Human Rights Commitment

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1 INTRODUCTION

1.1 PREMISE

FinecoBank is aware that every economic and business activity can potentially generate both positive and negative impacts on human rights.

As a leading Italian financial institution, the cornerstone of our mission at FinecoBank is to not only generate value for customers and shareholders, but also to contribute to the development of the countries and communities in which we operate, thus reinforcing our competitiveness.

FinecoBank operates in accordance with the Universal Declaration of Human Rights, which states that “every individual and every organ of society, including companies, shall strive by teaching and educating to promote respect for human rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance”\(^1\).

Systematically, FinecoBank is working to define a reliable and inclusive approach that allows our Bank to manage human rights impacts and risks and reduce potential human rights violations. In all of our activities, we maintain an ongoing, open dialogue with stakeholders in order to take into consideration their legitimate expectations.

1.2 PURPOSE AND SCOPE OF APPLICATION

This document summarizes FinecoBank’s Human Rights Commitment, the approach, roles and responsibilities as well as the principles, rules, procedures and systems adopted by FinecoBank to comply with generally accepted international and local standards and regulations for preventing, managing and, where possible, reducing human rights impacts. FinecoBank, throughout its sphere of influence (e.g., operations, financing activities, and the supply chain), strives to minimize its reputational, social and environmental risks and to maximize the positive impacts generated on human rights.

The Bank’s approach is focused on the following stakeholder categories:
- Employees
- Personal Financial Advisors (PFA)
- Customers
- Suppliers
- Communities

As we are aware that FinecoBank may directly or indirectly impact and interact with several human rights topics in its operations and business activities, this Human Rights Commitment should be considered a minimum guidance for our Bank’s practices involving human rights.

The Human Rights Commitment will be regularly updated to account for changes to the external requirements, and progress in implementing human rights related practices and standards. When applicable, it should be read in conjunction with other relevant internal policies and documents.

\(^1\) Universal Declaration of Human Rights.
1.3 Basic Principles

FinecoBank’s Human Rights Commitment is inspired by the generally accepted international declarations and conventions, standards, principles, guidelines and recommendations, including:

- The Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- International Labour Organization's (ILO) Fundamental Human Rights Conventions (convention 29, 87, 98, 100, 105, 111, 138 and 182)
- the Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework
- the OECD Guidelines for Multinational Enterprises (2011 edition)
- the UN Global Compact principles
- UN Principles for Responsible Investment (UN PRI)
- The United Nations Environment Programme Finance Initiative (UNEP FI) Statement of Commitment by Financial Institutions on Sustainable Development
- Women's Empowerment Principles

2 Roles and Responsibilities

FinecoBank has a Sustainability Managerial Committee, which is entrusted with the main task of defining a strategy proposal on the Bank’s sustainability and the objectives to be achieved, in line with the Group addresses, to be submitted, for the purposes of the related supervision, to the examination of the Appointments and Sustainability Committee and, consequently, to the approval of the Board, in accordance with “FinecoBank Corporate Bodies Regulations” approved by the Board of Directors.

The Committee is responsible for ensuring the sharing of information on sustainability by ensuring uniform and consistent guidelines and the assessment of the related social and environmental risks and, in general, of the risks associated with sustainability issues.

3 Impacts Management

FinecoBank considers the human rights included in the generally accepted main international declarations and conventions, as previously described.

The Bank, however, periodically assesses, through the Managerial Sustainability Committee, its human rights impacts and risks, taking into consideration FinecoBank operations and activities, the external environment, international evolutions (e.g., legislations, principles and standards development), as well as the results of stakeholder engagement activities.
The assessment is an ongoing process performed thanks to the contribution of all the functions that evaluate the Bank’s impacts and risks, including those related to human rights, in their daily activities.

In this context, FinecoBank aims to:
- “avoid causing or contributing to adverse human rights impacts through its own activities, and address such impacts when they occur, and
- seek to prevent/mitigate adverse human rights impacts that are directly linked to its operations/products/services by their business relationships, even if they have not contributed to those impacts”

where FinecoBank identifies that it has: “caused or contributed to adverse impacts, it provides for/cooperates in their remediation through legitimate processes”.

Finally, FinecoBank is committed to the following principles/rights relevant to all of its stakeholder categories:

**Privacy**
FinecoBank is aware of the importance of respecting our stakeholders’ privacy (e.g., personal data and confidential information of employees and customers), including the disclosure of such information to third parties. Our approach with respect to privacy is in line with the local laws and regulations governing the topic and applies to all kind of personal data, independently of the stakeholder they refer to and/or of the channel they have been received through. We use appropriate administrative, technical, physical and security measures to meet legal requirements, and to safeguard personal data against loss, theft and unauthorized access, use or modification.

Further information on FinecoBank’s approach to Privacy can be found in:
- Code of Conduct
- Privacy Global Policy

**Anti-corruption**
FinecoBank is aware that corruption is a considerable obstacle to economic and social development around the world and that it has negative impacts on development and on communities.
FinecoBank’s Anti-Corruption Policy aims to define principles and rules for identifying and preventing potential acts of corruption to protect the integrity and reputation of our Bank.
The Bank has zero tolerance towards acts of corruption, prohibits facilitation payments and does not permit any transfer of value to public officials without approval.
FinecoBank has in place mechanisms to monitor the effectiveness of the Bank’s approach to anticorruption and anti-bribery.

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Sanctions

With reference to high-risk counterparts, the Bank is firmly committed to complying with all applicable sanctions regulations. In addition, the Bank may decide to introduce further restrictions on business activity involving certain countries, organizations, persons, entities or goods, irrespective of whether they are the subject of a particular sanction imposed by a country or international organization.

3.1 EMPLOYEES AND PERSONAL FINANCIAL ADVISORS

FinecoBank is committed to select, hire and manage employees while respecting their dignity and rights as individual.

FinecoBank is committed to the following principles/rights:

Diversity and inclusion

The principles of civil freedom (e.g., religious, political and cultural freedom, freedom of union and freedom of sexual orientation) must always be respected. All forms of discrimination in these areas must be eliminated and replaced with an appreciation of individuals’ skills and abilities. Respect for and attention to individuals and their needs, regardless of grade, must become characteristic of our employees’ actions in their business relationship.

FinecoBank strongly believes that managing diversities (e.g., age, gender, disability, sexual orientation, personal features and backgrounds, or an individual’s traits acquired during his or her life, such as personal and corporate culture, geographical origin and location, religion, employment contract, professional role and level within the organization) through equal opportunity and non-discrimination policies contributes in developing a diverse corporate culture. This is in line with our aim to improve the working environment and enhance a stronger sense of inclusion and belonging, which will ensure a higher quality of life at work.

In line with this approach, FinecoBank adopts a Gender Equality Global Policy, addressing gender equality by setting guidelines for human resources processes and practices that create a level playing field for all employees.

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4 FinecoBank Integrity Charter

5 Fineco adhered to UniCredit Joint Declaration on “Equal Opportunities and Non-Discrimination”, subscribed by UniCredit Group and by the “European Works Council” in 2009.
Respect and freedom to act

Respect means continually listening and paying attention to our employees, and respecting their values, sensitivities and beliefs without resorting to any form of undue pressure or offence. FinecoBank aims to provide a culture where individuals are free to voice dissent and to not be wary to reconsider their views, overcoming hierarchical and bureaucratic conditioning. Colleagues who do not share in dissenting viewpoints must also feel secure to express themselves and have their views heard. If, however, they hold senior positions, they must do so with fairness and respect ⁶.

Further information on FinecoBank’s approach to respect and freedom to act can be found in:

- Integrity Chart
- Code of Conduct

Freedom of association and collective bargaining

FinecoBank is committed to respecting and enforcing sovereign state legislation on collective agreements, bargaining and freedom of association.

Elimination of forced labour and abolition of child labour

As a financial services provider, FinecoBank’s principal asset is its highly skilled workforce. Thus, FinecoBank does not use child labour or forced labour in its own business practices, and is in full compliance with the International Labour Organization’s (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

Health and safety

FinecoBank’s commitment to being a great place to work is the foundation of our approach to health and safety. Managing the health and safety of our employees demands that we remain compliant with the law and its spirit. This includes providing an adequate evaluation of risks – an evaluation of the derivative risk for each position, and the definition and planning of prevention and protection measures to eliminate risks or minimize them.

Further information on FinecoBank’s approach to health and safety can be found in:

- Integrity Chart
- Code of Conduct

⁶ FinecoBank’s Integrity Chart
**Work-life balance**
FinecoBank’s commitment to creating an inclusive environment incorporates efforts that promote our employees’ well-being and help them to effectively manage personal and professional challenges. We support our employees and their families at different stages of their lives, providing benefits designed to enhance their work-life balance.

| Further information on FinecoBank’s approach to work-life balance can be found in: | Joint Declaration on “World declaration of Work Life Balance” with European Works Council |

**Adequate compensation**
FinecoBank aims to ensure the competitiveness and effectiveness of remuneration, as well as transparency and internal equity. For these reasons, the principles of sound and sustainable conduct and performance are the key pillars of our Compensation Policy.

| Further information on FinecoBank’s approach to adequate compensation can be found in: | FinecoBank’s Compensation Policy |

**Whistleblowing**
The reporting of any irregularities helps protect the company and its reputation as well as all our colleagues. In 2011 we adopted a system through which employees and financial advisors can report any behavior that violates the law or the internal rules of the Bank. Any employee and financial advisor can use this mechanism if they reasonably suspect that unlawful conduct or potentially harmful behavior has occurred or may occur. The management of this process is designed to guarantee the maximum possible confidentiality with regard to the identity of the reporter and the accused party and to prevent any possible retaliation or discriminatory behavior following the report. The channels made available to employees and financial advisors by the Bank to report irregularities, even anonymously, are the following (some of these are available 24 hours a day):
- by phone, via the FinecoBank SpeakUp line, which allows the employee and financial advisor to leave a voice message, even anonymously
- on the website, via the FinecoBank SpeakUp web service, which allows the employee and the financial advisor to leave a written message, even anonymously
- via a dedicated e-mail address
- in paper format at the dedicated postal address.

| Further information on FinecoBank’s approach to whistleblowing can be found in: | Code of Conduct |
3.2 CUSTOMERS

FinecoBank is aware that the financial sector plays an important role in the economy, with a responsibility to ensure stable markets and to support the real economy. Sales and financial advice activities shall responsibly meet to customers’ needs, thanks to our employees training and competences, the quality of our products and services, the proper organizational governance promoting integrity and the alignment of the incentive system with the mid and long term and sustainable goals. FinecoBank firmly believes in the importance of enhancing social dialogue across the Bank, as a facilitator to build a profitable and sustainable company where people needs and rights are balanced with business requirements. A tangible example of our commitment is represented by the Joint Declaration on “Responsible Sales”.

Further information on FinecoBank’s approach to Responsible Sales can be found in:

Integrity Chart

3.2.1. RISK MANAGEMENT

A sound risk management requires a deep understanding of many aspects of risk and their effects on financial results and the balance sheet. FinecoBank is committed to promoting sustainable solutions in its financing and investment decisions and has adopted an integrated, multifaceted approach to managing the social and environmental risks associated with its financial products and services.

In particular, human rights aspects are managed through several Group policies and practices, including special Policies linked to the reputational risk and Compliance Policies (e.g., Anti-Money Laundering and Countering of Terrorist Financing Policy).

In performing our activities, we account for the International Finance Corporation (IFC) social-environmental standards (Performance Standards) and the World Bank Environmental, Health and Safety (EHS) Guidelines.

Anti-Money Laundering and Countering of Terrorist Financing

FinecoBank is committed to the fight against money laundering, including terrorist financing, and active management of legal, regulatory and reputational risks across the Bank through the implementation of a risk based anti-money laundering (AML) program and mechanisms for monitoring the effectiveness of the Bank’s approach.

Further information on FinecoBank’s approach to Anti-Money Laundering can be found in:

Anti-Money Laundering and Countering of Terrorist Financing Policy

The Declaration, jointly elaborated with the European Works Council, defines - as one of his fundamental principles - “the importance of employees’ development as one of the main assets for the success of a sustainable business”, as well as respecting our employees’ “right to advice” properly.
3.2.2. POSITIVE CONTRIBUTION
FinecoBank is committed to developing and promoting products and services that are capable of generating both positive impacts for our stakeholders, also in terms of social/human rights aspects, and sustainable long-term value for our Bank and the communities where we operate.

3.3 SUPPLIERS
As part of FinecoBank’s commitment to promote sustainability within its supply chain, human rights are managed through specific policies and practices.

In FinecoBank, suppliers must meet certain minimum requirements and are subject to appropriate review and evaluation, before being hired on an ongoing basis. This is aimed at mitigate the corruption risk and at respecting our Group policy relative to the supply-chain, which shows, among others, our commitment in properly managing and preventing the worst environmental impacts linked to our business activities such as the use of natural resources and waste production.

Further information on FinecoBank’s approach to suppliers and human rights can be found in:

Environmental and Social Procurement Policy

3.4 COMMUNITIES
With regards to communities, FinecoBank strives to provide an example of good practice through its own business conduct. Additionally, within our spheres of influence, our Bank will also work to make a positive contribution to the communities of the countries where it operate and to raise awareness of human rights topics.

In FinecoBank we believe that even activities encouraging and developing creative, and talented people and promoting culture in all its forms (e.g., art, music and sports) can have a positive impact on countries’ economic growth and competitiveness. For this reason, our philanthropic and sponsorships activities are focused on these fields, in addition to the cooperation with local stakeholders in times of emergencies, thus responding swiftly and effectively to support the recovery of affected areas.

Moreover, FinecoBank aims at maximizing the positive impacts through activities such as the spreading of information and awareness on human rights and the promotion of philanthropic activities, as regulated by the internal process “Management of donations”, where “donations” are intended as contributions given in cash or in kind in favor of non-profit entities (legal persons) – various entities, institutions, ONLUS, Associations, Foundations or charitable organizations acknowledged or not – whose Articles of Association is mainly focused on the assistance, charity, education, instruction, study or scientific research, or on the realization of projects of social utility, without any provision by the beneficiaries, or purpose of profit.
FinecoBank strives to promote, also through donations, a modern business solidarity, as well as a culture of civic engagement, of donation and of volunteering, as ways to confirm the commitment by the Bank in concretely satisfying the needs of the communities in which it operates.

Through the UniCredit Foundation, UniCredit, to which FinecoBank participates, is committed to improve its proximity to the territories and the communities where the Group operates, adopting national and international operation perspectives.

The Foundation promotes long-term sustainable initiatives, looking for social innovation, also through effective and lasting partnership with nonprofit organizations. The Foundation is also strongly active in the academic environment, committed to promote studies and initiatives aimed at deepen the knowledge of the banking, economic and legal discipline.

Within the social innovation sphere, UniCredit Foundation gives preference to the development of social enterprises, by providing them with grants, consulting and training activities, thus stimulating the country employability. In fact, the Bank believes that the social entrepreneurship is one of the most appropriate instruments to promote social inclusion and to increase the social capital, in particular in a disadvantaged environment.

In particular, UniCredit Foundation supports the social entrepreneurs’ initiatives and projects that:

- are intended to improve standards of access to social services for individuals and families
- reinforce the rights required to ensure participation in the labour market, in particular by creating new job opportunities
- establish the conditions required to ensure the integration of individuals who are particularly vulnerable on account of disadvantaged circumstances (physical, social or economic).

Within the academic environment, the UniCredit Foundation supports the study and the research mainly within the economic and financial disciplines, through the granting of scholarships and awards, in order to encourage the specialization abroad of the best European students in the economic, banking and financial sciences.

**4 COMMUNICATION AND TRAINING**

The Human Rights Commitment will be communicated to all the Banks’ employees and financial advisors through various initiatives that include, among others, internal communication and news on local intranets.

In addition, the present document is public, so that all the relevant internal and external stakeholders will be informed about the Human Rights Commitment.

Training will be ensured according to employees and financial planners’ working areas, roles and responsibilities. In fact, for example, an effective risk assessment and monitoring requires appropriate technical risk knowledge at all levels of an organization. For this reason, our Bank takes a common and consistent learning approach to risk issues, including those related to human rights.

Finally, FinecoBank aims at increasing our customers’ awareness on business risks, including those linked to human rights.
5 MONITORING

FinecoBank is aware of the importance of a tracking system to ensure that human rights performances are monitored, adverse human rights risks and impacts are correctly managed and, if any, are addressed.

FinecoBank has in place mechanisms allowing us to collect information on stakeholders' feedback and grievances with reference to the Bank practices and any negative impact that we may have caused or contributed to via our own activities (e.g., whistleblowing procedures, customers’ complaint management, etc). The Bank is committed to analyse the information received and to transparently communicate the resulting mitigation actions, if needed.

The Human Rights Commitment is regularly reviewed, also based on external and internal evolutions (e.g., new international frameworks' publication, development of internal improvement actions, etc.).