



Human Rights Commitment

FinecoBank Group

Approving Function	Board of Directors	13/10/2020
Proposing Function	CFO Department - Sustainability	

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1. INTRODUCTION

The FinecoBank Group (hereinafter also “The Group” or “Fineco”) is aware that each company, through its economic and business activities, can generate potentially positive and negative impacts on human rights and therefore has the duty to ensure their protection, in line with what is enshrined in the United Nations Guiding Principles on Business and Human Rights and with the main international standards.

Fineco’s mission is to provide top quality services, supporting well-being and protecting all the people it interacts with through its business activities, with which it may generate a direct or indirect impact connected to human rights. Fineco is committed to always operating 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 education 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.

The current version of the Commitment on Human Rights was shared with the various organisational structures for the supervision of the parts within their remit and subsequently submitted for the attention of the Sustainability Management Committee and the Corporate Governance and Environmental and Social Sustainability Committee, and then for the Board of Directors’ approval.

2. PURPOSE AND SCOPE OF APPLICATION

The aim of this document is to consolidate the Group’s intention to shape its activities (for example, operations, credit and advisory activities and supply chain management) respecting all human rights, to guarantee compliance with national and international regulations and standards, defining an inclusive approach that allows impacts to be managed and minimises potential violation risks, always keeping stakeholder dialogue open and taking into account their legitimate expectations.

Specifically, Fineco intends to: “*avoid causing or contributing to adverse human rights impacts through its own activities, and address such impacts when they occur; “seek to prevent or mitigate adverse human rights impacts that are directly linked to its operations, products or services through its business relationships, even if they have not contributed to those impacts”*”,

¹ The Universal Declaration of Human Rights, 1948.

and *where it is identified that they have “caused or contributed to adverse impacts, provide for or cooperate in their remediation through legitimate processes”*².

This Commitment applies to the FinecoBank Group (consisting of FinecoBank S.p.A. and its subsidiary Fineco Asset Management DAC, based in Ireland), which undertakes to promote respect for human rights under all circumstances and in situations where their business activities could have an impact.

In particular, full attention is given to the Group’s main stakeholders, regarding whom the most critical areas in terms of impact on human rights can be identified:

- Personnel
- Personal Financial Advisors
- Customers
- Suppliers
- Communities

In addition to working in compliance with human rights, Fineco pursues the opportunity to support the protection of these rights whenever and wherever it is able to have a positive impact.

The Human Rights Commitment will be updated regularly to take into account changes within the Group, as well as the external context and progress in the implementation of practices and standards related to human rights.

Where appropriate, it should be read together with other relevant internal policies and documents, some of which are in the process of being updated at the time of approval of this document and expected to be released by December 2020.

3. BASIC PRINCIPLES

The FinecoBank Group’s Human Rights Commitment is based on the generally accepted declarations and conventions, standards, principles, guidelines and recommendations, including:

- The Universal Declaration of Human Rights
- The Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework

² The Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework, United Nations Human Rights Council, 2011.

- The International Covenant on Civil and Political Rights
- The International Covenant on Economic, Social and Cultural Rights
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- International Labour Organisation (ILO) Conventions on fundamental human rights
- OECD Guidelines for Multinational Enterprises
- The Principles of the UN Global Compact
- The UN Principles for Responsible Investment (UN PRI)
- The Statement by financial institutions on the environment and sustainable development of the United Nations Environment Programme Finance Initiative (UNEP FI)
- Women’s Empowerment Principles

The Group’s Commitment to Human Rights also refers to the principles expressed in the Group’s internal policies, to which reference should be made in relation to what is reported in the individual paragraphs:

- FinecoBank Group Code of Conduct
- Code of Ethics pursuant to Legislative Decree 231/2001
- Global Privacy Policy
- Global Anti-Corruption Policy
- Global Gender Equality Policy
- Compensation Policy
- Global AML/CFT Policy
- Global Whistleblowing Policy

4. ROLES AND RESPONSIBILITIES

Sustainability issues, including those related to the protection of human rights, are managed by the Sustainability Management Committee, a collegial body made up of FinecoBank managers, which is entrusted with the main task of defining a sustainability strategy proposal and related objectives to be achieved, in line with the Group’s guidelines. This proposal is then submitted, for the purposes of the related supervision, for examination by the Corporate Governance and Environmental and Social Sustainability Committee and, consequently, for the Board of Directors’ approval, in compliance with the provided “Regulations of FinecoBank Corporate Bodies” approved by the Board itself.

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

5. MANAGEMENT OF CROSS-CUTTING IMPACTS FOR STAKEHOLDERS

The Group is committed to the following rights associated with all its stakeholder categories:

Privacy

The protection of the privacy of all stakeholders (such as, for example, customers and employees' personal and sensitive data or confidential information) is a factor of the utmost importance for Fineco, including the disclosure of such information to third parties. Our approach to privacy management is in line with local laws and regulations on the matter and is applied to all types of personal data, regardless of the stakeholder to which they refer or the channel through which they were received. We adopt adequate administrative, technical, physical and security systems to comply with legal requirements and safeguard personal data against loss, theft and unauthorised access, use or modification.

Anti-corruption

The Group is aware that corruption is a primary obstacle to economic and social development in the world, with negative impacts on communities.

For this reason, Fineco adopts a zero tolerance approach towards acts of corruption, prohibits facilitation payments and does not allow the giving/receiving of gifts, corporate hospitality or other monetary favours, which could lead to the suggestion of corruption.

To monitor and make this approach effective, Fineco has adopted a set of rules and measures aimed at identifying and mitigating the risk of corruption.

In relation to high-risk counterparties, the Group undertakes to remain compliant with all applicable regulations on sanctions.

6. PERSONNEL AND PERSONAL FINANCIAL ADVISORS

Fineco is committed to recruiting, hiring and managing its personnel with respect for their dignity and rights as individuals. In particular, the Group is committed to the following principles/rights:

Diversity and inclusion

Fineco is committed to treating all people with dignity and respect, not tolerating any form of abuse, harassment or discrimination in relation to: age, race, nationality, citizenship, political opinions, religion, marital, family or pregnancy status, gender, sexual orientation, sexual identity, disability, personal characteristics and experiences or any other aspect that might distinguish an individual over the course of his or her life, such as personal or corporate culture, the type of employment contract they have, their professional role or their hierarchical position within the organisation. It is vital that respect for and attention to other people and their needs become an integral part of the actions of all employees when it comes to their relationships within the company. Any form of discrimination in these areas must be eliminated and replaced by an appreciation of diversity as an irreplaceable value and source of wealth for the Group.

The Group firmly believes that respect for diversity and a fair corporate culture, which allows everyone to authentically express themselves, contribute to the improvement of the corporate culture and the working environment and is therefore committed to promoting an inclusive culture where any form of diversity, be it gender, physical, skills, relating to sexual orientation, gender identity/expression and beliefs and opinions, can be fully expressed to promote greater well-being, innovation and collaboration.

In line with this approach, the Group also adopts a Global Policy on Gender Equality.

Respect and freedom of action

Respect means constantly listening and paying attention to people, as well as respecting their values, sensitivities and beliefs without ever resorting to forms of undue pressure and causing offence. The FinecoBank Group intends to guarantee a culture open to the freedom to disagree, to be able to express one's opinion and to have the ability to question and overcome hierarchical and bureaucratic constraints.

Freedom of association and collective bargaining

The FinecoBank Group undertakes to respect and apply national laws on collective agreements, bargaining and freedom of association.

In relation to this, Fineco protects fundamental human rights in the area of work specifically, freedom of association and the right to collective bargaining. Employees are free to choose to join a trade union, to be represented and negotiate on their own behalf in line with national legislation.

Elimination of forced labour and abolition of child labour

The FinecoBank Group does not tolerate child labour and proactively opposes any form of forced or compulsory labour in its business practices; no employee can be forced to work by force or intimidation, in full compliance with the “Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy” of the International Labour Organisation (ILO).

Health and safety

The Group’s commitment to being one of the best places to work forms the basis of our approach to health and safety. Management of occupational health and safety presupposes compliance with the letter and spirit of the law. This involves an adequate risk assessment, an assessment of the derivative risk for each workplace and the definition and planning of preventive and protective measures to eliminate or minimise the risks, to ensure health and safety in the workplace by creating healthy working environments, in compliance with applicable regulations and existing technology.

Work-life balance

Fineco’s commitment to creating an environment that fosters the culture of inclusion is also expressed in the efforts to promote the well-being of employees and support them in effectively managing personal and professional challenges. Fineco supports its people and their families at various stages of their lives, offering benefits designed to improve their work-life balance, with the aim of creating a positive working environment.

Adequate remuneration

The FinecoBank Group intends to guarantee all its employees adequate remuneration, ensuring its competitiveness and effectiveness, as well as transparency and internal fairness. This is why the principles of effective and sustainable performance and conduct are key elements of Fineco’s Remuneration Policy.

7. CUSTOMERS

The FinecoBank Group is aware that the financial sector plays a central role in the economy, with a responsibility to ensure stable markets and support the real economy.

Sales and financial advisory activities are designed to provide excellent products and services at fair pricing levels and to meet customers' real expectations and needs, thanks to the training and skills of personal financial advisors and employees, with the correct governance of the organisation, which promotes integrity, fairness and transparency. Fineco firmly believes in the importance of improved social dialogue within the Group, as a facilitating tool for creating a sustainable and profitable company, in which the needs and rights of people are balanced with the company requirements. Appropriate relationships with customers must be based on respect for human rights in relation to all products and services provided to customers. The Group is also committed to ensuring customers' essential rights such as:

- privacy of personal and sensitive data;
- non-discrimination;
- health and safety;
- clarity and transparency of all communications to customers that allow for a correct assessment of the services offered.

Risk management

Sound risk management requires an in-depth understanding of the different aspects of risk, including their impact on financial results and the balance sheet.

Fineco 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 carrying out our activities, we take into consideration the socio-environmental standards of the International Finance Corporation and the Environmental, Health and Safety Guidelines of the World Bank.

The Group is also committed to combating money laundering, including the financing of terrorism, as well as actively managing the legal, regulatory and reputational risks of the entire Group through the implementation of a risk-based anti-money laundering (AML) programme and mechanisms to monitor the effectiveness of our approach.

The FinecoBank Group aims to develop and promote products and services that can generate positive impacts for stakeholders, also in relation to social and human rights issues, as well as long-term sustainable value for the Group and the communities where it operates.

8. SUPPLIERS AND LOCAL COMMUNITIES

Fineco is committed to promoting sustainability in its supply chain and minimising the risks of human rights violations, through specific policies and practices.

Suppliers and contractors must meet certain minimum requirements and are subject to appropriate review and assessment, before being taken on and on an ongoing basis. This is to mitigate the risk of corruption and prevent any negative environmental and occupational health and safety impacts associated with Fineco's activities. In relation to this, suppliers are required to send specific documentation certifying compliance with the rules on social security, accident prevention and insurance, and on occupational health and safety; ISO 9001 and ISO 14001 certifications and a self-declaration on labour exploitation (so-called Caporalato).

In relation to local communities, Fineco is committed to being an example of good practice through its business conduct.

Furthermore, within the limits of its sphere of influence, Fineco is also committed to raising awareness in the local communities where it operates to spread greater awareness of human rights issues.

We believe that activities that encourage and foster the development of people's creativity and talent, and that promote culture in all its forms (e.g. art, music and sport) can have a positive impact on economic growth and the competitiveness of countries.

This is why our philanthropic and sponsorship activities are focused in this area, in addition to our activities in cooperation with local stakeholders in times of emergency, to react quickly and effectively by supporting the recovery of the affected areas.

9. COMMUNICATION AND MONITORING

The Group is committed to disseminating and communicating this Commitment to all personnel and personal financial advisors through various initiatives, including by communicating and publishing news in the area on the corporate Intranet.

Furthermore, this document is public to ensure that all internal and external stakeholders are informed of the Human Rights Commitment.

Fineco mainly verifies the effectiveness of the approach adopted through dedicated tools, which consist of procedures for the periodic identification and assessment of risks inside and outside the Group, a whistleblowing system, a sanction system and dialogue activities with stakeholders.

In particular, in the event that an Employee, a Personal Financial Advisor or other Third Party³ deems that illegal behaviour has occurred or may occur, which involves the possible violation of human rights, they can report it according to the procedures established by Group Whistleblowing Policy⁴. In relation to this, Fineco will protect the whistleblower against any form of retaliation, discrimination or penalty resulting from a report made in good faith.

Reporting any irregularities helps protect the company and its reputation.

This process is designed to guarantee the maximum possible confidentiality with regard to the identity of the whistleblower and the accused person and to prevent any possible retaliation or discriminatory behaviour as a result of the report.

Any internal (received through the whistleblowing mechanism) or external (through the appropriate complaint channels) evidence and reports are examined by the Sustainability Management Committee and the Corporate Governance and Environmental and Social Sustainability Committee where there is a potential risk of a human rights violation, taking into account both the Group's activities and the results of stakeholder engagement activities, and the external context and any international changes (such as legislative developments and/or updates of principles and standards).

³ Third Parties: natural or legal person linked to the Group by a contract, such as, for example, suppliers, contractors, external collaborators linked to Fineco with a mandate agreement, shareholders, etc.

⁴ Global Whistleblowing Policy – February 2020