

[FinecoBank Public Disclosure - Pillar III](#) pages: 111-112

The sustainability strategy, established at the end of 2023, is outlined in the MYP ESG, which also includes environmental objectives under the EMAS EU Regulation (1221/2009/EC), such as the Net-Zero Emissions Commitment by 2050, which included the target of aligning balance sheet assets with the targets of the Paris Agreement.

The targets of the MYP ESG are also aligned with the UN Sustainable Development Goals, focusing on those most relevant and consistent to the business model of FinecoBank.

The targets are also consistent with the UN Global Compact, the UN Guiding Principles on Business and Human Right and the International Labour Organization Conventions on fundamental human rights.

Principle 2:

Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target- setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

[Accounts and Reports 2024](#) pages: 127-132, 174-175, 237-240, 268-270, 285-290

[Net Zero Commitment 2050](#)

[Financial results presentation](#) page:13

The Impact Analysis, done in 2023 to identify the targets of the MYP ESG, highlighted the Responsible Finance, Finance Education and Climate Change Mitigation as main impact areas. The business areas (Banking&Credit and Investing) covered by the Impact Analysis account for 73% of the Group's revenues in 2024 and are generated offering financial products and services to clients that are almost entirely (98% of the total) retail customers, while the residual category (2%) are legal entities, like, for example, national bodies, associations and corporations.

Within the retail clients the segmentation based on the Total Financial Assets (TFAs) is the following²:

² Any discrepancies of a single unit in the bullet points are due to rounding

- 49% of clients' TFAs belong to those ones with more than 500,000 euros.
- 35% of clients' TFAs belong to those ones between 100,000 and 500,000 euros.
- 9% of clients' TFAs belong to those ones between 50,000 and 100,000 euros.
- 8% of clients' TFAs belong to those ones with less than 50,000 euros.

In 2024, the Double Materiality Analysis carried out to comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD), confirmed the relevance of these impact areas.

The main performance measures for these areas are linked to the targets of the MYP ESG and are:

- the launch of new funds with a floored percentage of them to be classified SFDR article 8 and 9 and with Fineco ESG rating ≥ 6 (on a scale from 1 to 10) and retention of a floored level of total funds classified SFDR article 8 and 9 for the Responsible Finance.
- the realization of events (also with ESG focus), contents of financial education and the launch of dedicated products for the Financial Education.
- the Net Zero Emission Commitment by 2050 for the Climate Change.

Considering the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), the Impact Analysis have given priority to support the transition towards net-zero and climate resilient development (Paris Climate Agreement) and to support healthy and inclusive economies to leave no one behind (Un Sustainable Development Goals).

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of the most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

[Accounts and Reports 2024](#) pages: 173-175, 180-181, 238-240, 251-252, 268, 285-290

[Financial results presentation](#) pages: 10,30

The main targets for the **Responsible Finance** envisage that from 2024:

- at least 50% of the new funds (ISIN) launched is classified as SFDR Article 8 or 9.
- at least 50% of the new funds (ISIN) launched has Fineco ESG rating ≥ 6 (on a scale from 1 to 10).
- at least 68% of the total funds (ISIN) as funds is classified as SFDR Article 8 or 9, by 2026.

In 2024:

- 68% of new funds (ISIN) are classified as SFDR Article 8 or 9.
- 80% of new funds (ISIN) has a Fineco ESG rating ≥ 6 (on a rating scale from 1 to 10).
- 79% of the total funds (ISIN) are classified as SFDR Article 8 or 9

The attainment of these results has been sustained by the involvement of the network of PFAs to whom dedicated ESG training (on top of the mandatory ESG courses) has been made available since 2024. Last year 26% of the PFAs and 35% of the Private Bankers (the PFAs that follow the clients with total financial assets above 500,00 euros) attended this customized training.

Moreover, FinecoBank has engaged with the partners in the asset management to have a renewed offer (for its clients) of SFDR funds Article 8 or 9, fully scrutinized. This dialogue has also led to select an asset management company with a DNA strongly oriented to the ESG topics and whose products have been added to the breadth of available funds on the platform (another one is planned by the end of 2025).

Finally, starting from 2024, the incentive system of the PFAs has been integrated with targets linked to the funds classified as Article 8 and 9 in the portfolios of clients followed by the PFAs.

The targets of **Financial Education** include informative events dedicated to clients or specific segments (i.e. the least financially included) of the community, educational materials for the broader public, financial support for the educational paths of young people, and banking products aimed at promoting financial inclusion.

At the end of 2023, FinecoBank established five Financial Education targets (listed in the table below), some of which were already achieved in 2024.

Although the client base consists mostly of affluent and high-net-worth individuals, also in 2024 there were actions to address gaps in financial education and promote the inclusion of less represented client segments. These actions have been the delivery of a **lecture at the University of the Third Age** in Novara (in collaboration with FEduF³ and the Fondazione Novarese) and the launch of the Underage Account (“Conto Minori”).

The lecture focused on explaining how the private pension scheme works in Italy, specifically addressing to two groups: (1) participants in the University of the Third Age courses (retirees), and (2) members of the community, who are not yet active in the workforce (such as minors and students).

The purpose of this lecture was twofold: to inform those not yet employed about the importance of long-term financial planning, and to engage retirees in the financial education of younger generations.

FinecoBank launched the **Underage Account (“Conto Minori”)** in the last quarter of 2024. It is as a current account in the minor’s name, but linked to that of the parent/guardian, who retains control and supervision of financial activities. The main objective is to promote financial education among the younger generation by providing a practical and safe tool to introduce young people to money management. The account is designed to be intuitive and easy to use, both for the child and the parent or guardian, who retains complete control of operations. The Money Map feature has also been added to the Minors Account to monitor current account outflows, with the aim of increasing awareness in expense management.

Target MYP ESG (KPIs set in the Impact Analysis of 2023 PRB Report)	Achievements in 2024
Implementation of at least 20 financial education events by 2026	In 2024, 26 events were held, already beating the target set for 2026
Release of 20 new financial education video materials by 2026	In 2024, 22 financial educational videos were made available, already beating the target set for 2026
Implementation of at least 1 client’s event dedicated to ESG per commercial area ⁴ by 2025 (not present before 2024)	The implementation of the event for any commercial area is on schedule and will be met by end-2025
Implementation of at least 1 event dedicated to specific targets by 2024 (not present before 2024)	A lecture was delivered at the University of the Third Age of Novara, meeting the target set for 2024
Activation of a scholarship as part of the collaboration with FEduF by 2025 (not present before 2024)	The scouting activities (identification of the provider) to activate the scholarship have gone on
Launch of the Underage Account (“Conto Minori”) by 2024 (not present before 2024)	The Underage Account (“Conto Minori”) was launched, meeting the target for 2024

The targets of the Net Zero Emissions Commitment by 2050 for the **Climate Change** envisage the alignment of the assets in the Balance Sheet with the Paris Agreement Objectives, through an exposure in debt securities of sovereign and banking issuers with a Net-Zero target by 2050 of:

- 95% by 2030.
- 100% by 2050.

Since 2022, investments have been directed towards Countries and institutions that have formalized decarbonisation plans compatible with a maximum temperature increase of 1.5°C.

The Bank has adopted an engagement policy for the sovereign counterparties and banks in which it

³ the Foundation for Financial and Savings Education, set up on the initiative of the Italian Banking Association (ABI) and promoting financial education to develop and disseminate economic knowledge

⁴ 25 commercial areas since July 2024

invests.

For the definition of targets, the Corporate Net-Zero Standard and the guidelines 'Foundations for Science-Based Net-Zero Target Setting in the Financial Sector' by the Science Based Targets initiative (SBTi) were taken into consideration. However, FinecoBank has not formally joined the initiative, as the commitments required are not applicable to its business model, which currently does not include corporate lending (while the retail mortgage business is marginal). In 2024, following the publication by SBTi of new criteria⁵ requiring financial institutions to define the scope of their short-term targets and set a minimum threshold of assets to be decarbonized, FinecoBank reassessed the possibility of joining the initiative. The analysis confirmed once again that the SBTi criteria are not applicable to its business model.

In 2024, the dialogue with counterparties continued, aiming at ensuring a percentage of the securities portfolio aligned with the objectives set out in the Net-Zero Commitment. The percentage of the securities portfolio aligned to Net-Zero targets reached 99.4 per cent at the end of the year, thus reaching the intermediate target set for 2030 (95 per cent) ahead of schedule. This increase reflects an investment strategy aimed at favouring responsible issuers, thus consolidating Fineco's contribution to the transition towards a more sustainable economy.

During 2024, the analysis of the financed emissions has been extended to all the categories of the banking portfolio of FinecoBank, including also the financial instruments issued by bank issuers. Therefore, at end of 2024 the analysis covered the whole investment portfolio and, inside the commercial lending, the portfolio of mortgages. In 2024, the calculation of the financed emissions was conducted in the following asset classes:

- residential mortgages for retail clients (2.3 billion euro at end-2024).
- debt securities of sovereign issuers⁶ (22.8 billion euro at end-2024).
- debt securities of banking issuers (0.9 billion euro at end-2024).

The other asset classes regulated in the PCAF standard for financed emissions are not present in the Group's portfolio.

Against this backdrop, the year 2024 is considered the base year given that, for the first time, the estimate of the financed emissions of all the asset classes, present in the banking portfolio, of the Category 15 of the Scope 3 emissions have been calculated and reported.

⁵ SBTi Financial Institutions' near-term criteria

⁶ Sovereign issuers include supranational issuers, government agencies and local authorities (sub-sovereign)

Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

[Accounts and Reports 2024](#) pages: 238, 249, 286-287

The clients are involved and engaged through the Personal Financial Advisors and through the structure of the Bank. Regarding the clients, the Bank is committed to encouraging sustainable practices mostly in terms of responsible financial education through the dissemination of educational contents through its own channels (informative e-mails, posts on social channels, the Fineconomy finance and investment blog, banner placements on the website, etc.) in order to promote an aware and responsible economic culture.

Moreover, two other tools are in place to foster the clients' engagement:

- the "Call For Suggestion", activated at every interaction with the CRM (Customer Relationship Management) structure.
- the "TRI*M", a tool for assessing satisfaction and preference indicators and measures of clients which is administered twice a year on a representative sample.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

[Accounts and Reports 2024](#) pages: 104, 129, 251-252, 268-270

In 2024, Following the outcome of the Double Materiality Analysis, the Bank has identified the following opportunities of business related to clients:

- improved customer loyalty through clear and transparent communication including sustainability issue.
- the attraction of new clients and the increase of loyalty of existing ones through the implementation of digital/innovative solutions, products and services and through inclusion initiatives with dedicated targets (e.g. Underage Account "Conto Minori", scholarships, etc...).
- the attraction of new clients and the increase of instruments/products with ESG characteristics.

In 2024 the "Conto Minori" was made available to promote financial education among the younger generation, by providing a practical and safe tool to introduce young people to the money management. The efforts in promoting education towards a more responsible and sustainable financial life have been implemented through the events and informative material described above.

The commitment towards sustainable finance products (mutual funds and ETFs) has gone on with:

- 80% of new funds in 2024 with Fineco ESG rating ≥ 6 (on a scale from 1 to 10).
- 68% of new funds in 2024 classified SFDR Article 8 or 9.
- 79% of funds at end of 2024 classified SFDR Article 8 or 9 (67% at end of 2023).

These three achievements are included among the targets of MYP ESG. Next to them, the offer of financial products with characteristics of sustainability included also:

- ETFs with 26% of new launches in 2024 classified SFDR Article 8 or 9 and with 72% of new launches in 2024 with Fineco ESG rating ≥ 6 .
- green mortgages (to finance the purchase of class A or B energy property) account for 10% of the new production in 2024 (20% in 2023) and 17% of the stock of mortgages at year-end (18% at end-2023).
- green loans (to finance the installation of renewable energy technologies) have completed the ramp-up phase (after the launch occurred at end of 2023).

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

[Accounts and Reports 2024](#) pages: 105-108

Next to the recurring engagement with all the stakeholders, FinecoBank has carried on dedicated engagement activities with a group of relevant stakeholders to identify the material impacts, risks and opportunities of sustainability. The relevant stakeholders involved for this purpose have been:

- the management (internal stakeholders).
- the PFAs (internal stakeholders).
- the financial investors (external stakeholders).

The internal stakeholders have been involved in the following way:

- the management through the recurring meetings within the activities of the internal Sustainability Management Committee (which is made by the top management and by the heads of the bank's departments) and with the support of the Structure of Sustainability and the Chief Risk Officer.
- the PFAs through two dedicated workshop sessions.

The external stakeholders (the financial investors) have been involved through dedicated one-to-one meetings with the support of the Structure of Sustainability and of the Investor Relations.

The Bank has also updated the list of the stakeholders in the value chain identified according to the positioning inside the value chain (upstream, own operations and downstream), of the type of relations that they have with the Bank (operational, commercial, strategic) and of the role they have with the Bank.

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

[Accounts and Reports 2024](#) pages:135-141

The governance structure is based on a Board of Directors and a Board of Statutory Auditors, both appointed by the Shareholders' Meeting for a three-year term. The Board of Directors defines the Group's strategy, considering sustainable finance objectives and the integration of ESG factors, including the management of related impacts, risks, and opportunities in strategic decision-making. The Board of Statutory Auditors monitors compliance with laws and regulations and assesses the adequacy of risk management and internal control systems, including those related to climate and environmental issues.

The Board of Directors has appointed specific committees composed of independent directors. These include:

- **Corporate Governance and Environmental & Social Sustainability Committee**, which oversees the development of the sustainability strategy; reviews and makes proposals on social, environmental, and governance plans; contributes to the review of ESG products; assesses the Group's market positioning in terms of sustainability; reviews material ESG issues, including their impacts, risks, and opportunities, submitting them to the Board of Directors for approval. It also assesses the Sustainability Report and the Environmental Statement under the EMAS Regulation prior to approval by the Board of Directors.
- **Risk and Related Parties Committee**, which reviews the list of material sustainability issues; examines and makes proposals regarding associated risks, sharing them with the Corporate Governance and Environmental & Social Sustainability Committee prior to Board approval; and assesses the Sustainability Report, also in the context of the internal control system.
- **Appointments Committee**, which ensures the optimal composition of the Board of Directors in terms of gender balance, skills, age, and international outlook. It also considers the ability of the Board's members to integrate sustainability topics into the strategic and business vision.
- **Remuneration Committee**, which provides proposals and opinions to the Board of Directors regarding remuneration and performance evaluation for the CEO, General Manager, and all Identified Staff. It includes ESG-related KPIs in its assessments and contributes to setting sustainability objectives for employees and personal financial advisors. The committee also supports the Board of Directors in monitoring gender pay gaps.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

[Accounts and Reports 2024](#) pages:106, 197-200

[Integrity Charter and Code of Conducts](#)

The Group-wide compliance and integrity culture is pivotal to be perceived as a trustworthy counterpart by all the stakeholders and it is necessary to ensure compliance with laws and rules, to execute fair business practices and to manage the risks.

The commitment and adherence to the compliance culture is for all the employees, for the members of the executive, strategic and control bodies and for the personal financial advisors and third parties (i.e. suppliers, business consultants, related agents).

FinecoBank has adopted a Code of Ethics with the rules aimed at ensuring that the conduct of the recipients is always inspired by criteria of fairness, cooperation, loyalty, transparency and mutual respect.

At Group level, the Global Policy “Charter of Integrity, Code of Conduct and Compliance Culture” also defines: i) the principles and values to which Group Companies want to conform their operations, the set of rights, duties and responsibilities that they assume towards all stakeholders, which they undertake to respect and which represent a decisive guide in corporate decisions and conduct, and constitute the heritage of the Group's corporate culture (ii) the common principles and guidelines at Group level to establish, promote and support a culture of compliance as an integral part of the Group's culture and values, and to reinforce behavior in compliance with applicable rules, regulations, processes, ethical standards and correct business practices.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

[Accounts and Reports 2024](#) pages:110-113, 127-134,

In 2024, the identification and assessment of the sustainability risks became more granular and pervasive, in line with the new requirements of the Corporate Sustainability Reporting Directive (CSRD). The Group, thanks to the intrinsic characteristics of its business model, has little exposure to climate and environmental risks. Therefore, the Group does not use high-emission climate scenarios to identify physical risk factors, as these would not capture the vulnerabilities inherent in the business model. From the outcome of the Analysis of Double Materiality no material risk associated to the climate an environment has been identified since:

- no Group company has significant investments in the real estate segment, bar the building in which the parent company's office is located and that is undergoing energy efficiency improvements.
- the parent company has always favored digital channels in its relationship with clients, which also reduces the emissions caused by travelling to use the financial services provided by the Bank.
- no Group company has credit exposures to clients or non-financial counterparties, which could cause significant environmental impacts with their production activities.
- the current account overdraft and personal loans, provided exclusively by the parent company, are addressed to retail customers in 2024. By their nature of no purpose, it is not possible to determine their possible generation of environmental impacts.
- the exposures to financial counterparties are made by industry leaders with high creditworthiness, and are predominantly backed by financial collateral, the value of which is subject to frequent monitoring and margin calls.
- the strategic investments (as held to maturity) of the Group Companies are mainly made to sovereign counterparties (Sovereign States and international governmental organizations).

Regarding the social risks the Analysis of Double Materiality has identified:

- reputational risks linked to the loss of reputational shares following the leakage of clients' personal data and the alleged involvement in greenwashing scandal unfair business practices and frauds.
- legal and conduct risk from lawsuits and clients' complaints in connection with the placement of products whose disclosures do not adequately reflect the sustainability profile of the underlying

assets.

- compliance risk due to the imposition of fines or penalties by the Supervisory Authority in connection with the placement of products whose disclosures do not adequately reflect the sustainability profile of the underlying assets.

For mitigation purposes, the Group has implemented an extensive system of controls over the network of personal financial advisors involving all three levels of the defense lines. These controls are aimed at identifying anomalies in the actions of the personal financial advisors or their associated clients and enabling the relevant structures to intervene. The Group companies have adopted their own Business Continuity Management process and Business Continuity and Disaster Recovery Plan, which is tested, verified and updated periodically. The parent company's Chief Risk Officer Department and Fineco Asset Management risk control function perform specific greenwashing checks on investment funds, aimed at verifying the consistency of the classification of these products with the underlying assets. The Parent Company has set up an Anti-Money Laundering and Anti-Corruption function, which is responsible for assessing the impact of external regulations on the corporate processes and procedures in the areas of anti-money laundering, countering the financing of terrorism, financial sanctions and anti-corruption.

The Risk and Related Parties Committee has specific responsibilities to make investigations and proposals to the Board of Directors regarding the risks (including the sustainability-related risks).

Principle 6:

Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

In 2024, FinecoBank prepared Sustainability consolidated reporting in line with the Corporate Sustainability reporting Directive (CSRD). In the reporting great emphasis has been placed on the most relevant sustainability topics, both for the business and for stakeholders, identified through the Double Materiality Analysis. The identified sustainability topics have been reported through the description of policies, processes, actions, and related objectives, with a commitment to providing a comprehensive view of the commitments and sustainability journey undertaken by FinecoBank. The PRB Report has not been subjected to external audit, but the commitments, along with the associated actions and objectives included in the Sustainability consolidated reporting, have been subject to a limited assurance engagement - according to the criteria set out by the Italian SSSAE standard - carried out by the independent auditing firm KPMG S.p.A.