



**2023
SUSTAINABILITY REPORT**

CONSOLIDATED NON-FINANCIAL
STATEMENT
In accordance with Legislative Decree 254/2016 (NFS)





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LETTER FROM THE CEO

Dear Stakeholders,

in a global scenario characterised by the persistence of elements of complexity and uncertainty, 2023 marked an important step in our journey towards increasingly integrating sustainability into our business model. In fact, the Group's Sustainability Multi-Year Plan 2020-2023 came to an end, with the [achievement of all the targets defined](#), including the promotion of new ESG investment solutions, the increase in green and social bond coverage within the Bank's investment portfolio and the development and launch of a green loan for our retail clients.

During the year, the new sustainability strategy was defined through the adoption of the [ESG Multi-Year Plan 2024-2026](#), fully integrated into the Group's Multi-Year Plan. Starting with the reformulation, in a broader sense, of our [corporate purpose](#), "*to support customers in taking a responsible approach to their financial lives in order to create the conditions for a more prosperous and fairer society*", the new three-year plan shows an increase in the Group's level of maturity in setting more ambitious and challenging sustainability goals.

In line with the approach that has always guided our business decisions, the new sustainability strategy also looks to the future. For the next three years we are setting important goals regarding the area of responsible finance, to be pursued also through greater involvement of the financial advisor network and the launch of new initiatives and financial education projects. In addition to business-related commitments, we have added new objectives to mitigate operational impacts, including initiatives to digitize processes, projects aimed at increasing the level of sustainability of our supply chain, and the redefinition of the Net Zero interim target for Scope 1 and 2 operational emissions, setting a more substantial reduction target and bringing it forward to 2026.

As a whole, the sustainability strategy is part of the journey undertaken by the Group by signing up, since 2020, to the most important international sustainability initiatives of the United Nations: the *Global Compact* and the *Principles for Responsible Banking* and *Principles for Responsible Investment*, signed by FinecoBank and Fineco Asset Management respectively.

Aware that the Bank's journey cannot be separated from that of our people, also in 2023 we invested in the empowerment of our employees and financial advisors and in the development of their professional skills. Our commitment to creating a work environment characterised by inclusion and equal opportunities has also been recognised by obtaining [gender equality certification](#), which attests the progress we have made in protecting diversity and making room for everyone's potential, enhancing and integrating skills and talents without any discrimination.

The fifth Non-Financial Statement reports on the commitments and actions taken accompany our current and future Stakeholders. Social responsibility, to which we are all committed, is a cornerstone of our journey to continue to create long-term sustainable value for them.

Alessandro Foti

CEO and General Manager

METHODOLOGICAL NOTE

This document represents the **Consolidated Non-Financial Statement** (hereinafter also "NFS" or "Non-Financial Statement") of the FinecoBank Group (hereinafter also "Group" or "Fineco"), prepared in accordance with Articles 3 and 4 of Legislative Decree 254/2016 and the GRI Standards for the period from 1 January 2023 to 31 December 2023. In particular, the 2021 version of the GRI Universal Standards, the 2016 and subsequent versions of the GRI Topic Standards have been adopted, taking into account the GRI G4 "Financial Services" Sector Disclosures.

In continuity with the previous NFS, this document is supplemented with the data and information to meet the requirements of Annex IV of Regulation 1221/2009/EC (EMAS Regulation¹), and those arising from adoption of the *United Nations Principles for Responsible Banking* (PRB), as set out in the related reporting template.

The NFS is a separate report from the consolidated management report and is intended to provide a proper representation of the Group's activities, performance, results and impacts produced with respect to the main sustainability issues for the financial year 2023. The reporting period (1 January to 31 December 2023) is the same of that of the Consolidated Financial Statements.

The process of preparing and publishing the NFS, including the assignment of roles and responsibilities to the corporate units and bodies involved, is implemented in accordance with the procedures set out in the internal Global Operational Regulation on the "Preparation and publication of the consolidated Non-Financial Statement of the FinecoBank Group". Furthermore, the collection of non-financial information and data is based on a defined flow, which involves the corporate functions engaged in the preparation of the NFS, through a specially developed information system.

To ensure the utmost transparency to the market and to stakeholders, this NFS describes the Group's key policies, management models, and results for 2023 in relation to the topics expressly cited in Legislative Decree 254/2016 (environment, society, personnel, human rights, anti-corruption and bribery), as well as the main risks associated with these topics and the management approach.

The content of the NFS and the related indicators reported have been defined taking account of the topics identified in Legislative Decree 254/2016, starting from the results of the materiality analysis approved by the Board of Directors on 11 October 2022 and confirmed by the Board of Directors also for 2023, which identified the main topics considered material for the Group and its Stakeholders. While ensuring a fair representation and proper understanding of the Group's activities, it should be noted that:

- given the operational and regulatory environment in which Fineco operates, the topic of respect for human rights is addressed by the Group in the management of relations with its employees and suppliers, in line with the principles and values set out in the Bank's Code of Ethics and in the "Commitment to Human Rights" policy;

¹ As amended by Regulations (EU) Nos. 517/2013, 2017/1505, 2018/2026, 2023/1199. The data and information contained in this document meeting the requirements of the EMAS Regulation for the preparation of the Environmental Statement will be formally validated by the environmental verifier at the EMAS verification by June 2024.

- in the same context, the Group's activities do not entail significant impacts on the health and safety of employees, as they are mainly office-based. Even though this topic was not found to be material following the update of the Materiality Analysis, it has been reported in this NFS, as it is referred to in Article 3 paragraph 2 of Legislative Decree 254/2016;
- given the nature of its operations and its specific business sector, the Group's activities do not result in significant water consumption, as it is mainly related sanitation and office cleaning activities. This topic, even though not material, falls within the scope of the Environmental Management System implemented by FinecoBank in accordance with EMAS Regulation and is referred to in Article 3, paragraph 2 of Legislative Decree 254/2016, and is subject to reporting in this NFS.

The GRI content index, which lists the indicators relevant to the Group based on the materiality analysis, is provided in the annex to this document.

In line with the 2023 Consolidated Financial Statements of the FinecoBank Group, the reporting scope includes the Parent Company FinecoBank S.p.A. and its subsidiary Fineco Asset Management DAC, a fully consolidated company based in Ireland, and excludes Fineco International Ltd, based in England, a fully owned subsidiary of FinecoBank S.p.A. but which was never operational in the reporting year.

Vorvel SIM S.p.A.2, with registered office in Italy, a company subject to significant influence, in accordance with IAS 28, has been accounted for using the equity method within the 2023 Consolidated Financial Statements and is excluded from the scope of this NFS.

Moreover, health and safety data refer to Group employees only and not to other non-employee professionals, a category comprised mostly of personal financial advisors, self-employed workers who provide intellectual services in places outside the Bank's direct control and towards whom FinecoBank does not have the specific health and safety obligations that Legislative Decree 81/2008, as amended, demands of employers. Any other limitations in the scope of the data are duly noted in the text.

Data and information in this document, unless otherwise specified, refer to the year 2023; where available, prior-year figures are reported for comparison and to enable assessment of changes in performance from year to year. Any restatements of previously published comparative information are clearly indicated. To provide an accurate view of performance and ensure the reliability of data, estimates have been used as little as possible; where employed, they are duly noted as such and are based on the best available methods.

This Non-Financial Statement was submitted for review and assessment by the Corporate Governance and Environmental and Social Sustainability Committee and the Risk and Related Parties Committee on 22 February 2023 and approved by the Board of Directors of FinecoBank S.p.A. on 12 March 2024.

This document has undergone a limited assurance engagement (as defined by ISAE 3000 Revised) by KPMG S.p.A., which in a separate report has certified the information presented in accordance with Article 3, paragraph 10 of Legislative Decree 254/2016.

For further information on Fineco's Non-Financial Statement, please contact:
sostenibilita@fineco.it.

The NFS is available online, from the date of publication of 22 March 2024, in the following sections of the Fineco website:

- Sustainability: <https://about.finecobank.com/en/sustainability/> ;
- Investors – Corporate Sustainability Reporting:
<https://about.finecobank.com/en/investors/rendicontazione-societaria-di-sostenibilita/> .

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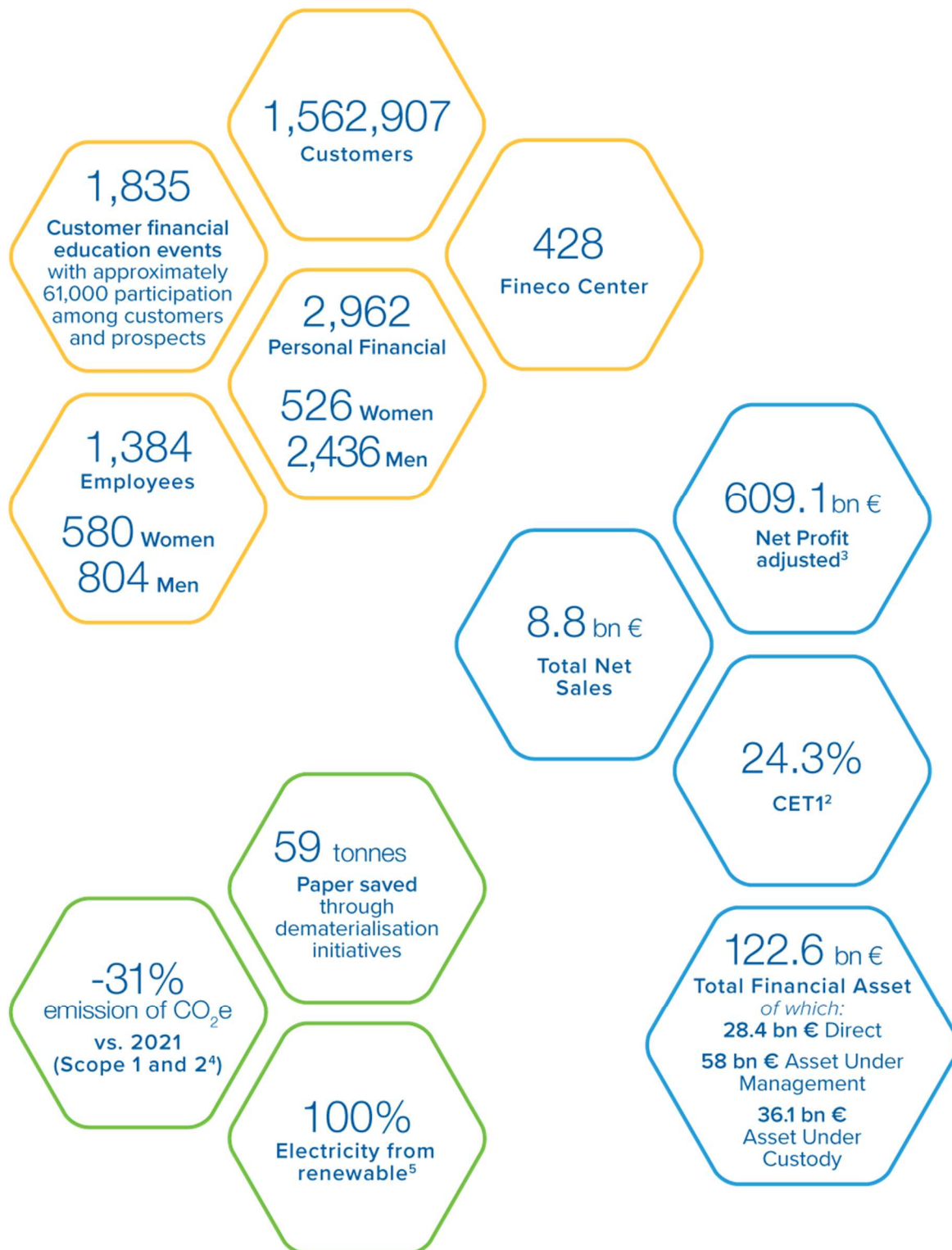


GROUP PROFILE

- 1.1.** HIGHLIGHTS
- 1.2.** WHO WE ARE, STRATEGY AND BUSINESS MODEL
- 1.3.** SUSTAINABLE DEVELOPMENT GOALS AND COMMITMENTS SUBSCRIBED
- 1.4.** ESG RATINGS AND INDICES
- 1.5.** ESG PRIZES AND AWARDS
- 1.6.** MEMBERSHIP OF ASSOCIATIONS



1.1 HIGHLIGHTS



² Common Equity Tier 1 Ratio.

³ Net profit adjusted for non-recurring items recognised in FY23.

⁴ Market-based.

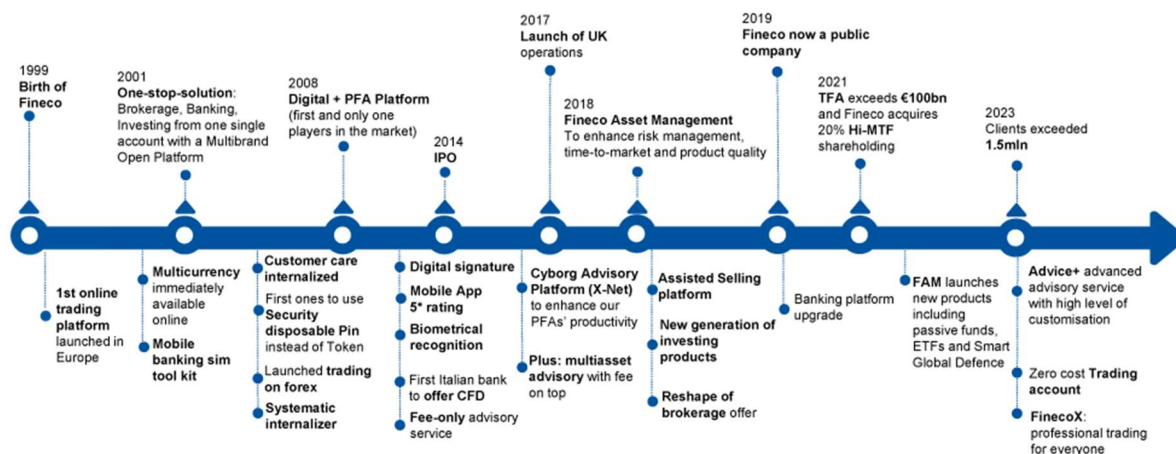
⁵ The figure refers to energy consumption related to the buildings where the utilities are registered to Fineco.

1.2 WHO WE ARE, STRATEGY AND BUSINESS MODEL

FinecoBank was founded in 1999 with the aim of building a new concept of banking, offering an integrated business model combining direct banking and financial advice.

FinecoBank S.p.A. is a joint-stock company listed on the Mercato Telematico Azionario in Italy, organized and managed by Borsa Italiana S.p.A. Since April 2016 it has been included in the **FTSE Mib** stock index and in the **Stoxx Europe 600** index since 2017. It is the parent company of the **FinecoBank Banking Group** (below also “Fineco” or “Group”), which includes the Irish asset management company, **Fineco Asset Management Designated Activity Company** (below also “Fineco Asset Management DAC” or “Fineco AM”)⁶.

The subsidiary **Fineco Asset Management DAC** has allowed the Group to increase its competitive strength in the wealth management sector by insourcing the creation and management of investment funds, specifically designed to better meet customer needs. Its establishment in 2018 made it possible to diversify and improve the Bank’s range of asset management products and offer customers a diversified range of UCITS (Undertakings for Collective Investment in Savings), focusing the strategy on asset allocation and the selection of the best international asset managers.



During the year, Fineco saw an increase in the shareholdings of major institutional investors: at the end of 2023⁷ the largest shareholders were BlackRock Inc. (9.20%), Schroders PLC (5.06%), Capital Research and Management Company (5.05%), Wellington Management Group LLP (5.02%), and FMR LLC (4.46%).

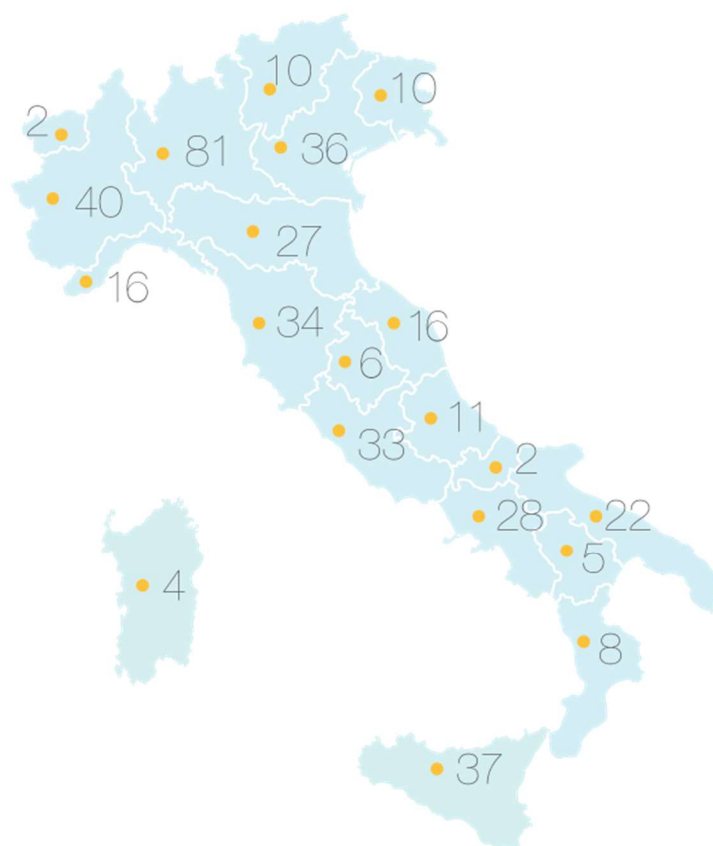
Fineco’s fully subscribed and paid-up share capital amounts to € 201,508,439.55, divided into 610,631,635 ordinary shares with a nominal value of € 0.33 each, while the market capitalisation at the end of the year was € 8,295 million.

⁶ With reference to the company Fineco International Ltd. incorporated in Great Britain on 22 November 2022 and not operational as at 31 December 2023, it was excluded from the scope of consolidation as it does not exceed the materiality threshold (total assets less than Euro 500 thousand) defined in the Group’s policies. In this regard, it should also be noted that FinecoBank’s Board of Directors of 12 September 2023 resolved to close the Company.

⁷ Source: Consob, Major Shareholdings - 14 December 2023.

At national level, as at 31 December 2023, the FinecoBank Group, with 1,384 employees, was operating through its registered office and head office located in Milan and Reggio Emilia⁸ respectively and three Data Processing Centres (DPCs) located in Pero (MI), Milan and Rome. FinecoBank operates in 20 Italian regions, with 428 Fineco Centers (offices where financial advisors carry out their activities) distributed throughout Italy and 2,962 Personal Financial Advisors (PFAs). Outside Italy, the subsidiary Fineco Asset Management DAC is based in Dublin.

DISTRIBUTION OF FINECO CENTERS IN ITALY



FinecoBank is one of the most important FinTech banks in Europe and has one of the largest financial advisory networks. It is one of the leading banks in brokerage in Europe and No. 1 in Italy⁹ in terms of number of transactions and equity trading volumes. The Bank's transactional platforms and advisory services are developed in-house using state-of-the-art proprietary technologies to make the customer experience more fluid and intuitive on all channels.

It is also one of the major players in **Private Banking** in Italy, with an advisory approach built around the needs of individual customers that includes trustee services, protection and transfer of personal and corporate assets.

⁸ Registered Office: 20131 Milano - Piazza Durante, 11; Head Office: 42123 Reggio Emilia - Via Rivoluzione d'Ottobre, 16.

⁹ Source: Assosim (31 December 2023).

In 2023, the number of customers stands at over 1.5 million, up by more than 100,000 net new customers compared to the previous year.

NUMBER OF CUSTOMERS BY TYPE ¹⁰	2023		2022		2021	
	Number	%	Number	%	Number	%
Natural persons	1,532,712	98%	1,436,580	99%	1,381,171	99%
Legal persons (such as institutional bodies or associations)	30,195	2%	20,249	1%	19,182	1%
Total	1,562,907	100%	1,456,829	100%	1,400,353	100%

Since its foundation, Fineco's mission has been to provide top quality services to customers by focusing on two key concepts: **simple banking** and **continuous innovation**, both applied to the financial instruments offered and services provided.

The Group is based on **three main pillars: efficiency, innovation** and **transparency**, the key principles of its strategy, leading the way towards sustainable growth.



TRANSPARENCY

Fairness and transparency towards all Stakeholders

Integrity and transparency, also through fair pricing, are part of Fineco's DNA. The Group strongly believes that these key elements underpin the creation of long-term sustainable value for all its Stakeholders.

IT and operations are the Bank's strong points, supporting business, greater flexibility and lower costs

Efficiency is a distinctive feature of the Bank and characterises every activity: thanks to its proprietary back-end systems, internal development and automated processes, Fineco benefits from a lean and efficient cost structure as well as rapid time-to-market for new products and services.



EFFICIENCY



INNOVATION

Anticipating new needs to simplify customers' lives

Innovation is the path taken by Fineco to achieve its mission. From the outset a pioneer in anticipating clear structural trends generated by the increasing digitisation of customers and consumers, who increasingly choose their banks according to the quality of services offered.

¹⁰ Starting from the year 2023, the classification of "Retail" and "Private" customers represented in previous years was aggregated into 'Natural Persons'; as a consequence, the previous years were also reformed.

Long-term organic and sustainable growth is the cornerstone of Fineco’s development strategy and is achieved through the practical implementation of the strategic pillars. Maintaining and developing the customer base is pursued by continuously providing **high-quality services**, contractual **transparency** and **fair prices** aligned to the services offered. Operational efficiency is the key to Fineco’s competitive advantage thanks to the Bank’s solid and **extensive internal IT culture** and its core systems developed and managed in-house. The Bank has a sound, sustainable and **low risk** capital structure, with highly liquid assets. **Attention to ESG topics** is an integral part of the corporate governance. The Bank has set up Sustainability Committees at board and management level, together with a dedicated Unit, with the aim of developing and overseeing the sustainability strategy.

The business model is structured into **three areas of integrated activities: Banking & Credit, Investing and Brokerage**. The Bank offers its services (banking and investment) mainly to retail customers through its network of personal financial advisors and through online and mobile channels, which operate together in a coordinated and integrated manner. The main products and services by area of activity are described below.

BANKING & CREDIT

The Group offers its customers a portfolio of products that includes **credit and payment services** associated with a current account. These include current and deposit accounts, all payment services (credit transfers, postal orders, payments by advice, Pago PA and CIBILL payments) including payment cards (debit, credit and prepaid) issued by the Bank, mortgages, credit facilities (both secured and unsecured), and personal loans.

Special services include the possibility, thanks to the customer identification performed by the Bank when opening an account, of obtaining SPID (public digital identity) **credentials**, which allow holders of a digital identity easy and immediate access a range of public services, such as medical appointments, school enrolments, and requests to the national social security and tax authorities. The payment services offered by Fineco include the distinctive proprietary **Fineco Pay** service, which allows customers to make micro-payments securely and quickly with just the counterparty’s mobile phone number, without needing to know their bank details.

The range of Banking, Credit and Payment Card products and services continues to grow and evolve, in line with market competition and customer needs.

INVESTING

The Group uses a guided open architecture business model to offer customers an extremely wide range of asset management products – comprising collective asset management products, such as units of UCITS and SICAV shares from leading Italian and international investment firms, as well as pension and insurance products and investment advisory services, through the network of personal financial advisors. This includes, in particular, the asset management business carried out by the subsidiary Fineco AM, through a vertically integrated business model.

The main services / products offered are:

- **Advice Plus:** personalised advisory services to meet complex customer needs and monitor portfolio performance over time;
- **Private Banking Solutions:** construction of customised portfolios and active monitoring; Wealth & Private Insurance; Private Placement and Private Markets;
- **Wealth management services** for Private customers;
- Insurance solutions and **pension funds**;
- **Funds managed by the asset management company of the Fineco Group.**

BROKERAGE

The Group provides execution services on behalf of customers, with direct access to major global equity markets and the ability to trade CFDs (on currencies, indices, shares, bonds, commodities and cryptocurrencies), futures, options, bonds, ETPs, certificates and covered warrants.

In this area, the Bank coordinates and oversees the development of trading products and services to be offered on the domestic and international markets according to the needs of the customer base and to changes in the target market and in regulations.

SUPPLY CHAIN

Lastly, another key element of the Fineco Group's value chain is the **supply chain**. FinecoBank's *Procurement Office* ensures that the purchasing is managed in compliance with the criteria of transparency and objectivity and that the suppliers are selected based on professional knowledge and skills that meet the minimum requirements of value for money, as well as the adoption of socially responsible behaviour, and requests any mandatory documentation examining the completeness and correctness of the information received.

The entire procurement process, at Group level, is governed by the **Expenditure Regulation**, which ensures that the supplier selection process is implemented through clear procedures, using objective, transparent, non-discriminatory criteria linked to the quality of the products and services offered. Since 2021, an **ESG (Environment, Social and Governance) questionnaire** has been used, in which the most relevant suppliers are asked to provide information on how they manage their environmental, social and governance aspects, also in terms of any certifications held in these areas (e.g., ISO 14001 for the environment, ISO 37001 for anti-corruption) and the systems they use to control the related risks. The *Contract Managers*, who are the company contacts responsible for relations with suppliers are required to submit the ESG questionnaire to suppliers who invoice FinecoBank for a total annual amount of € 25,000 or more (including VAT), when drawing up pre-contractual agreements aimed at signing or renewing a contract. The Contract Managers are responsible for checking that the questionnaires have been correctly completed by the suppliers.

Additionally, the **Code of Ethics** and the **Organisation and Management Model** of FinecoBank S.p.A., define the principles of cooperation, fairness, transparency and professionalism, as key principles in relations between FinecoBank and its suppliers. In particular, these principles prohibit dealing with counterparties for which there is a substantiated suspicion of their involvement in illegal activities and do not meet the necessary requirements of professionalism and reliability. In addition to reviewing the Code of Ethics – which requires compliance with the principles of the International Labour Organization regarding fundamental human rights, child labour, freedom of association, working conditions, equal pay, health, safety and business ethics – during the qualification phase, the following are required from the suppliers, where applicable:

- **DURC** (“Documento Unico di Regolarità Contributiva” - single document certifying payment of contributions) and **registration with the CCIAA** (Chamber of Commerce, Industry, Craft Trades and Agriculture certificate);
- Compliance with the **regulations concerning social security, accident prevention and insurance** and on **occupational health and safety**;
- **ISO 9001 and ISO 14001 Certifications**;
- **Self-declaration concerning the exploitation of workers** (i.e., illegal recruitment and labour abuse);
- **ESG questionnaire**.

This process enables the monitoring of risks related to the procurement process, mainly related to the possible selection of suppliers involved in illegal operations or who have been involved in disputes regarding social responsibility.

In addition, with regard to service contracts, the *Real Estate* Unit retains the option of appointing external personnel to carry out controls during the course of the activities on the compliance with all the contractual requirements by the various suppliers engaged by it.

In 2023, Fineco managed expenditure of approximately € 238 million on a total of 2,255 suppliers, the majority of which related to services, followed by technology and goods. There were no significant changes in the supply chain, in terms of main suppliers and types of goods and services procured.

1.3 SUSTAINABLE DEVELOPMENT GOALS AND COMMITMENTS SUBSCRIBED

Fineco is aware that its strategy, focused on stable and organic growth, must be accompanied by the progressive **integration of environmental and social sustainability principles** in its business and operational management choices.

In 2020, the Board of Directors approved the **Sustainability Objectives Plan 2020-2023**. The ESG goals, in addition to progressive identification and integration of the main ESG risks in corporate risk management model, involve specific activities in six macro areas: *human resources, responsible finance, financial education/community support projects, supply chain, shareholders and environment*.

In addition, in 2021 the Board of Directors approved the **2021-2024 EMAS Environmental Programme**, defining the environmental objectives, operational actions, the company units responsible for their achievement, the resources allocated, the timeframe and, where possible, the quantitative targets to be achieved.

Lastly, in 2022, the Board of Directors approved the **Commitment to Net-Zero Emissions by 2050** (below also the “Net-Zero Commitment”), representing the Fineco Group’s target of zero greenhouse gas (GHG) emissions by the year 2050, entailing both a significant reduction in operating emissions and the alignment of its balance sheet assets with the Paris Agreement targets, with 2021 as the base year¹¹.

ESG MULTI-YEAR PLAN 2024-2026

In 2023, the Group has updated its sustainability strategy, through the definition of ESG objectives and targets to be pursued in the three-year period 2024-2026. The **ESG Multi-Year Plan 2024-2026** (MYP ESG 24-26), approved by the Board of Directors in December 2023 and reported in Annex I of this document, aims to combine business growth and financial solidity with social and environmental sustainability, creating long-term value for all Stakeholders.

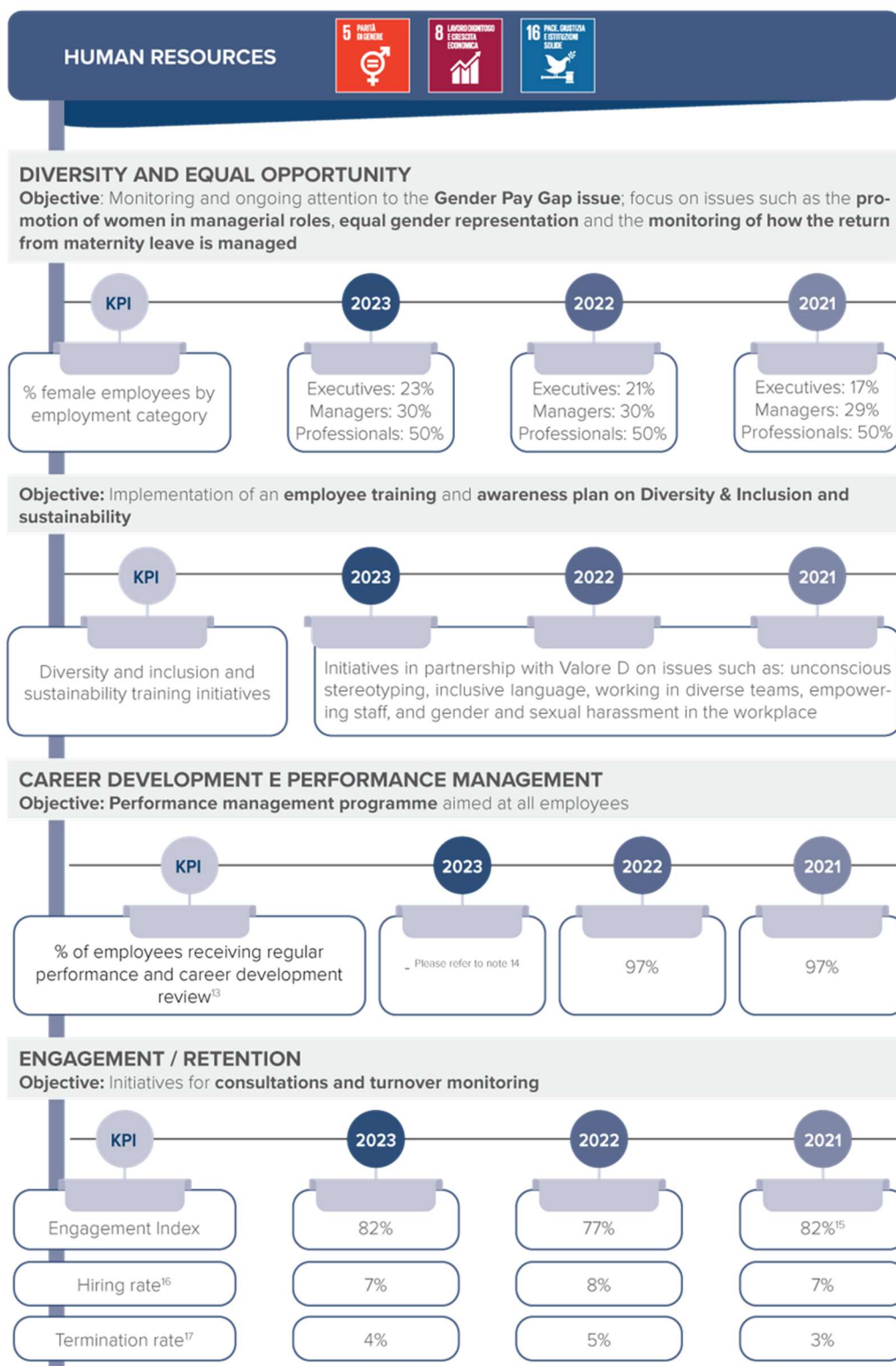
As part of the MYP ESG 2024-2026 target-setting process, the interim Net Zero Commitment target set in relation to the reduction of Scope 1 and 2 (*market-based*) operating emissions was updated. Specifically, this target changed from a 35% reduction in Scope 1 and 2 (*market-based*) emissions in 2030, compared to the year 2021 (*baseline*), to a 55% reduction in such emissions in 2026, with the same baseline.

¹¹ In setting the short- and long-term targets, the “Corporate Net-Zero standard” and the “Foundations for Science-Based Net-Zero Target Setting in the Financial Sector guidelines” of the Science-Based Target initiative were considered. In relation to financed emissions, an approach was adopted to ensure that the main balance sheet assets, and more specifically government and bank debt securities in the internal investment portfolio, are 100% aligned to the net-zero target by 2050.

The Group aligned its goals with the **Sustainable Development Goals**¹² (SDGs) considered most relevant on the basis of the commonalities between the 169 targets and the material topics. The table shows the objectives and targets of the Sustainability Plan 2020-2023 as at 31 December 2023, net of the following objectives and targets, already achieved in previous years:

- *Shareholders* – Participation in external initiatives that support the company’s commitment to ESG matters / Subscription by Fineco AM to the UN Global Compact by 2022:
 - subscription by FinecoBank to: Valore D (since 2019), UN Global Compact (since 2020), UN Principles for Responsible Banking (since 2020);
 - subscription by Fineco AM to: UN Principles for Responsible Investment (since 2021), UN Global Compact (since 2022);
- *Human Resources* – Evolution of the welfare plan: 100% of employees set up for home working since 2020;
- *Environment*:
 - Energy consumption – 100% of electricity consumption from renewable sources, for buildings in which the electric utilities are registered to Fineco: goal achieved since 2022;
 - Sustainable Mobility – *#BikeToFineco* initiative active since 2020;
 - Dematerialisation initiatives– creation of digital payments cards, both debit and reloadable cards (since 2022); introduction of digital signature on Credit Lombard applications entered through X-Net and the “Digital Courier” for the collection of mortgages documents (since 2021); digitalization of Loan Transparency Letters, Loan Acceptance Letters and the E/C Guarantee File (since 2021);
 - Reduction of plastic consumption – water bottles given to all employees since 2021.

¹² In September 2015, the UN approved the 17 Sustainable Development Goals (SDGs) for the period 2015-2030, divided into 169 targets and adopted by 193 countries worldwide. Each UN Member State is responsible for drawing up a National Sustainable Development Strategy, which sets out the most relevant SDGs for the country and their respective targets at local level.



¹³ The percentage not assessed refers to people who did not work at least 3 months during the year, either due to long periods of absence or because they were hired at the end of the year.

¹⁴ Figure not available at the time of publication of this document because the assessments are carried out at the beginning of the year after the year being assessed.

¹⁵ No. of new hires/no. of employees at period end.

¹⁶ The figure refers to the Engagement & Reputation Survey conducted in 2020.

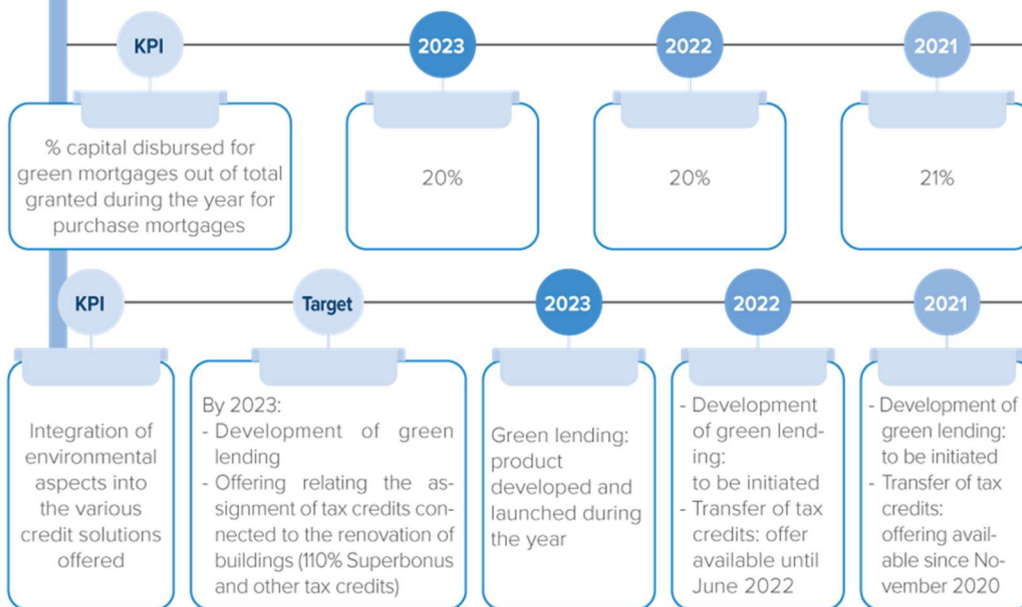
¹⁷ No. of terminations/no. of employees at period end.

RESPONSIBLE FINANCE



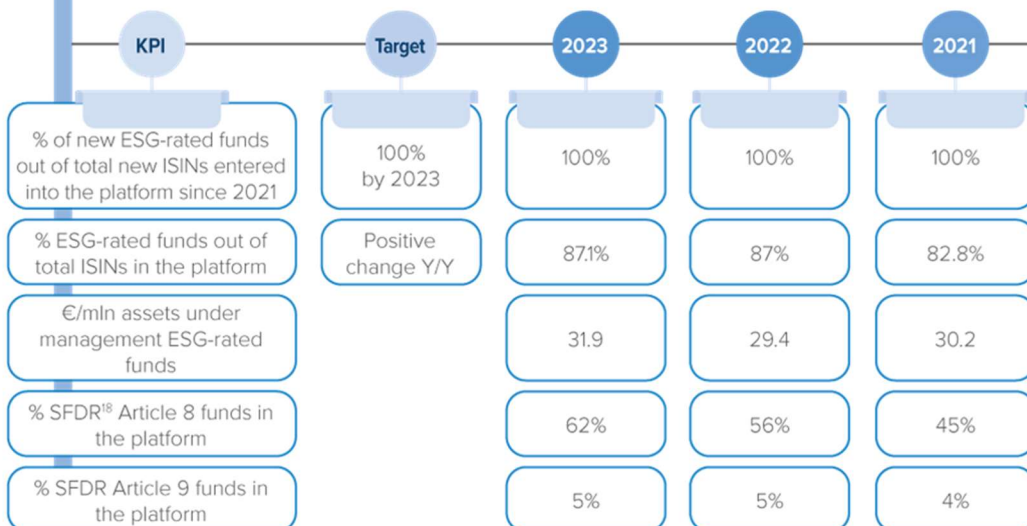
LENDING

Objective: Increased offering of products with social and environmental value within the mortgages and loans sector



FUNDS / INVESTMENTS

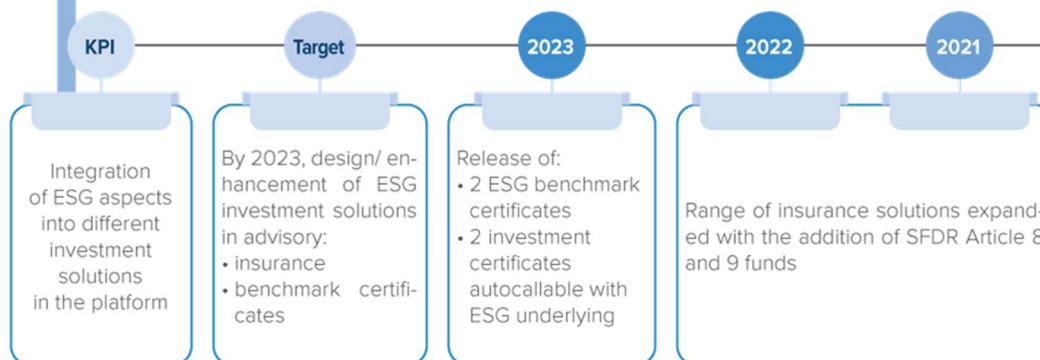
Objective: Introduction of ESG criteria in product evaluation



¹⁸ Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation, SFDR).

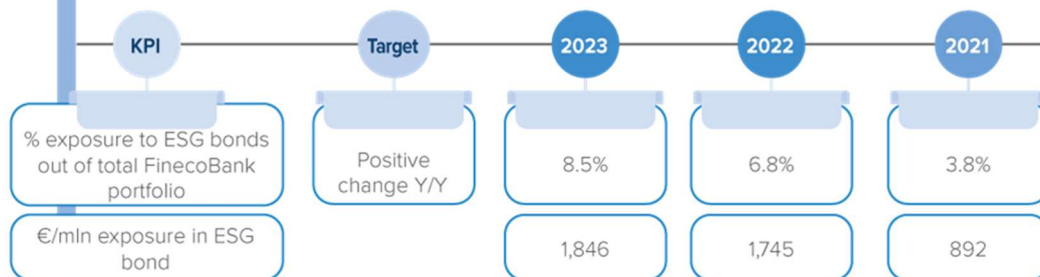
RESPONSIBLE FINANCE

Objective: Promotion and design of **new investment solutions integrating ESG criteria**



INTERNAL INVESTMENT PORTFOLIO

Objective: Increased coverage of green and social bonds in FinecoBank's portfolio



Obiettivo: Net-Zero emissions by 2050 Commitment – Alignment of internal investment portfolio to Paris Agreement targets¹⁹



¹⁹ To define the quantitative targets of the Net-Zero Commitment, 2021 was used as the base year.

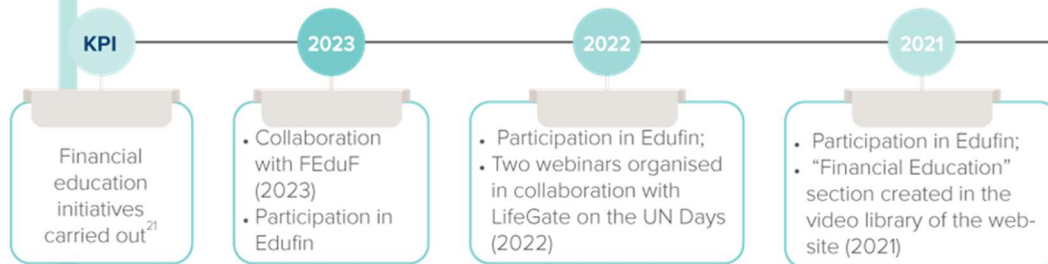
²⁰ For the sovereign issuers, the source for mapping the Net-Zero targets is: <https://www.climatewatchdata.org/>. In "Policy Document" and "In law" targets are accepted, while "In Political Pledge" targets are not. For the bank emissions, Net-Zero targets on financed emissions were mapped.

FINANCIAL EDUCATION/COMMUNITY SUPPORT PROJECTS



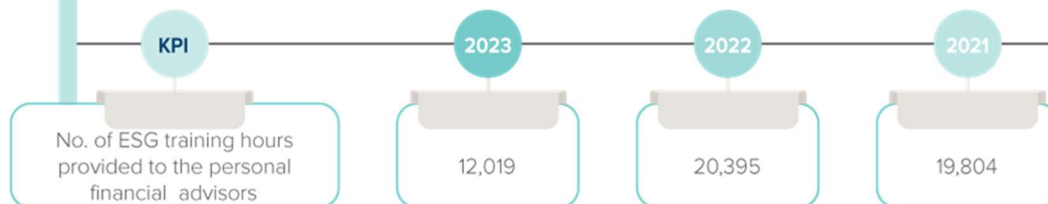
FINANCIAL EDUCATION

Objective: Promotion of specific **training and awareness-raising courses** on topics such as savings, which in future will particularly involve targeted groups such as young people



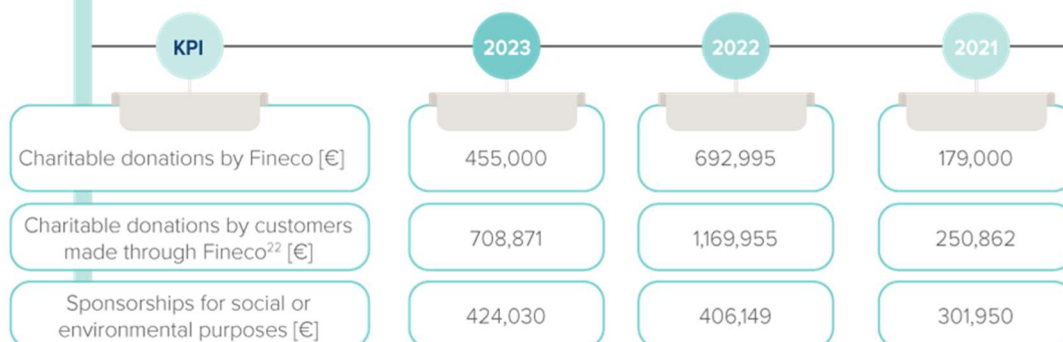
TRAINING OF PERSONAL FINANCIAL ADVISORS

Objective: Provision of **specific training on ESG issues for personal financial advisors** in order to meet the demand of customers who are more attentive to these issues and, at the same time, to promote sustainability among less interested customers



COMMUNITY SUPPORT

Objective: Allocation of annual investments in projects that benefit the community, according to different local needs (e.g. schools, universities, hospitals and health and cultural associations) and allocation of natural disaster funds (to postpone mortgage and loans payments, and suspend debt collection actions for insolvent customers in the event of disasters or natural disasters)



²¹ For more details please refer to Chapter “8.1 Financial Education”.

²² The figures for donations by customers in 2022 were significantly higher than in 2023 and 2021 as a result of the highly successful fundraising campaigns in support of associations in relation to the Russia-Ukraine conflict.

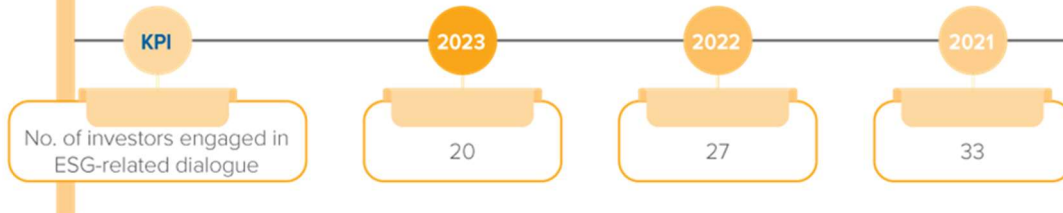
SUPPLY CHAIN

Objective: Evaluation of suppliers on the basis of ESG criteria, through an initial self-assessment questionnaire²³

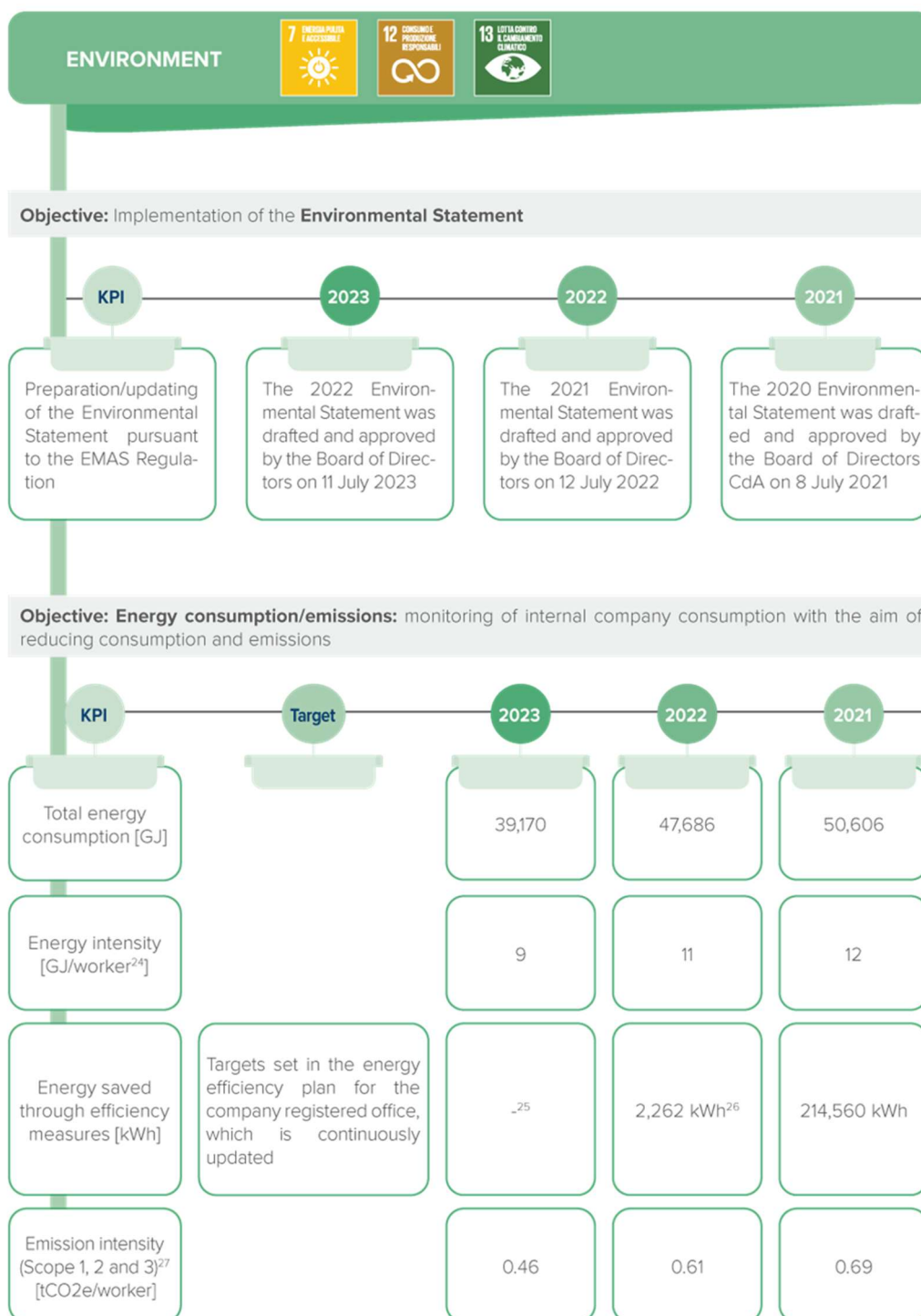


SHAREHOLDERS

Objective: Strengthening dialogue with socially responsible investors (SRI) and sustainability rating agencies



²³ The assessment focuses, for example, on compliance with environmental and occupational health and safety regulations and on the presence of any certifications (ISO 14001, ISO 45001, SA8000, ISO 50001, ISO 37001).

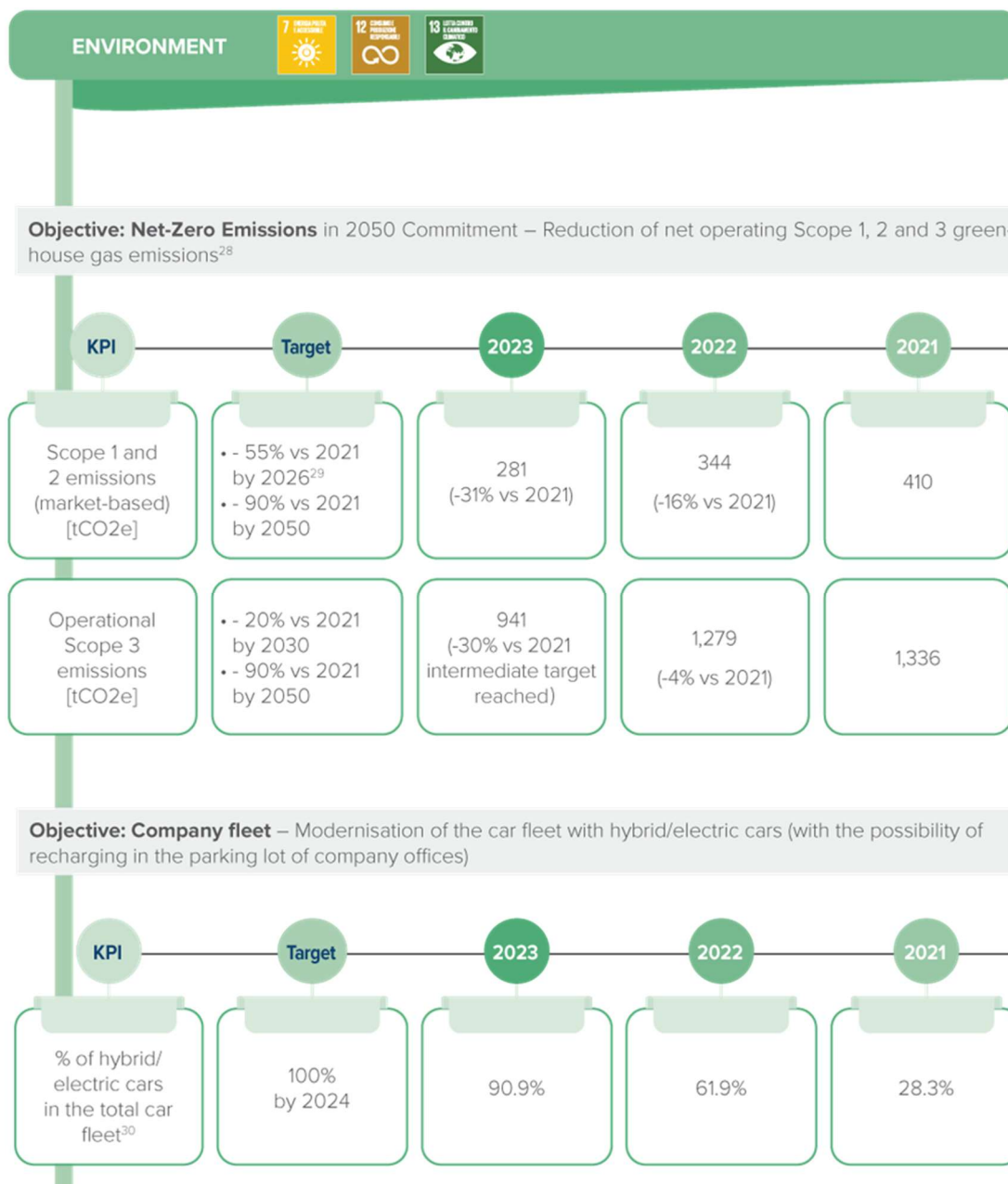


²⁴ Here “Worker” refers to employees and personal financial advisors. This figure reflects the number of workers as at 31 December who used the buildings included in the reporting scope.

²⁵ In 2023, studies were completed, in collaboration with a specialised professional consulting firm, the analysis for the design of the energy efficiency measures for the Milan headquarters, which were included in the ESG MYP 2024-2026.

²⁶ In 2022, the activities focused on the analysis and design of efficiency measures to be implemented in the coming years. The reported figure refers to the energy savings related to the scheduled switch-off of the fan-coils in the building in unused areas on Mondays and Fridays in November and December 2022 (16 working days).

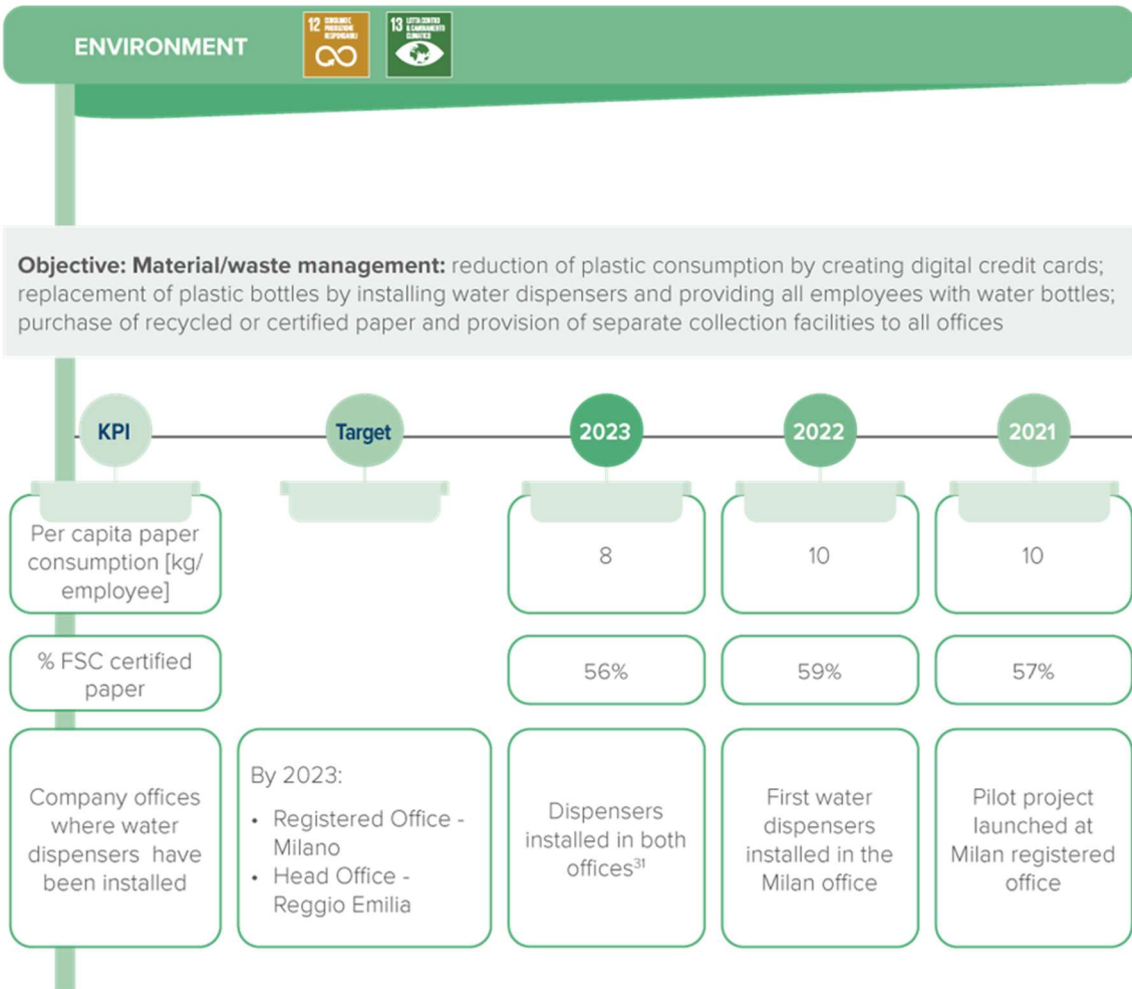
²⁷ With Scope 2 emissions *location-based*.



²⁸ From the year 2022, the methodology for calculating the consumption and emissions of the Milan and Reggio Emilia sites was fine-tuned. As a result, the figures for 2021 were restated. For more details, see Chapter 9 “Environment”. See the 2021 Sustainability Report, for the previously published historical figure.

²⁹ As part of the definition of the ESG MYP2024-26, the Net Zero intermediate target set in relation to the reduction of Scope 1 and 2 (market-based) operational emissions was updated from a 35% reduction by 2030 vs 2021 (baseline), to a 55% reduction of such emissions by 2026, with the same baseline.

³⁰ Figure net of commercial vehicles.



³¹ In the Head Office - Reggio Emilia, the installation terminated at the beginning of 2024.

COMMITMENTS SUBSCRIBED

The FinecoBank Group is committed to actively participating in national and international sustainability initiatives, with a view to promoting a long-term sustainable business able to manage the challenges of climate change and future socio-economic impacts.



FinecoBank has been a signatory to the **Principles of the United Nations Global Compact (GC)** and a member of the respective Italian Network since September 2020, adhering to the Ten Fundamental Principles on human and labour rights, environmental protection and combating corruption. Since March 2022, Fineco AM has also subscribed to the Global Compact Principles, aligning its strategies and operations.



Since December 2020, FinecoBank S.p.A. has been a signatory to the **United Nations Principles for Responsible Banking (UN PRB)**, formalising the objective of committing to analysing the consequences of its activities from an environmental and social perspective, and setting goals capable of bringing about measurable improvements in the most significant aspects. More information on how Fineco is implementing the Principles for Responsible Banking is provided in Annex V of this document.

Signatory of:



Since October 2020, Fineco Asset Management DAC has been a signatory to the **United Nations Principles for Responsible Investments (UN PRI)**, in the “Investment Manager” category, reinforcing its commitment to the development of a sustainable financial system by integrating social, environmental and good governance criteria into its investment practices.

1.4 ESG RATINGS AND INDICES

Below are the ratings assigned to the Group by the main ESG rating agencies.

- *CDP Climate Change*³²: rating equal to “B” obtained from the first completion of the questionnaire, demonstrating that Fineco addresses the environmental impacts of activities and ensures good environmental management;
- *LSEG ESG Score*³³: score of 82 out of 100, indicating excellent ESG performance and a high degree of transparency in public sustainability reporting;
- *Moody’s Analytics*: ESG overall score equal to 57 out of 100 (“robust performance”);
- MSCI: ESG rating equal to “AA” (leader) within the “diversified financials” sector;
- *Standard Ethics*: rating equal to “EE+” for the third consecutive year, with one of the strongest sustainability ratings currently awarded within the banking sector;
- *Sustainalytics*³⁴: ESG risk rating equal to 14.3 (“Low risk”), confirming the positioning among the best banks at international level;
- S&P Global ESG Score: score equal to 68 out of 100.

In recognition of its ESG performance, as certified by the main rating agencies, FinecoBank is included in the **FTSE4Good, Bloomberg Gender Equality Index (GEI) 2023, S&P Global 1200 ESG Index, Standard Ethics Italian Banks Index, Standard Ethics Italian Index and Euronext MIB ESG Index**.

³² The rating for the reporting year 2023 was released in February 2024 and is equal to “C” placing the Group in the “awareness” bracket with respect to climate change issues and impacts.

³³ During the second half of 2023, the ESG rating of the data and analysis company *Refinitiv* was renamed *LSEG ESG Score*.

³⁴ The ESG Risk Rating from *Sustainalytics* measures the level of residual ESG risk that companies are exposed to, on a scale of 100 (*worst performance*) to 0 (*best performance*).

1.5 ESG PRIZES AND AWARDS

Below are the ESG sustainability awards given to Fineco in 2023:

- **Top Employer Italia:** FinecoBank received in 2023, for the fifth consecutive year, the Top Employer Italia certification, awarded to companies that stand out for excellence in Human Resources strategies and policies;
- **MF Investment & Advisor Awards 2023** – Best in ESG: FinecoBank, Network of Financial Advisors with the best Standard Ethics sustainability rating;
- **MF ESG Awards – Best ESG Rating Award:** for the best rating by Standard Ethics among the banking industry;
- **Leader della Sostenibilità 2023 (2023 Sustainability Leader):** the publication, edited by *Statista*, a company specialised in market research, ranking and corporate data analysis - recognises FinecoBank among the Italian companies that have distinguished themselves on ESG topics;
- **Most climate-conscious companies 2023:** the publication – edited by *Statista* – recognises FinecoBank as one of the Italian companies that have most reduced the ratio of CO₂ emissions to turnover;
- **Best Company in ESG (Mid Cap):** also in 2023 Fineco won several awards from Institutional Investor, one of the most authoritative international publications in the financial industry, in the small-mid cap banking category, including Best ESG Program and Best Company Board;
- **Forum Banca Awards 2023:** Fineco won the award for the Best ESG Project in the mid banks segment;
- **Premio EMAS Italia 2023 (EMAS Italia 2023 Award):** FinecoBank received the award in the category dedicated to the most effective and innovative initiatives in the use of the EMAS logo in corporate communication;
- **FT Diversity Leaders 2024:** Fineco ranked first in Italy, sixth in Europe, among the 50 companies in Europe's *Diversity Leaders* ranking. The survey published by the *Financial Times* and *Statista* was conducted by selecting European companies that interpret the values of diversity and inclusion.

1.6 MEMBERSHIP OF ASSOCIATIONS

Fineco's commitment is also expressed through close and trusting partnerships with leading financial bodies and institutions. Major memberships and collaborations include:

- **ABI (Associazione Bancaria Italiana – Italian Banking Association)**³⁵ industry association aimed at protecting the interests of banks by organising studies and debates on particular topics and providing assistance and information;
- **AIAF (Associazione Italiana per l'Analisi Finanziaria – Italian Association for Financial Analysis):** non-profit association aimed, *inter alia*, at defining standards in financial analysis and monitoring their correct use, promoting and disseminating the study, culture and education for financial analysis;
- **Assiom Forex:** international financial association that promotes training and the dissemination of technical information and market practices, contributing to the development and integrity of European and international financial markets;
- **AssoAML:** association whose objective is to establish the first and sole “aggregation center” for obliged entities and experts on regulations for the prevention of the use of the financial system for the purpose of money laundering and terrorist financing;
- **Assogestioni:** Italian Association of Savings Managers; represents the main Italian and foreign asset management companies operating in Italy, as well as banks and insurance companies operating in asset management and supplementary pensions. Since 2019, membership fees to Assogestioni have been paid by Fineco Asset Management DAC;
- **Assonime:** Italian association of Italian joint-stock companies that deals with issues connected to the interests and development of the Italian economy. The association provides its members all the tools they need to navigate a complex legislative scenario through studies, research, *in-depth* analysis and opinions, in addition to providing an exclusive advisory service;
- **Assoreti:** association of banks and investment firms that provide investment advisory services, keeping up-to-date with the planning and evolution of related regulations, ensuring contact with institutions, and promoting and organising studies, publications, conferences and any other related research;
- **Assosim (Associazione Italiana Intermediari dei Mercati Finanziari - Italian Association of Financial Market Intermediaries):** one of the main Italian associations of financial market intermediaries, that carries out research and training activities and represents members in consultations on regulatory and financial issues promoted by Italian and international regulatory authorities;
- **Associazione Italiana Private Banking (Italian Private Banking Association):** association representing companies that operate in the private banking sector in Italy, aiming to bring together, share and develop “private” business culture;
- **CBI:** the association for interbank corporate banking, which provides a wide range of financial, informational and commercial functions, using a single standard of communication

³⁵ Fineco participates in 67 ABI tables and working groups dedicated to investigating numerous issues relating to different areas such as: compliance, legal, finance, credit, payment methods, digital identity and risk. Among the most relevant topics in the field of sustainability, the Bank participates in meetings on: “Banking, environment and climate change”; “Consumer banking, financial and social inclusion and financial and savings education”; “Sustainable investments”; “Sustainability reporting” and “Women’s Charter”.

and guaranteeing a service based on the cooperation of banks but without reducing the competitive space;

- **Conciliatore Bancario Finanziario (Banking and Financial Arbitrator):** non-profit association specialised in financial and corporate banking disputes;
- **FEDUF – “Fondazione per l’Educazione Finanziaria e al Risparmio” (Foundation for Financial and Savings Education):** set up on the initiative of the Italian Banking Association, it is a non-profit legal entity under private law, which pursues socially useful purposes by promoting financial education, in the broader concept of education to conscious and active economic citizenship, to develop and disseminate financial and economic knowledge;
- **Fondo Interbancario di tutela depositi (Interbank Deposit Protection Fund):** mandatory consortium recognised by the Bank of Italy that covers nominative deposits in the event of bank default. The Bank also participates in the Voluntary Scheme of the Interbank Deposit Protection Fund;
- **Fondo Nazionale di Garanzia (National Guarantee Fund):** a fund whose members are financial intermediaries, with the purpose of guaranteeing compensation to investors that are customers of its members (such as banks, brokerage companies, asset management companies) in the event of compulsory administrative liquidation, bankruptcy or composition with creditors;
- **PRI.Banks:** association of Italian Private Banks, which is the key organisation for banking firms with a solid ownership structure, often family and management based, strongly focused on operational management;
- **UPA (Utenti Pubblicità Associati):** a membership body that brings together important industrial, commercial and service companies that invest in advertising and communication in order to make their products and services better known;
- **Valore D:** association of companies in Italy with a network of more than 350 companies committed to gender balance and an inclusive culture in organisations and in the country. Thanks to this collaboration, Fineco participates in specific training courses aimed at promoting female talent within the company (see section 7.3 "Promoting and developing Human Resources").

For 2023, total membership contributions paid amounted to € 1,116,114³⁶. In addition, no contributions were made for lobbying activities or for local, regional or national political campaigns or to political organisations and candidates.

³⁶ The three main bodies/associations to which membership contributions were paid are: ABI (€ 342,782); Assoreti (€ 132,264); Interbank Deposit Protection Fund (€ 129,514).

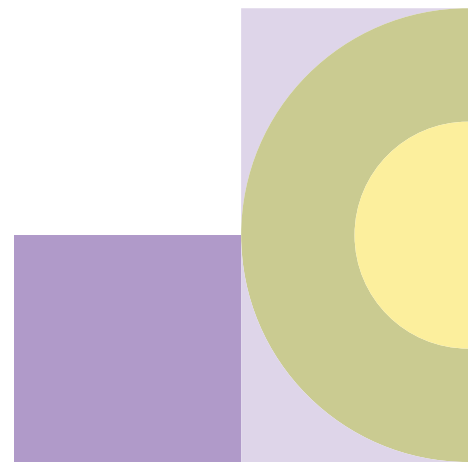
02



STAKEHOLDER RELATIONS AND MATERIALITY ANALYSIS

2.1. STAKEHOLDER ENGAGEMENT

2.2. MATERIAL TOPICS



2.1 STAKEHOLDER ENGAGEMENT

Doing business responsibly means working to create value for all Stakeholders, as well as understanding how Fineco's actions can be influenced or influence those Stakeholders.

In 2022, the **Stakeholder Map**³⁷ was updated, by identifying the Stakeholders involved in the update of the Materiality Analysis.

In order to engage Stakeholders in its activities, making the most of their roles and potential, over the years Fineco has developed numerous listening and interaction initiatives that involve the Bank's numerous Stakeholders on an ongoing basis, so as to better manage their mutual relations. Through a careful analysis of the needs and opinions of each Stakeholder, the Group can develop more targeted strategies and improve its decision-making process and range of products and services.

The categories of Stakeholders (internal and external) assessed as being material to Fineco and the main related dialogue tools used are set out below.

CUSTOMERS

To respond to customer needs, Fineco is always keen to gather useful input from customers and from the Network, as the voice of its customers, in order to improve its products and services. This includes the use, as listening tools, of chats and surveys arranged during digital meetings in education sessions, as well as exchanges of opinions during in-person meetings at industry events.

Communications with customers are also based on constant dialogue through the internal Customer Care service and the network of personal financial advisors. In order to do this, it is necessary for customers to have appropriate channels for **sharing reports, feedbacks and complaints** that they may have, and that help the Bank to gather the information necessary to implement the processes of continuous improvement and to refine the products and services that lie at the heart of Fineco's success. FinecoBank manages **over 300,000 contacts every month by phone, email, chat and SMS** with high levels of service, in which around 95% of the requests for assistance from the customers are dealt with directly during the conversation. The Bank constantly monitors the quality of service through the analysis and management of the reports received and quarterly analysis of any reasons for dissatisfaction recorded.

Customer complaints are analysed and recorded, with great attention placed on this activity in order to improve the service quality provided. 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)³⁸.

³⁷ For more information on the process of updating the Stakeholder Map, please refer to the Sustainability Report 2022 published on the corporate website in the 'Investors - Corporate Sustainability Reporting' section. The Stakeholder Map has been reconfirmed by the corporate bodies also for 2023.

³⁸ It should be noted that the 2023 claims that have not been processed expire in the year 2024.

Another important indicator for assessing the overall relationship between the Bank and its customers is the **Customer Satisfaction Index** (TRI*M new index³⁹, produced by *Kantar Italia*, an independent firm and market leader), which showed a score of **95.5**⁴⁰ at the end of 2023.

In recent years this has also been accompanied by the development of a more structured management of the Fineco profiles on **Trustpilot**, an online platform for product and service reviews, where users can give a score of 1 to 5 to the company they are reviewing: Fineco is the No. 1 bank in Italy, in terms of number of ratings and score, at **4.8 out of 5**. This score reflects a track record of satisfaction and positive feedback, with 86% of reviews at the top of the rating.

In addition, to enable more precise measurement of the rate of customer satisfaction through the contact channels, an **instant feedback system** has been implemented: at the end of each interaction, the customer is asked to provide his/her level of satisfaction with the assistance received, or the reasons for any dissatisfaction. These comments are analysed on a daily basis, and are the driver for the ongoing review of the internal processes, to respond to changing customer needs, with a view to simplifying services and rendering them increasingly accessible. In this regard, 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).

EMPLOYEES

FinecoBank measures the motivation and level of engagement of staff and, based on their input, defines and implements specific action plans to focus on in subsequent years.

In 2023, the new *Engagement & Reputation Survey* was launched in order to determine the employee *Engagement Index*, as well as the level of Fineco's reputation among the employees. The response rate was 62%, a sign of the strong interest of employees in these issues, while the Engagement Index reached a level of 82.4%, increasing by 5.6% with respect to the previous year.

The results of the survey show that:

- the level of engagement was 82.1% for the female population and 82.7% for the male population;
- employees in the "Executives" category were the most engaged (above 97%), followed by "Middle Managers" (above 84%) and the "Professional Areas" (80%);
- in terms of age, the highest level of engagement (above 85%) was found in the under 25, 46 – 50, 56 – 60 and over 60 age groups. The 26 – 30 years and 41 – 45 years age groups ranged between 82.1% and 85%, while the 31 – 35, 36 – 40 and 51 – 55 age groups ranged between 78% and 82%.

In addition, in the *2023 Engagement & Reputation Survey*, new and specific questions were introduced to investigate employees' perceptions of the level of inclusion in the company: 77%

³⁹ Kantar Italia is a leading global insights, consulting and data management company.

⁴⁰ The TRI*M index analysis is conducted twice a year. The TRI*M index is produced by a proprietary algorithm that combines indicators of satisfaction and preference and measures the strength of the relationship with customers Valued on a scale of 200 points, with a minimum of "minus 50" and a maximum of "plus 150" and a margin of error of +/- 2%. Therefore, FinecoBank's TRI*M new index values can be considered representative of high satisfaction. In 2023, a score of 97 was recorded in the first wave and 94 in the second wave. In addition, the TRI*M score is also monitored by gender. The TRI*M relating to men stands at 96 points, while that relating to women stands at 95 points.

(+9.7% compared to 2022) believe that Fineco is a company able to guarantee an inclusive working environment, where everyone can express their potential regardless of gender, age, nationality, disability status or political views.

The level of awareness of company policies related to Diversity & Inclusion stands at 87.6% and the satisfaction on the initiatives implemented by Fineco to support inclusion and gender equality issues is 71%. In addition, 78% of employees believe that corporate diversity is a strength at Fineco.

People Care, Working Environment, Work-life Balance, Best Place To Work e People Development are the thematic “areas” that Fineco is focusing on as a result of the findings of various feedback initiatives involving all employees. Activities on these topics continued in 2023 through the following initiatives:

- “DayOne – Be on Board in Fineco”: welcoming new employees who meet with Human Resources to learn about and explore their new working environment;
- “YearOne – Be on Board”, digital onboarding involving employees in a half-day of information/training sessions, a year after being hired, with the Deputy General Managers and Human Resources, and a virtual escape room game involving all the participants. This gives employees the opportunity to explore topics related to the Bank’s strategy by talking freely with the Deputy General Managers and Human Resources;
- “Focus group”, aimed at engaging employees in issues important to the development of the business and the implementation of products and services, and gathering their feedback for continuous improvement;
- “FinecoTalks”: an hour with the Top Management, a series of meetings for all Fineco employees, during which, through a discussion with the Top Management, the Bank’s future challenges were illustrated, starting from an analysis of the current context, and the outlook and growth path of Fineco were explored.

PERSONAL FINANCIAL ADVISORS

The implementation of the network strategy does not involve a rigid top-down approach, but is always based on listening to the needs, suggestions and the variety of contributions from the advisors who have direct contact on the ground and are more aware of customer needs and how they are changing.

To this end, the Bank organises periodic consultations with the network: in 2023, the meetings and discussion sessions continued both in person and via web, aimed at sharing results, assessing initiatives and activities implemented or to be implemented, analysing the needs of customers and advisors, and discussing the launch of new products, projects and upcoming releases. Specifically, the Group organised the following:

- **6** Web conference with Area Managers to exchange and align results;
- **2** Discussion sessions in small groups with Area Managers;
- **1** Manager Convention (Area Managers, Group Managers and Ambassadors);
- **2** in-person meetings for the Ambassadors;
- **5** days dedicated to road-show on the territory, with the involvement of the entire Network to disseminate, emphasise and reinforce the Bank’s commercial strategy.

In addition, **8 days** were dedicated to the so-called “area plenaries”, meetings where the Area Managers and a senior figure from the Bank meet with the personal financial advisors to take stock of the results achieved, the objectives to be pursued and the new developments in the pipeline.

In addition to these events of a more institutional nature, there were numerous and widespread meetings held by the commercial teams dedicated to the presidium of the territory, organised in more or less extensive sessions, including individual talks.

All these moments of engagement give rise to ideas and identify needs for creating and revising products and processes to enhance their decisiveness and efficiency and achieving increasingly ambitious results.

REGULATORS

The Bank is committed to ensuring that supervisory information requirements are met, as part of a practice of transparency and fairness. Relations with the Authorities are based on principles of integrity, transparency, fairness, professionalism and cooperation, in compliance with the institutional role attributed to the various Authorities and in accordance with the procedures established by the legislation in force from time to time.

Under the current regulatory framework, the Bank must ensure that the supervisory disclosure requirements are met as expressed by the Regulatory Authorities, as part of transparency and fairness practices, in order to support the stability of intermediaries and a competitive and sustainable financial market.

The Regulatory Affairs Team – for the Bank and for the entire Fineco Group – manages relations with the Resolution Authority and the Supervisory Authorities, both at European level (European Central Bank, Single Resolution Board – ECB, SRB) and at local level (Bank of Italy).

The Bank is committed to ensuring that supervisory information requirements are met and accordingly, in line with its practice of transparency and fairness, relations with the regulatory authorities are based on principles of integrity, transparency, fairness, professionalism and cooperation, in accordance with the institutional role assigned to the various authorities and in compliance with the procedures established by the applicable regulations.

The relationship with the Authorities is guaranteed through the correct and effective interlocution with:

- the Cartular Supervision (ECB), which ensures ongoing remote controls on the intermediary, on all activities related to the Supervisory Review and Evaluation Process and on the Recovery Plan;
- the Inspection Supervision (ECB and Bank of Italy), whose main activity is the management of "on-site" inspection processes; and
- the Single Resolution Board (both in the area of cards and inspections), for the support to the definition of the Resolution Plan and the Resolution Strategy.

The involvement with Regulators may vary in terms of modalities and frequency: from annual - for instance in the case of the recovery plan review process -, to quarterly - in the case of tableau de bord submissions by corporate control functions -, up to daily in the case of on-site-inspection with the related activity of transmitting the required documentation and organising in-depth meetings.

FINANCIAL COMMUNITY

Fineco promotes ongoing, transparent and comprehensive dialogue with the financial community (shareholders, investors, analysts and proxy advisors). The relationship is managed through periodic meetings and conference calls with institutional shareholders and analysts. The Investor Relations team provides accurate, effective and timely communications on the Bank's financial performance, strategy and development, in order to facilitate a fair evaluation of the Bank and build its shareholder base in the long term.

In this context, the Bank has adopted the **Policy for the Management of Dialogue with the Financial Community**, which sets out the rules, responsibilities and processes for the implementation and management of the dialogue, compliance with the principles of transparency and equal treatment of information provided to the financial community, and ensuring that the information is clear, complete, true and not misleading.

As a public company, Fineco focuses particular attention on maintaining and nurturing ongoing dialogue with long-term investors to ensure the alignment of interests of the parties and create shareholder value. The year 2023 was characterised by **ongoing dialogue with the Financial Community**, conducted through virtual and in-person events:

- **22** days spent attending international conferences;
- **12** days of roadshows around the world;
- **4** institutional conference calls to present quarterly financial results to the market.

There were **824 interactions** with institutional investors during the year, also considering the days above mentioned, through specific one-to-one, group meetings, conferences e videocalls, increasing by 54% compared to 2022. With regard to the interaction of **ESG topics**, there were **20** interactions during 2023, in addition to the ad hoc requests received continuously during the year. In September 2023, Fineco also took part in the Italian Sustainability Week organised by Euronext.

MONEY SAVERS

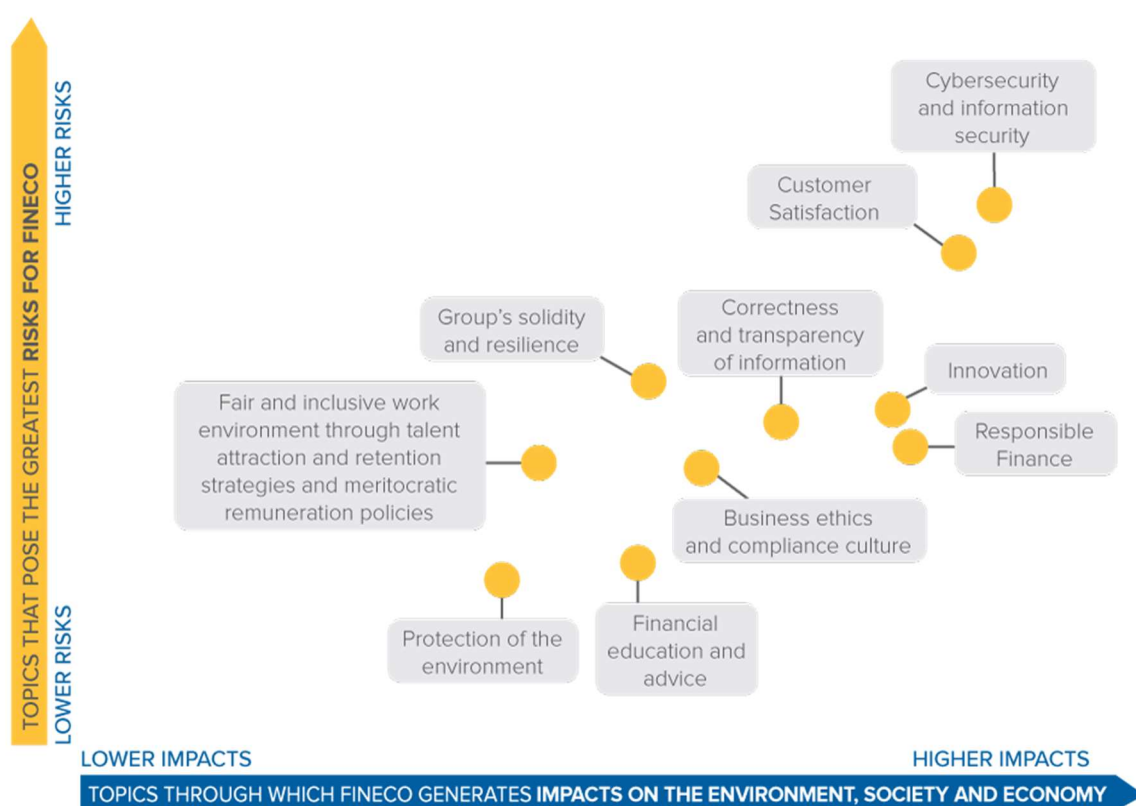
Money savers, who constitute a new category of relevant Stakeholders for the Group, include the part of the community that puts aside part of its income and has the opportunity of enjoying the fruits of its savings. Their engagement by Fineco takes place through its financial education initiatives, which seek to help improve the community's understanding of the financial products and the concepts underlying them, with a view to developing the abilities and knowledge needed to comprehend the risks and the opportunities of making informed financial choices. These initiatives and the related data on participation are described in Chapter 8 "The Community".

2.2 MATERIAL TOPICS

The Materiality Analysis is the core process of preparing the Non-Financial Statement. Its aim is to select the economic, environmental and social matters to be reported.

For the preparation of the NFS 2023, a series of analyses were carried out as part of the definition of the ESG MYP 2024-2026, in particular a benchmarking of peers and leading ESG rating agencies and the Impact Analysis in accordance with the requirements of the Principles for Responsible Banking (for which please refer to Annex V), as well as a review of the relevant regulations. Overall, these updates reconfirmed the relevance and validity of the material topics defined in 2022⁴¹.

The results of the Analysis led to the definition of **10 material topics** for Fineco, represented in the following matrix.



⁴¹ For a more detailed description of the Materiality Analysis, see the Sustainability Report 2022.

List of material topics	Description
Cybersecurity and information security	<ul style="list-style-type: none"> Identifying and managing information security risks Ensuring the protection and confidentiality of information and data through the continuous development and strengthening of appropriate tools and technologies
Customer satisfaction	<ul style="list-style-type: none"> Ensuring customer focus by providing continuous assistance in the operational management of Fineco's services and guaranteeing efficient support Listening to customer needs and expectations, supporting them in managing their savings through constant dialogue with the network of personal financial advisors and offering services and products focused on excellence
Innovation	<ul style="list-style-type: none"> Investing in digitalisation through technological and innovative tools to improve operations, processes, products and services Simplifying the lives of our customers through the development and continuous implementation of user-friendly products and services that meet their needs by harnessing technology
Responsible Finance	<ul style="list-style-type: none"> Developing and implementing financial services and products that consider environmental, social and governance matters while minimising risk, without sacrificing opportunities for return Providing a product and service offering that promotes financial inclusion and access to financial services and products
Group's solidity and resilience	<ul style="list-style-type: none"> Adopting a corporate governance system that promotes clear and responsible banking, contributing to the creation of sustainable long-term value Adopting a resilient business model capable of maintaining healthy operating and financial performance, ensuring the Group's capital strength Protecting and strengthening the corporate identity and reputation
Correctness and transparency of information	<ul style="list-style-type: none"> Promoting ongoing, transparent and comprehensive dialogue with the financial community, in line with the company strategy of creating value for shareholders over the long term Preparing and adopting instruments governing behaviour and values that ensure integrity in business conduct Clearly and transparently communicating the services and products offered, as well as their conditions, to help customers understand them and make informed choices

List of material topics	Description
Business Ethics and compliance Culture	<ul style="list-style-type: none"> • Ensuring the protection and confidentiality of information and data through the continuous development and strengthening of appropriate tools and technologies
Financial education and advice	<ul style="list-style-type: none"> • Adopting and disseminating ethical values and conduct, including conduct to safeguard and protect personal data of the Bank's stakeholders, in order to ensure high standards of professional conduct and integrity in conducting the business in compliance with applicable regulations
Fair and inclusive work environment through talent attraction and retention strategies and meritocratic remuneration policies	<ul style="list-style-type: none"> • Promoting improved understanding of the financial products and the concepts underlying them among the community, with a view to developing the abilities and knowledge needed to comprehend the risks and the opportunities of making informed financial choices
Protection of the environment	<ul style="list-style-type: none"> • Minimising the direct environmental impacts produced by adopting policies and measures aimed at reducing emissions and improving consumption efficiency to ensure responsible use of resources • Assessing and understanding the indirect environmental impacts related to the business and implementing climate change mitigation plans and actions

03



OUR CUSTOMERS

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For twenty years, Fineco is committed to making life simpler for its customers, courtesy of the unique nature of its business model, which is designed to offer innovative, simple and efficient services. Increasing digitisation in Italy is changing consumer behaviour and expectations in everyday life. This structural trend increasingly encourages customers to choose their main bank on the basis of the quality of the services and products offered and the overall customer experience, rather than merely in accordance with geographical proximity. For this reason, the continuous improvement of the **customer experience** is crucial for Fineco, and this in turn is founded upon the concept of simplicity, which is one of the Group's characteristic features.

To simplify the lives of customers, the FinecoBank offering is based on the **One Stop Solution** concept: the customer can access banking, brokerage and investment services through a single current account. However, offering a "single solution" is not enough: Fineco's goal is to deliver excellence at all times.

Thanks to our deeply-rooted internal IT culture, Fineco is able to make full use of the value derived from knowing our customers, who make extensive use of the Group's proprietary platforms, and we are continuously striving to develop user-friendly, top-quality products and services that meet all their financial needs.

The success of the Group is founded upon the relationship of trust it has established with its customers, with regard to whom Fineco is committed to adhering to strict standards of professional ethics, based on the principles of **fairness, transparency** and **simplicity** in all services and communications. Observing proper conduct when engaging in business activities is of fundamental importance to Fineco, and the company's **Integrity Charter, Code of Conduct and Compliance Culture Global Policy** serve to formalise the obligation of employees and personal financial advisors to act with due diligence and with the necessary professionalism in every interaction with customers, always considering their needs, expectations and any potential benefits first and foremost. In this regard, the **Code of Ethics** also stipulates that relations with the Bank's customers (regardless of whether public or private) must always be founded upon the criteria of honesty, courtesy, transparency, fairness, professionalism and collaboration.

3.1 CYBERSECURITY AND INFORMATION SECURITY

Fineco's distinctive business model is based on the innovative distribution of financial services that combines the efficiency of mobile and online digital channels, able to reach a variety of customer targets. The Bank's transactional platforms and advisory services are developed in-house using state-of-the-art **proprietary technologies** to make customer experience a more fluid and intuitive experience on all channels. Customer satisfaction, in terms of user experience, reliability, security and differentiation of services/products they can use, is a key element of Fineco's success, as well as the focus on reducing the environmental impact of Data Centres, on which a significant decrease in energy consumption was recorded in 2023 (see, in this regard, Chapter 9 "Environment").

At the same, in a world of growing digital complexity, information security has become crucial for the banking industry. The most topical issues are cybercrime, online fraud, identity theft and hacktivism.

Special attention is therefore paid to the issues of **Cyber Security & Fraud Management** right from the design of the systems. They are seen as key to properly defining the solutions and services offered, including taking advantage of opportunities offered by evolving regulations, in order to offer customers full security while maintaining simplicity of use. Specifically, the security and availability of data and services in a highly digitalised environment, as well as the effective and swift handling of fraud attempts that could cause damage to the Bank or its customers, are key components of Fineco's operations.

The steps taken to improve IT security management help mitigate the Group's exposure to operational and reputational risks. The necessary measures are taken to minimise the risks inherent in the services offered, applying best practice in the field of security and ensuring that management vision and ICT risk are aligned, as well as the uniform application of the rules on information systems.

Specifically, the processes and activities for the **governance and management of IT security** and the related risk are organised based on a model involving the Bank's corporate bodies and the various corporate functions, in accordance with their respective responsibilities and in line with the checks connected to the three types of controls established in the Internal Control System. In this context, the "human factor" is one of the most important protection rings for Fineco, which is why it is essential to continue ensuring that customers, employees and management are aware of possible threats, enabling them to recognise them and react appropriately. To this end, various initiatives were implemented in 2023, including training for employees and PFAs, ad hoc communication campaigns towards customers, the redesign of the section of the website dedicated to security&fraud issues, and exercises and simulations of adverse cybersecurity scenarios, organised and run by third parties. In addition, Fineco, in continuity with last year, continued to disseminate, both through social channels and through its institutional website, initiatives to raise awareness of cyber threats developed with the support of external bodies (CerFin/Abi_Lab).

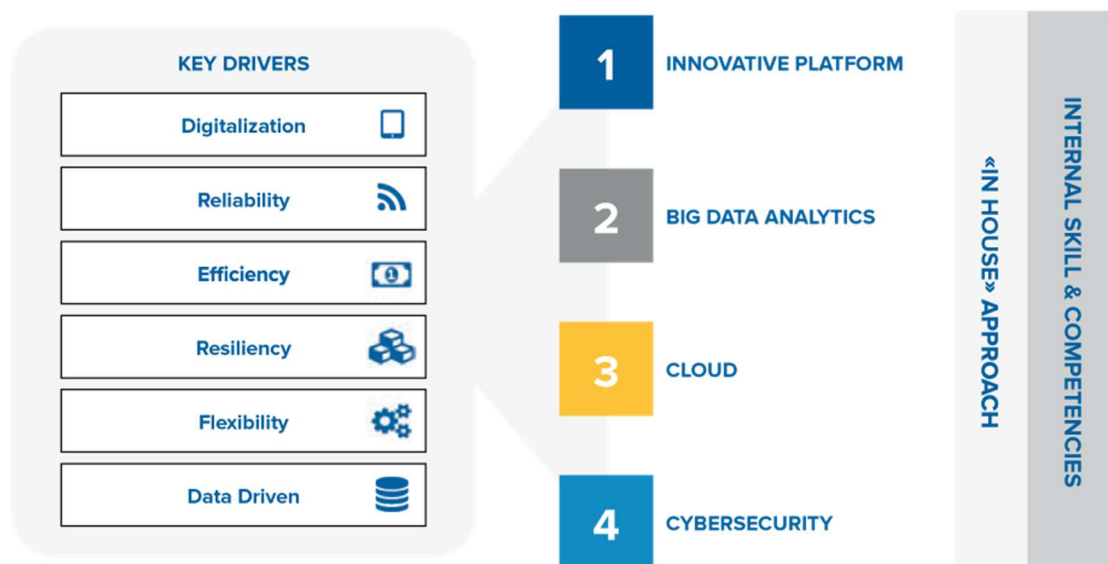
Training and awareness-raising in the field of cybersecurity thus constitute an important element for the growth and extension of the professional and personal background of people at

all levels of the organisation and enable an informed approach to everyday challenges (see also section 7.3 of this document).

The increase in the complexity of the operating environment, as well as the information systems supporting the company's operations, has prompted Fineco to adopt a structured approach to governing both IT and Security. This is made possible, also thanks to the sensitivity and commitment of Top Management, in the belief that the information system and technology represent critical success factors. The constant and continuous dialogue with the various Stakeholders, including investors and analysts, confirms the interest in the approach adopted by the Bank with regard to ICT and security issues, both current and future, highlighting the need to continue evaluating the opportunities for evolution and growth already identified, including the issues of zero trust model, third party security and resiliency.

The main drivers considered in setting strategic ICT&Security objectives are detailed in the **ICT & Security Strategic Guidance Document**, which is the cornerstone of a broader set of documents governing FinecoBank's ICT & Security Governance. This document sets out the multi-year guidelines for the development of the information system, in line with the structure of the sectors of operations, organisation and corporate strategy identified in Fineco's Multi-Year Plan and taking into account the evolution of the sector, as well as compliance with regulatory developments.

The main drivers for the definition of the ICT&Security strategic objectives and their enablers, i.e. the key technological elements for the implementation of the strategy established, are represented in the figure.



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.

The main ICT&Security project initiatives, identified to achieve the objectives described in the Strategic Orientation Document, are shared and approved at least annually by the CEO. These initiatives are subject to constant monitoring of their progress, in order to ensure their alignment

with the strategic objectives, communicate any criticalities promptly and, consequently, identify and implement suitable corrective solutions to avoid compromising compliance with the plan itself.

The effectiveness of the implementation of the ICT & Security Strategy is ensured by means of the Summary Report on Adequacy and Costs, which provides details on annual basis of the effectiveness of the services provided in relation to the costs incurred, together with an overview of the developments in the relevant topics in ICT, Security and Fraud, including: organisational structure and resources, security awareness & training, availability management, incident and security incident management, disaster recovery, and anti-fraud management for payments.

In addition, the Report provides a comparison at Italian level with other banks listed on the stock exchange or using industry sector analyses as a reference (e.g. CIPA – ABI, Gartner). This document is submitted to and approved by the Board of Directors.

During 2023, further information was shared with the Board of Statutory Auditors on the Cyber Security Incident Management framework, the evolution of the cyber threat/attack landscape, performance in the area of security incident management, as well as the broader overview represented in the ICT Adequacy and Cost Summary Report.

Lastly, between October and November 2023, two **training initiatives were held dedicated to the Board of Directors**⁴²: the first related to types of risk (cyber, data governance, etc.) connected to the new tech-driven transformative cycle (Artificial Intelligence, Robotic Process Automation, etc.), the second related to the Fintech DNA, peculiar to Fineco, with particular attention to distinctive elements on the market and the control of competitive advantages.

FinecoBank dedicates and invests considerable resources in pursuing these strategic objectives and around 17% of its staff work in the Department (of which 11.5% are women). The Department includes the dedicated Information Security & Fraud Management Team, which is responsible for supporting and managing the adoption of policies and guidelines aimed at ensuring the security properties of the information and corporate assets in various areas, such as applications, network, asset management, device management, and patch/change/vulnerability management, in order to avoid system breaches and data loss or damage.

The Team also manages information security incidents using a structured and integrated incident response framework, whose guidelines and roles are set out in the **ICT Security Incident Management and Emergency** and **Crisis Management Group Policies**. Specific detailed processes have also been developed to ensure swift and effective handling of the different types of events.

The main objectives of the security incident management process are:

- to quickly detect and identify damaging events;
- to minimise the impact of those events;
- to quickly identify and implement the appropriate counter/containment measures;
- to identify and implement all the post-incident recovery operations;

⁴² It should be noted that the October training session was attended by all exponents. The second session held in November was attended by 93% of the exponents (considering both Board members and members of the Board of Statutory Auditors).

- to collect and collate all the data and information needed to trace the events that have occurred, also in order to duly support the relevant communications to the authorities and/or law enforcement agencies, where necessary.

These objectives are pursued through an approach to the management of security incidents, which includes an effective combination of **prevention activities**, aimed at preventing incidents and proactively identifying/detecting events that could lead to potential security incidents, and **responsive activities**, aimed at responding to incidents by adopting strategies to manage and contain them.

The incident management strategy can be summarised as illustrated in the diagram below.



In terms of **Sourcing**, over the years FinecoBank's strategic choice has been to internally handle all technological and security activities that could make a significant contribution to the development of business. This has allowed the Bank to offer customised and distinctive products, maintain a high level of know-how and internal control over the evolution of its technology and services, retain intellectual property of the applications developed and their supporting algorithms and ensure cost competitiveness and rapid time to market, in addition to better and consistent performance in service delivery.

Lastly, the Information Security & Fraud Management Team, also handles the fraud management for customer transactions. The security strategy consists of a multilayered approach, based on in-depth knowledge of the Bank's customers, behavioural analysis and risk assessment, designed to enhance and improve the effectiveness of the existing anti-fraud process, while maintaining a high level of user-friendliness. Over the years, the internal development in this area has enabled FinecoBank to achieve some of the best results in the Italian and European banking industry, particularly in relation to Banking, Payments and Card frauds. This has been made possible by a sourcing policy and an internal development approach, which have allowed the Bank to have a very high level of control on fraud, allowing it to adapt quickly to evolving threats and new trends in these areas.

In 2023, FinecoBank used external third parties to conduct security assessments and penetration tests, both ongoing and on-demand, aimed at identifying potential threats and vulnerabilities that could impact systems and services, with the objective of verifying the security measures in place and evaluating the implementation of additional protection measures, where necessary.

In 2023, on the other hand, the outcomes of the assessments conducted on the Data Centres with the support of external specialised companies remain actual, aimed at ensuring the update of the analyses of the associated environmental risks and the assessment of the adequacy of the physical security measures adopted.

Finally, the positive outcome of the *External Independent Assessment* regarding the evaluation of security measures related to the SWIFT perimeter, conducted through an independent verification activity with the involvement of an external provider, is confirmed for 2023 as well.

3.2 RESPONSIBLE PRODUCTS AND INVESTMENTS

Fineco's aim is to continuously consolidate its strategy for sustainable growth, in the belief that investing responsibly means helping to generate a positive social and environmental impact in the long term, minimising risks without sacrificing opportunities for yield and growth of the business. The *Advisory, Third Party & Private Banking Solutions* and *Products and Services* functions are responsible for promoting and implementing this strategy within the Group's products.

In line with the strategy, from 2021 as part of the **Global Policy New Products Process**, the process of assessing the risks associated with new products and substantial changes to existing products has been supplemented with the assessment of sustainability risks, as well as by including any environmental, social and/or governance sustainability objectives among the product characteristics to be included in the relevant identification sheet.

In line with EU Regulation 2088/2019 (Sustainable Finance Disclosure Regulation – SFDR), the document **Policies on integrating sustainability risks into advisory services**, which provides information on the policies currently established by FinecoBank, as an intermediary offering investment advisory services, for the integration of sustainability risk into the provision of those services and considering the main adverse effects on sustainability factors generated by the advised investments.

Fineco makes a positive contribution to the development of the economy and the protection of the environment through the development of specific **Banking** and **Credit** products. In particular, the **green mortgage** offering enables the financing of the purchase of class A or B energy properties through a mortgage loan, at favourable conditions compared to the standard price list, as it promotes the renovation of Italy's real estate heritage. During the year, 15.9% of all new purchase mortgage agreements fell into the green mortgage category, amounting to a total of € 20.8 million, equal to 20.4% of the total amounts disbursed by the Bank for purchase mortgage agreements in the same year. In terms of stock, at the end of 2023 the capital disbursed on green mortgages was equal to € 256 million, equal to the 18% of the total purchase mortgages offered to customers.

In addition, through constant work towards the dematerialisation of product application and management processes (including the **"virtual" card**, which has no physical support and is available since 2022 for debit and prepaid card cards requested after the account opening), it is possible to progressively reduce paper consumption.

In 2023, the Bank designed and implemented the **green loan** (prestito green), intended to finance the installation of renewable energy technologies at a more advantageous rate than the standard one. The characteristics of the product were defined in line with the *"Green Loan Principles. Supporting environmentally sustainable economic activity"* of the Loan Market Association and Asia Pacific Loan Market Association⁴³, which provide that a loan can only be called "green" if the funds are made available exclusively to finance, in whole or in part, activities with environmentally sustainable characteristics. In the definition of these characteristics, reference was made to the

⁴³ *Green Loan Principles. Supporting environmentally sustainable economic activity* – Loan Market Association, Asia Pacific Loan Market Association, Loan Syndications & Trading Association, February 2021.

European Environmental Taxonomy (EU Reg. 852/2020) and, in particular, to the technical screening criteria included in the Delegated Act on Climate Change Mitigation⁴⁴.

The Bank regularly monitors sales volumes and product developments on the market, also by analysing competitors, to identify any signs of an ineffective offering or find new ideas for the launch of products, also from a sustainability perspective. Product development is mainly guided by the needs gathered directly or indirectly from customers, with a focus on responsible finance, to support customers in achieving their investment objectives and meeting their transactional needs.

Fineco plays a key role in the **Brokerage** offering, as it combines, in a single solution, the solidity of being a bank, the convenience of use, the wide the range of products offered, information transparency and fair economic conditions.

To provide a higher customer awareness, Fineco, as a preventive measure, puts in place a number of operating safeguards, including:

- the completeness of the information made available to the client (warnings, ex ante cost reports, conflicts of interest, etc.);
- controls on appropriateness;
- request of specific qualifications and filling in questionnaires in order to be able to operate on complex instruments;
- the definition of a specific target market;
- the implementation of filters on price and countervalue deviation in the platform;
- the application of caps per trade and per overall position on certain types of products.

In addition, in the phases *post trading*, operational safeguards are made available to the customer such as:

- reporting and accountability;
- procedures providing for the detection of any depreciation of the instrument;
- procedures providing for the recognition of material losses with respect to the Total Financial Assets (TFA).

Financial education plays a key role in supporting customers through webinars, video pills and classroom courses that allow them to deepen their knowledge on trading topics. Specifically, in 2023, around 17,000 customers participated in training courses on these topics and, of these, around 10% started trading in the product covered by the course after attending the meeting.

With regard to **Investing**, in line with MiFID II regulations, the Bank collects clients' sustainability preferences by completing the MiFID interview and uses this information as part of the **portfolio adequacy assessment**.

Advisory services and insurance solutions are focused on offering solutions that take ESG criteria into account during the creation of model portfolios, through specific quantitative and qualitative analyses and with the support of the **Fineco ESG Rating** which integrates sustainability risk into

⁴⁴ Delegated Regulation (EU) 2021/2139. The green loan aims to finance the following purchase-related interventions for the installation of renewable energy technologies: installation of solar photovoltaic systems and ancillary technical equipment; installation of electrical or thermal energy storage units and ancillary technical equipment; installation of solar hot water panels and ancillary technical equipment.

the provision of the services. This Rating, developed by the Bank in 2022, re-calculates the ESG scores assigned by a leading external specialised company to investment products - on a scale from 1 to 100 (1 "low risk", 100 "high risk" ESG) – using a conversion table to reclassify these scores, on a scale from 1 to 10 (1 "high risk", 10 "low risk" ESG).

The rating provides investors with an immediate tool for better understanding the extent to which the economic value of the investment could be at risk due to issues related to the environment, the social sphere or the governance of the underlying assets, in addition to making them more aware of their investment choices. The Fineco ESG Rating is currently available for Funds, Sicavs, ETFs, shares, bonds, and Unit-Linked, Class I and Multiclass insurance policies, and starting from 2023, also for asset management services.

Fineco regularly maps the funds it offers with the **SFDR classification** for Article 6, 8 and 9. This allows Fineco to compare its positioning with the Italian and European averages. As at 31 December 2023, FinecoBank's AUM offering consisted of the following.

FUNDS IN THE PLATFORM:

ESG ASSESSMENT	2023			2022 ⁴⁵			2021		
	ISIN No.	%	AuM ⁴⁶ [€ bn]	ISIN No.	%	AuM [€ bn]	ISIN No.	%	AuM [€ bn]
ESG rated funds	4,206	87%	31.9	4,293	87%	29.4	5,278	83%	30.2
<i>of which with ≥ average⁴⁷ ESG rating</i>	3,757	89%	30.3	3,671	86%	27.1	3,880	74%	24.6
Non ESG rated funds	621	13%	5	649	13%	3	1,099	17%	6.3
Total funds	4,827	100%	36.9	4,942	100%	32.4	6,377	100%	36.5

SFDR CLASSIFICATION	2023			2022			2021		
	ISIN No.	%	AuM [€ bn]	ISIN No.	%	AuM [€ bn]	ISIN No.	%	AuM [€ bn]
SFDR Art. 6 ⁴⁸ Funds	1,167	24%	16.7	1,589	32%	14.6	3,246	51%	20.8
SFDR Art. 8 ⁴⁹ Funds	3,000	62%	19.2	2,756	56%	16.8	2,844	45%	14.2
SFDR Art. 9 ⁵⁰ Funds	226	5%	0.9	225	5%	0.9	264	4%	1
Unclassified Funds	434	9%	0.1	372	8%	0.1	23	0%	0.5
Total funds	4,827	100%	36.9	4,942	100%	32.4	6,377	100%	36.5

⁴⁵ In 2022, the Bank decided to withdraw a number of ISINs from placement that, due to their direct or indirect characteristics, are no longer aligned to its strategies. Specifically, all ISINs listed as residuals with AUM less than or equal to €500,000 were progressively removed from the placement. In addition, there was a decrease in AuM in that year due the performance of the market.

⁴⁶ Asset Under Management

⁴⁷ From 2022 the average corresponds to a minimum score of 6 out of 10 in the "Fineco ESG Rating" and is therefore not comparable with 2021, when this threshold was set by Morningstar. The average figures for 2023 and 2022 calculated according to the Morningstar threshold are:

2023: ISIN no. 3,173; Percentage: 66%; AuM: 21 € bn.

2022: ISIN no. 3,234; Percentage: 75%; AuM: 24.6 € bn.

⁴⁸ Funds that do not promote environmental or social characteristics and do not have sustainable investments as their objective.

⁴⁹ Funds that, in addition to other characteristics, promote environmental or social characteristics, or a combination of those characteristics, provided the firms invested in comply with good governance practices.

⁵⁰ Funds that have sustainable investments as their objective.

ETFs IN THE PLATFORM:

ESG ASSESSMENT ⁵¹	2023			2022		
	ISIN No.	%	AuC ⁵² [€ bn]	ISIN No.	%	AuC [€ bn]
ESG-rated ETFs	5,840	83%	5.4	1,996	76%	3.7
<i>of which with ≥ average ESG rating</i>	5,049	86%	4.9	1,56	83%	3.2
Non-ESG-rated ETFs	1,232	17%	0.8	615	24%	0.9
Total ETFs	7,072	100%	6.2	2,611	100%	4.6

SFDR CLASSIFICATION	2023			2022		
	ISIN No.	%	AuC [€ bn]	ISIN No.	%	AuC [€ bn]
SFDR Art. 6 ETFs	2,664	38%	5.2	1,394	53%	3.9
SFDR Art. 8 ETFs	1,750	25%	0.9	581	22%	0.7
SFDR Art. 9 ETFs	141	2%	0	47	2%	0
Unclassified funds	2,517	35%	0.1	589	23%	0
Total ETFs	7,072	100%	6.2	2,611	100%	4.6

With regards to **supplementary pension schemes**, in October 2020 the investment policy of the Core Pension open-ended pension fund managed by Amundi and distributed exclusively by Fineco, was changed on all the lines, with the integration of exclusion and selection criteria based on analysis and the assignment of sustainability ratings into the existing investment process. As at 31 December 2023, the Assets Under Management of Core Pension amounted to € 846 million, up 35% compared to 2022.

With regards to the **Bank's internal investment portfolio**, particular attention is paid to the green finance market, which, with the recent transactions in ESG bonds, represents an increasingly significant proportion of the financial market, particularly in Europe. In this regard, also during 2023, Fineco continued to take this type of financial instrument into consideration in its financing decisions, as an integral component of its sustainability strategy. As at 31 December 2023, the Group held a portfolio consisting of **ESG bonds** amounting to approximately € 1,846 million, or approximately 8.5% of Fineco's total portfolio (in 2022, ESG bonds were equal to € 1,745 million, representing 6.8% of Fineco's total portfolio).

Also, in the area of responsible finance, the Bank has two **collateral switch** transactions (collateralised securities lending) with ESG criteria in place, with a total countervalue of around € 71 million. Compared to the traditional ones, these transactions involve the payment of an extra fee related to Fineco's achievement of the following sustainability targets: (i) 100% of new ESG-rated funds placed on the Italian platform between 1 January 2021 and 31 December 2023 (ii) S&P Corporate Sustainability Assessment score greater than 67 out of 100. Given that both targets were reached as of 31 December 2023, at the maturity of the transactions, set in April 2024, the extra fee will be paid to Fineco by the counterparty and transferred by Fineco to *Save the Children*.

⁵¹ The ESG information for the ETFs distributed has been available since 2022.

⁵² Asset Under Custody.

FINECO AM

The Irish Company **Fineco AM** has developed policies, procedures and investment products to support its commitments to responsible investment by subscribing to the **United Nations Principles for Responsible Investment** (UN PRI), as well as the **UN Global Compact** (UN GC).

Since 2021, Fineco AM has adopted the **Responsible Investment Policy**, which lays down the commitment to manage the funds in a responsible and sustainable manner, setting out guiding principles and a framework for integrating ESG risks and factors into its business activities.

Fineco AM's commitment is also manifested through constructive dialogue between institutional investors and investee companies to address issues related to ESG risk management and take advantage of business opportunities associated with sustainability challenges. In particular, Fineco AM believes that the best way to promote improvements in market practices is by actively participating in collaborative platforms. In this respect – in line with the commitments made through its subscription to the UN Global Compact and the PRI – since 2022, the Company signed up to the **UN PRI Advance: a stewardship initiative for human rights and social issues**. Through this ongoing initiative, Fineco AM collaborates with other investors to develop opportunities for engagement with companies to promote human rights and positive outcomes for people. Furthermore, as part of its activities focused on environmental protection, in 2023 Fineco AM joined another collective engagement initiative focused on climate issues, called *Climate Action 100+*⁵³, and launched its proprietary engagement programme called *Climate Engage*⁵⁴.

In the area of *active ownership*, Fineco AM uses the *Institutional Shareholder Services* (“ISS”) voting platform and proxy voting recommendations for all meetings where it votes. Fineco AM has incorporated sustainability considerations into its voting approach by subscribing to the ISS International Sustainability proxy voting policy and guidelines.



Since 2020, Fineco AM has committed to not charging performance fees on the funds under management. To this end, a specific **“No Performance Fees”** is used which tells customers which funds do not have these type of fees. Not charging performance fees is a strategic choice aimed at ensuring fair prices and better results for customers.

Since 2021, Fineco AM has classified all its funds under management in accordance with definitions contained in **Articles 6, 8 and 9 SFDR** and included the relevant pre-contractual information in its prospectuses and supplements to comply with the SFDR. The pre-contractual information of Fineco AM's funds is also supplemented to comply with Regulation (EU) 2020/852 (EU Taxonomy), by including qualitative and, where possible, quantitative information, as well as the statement regarding the principle of “doing no significant harm”. Starting from January 2022, Fineco AM's “SFDR and Taxonomy” internal working group started to meet on a weekly basis, both for the purpose of implementing the requirements of these regulations, and analysing the level of preparedness and readiness of the company as a whole in relation to the integration of sustainability into the business.

⁵³ *Climate Action 100+* is a global initiative launched in 2017 that aims to engage investors on the topic of climate change by encouraging companies to work towards the goals of the Paris Agreement. <https://www.climateaction100.org/>

⁵⁴ *Climate engage* is an internal proprietary initiative of Fineco AM launched in 2023 with a focus on engagement with the largest issuers held in the portfolio that have not yet adhered to the Science Based Targets Initiative (SBTi).

Over the latest years, Fineco AM has made considerable progress in integrating ESG factors into all its activities, taking a number of important steps:

- the establishment of a formal ESG governance framework, including the Sustainable Finance Committee (SFC);
- the full integration of ESG into the front office trading platform to ensure that sustainability risks are considered at source and monitored on an ongoing basis;
- the integration of the *MSCI ESG Fund Quality Score* rating into the risk management model, which enables monthly monitoring of the score for each fund and the “ESG quality” attributed to the portfolio with respect to minimum score thresholds set for each SFDR category;
- the implementation of various policies and procedures including the **Responsible Investment, Good Governance, Exclusion Policies** and the **Exclusion Procedure** at corporate level;
- the consideration of PAI (*Principal Adverse Impacts*) indicators at corporate and product level and the publication of the PAI-related reporting and the PASI (*Principal Adverse Sustainability Impacts Statement*);
- the commitment of Portfolio Managers to invest in certain minimum “Sustainable Investment” thresholds for a range of products, declared in client documentation);
- actively engaged in stewardship activities such as engagement and voting activities in shareholders' meetings of companies in which Fineco AM's funds hold investments, as mentioned above.

The approach to integrating ESG factors into the investment process depends on the specific product type, strategy and asset class.

With regard to Article 8 funds SFDR, ESG factors are integrated, for example, through:

- the **integration of ESG data provided by third parties** – To integrate ESG data into its front office trading platform, Fineco AM uses the provider MSCI ESG Manager, which can be supplemented by in-house or third-party research. This ensures that ESG criteria and sustainability risks are taken into account when the purchase is made. As part of ongoing ESG improvements, environmental, social and governance data have been integrated into the trading platform, at both the individual investment and aggregated fund level. In addition, monitoring is carried out to verify that operations comply, inter alia, with exclusion rules and minimum sustainable investment limits, when applicable to the specific strategy.
- **positive sectoral and value-based screening** – The managers integrate ESG factors into their overall portfolio construction and security selection, including sector-specific environmental and social factors;
- **ESG assessments at counterparty level** – Fineco AM's Article 8 funds promote ESG characteristics by applying minimum MSCI ESG ratings. This approach ensures that the portfolios are positively skewed towards investments with higher ESG ratings.
- **ESG score at fund level** – Fineco AM's Risk Team carries out a monthly independent analysis and ESG score classification for each fund. At the fund level, a minimum ESG score threshold is applied to ensure that the fund score does not fall below a level considered appropriate by Fineco AM for a fund promoting ESG characteristics. The monthly risk reporting identifies the cases where this threshold has been breached. The ESG quality of the fund can then be formally investigated, and the results reported to the SFC. This additional control serves to

maintain a minimum ESG score at fund level and supports the engagement with fund managers on ESG topics.

- **Good Governance** – Fineco AM is committed to investing in companies that manage their businesses in a way that promotes sound ESG risk management and fosters value creation for shareholders and stakeholders⁵⁵.
- **Negative screening (“norm-based exclusions”)** – Fineco AM believes that certain products and business practices are detrimental to the company and, in view of its fiduciary role, it wishes to avoid making investments that the company itself or the Group’s customers could consider incompatible with a responsible investment approach. Certain exclusion criteria are therefore applied to align the investments with this approach. Specifically, in 2022, Fineco AM published an **Investment Exclusion Policy**, which resulted in an Exclusion List identifying the various exclusions applied, the products the exclusions apply to and the extent to which they apply to them. Fineco AM applies this exclusion policy to all its funds and not just the Article 8 and 9 SFDR funds. The exclusion categories considered are:
 - Violation of UN Global Compact Principles;
 - Controversial weapons;
 - Tobacco;
 - Climate change⁵⁶;
 - Forced labour.
- **Principal Adverse Impacts – PAI** – Fineco AM also considers the principal adverse impacts of its investment decisions on sustainability factors, as required by Article 4 of the SFDR, and in its due diligence processes. In particular, the PAI considerations on each portfolio aim to verify, on a quarterly basis, the performance of each PAI indicator considered against those of a benchmark identified by Fineco AM, in order to track each fund's performance against "E", "S" and "G" considerations and to assess, if necessary, the adoption of certain initiatives (including engagement with the Portfolio Manager responsible for managing the fund) to improve the performance of these indicators.

For investment funds where Fineco AM assigned the management of investments under mandate to third parties (**Delegate Investment Managers**), Fineco AM conducts thorough initial ESG due diligence and ongoing monitoring to ensure that each fund under mandate is managed in accordance with the ESG criteria set out in the respective offering documentation.

Fineco AM also offers products that have a sustainable investment objective and are therefore subject to the requirements of Article 9 of the SFDR. The **sustainability-focused strategies** work from the same basis as the integrated ESG strategies, but add an ex-ante focus on securities that score better on ESG and environmental factors. The sustainability impact strategies invest in companies that contribute to solving problems related to specific sustainability issues. These strategies are aimed at investors that want to have a positive impact on society or want to have a

⁵⁵ The SFDR requires that products classified as Articles 8 or 9 do not invest in companies that do not follow good governance practices. The Good Governance Policy describes how Fineco AM determines whether an investee company does not follow good governance practices and should therefore be excluded from the initial investment universe for SFDR Article 8 and 9 products.

⁵⁶ In particular, Fineco AM is limiting its investments in thermal coal and Arctic drilling.

clear exposure to certain areas of sustainable development that they believe can generate adequate investment returns, e.g., the following funds:

- **Diversity And Inclusion FAM Fund** – The fund’s investment objective is to maximise total returns through a combination of income and capital appreciation by investing in companies that have proven gender and/or ethnic diversity, or that provide solutions that promote social equality.
- **Global Sustain Paris Aligned FAM Fund** – The fund’s investment objective is to provide a total return (capital growth plus income) that exceeds that of the global equity markets over a five-year period and to invest in companies that contribute to the achievement of the Paris Agreement climate change goal.

As at 31 December 2023, **ESG funds** classified as **Articles 8** and **9 SFDR** represented 51% of Fineco AM’s total assets under management.

AUM of Fineco AM ESG ⁵⁷ funds [€/mln]	2023	2022	2021
SFDR art. 8 funds – internally managed	6,619	5,203	3,128
SFDR art. 8 funds – under mandate	8,596	7,839	3,813
SFDR art. 9 funds – internally managed	-	-	-
SFDR art. 9 funds – under mandate	431	302	224
Total AUM Fineco AM Funds Art. 8 and 9	15,646	13,344	7,165

Fineco AM - SFDR Funds Classification [€/mln]	2023		2022		2021	
	ISIN No.	%	ISIN No.	%	ISIN No.	%
SFDR Art. 6 Funds	248	50%	219	50%	182	51%
SFDR Art. 8 Funds	235	48%	213	48%	162	46%
SFDR Art. 9 Funds	10	2%	10	2%	10	3%
Total Funds	493	100%	442	100%	354	100%

The assets that can be subject to **positive and/or negative screening** depend on the fund strategy and asset class. Positive and negative environmental and/or social screening is applied to Fineco AM funds under SFDR Art. 8 and 9:

- **Positive screening:** for Art. 8 and 9 SFDR products, Fineco AM's Portfolio Managers apply a positive ESG filter through the use of the *MSCI ESG Manager* rating when selecting investments for the various portfolios under management. The same or a similar "positive" selection criterion is applied by external (proxy) Portfolio Managers, who rely on third party provider platforms or proprietary metrics/solutions and/or processes, under the supervision of Fineco AM;
- **Negative Screening:** refers to funds under Articles 6, 8 and 9 SFDR, to which exclusion filters are applied through: i) Fineco AM's Exclusion Policy and ii) product-level PAI considerations;

⁵⁷ For an up-to-date list of ESG funds under management, see the Sustainability section of the Fineco AM website.

- **Combined positive and negative screening:** this analysis is a combination of the two previous categories and includes funds that apply positive and negative screening.

Starting from 2023, all Fineco AM products are subject to PAI considerations, regardless of SFDR classification; therefore, 100% of AUM in the year 2023 is subject to negative environmental and/or social screening⁵⁸, i.e., also subject to combined positive and negative screening. Indirect exposure through derivatives is excluded from the calculations.

For the year 2021, the calculation of the percentage of assets subject to positive and negative environmental or social screening is based on a different methodology than in previous years. Starting from 2022, the calculation was in fact performed internally, using a new *ESG Integration Framework* that mainly refers to exclusion criteria and processes (from 2022) and product-level PAI considerations (added in 2023), whereas in previous years data provided by external providers⁵⁹ were used.

ASSETS SUBJECT TO POSITIVE AND NEGATIVE ENVIRONMENTAL AND SOCIAL SCREENING	2023	2022	2021
% of assets subject to positive environmental and/or social screening	44%	52%	13%
% of assets subject to negative environmental and/or social screening	100%	70%	27%
% of assets subject to combined positive and negative environmental and/or social screening	100%	70%	11%

⁵⁸ Product-level PAI considerations were not introduced before 2023, and therefore funds subject to such screening in previous years refer to funds to which exclusion criteria alone applied (not also PAI considerations).

⁵⁹ For 2021, the assets subject to screening are those covered by the analyses performed by Morningstar and MSCI. Specifically, positive screening identifies “Sustainable Investments” as funds that specifically refer in the prospectus or offering documents to sustainability-related activities, impacts or strategies (e.g. diversity, renewable energy, low carbon and local community development). Negative screening, on the other hand, excludes funds that invest in specific sectors considered controversial from an environmental and social sustainability perspective (e.g. alcohol, controversial weapons, gambling, tobacco, nuclear power, palm oil, pesticides, thermal coal).

3.3 FINANCIAL INCLUSION

Fineco provides a product and service offering that promotes **financial inclusion** and **access to financial services and products**. In particular, it offers the possibility of subscribing to two different types of current accounts at favourable conditions: the **Basic Account A** and the **Basic Account B**, both aimed at facilitating access to basic financial services by economically disadvantaged groups.

The offering includes not only a predetermined number of free services and transactions, but also free provision of a debit card. Specifically, the “Basic Account A” can be opened by any ordinary consumer and is a current account with an annual fee and ordinary banking operations. For consumers with an ISEE (financial status indicator) of less than €11,600/year who open a “Basic Account A”, there is no annual fee or stamp duty. Consumers with retirement payments of up to €18,000/year can open the “Basic Account A” and there is no annual fee, but stamp duty is due to be paid. Alternatively, pensioners with a pension less than or equal to € 18,000/year can open the “Basic Account B”, which only requires payment of stamp duty and limited operations compared to the “Basic Account A”.

As at 31 December 2023, there were 30 Base A and B Accounts (of which 9 opened in 2023) and a total of 3,082 transactions in the year.

In addition, in 2023 Fineco continued and adopted a number of initiatives aimed at promoting access to banking and financial services for young people:

- in line with the so-called Support Decree⁶⁰, the Bank allowed the application of a zero substitute tax to loans for first home purchases by borrowers who are no older than 36 (in the year of the deed of exchange) and whose ISEE (financial status indicator) is no more than €40,000;
- the Bank maintained the offering for young people under 30, which includes no account maintenance charge and a reduction in the fees on orders in Italian and international equities and ETFs, and eliminated the monthly fee for Capital Accumulation Plans (CAPs) in ETFs and fixed fees for CAPs in SICAVs.

As part of its initiatives to improve the **accessibility of services**, Fineco has initiated a project of alignment to the new regulations⁶¹. The commitment to accessibility is firmly anchored in the principle of **accessibility by design**, ensuring that the design and development of each new feature is geared towards ensuring optimal usability for all users and employees, regardless of their different needs and abilities.

⁶⁰ Decree-Law no. 41 of 22 March 2021: Urgent measures in support of businesses and economic operators, labour, health and local services, related to the Covid-19 emergency. These measures, extended to all of 2022 by the 2022 Budget Law, were also extended to 31 December 2023 as provided for in Article 1, paragraph 74, letter c) of Law No. 197 of 29 December 2022 (the “2023 Budget Law”).

⁶¹ In April 2022, the AGID (digital Italy agency) adopted specific Guidelines on the Accessibility of IT Tools for Providers in accordance with Article 3 paragraph 1-bis of Law 4/2004 (so-called Stanca Law). The Guidelines, applicable from 28 June 2022, follow the extension of the scope of application of Law 4/2004 to private entities offering services to the public through websites or mobile applications above a specific turnover threshold, which took place with the so-called Simplification Decree (July 2020). In July 2022, a decree was also published to implement the Accessibility Directive (EU) 2019/882, which establishes rules on the accessibility of products and services for people with disabilities, i.e., physical, mental or sensory impairment.

The optimisation of the website and Apps is underway, starting from 2022, with the aim of simplifying their use also for customers with disabilities, making them compatible with the use of assistive technologies (e.g., screen readers). In 2023, the Bank's new public website was published, designed and developed taking into account the International Web Content Accessibility Guidelines (WCAG 2.1). Several new services in the private area were also developed with accessibility in mind.

On all channels and Apps, special attention is paid to designing the information architecture and simplifying the content in order to ensure easy navigation. The correct colour contrast between background and text is identified, textual descriptions are defined for images and descriptive attributes are assigned for links and buttons, so that the interfaces can be correctly interpreted by speech synthesis software. In 2023, the Bank also started planning the optimisation of 'non-web' content with the aim of making PDF documentation available to customers on web and app platforms.

Finally, as required by recent regulations, the **Accessibility Statement** was published on all the Bank's portals in September 2022, 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.

Finally, as of 2023, the Bank continues to work on ensuring that its employees have accessibility of hardware and software as well as access to training courses in accessible formats.

3.4 FAIRNESS AND TRANSPARENCY IN CUSTOMER COMMUNICATIONS

Transparency is one of the cornerstones of the relationship of trust that exists between Fineco and its customers, and is a fundamental element of the company culture. In addition to the issues addressed in the **Group's Integrity Charter** and **Code of Conduct**, as well as in the **Code of Ethics**, the Group has also issued specific **Rules** and **Guidelines for the preparation of 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. The guidelines clearly stipulate that a given behaviour with regard to the customer can be defined as incorrect when it results in any form of alteration in the actions and perception of the consumer with regard to the product/service offered, regardless of the actual damage caused to the latter.

Depending on the subject areas and content covered, Group regulations also require that marketing and advertising messages developed are always validated by the respective competent structures. In 2023, the regulatory guidance provided on marketing and advertising initiatives was supplemented with specific guidelines for the correctness of environmental communications and assertions, as a further safeguard against the risks of *greenwashing*.

In this context, Fineco is committed to ensuring all communications are distinguished by the simplicity of the way in which they are written, courtesy of the **direct and immediately comprehensible language** employed. When present, any sources relating to qualitative-quantitative numerical evidence or detailed conditions are always provided within the same information document, and are easily verifiable.

The procedure for creating, approving and publishing the content of communications to customers, including marketing communications, follows a strict process of internal approvals that includes first-level checks, carried out directly by those who produce the content, and subsequent checks by the compliance and legal departments and all of the offices concerned. All communications aimed at customers are generated and produced by Fineco's internal staff, without the involvement of external third parties; this provides an additional guarantee of privacy protection and control over the flow of publication.

Within Fineco, **transparency** also means accessibility to information at all times, along with dedicated, immediate and "all-in-one" assistance. Courtesy of a complex system of data analytics, Fineco is able to profile communications destined to be sent to users with extreme granularity, ensuring that each cluster of contacts only receives information that is relevant or interesting to them. Marketing materials, such as email communications and website pages, follow predefined layout templates that make it easier for the user to access the information. The responsive structure enables most email communications to be optimised for reading on mobile devices, automatically adapting to different screen resolutions.

The Bank constantly monitors the transparency of communication through the analysis and management of the reports received as reported in section 2.1 "Stakeholder Engagement – Customers". In 2023 there were no cases of non-compliance with regard to commercial communications.

04



INNOVATION

- 4.1. TECHNOLOGICAL INNOVATION AND DIGITAL TRANSFORMATION
- 4.2. BUSINESS MODEL INNOVATION

4.1 TECHNOLOGICAL INNOVATION AND DIGITAL TRANSFORMATION

Technological innovation is a key component of process automation and digitalisation.

Process automation has a positive effect on the efficiency of the processes themselves, making the use of resources more efficient. This enables the management of increased business volumes, without having to increase costs proportionally. Process automation also reduces operational errors and speeds up the execution of certain tasks.

The monitoring of the effectiveness of efficiency improvement projects is carried out within the Demand Management process, during the Project Committee Meetings, using **Scorecards**, distributed to all employees through a specific circular. The aim of the Scorecards is to enable an objective assessment of the proposed efficiency measures, ensuring a uniform approach when comparing the different initiatives and identifying a priority of actions for the implementation. Specifically, the process requires the Proposer of an intervention to fill in a scorecard that assesses the qualitative/quantitative benefit it will provide once this put into operation, which considers four different dimensions: i) Customer, i.e. the benefit obtained for customer satisfaction; ii) People, i.e. any reduction of FTEs; (iii) Financial, i.e. any reduction of operating costs and the transfer of costs to the budgets of different controllers; (iv) Processes, i.e. the level of automation achieved, also considering the reduction in operational risk and sustainability impact (e.g. elimination of paper and/or physical postage). Based on the answers provided by the Proposer, the scorecard determines, and associates, a summary score to the Project. The Project Committee can also verify and monitor the actual benefit over time, after the efficiency improvement has been put into operation.

Digitalisation has various positive effects, both in environmental and social terms, including a better customer experience, linked to the simplification and acceleration of the processes of requesting and using products and services – such as the signing of contracts with digital signatures, the use of the video-selfies for customer recognition during onboarding and vocal passwords for recognition during customer assistance – and the reduction of the use of raw materials and travel associated with traditional processes.

Historically, the Group has focused its efforts on minimising its environmental impact mainly through **dematerialisation** processes, thanks to innovations and the use of technology that significantly reduce paper flows and make processes – more sustainable (see also section 9.2 – “Environmental Performance”).

Over the years, Fineco has implemented a number of initiatives aimed at reducing paper consumption and favouring the use of technology. In particular, since 2012, a function has been introduced that allows the Bank to provide the customer with a digital copy of the account opening agreement, countersigned in acceptance, eliminating the need to print out the agreements to be able to sign them.

Subsequently, customers were also given the opportunity to provide digital and electronic handwritten signatures. Indeed, since 2013, **remote digital signatures** have been available for existing customers, allowing them to sign agreements and documents directly from the reserved area of the Fineco website or app and avoid having to print the documentation to sign it. In the

same year, **electronic handwritten signatures** were also activated, allowing customers to sign agreements digitally in the presence of a Fineco Personal Financial Advisor. The signature represents an advanced electronic signature and is collected via a signature tablet connected to the Advisor's company computer or tablet. Today, this type of signature is used to sign current account opening agreements, agreements for advisory services, and the anti-money laundering questionnaire for natural persons.

In 2015, the Bank also introduced remote digital signatures for new customers, a function that allows those wanting to open a current account with Fineco to sign all the necessary documents without having to print them out.

Starting from 2023, the digitisation of interest payable debit consent declarations, agency contracts of new financial advisors, trading account opening applications and Gold Card applications.

4.2 BUSINESS MODEL INNOVATION

Continuous improvement of operational efficiency is a key element in sustaining growth and quality. The **cyborg-advisory model** is constantly being strengthened: thanks to a highly advanced advisory platform in terms of both technology and investment solutions, the personal financial advisors are able to manage an increasing number of customers, also remotely, providing timely assistance and offering new proposals or portfolio rebalancing options based on different market scenarios and changes in needs.

The main objective of the technological innovation and business models is to reduce the time that the personal financial advisors have to spend on time-consuming activities with low added value, and maximising the time that can be devoted to the relationship with the customers and analysing their needs. To this end, the work on the development and streamlining of **X-Net**, the *cyborg advisory platform* dedicated to personal financial advisors, continued in 2023. X-Net provides an integrated solution that, unlike pure *robo-advisory systems*, is able to exploit the advantages of digital technology and reconfigure the role of the advisors to amplify the most sophisticated aspect of their work.

In addition, through the adoption of digital signatures and the **Web** and **Mobile Collaboration service**, customers have been given the opportunity to manage investment proposals easily and securely from their personal financial advisors remotely, directly from their mobile phones or PCs, with a double benefit both for customers, who are offered a more convenient and flexible service, and in terms of resources saved. In fact, when the personal financial advisors make a proposal to the customers, they are notified on the home page in the reserved area of the customer site or directly on their smartphone via the Fineco App. The customers are then able to view, accept and confirm the order in complete autonomy.

In addition to the Web Collaboration channel, Personal Financial Advisors have access to the Digital Signature service, which allows documents to be signed electronically. This simple, fast and, above all, secure channel guarantees the authenticity of the account holder's signature and the non-modifiability of the document. The customer can view the signed agreements and any time directly from the private area of the site.

If it's not possible to use the Web Collaboration or Digital Signature channel, the PFAs always have the option of using paper contracts.

A selection of Personal Financial Advisors are involved in the development of projects with the greatest impact on the X-Net platform. By allowing selected PFAs to use new tools in advance, information can be gathered on the Network's needs and specific tools can be designed to meet the PFAs needs and those of their customers.

In addition, Fineco continues its mission to expand access to financial markets in a more direct and transparent manner with the launch in 2023 of **FinecoX**, an innovative online trading platform available free of charge to all customers.

FinecoX can be used entirely in a web environment, without the need to download and install any software. In this way it is possible to invest in 26 world markets from a single multi-currency account, via any device (PC, tablet) quickly and efficiently.

The platform has been developed with a focus on usability and immediacy in data visualisation. Within a single screen it is thus possible to monitor charts, watchlists, news, portfolio and order monitors, keeping the performance of one's investments under control at all times. Developed entirely in-house with proprietary technology, FinecoX allows to invest in a wide range of instruments, including shares, ETFs, Certificates and Turbo Certificates, Options, Knock Out, CFDs and Forex, Futures, Bonds and Covered Warrants.

The flexibility of the new platform also allows it to be used to follow market trends in depth. FinecoX thus joins Powerdesk, the most widely used trading platform in Italy, which will continue to be available to more experienced investors.

05



SOLIDITY AND RESILIENCE

- 5.1.** GOVERNANCE SYSTEM
- 5.2.** MANAGEMENT OF ESG RISKS
- 5.3.** PERFORMANCE AND CAPITAL STRENGTH
- 5.4.** ECONOMIC VALUE GENERATED AND DISTRIBUTED
- 5.5.** ENVIRONMENTALLY SUSTAINABLE ASSETS
- 5.6.** PROTECTION OF THE COMPANY REPUTATION

For the Fineco Group, being strong and resilient means adopting a corporate governance system that promotes clear and responsible banking, contributing to the creation of sustainable long-term value. This commitment is manifested through the adoption of a resilient business model capable of maintaining healthy operating and financial performance, ensuring the Group's capital strength, and the implementation of actions and initiatives to protect and strengthen the corporate identity.

A key part of the Group's resilient approach is **business continuity** management. In this regard, the Parent Company has issued guidelines on emergency and crisis management and business continuity management, which envisage a decentralised model of emergency management, based on the plans of the individual companies which reflect their specific circumstances.

In line with the applicable regulations, the Bank has adopted a model that comprises organisational units dedicated to managing business continuity and crises, both in normal operating conditions and in emergency situations. The *Business Continuity and Crisis Management framework* (BC&CM) of the Bank and Group companies includes:

- the emergency and crisis management plan (ECM plan);
- the business continuity plan (BC), which includes the disaster recovery plan (DR), which sets out measures for the recovery of applications and information systems affected by a disaster, and the cyber-attack plan, which provides operational guidelines for dealing with a cyber-attack in terms of preventive and counter-measures;
- the pandemic management plan, which incorporates the experience gained during the health emergency caused by the Covid-19 pandemic.

In 2023, the emergency and crisis management guidelines were updated, in alignment with the relevant regulations, as well as the plans concerned, in order to incorporate them and business developments. The Bank has maintained remote working as the main emergency management measure under the BC Plan.

The Bank's BC&CM plans are tested at least annually and the results are submitted to the CEO and General Manager (performing his management function) within the Business Continuity & Crisis Management Committee; lastly, the results are reported to the Board of Directors.

In line with the Group's governance guidelines and the evolution of the business, the Irish subsidiary Fineco AM has its own ECM, BC and DR plans, including remote working as an emergency solution in its business continuity plan.

To ensure business continuity in the event of a crisis, remote training on the subject by the essential staff for replacement staff was provided for a total of 521 hours.

In addition, Fineco took part in simulation initiatives carried out in relation to adverse cybersecurity scenarios with impacts in terms of emergency & crisis management, with the collaboration of external bodies. In detail, two theoretical simulations (so-called "table top", without real operations) of cyber-attacks were carried out by CERTFin⁶², as part of the related Cyber incident management programme in which the main banking institutions, among others, participate. The dynamic

⁶² CERTFin, whose Presidency is shared between the Bank of Italy and ABI, is operated by ABI Lab. It is a public-private cooperative initiative aimed at raising the cyber risk management capacity of financial operators and the cyber resilience of the Italian financial system through operational and strategic support for activities to prevent, prepare for and respond to cyber-attacks and security incidents.

scenario of the discussion-based tests, in which Fineco played the role of “player” together with many other partners, envisaged several simulated events (so-called “Injects”), scanned with accelerated times compared to the real flow of time, with the aim of verifying the overall coordination in the emergency/crisis response to a cyber event with impacts on technology, BC, regulatory compliance and communication. Multiple structures in the organization were directly involved in the execution of the test, consistent with their respective roles and responsibilities in emergency and crisis management. The second test also included the simulation of the unavailability of the BC&CM Corporate Manager, a key figure in emergency and crisis management (for whom a substitute is appropriately provided) and the Head of Cybersecurity. The outcome of the tests conducted under the coordination of the ICT & Security Office confirmed the ability of structured and mature management of security incidents with timely and detailed responses, representing an important conjugation of the two key components (technology and communication), highlighting the presence of processes and solutions capable of promptly mitigating the incident.

The events that have occurred in recent years (pandemic, international conflicts, etc.) have provided the opportunity to test and confirm the effectiveness of the Group’s approach to resilience. In this continued uncertain and hard to predict environment, the Group’s business model has emerged as diversified and well balanced. Indeed, the Group can rely on a business model in which the diverse sources of revenue allow it to face complex stressors. The FinecoBank Group’s revenues are in fact based on three main components (Banking, Brokerage, and Investing) whose performance tends to be uncorrelated during periods of crisis.

Also for 2023, a situation of complexity in the global scenario continued. Italy is inevitably involved in the overall worsening of cyber risks, as demonstrated by the significant increase (+40%)⁶³ in successful attacks in the first half of 2023 compared to 2022.

With reference to **ICT and Cyber risks**, the CSIRT (response team of the National Cybersecurity Agency) asked, through some alerts, to raise attention and adopt all measures to protect ICT assets, urging the adoption of “a posture of maximum cyber defense”. In Italy, attention was generally paid to ministries, government bodies and companies strategic to the national interest, including financial institutions. The Group's objective is to ensure customer protection by guaranteeing data security, expressed in its characteristics of availability, confidentiality and integrity: given the continuation of the Russian-Ukrainian crisis on the EU financial markets, particular attention was paid to assessment of the risks related to this. In compliance with the measures provided for by current legislation, Fineco continued to maintain the initiatives undertaken after the start of the conflict aimed at verifying its security posture and operational readiness, also making use of the indications and recommendations suggested by various national and international bodies. While best security practices have always been adopted, both in terms of technical and organizational/procedural measures, additional mechanisms are being continuously evaluated and introduced to address any impacts arising from the contingent situation.

The continuing Russia-Ukraine conflict has also impacted the **supply chain** of some commodities, causing increasing delays in the delivery of purchased goods. In particular, supplies of ICT activities suffered most from the impact of this conflict. In addition, in continuity with the previous year, the

⁶³ Source: 2023 Clusit Report.

exclusion of any new suppliers showing links with Russia continued as a result of AML/Corruption audits.

With reference to **investment product management**, a number of financial and geopolitical events were of particular importance during 2023. In particular, the Chinese real estate crisis, the bankruptcy of Silicon Valley Bank in the United States, and, in the second half of the year, the escalation of the Israeli-Palestinian conflict were worthy of attention. Although none of these events had operational repercussions on the products placed, the Bank worked to collect directly from individual asset managers all relevant information in terms of actual or potential impacts on the performance of the products distributed in order to keep both the Financial Advisor Network and direct clients constantly informed.

5.1 GOVERNANCE SYSTEM

In addition to compliance with applicable legal and regulatory requirements, the corporate governance system adopted by FinecoBank incorporates the recommendations contained in the **Corporate Governance Code** for Listed Companies, which contains the fundamental standards for good governance based on transparency and accountability and on a long-term perspective, also taking into account the Company's sustainable success.

With this in mind, FinecoBank adopts a traditional administration and control system, based on two bodies appointed by the Shareholders' Meeting: the **Board of Directors** ("BoD" or "Board"), which exercises the powers of strategic supervision, and the **Board of Statutory Auditors**, which has auditing functions. The CEO and General Manager performs the role of management body in accordance with the Supervisory Regulations. Accounts are audited by an external auditing company, in compliance with applicable laws.

In order to promote an efficient system of information and consultation that enables the Board to better evaluate certain matters within its competence, in accordance with the Supervisory Provisions issued by the competent Authorities and the recommendations of the Code of Corporate Governance, four committees are established within the Board with investigative, proposing, advisory and coordinating functions:

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

The members of the committees are chosen according to the best skills and availability to carry out the task. During the year, these committees met respectively as follows: 13 meetings of the Corporate Governance and Environmental and Social Sustainability Committee, 18 meetings of the Appointments Committee, 13 meetings of the Remuneration Committee and 31 meetings of the Risk and Related Parties Committee.

The governance structure of FinecoBank as at 31 December 2023



* In accordance with the Supervisory Regulations for Banks, the Internal Audit function operates independently from other company functions and reports its activities and their results quarterly to the Board of Directors (also via the Risk and Related Parties Committee) and the Board of Statutory Auditors.

Since 2022, the Group has adopted a **Sustainability Global Policy**, with the aim of responding both to the requests from external Stakeholders to formalise the Group's commitments and approach to sustainability, and to the internal need to adopt a specific global policy bringing together the commitments made. The policy also formalises the ESG governance structure and compliance controls for regulating ESG risks and identifying the main areas of integration of sustainability factors into the Group's operations.

SUSTAINABILITY GOVERNANCE

The **Board of Directors** is tasked with establishing the nature and level of risk compatible with the strategic objectives of the Bank and the Group, including all the risks that may be relevant for sustainable success in its assessments. It also sets the corporate strategies taking into account the sustainable finance objectives and the integration of environmental, social and governance (ESG) factors into business decision-making processes. Lastly, it approves the policy for the promotion of diversity and inclusiveness and promotes dialogue, in the most appropriate forms, with the shareholders and with the other relevant stakeholders of the Company.

The **Committee for Corporate Governance and Environmental and Social Sustainability**, established in 2020 with exclusive responsibility for sustainability matters, oversees FinecoBank's business operations and the interactions with all its stakeholders in relation to sustainability, providing support to the Board of Directors. Specifically, it oversees the evolution of the Group's sustainability strategy, assesses sustainability-related risks, and examines and, where necessary, draws up proposals concerning plans, objectives, rules and corporate procedures on social and environmental issues. It also provides support to the Board of Directors for the approval of policies aimed at promoting diversity and inclusiveness and contributes to the examination of the products with ESG objectives issued by the Bank, in addition to monitoring the positioning of the Company and the Group with the financial markets in relation to sustainability and Stakeholder relations, reviewing and issuing opinions on the policy for managing dialogue with shareholders in general, and reviewing the non-financial statement (NFS) and the environmental statement pursuant to the EMAS Regulation prior to their submission to the Board of Directors for approval. Lastly, the Committee also has been assigned specific duties in relation to corporate governance⁶⁴.

In support of the Corporate Governance and Environmental and Social Sustainability Committee⁶⁵, a **Sustainability Management Committee** comprised of FinecoBank managers has also been in place since 2019. The Committee's main task is to draw up a proposal for the Bank's sustainability strategy (company plans, rules and procedures in relation to social and environmental issues) and the related objectives to be achieved, to be examined by the Corporate Governance and Environmental and Social Sustainability Committee and where necessary approved by the Board of Directors. In 2023, the Committee was given the role of "Gender Equality Steering Committee" to oversee gender equality issues and thus ensure the effective adoption and continuous implementation of gender equality policies, in line with PDR UNI:125/2022.

⁶⁴ The duties of the Corporate Governance and Environmental and Social Sustainability Committee are set out in the "Regulation on FinecoBank's Corporate Bodies" available on the Bank's website www.finecobank.it – section "Governance/Company Boards".

⁶⁵ Until 28 April 2020, responsibility for corporate governance and environmental and social sustainability lay with the Appointments Committee, which until that date was called the "Corporate Governance, Appointments and Sustainability Committee." For full details, please refer to the "Report on Corporate Governance and Ownership Structure" available on the Bank's website.

Lastly, starting from July 2019, Fineco has a **Sustainability unit**, reporting to the Chief Financial Officer (CFO), tasked with supporting the CFO and the Sustainability Management Committee in managing sustainability within Fineco, including the development and monitoring of the ESG strategy (corporate plans, rules and procedures on social and environmental issues) and in the drafting and subsequent approval of the Consolidated Non-Financial Statement by the competent Corporate Bodies.

In 2021, the Parent Company set up a dedicated **organisational model for ESG regulatory oversight**, divided into thematic macro-areas. For each macro-area, the model identifies the scopes directly overseen by the compliance function (second level company control function), the compliance scopes assigned to specific specialised units (indirect compliance coverage) and the scope assigned to the risk management function (second level company control function):

Macro-area	Corporate structure in charge of regulatory oversight
Non-financial disclosure	<i>Sustainability Structure</i>
Requirements for corporate officers, related parties and connected persons, functioning of the Shareholders' Meeting	<i>Corporate Law & Board Secretary's Office</i>
Health and Safety	<i>Real Estate Unit</i> , due to the appointment of the Head of the Unit the Officer responsible for issues relating to compliance of workplaces (Titles I, II, VIII, IX, X, XI of Legislative Decree 81/2008), plant, machinery and equipment, for keeping and updating compulsory documentation, identifying gaps in emergency personnel, verifying the technical and professional suitability of contractors, preparing the interference risk assessment document (DUVRI) and calculating the safety costs, and authorising sub-contracts
	<i>Chief People Officer Department</i> , due to the appointment of the Chief People Officer as the Officer responsible for aspects relating to training, information, employee health surveillance, appointment of the Company Doctor, identification and designation of emergency staff, and communications to institutional bodies
	<i>Procurement Office</i> , due to the appointment of the Head of the office as the Officer responsible for issues relating to the identification of the scope of application of Article 26 and Title IV of Legislative Decree 81/2008, concerning maintenance or worksite activities, the identification of suppliers and the issuing of orders
Labour Law	<i>Chief People Officer Department</i>
Tax	<i>Tax Affairs and Advisory Unit</i>
Environmental protection	<i>Chief People Officer Department</i> , for the regulations on mobility management
	<i>Real Estate Unit</i> , for the regulations on responsible consumption, waste disposal and pollution reduction at buildings used by the Bank and the Personal Financial Advisors

	<i>Chief Financial Officer</i> , as Management Representative pursuant to the EMAS Regulation, and Sustainability Unit reporting to the CFO, for the Environmental Management System regulations
Other sustainability-related obligations	<i>Chief Risk Officer</i> Department, for ESG risk management regulations
	<i>Compliance</i> Department, for the regulations on investment services, banking, insurance and credit products, anti-bribery, anti-money laundering and anti-terrorist financing, conflicts of interest, gender equality, combating harassment, sexually inappropriate behaviour and bullying, the data privacy, remuneration policies, and whistleblowing

Each of the units identified is responsible for overseeing and monitoring external regulations applicable to them, analysing new requirements and identifying actions to be implemented with the engagement of the units concerned, defining and carrying out second level controls, in accordance with the methods established for the specialist monitoring, and identifying any improvement actions where necessary, and lastly producing the appropriate information reports, at least quarterly, on the second level controls for the **Compliance Department**, which reports in turn to the corporate bodies. The Sustainability Unit has also been assigned a role of coordination in this regard.

The oversight by the **Chief Risk Officer Department** is carried out, for the areas under its responsibility, as a second level control function, making clear that this is not an indirect coverage of the **Compliance function**.

With respect to the subsidiary, **Fineco AM**'s Board of Directors is ultimately responsible for defining the Company's sustainability/ESG strategy. Responsibility for implementing this strategy is assigned by the Fineco AM Board of Directors to the Fineco AM Sustainable Finance Committee (SFC). The SFC is composed of the CEO of Fineco AM, some members of the Boards⁶⁶, as well as senior managers and Sustainability Leads⁶⁷ from different departments. The Committee is chaired by the Head of Legal with the support of the Sustainability Lead of the Legal Team. The Committee has the authority to set policies (to be approved by the Board of Directors) and to establish operational guidelines for the implementation of Fineco AM's sustainable investment strategy. The Sustainability Lead of the Legal Team coordinates the day-to-day implementation and oversight of Fineco AM's sustainability/ESG strategy.

During its three-year term of office, the Board of Directors in office until the Shareholders' Meeting of 27 April 2023, has received, as provided for in the training plan approved in previous years, adequate training on sustainability issues, as well as on the topics considered most relevant to its reality (including the impact of technology and cybersecurity on FinecoBank's business model, human resources management, and the transformation of the banking business).

Similarly, the current Board of Directors, appointed by the Shareholders' Meeting of 27 April 2023, also received specific training sessions during the year 2023. In particular, these sessions are part of the broader induction program approved by the Board of Directors, which, for the year 2023, saw a total of 9 training meetings, carried out also with the support of the Bank's internal structures. The meetings were also attended by the Statutory Auditors.

⁶⁶ These are members of the Boards of Directors of: Fineco AM, FAM Series UCITS ICAV, FAM Evolution ICAV.

⁶⁷ Reference figures of ESG issues in different departments.

The new training plan for the current three-year period continues to include ad hoc sessions on ESG, in line with what emerged from the mapping of the most relevant topics for the Board members. The meetings are also attended by the Statutory Auditors. Finally, in order to ensure constant and periodic information flows between the corporate bodies, at each meeting of the Board of Directors a dedicated briefing on ESG issues is provided to the Directors by the Chairman of the Corporate Governance and Environmental and Social Sustainability Committee, as discussed in the meetings of the same Committee.

COMPOSITION OF THE BOARD, COMMITTEES AND SUPERVISORY BODY

The Shareholders' Meeting appoints the **Board Members** on the basis of the lists submitted by the Board of Directors and the shareholders, according to the procedure described in the Articles of Association. The Board of Directors and the Shareholders can submit a list for the appointment of Directors, provided that when they submit the list they hold, alone or together with the other submitting shareholders, at least the minimum shareholding established by Consob⁶⁸ and in compliance with relevant provisions in the Issuers' Regulations.

The appointment mechanism ensures broad representation for the **minority shareholders**. In fact, the list that comes second in terms of number of votes will be assigned two Directors, while the list that comes third in terms of number of votes will be assigned one Director, provided he/she has received at least 2% of the votes cast at the meeting.

In order to ensure the functioning of the management body, the Board of Directors has also established the requirements that must be met by directors of FinecoBank, in addition to those already envisaged by current laws and regulations, as well as the number of directorships that can be held by them in other companies. The directors accept the office when they believe they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment connected with their own work and professional activities, as well as the number of offices they hold in other companies, including companies outside Italy.

The Board members must be suitable for the performance of the office. Specifically, they must meet the requirements of professional expertise, integrity and independence and comply with the criteria of competence, correctness and dedication of time and the specific limits on the number of positions held laid down in the applicable regulations (Ministerial Decree no. 169 of 2020) and the Articles of Association and in any event those laid down in the CRD IV Directive, for the discharge of the duties of director of a bank issuing shares listed on regulated markets.

The Board of Directors shall elect a **Chairman** from among its members and – where appropriate – one or more Deputy Chairmen, one of which will act as a stand-in. The Chairman is responsible for chairing the Shareholders' Meeting, directing and moderating discussions, establishing the voting procedures and confirming the results, in compliance with the applicable regulations and procedures for Shareholders' meetings. The Chairman of the Board of Directors of FinecoBank has not been granted any management powers and therefore does not have any executive role. He/she does not have a specific role in the development of business strategies, is not the main person responsible for the management of the Company, and does not have significant

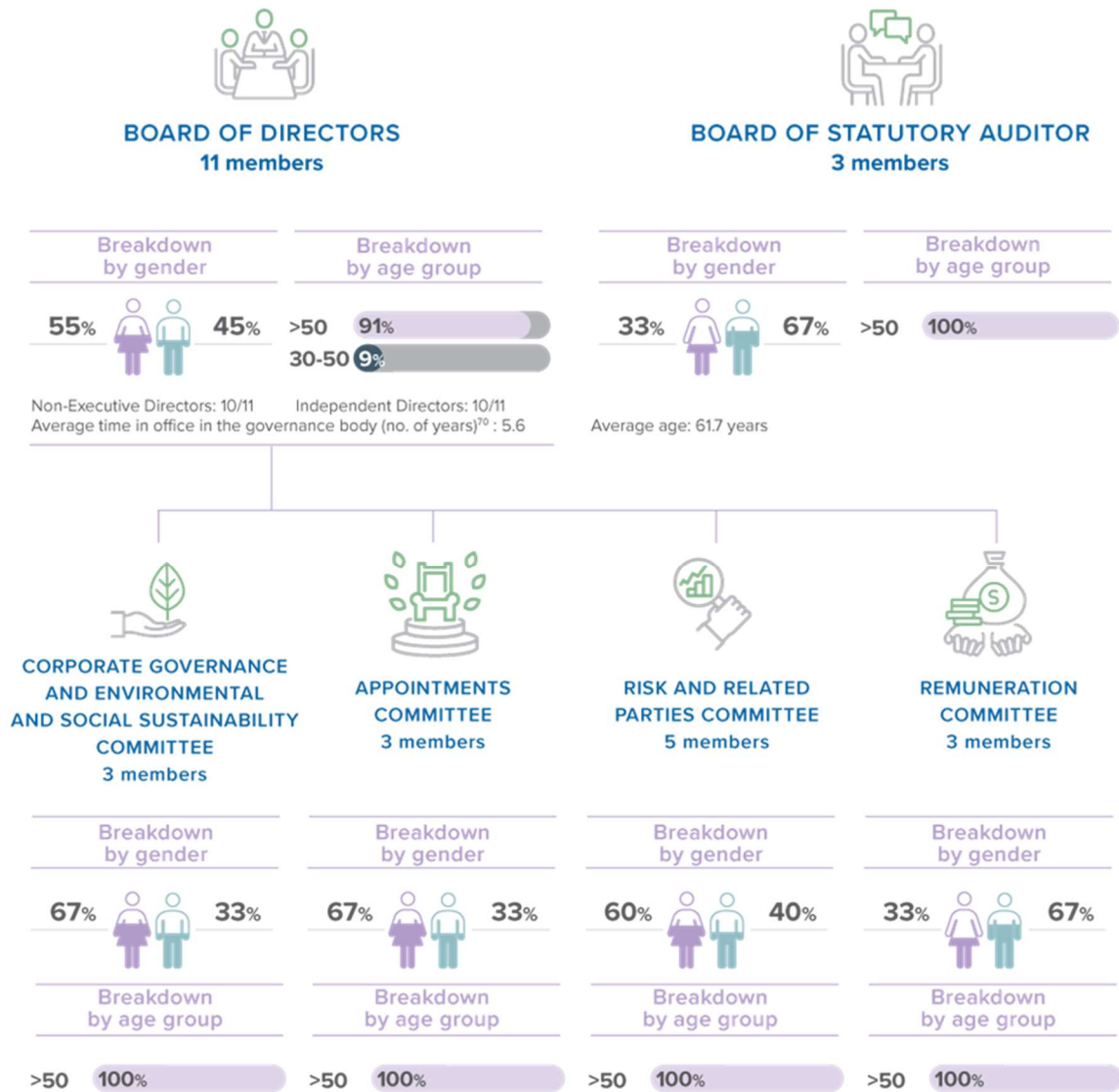
⁶⁸ Pursuant to Article 147-ter, paragraph 1, of the Consolidated Finance Act.

investments, either directly or indirectly, in the Company's share capital. The Chairman is not a member of any of the Bank's Board Committees.

For further details, see Article 13 of the Articles of Association, as well as the "Report on corporate governance and ownership structures" and the "Qualitative and Quantitative Profile of the Board of Directors", published on the Bank's website.

The current **Board of Directors** was appointed by the Shareholders' Meeting on 27 April 2023, and the term of office will end at the Shareholders' Meeting to approve the Annual Report as of 31 December 2025. It is composed by **11 Directors** in accordance with the articles of association provisions. The composition of the Board of Directors in office as of 31 December 2023, quantitatively and qualitatively corresponds to the theoretical profile identified in the document "Qualitative and Quantitative Composition of the Board of Directors of FinecoBank S.p.A." ⁶⁹ also with regard to the limits on the number of offices held and the time availability required to fulfil role at FinecoBank. In addition, the Board of Directors meets the requirements of **integrity, experience** and **independence** (including suitability) set forth in the Articles of Association and regulations applicable to the Board of Directors in office at the date of this document.

⁶⁹ In accordance with the current statutory and regulatory provisions of the sector, FinecoBank's Board of Directors defines its qualitative and quantitative composition considered optimal for the effective performance of the duties and responsibilities entrusted to the administrative body by the law, the Supervisory Provisions and the Articles of Association. The Board also establishes the requirements that FinecoBank's Directors must meet, in addition to those provided for by the applicable laws and regulations, and expresses its orientation regarding the maximum number of positions that may be held in other companies by such directors. The Board, prior to the appointment of the administrative body, brings to the attention of the shareholders the composition deemed optimal so that the choice of candidates can take into account the required professionalism. In this regard, please refer to the document entitled "Qualitative and Quantitative Composition of the Board of Directors of FinecoBank S.p.A.," published on the Company's website. For the sake of completeness, please note that in the same way the Board of Statutory Auditors also defines its own qualitative and quantitative composition considered optimal, also published on the Company's website.



With particular regard to the skills, the Board has drawn up a **table of skills** which illustrates the collective experience, knowledge and expertise it considers appropriate in order to obtain the optimal composition. The following is the mapping of responsibilities with reference to the current Board of Directors.

⁷⁰ The number of years is calculated from the date of first appointment to the Board of Directors until the date of the Shareholders' Meeting called to approve the annual financial statements as at 31 December 2023.

Skills of the Board of Directors



In compliance with the provisions of the Regulations of Corporate Bodies, the **annual self-assessment process** on the functioning of the Board and its Committees in office until the date of the Shareholders' Meeting on 27 April 2023, as well as their size and composition, was conducted in the first months of 2023.

The self-assessment process involves: (i) a preliminary investigation, carried out with the help of anonymous questionnaires and individual interviews; (ii) the processing of the results of the self-assessment process and preparation of the summary document summarizing, among other things, the strengths and weaknesses that have emerged; (iii) the Appointments Committee's review of the summary document and the formulation of proposals for possible corrective measures; and (iv) the Board of Directors' evaluation and approval of the summary document accompanied by proposals for further improvement. In carrying out the process, the Bank relies on the support of an independent external professional, identified with the input of the Appointments Committee, who is responsible for providing advice in carrying out the various stages of the process.

With regard to the self-assessment process referring to the corporate bodies in office until April 2023, the questionnaire and interviews, consistent with the *Board reviews* of previous years, focused on several areas pertaining to the size, composition, and functioning of the Board of Directors and the Board committees. The vast majority of Directors appreciated the increasing focus on ESG issues. The outcome of the above self-assessment process showed a positive picture regarding the size and composition of the Board. In view of the renewal that was resolved upon by the 2023 Shareholders' Meeting, the questionnaires revealed a desire to preserve the available inventory of skills, without prejudice to an enrichment of skills in the ESG and IT fields, among others. In addition to fulfilling the objectives laid down in the relevant Supervisory Provisions, this self-assessment process also had the objective, in view of the renewal of the Bank's Corporate bodies, of providing possible indications in terms of the quali-quantitative profile for the orientation opinion submitted to the Shareholders' Meeting in 2023.

The self-assessment process conducted on the Board appointed in April 2023 is currently underway.

For information and details on the structure and functioning of the corporate bodies, the governance practices applied, and the activities of the Board committees, please refer to the “Report the corporate governance and ownership structures”, as well as to the “Regulation on FinecoBank’s Corporate Bodies” both available on the company website.

POLICIES ON THE DIVERSITY OF THE GOVERNANCE BODY

The composition of the Board must include a combination of abilities and managerial skills, in compliance with the requirements of integrity, independence, experience and gender as stated by current laws, regulations and the Articles of Association, as well as with the recommendations of the Corporate Governance Code. The number of board members must be such that the Board includes:

- all the different components of its social base;
- all the necessary skills for competent internal debate;
- a sufficient number of independent members in accordance with the Corporate Governance Code;
- adequate gender representation, in addition to reflecting an appropriate degree of diversification in terms of skills, experience, age and international scope, which will be defined upon reappointment of the body.

The composition of the Board is intended to ensure a balanced combination of profiles and experiences and to promote diversity requirements with respect to specific skills in addition to those of the banking sector and the distribution of the seniority of Board members, including in terms of age. With particular reference to money laundering risks, the composition of the Board of Directors must be such as to ensure the presence of adequate knowledge, skills and experience to understand such risks related to the Bank’s activity and business model. Compliance with the gender diversity policies provided for by the regulations in force is also reflected in the Articles of Association: the composition of the Bank’s Board of Directors in office as of 31 December 2023 not only complies with the gender balance provided for by the applicable regulations⁷¹, but since March 2021 the Bank has also become the first FTSE Mib company with a female-dominated Board, with 55% representation of women. This percentage was also maintained following the latest renewal of the Board of Directors resolved by the Shareholders' Meeting of 27 April 2023.

It is also good practice, consistent with the skills required to hold the offices and the need to ensure the effective performance of the relevant tasks, that the offices of Chairman of the Board of Directors, Chairman of the Board of Statutory Auditors, Chief Executive Officer and General Manager are not held by members of the same gender.

Also the Board of Statutory Auditors, at the Shareholders' Meeting of 27 April 2023, defined, ex ante, in compliance with the provisions of Ministerial Decree 169/2020, the optimal theoretical profile of its members, preparing a specific document called “Qualitative and Quantitative Composition of the Board of Statutory Auditors of FinecoBank S.p.A.”, approved by the same

⁷¹ It should be noted that following the amendments made, inter alia, by law no. 160/2019 (Budget Law) to Article 147-ter, paragraph 1-ter of the Consolidated Finance Act, at least two fifths of the elected directors of the supervisory body should belong to the least represented gender.

control body on 13 March 2023⁷². With specific reference to gender diversity, the provisions of Article 144-undecies.1 (Gender Balance) of the Issuers' Regulation apply to the Board of Statutory Auditors⁷³.

REMUNERATION POLICIES

FinecoBank's **remuneration governance** model aims to ensure clarity, reliability and transparency in decision-making processes, through proper control of the Group's remuneration processes and by ensuring that decisions are taken in an independent, informed and timely manner, in order to avoid conflicts of interest and ensure proper disclosure in full compliance with the provisions set out by the Supervisory Authorities. In line with this approach, the **Remuneration Policy** is formulated by the Chief People Officer Department, with the involvement of other corporate functions for their respective areas of responsibility, and validated by the *Compliance* and *Risk Management* functions before being submitted to the Remuneration Committee. This Committee has the role of making proposals and providing opinions to the Board of Directors in relation to the Group's remuneration strategy, including, for example, the criteria for determining the remuneration, performance targets and share incentive plans, overseeing the overall coherence and actual application of the Remuneration Policy approved. The Remuneration Policy is submitted annually – on proposal from the Remuneration Committee – to the Board of Directors and then to the Shareholders' Meeting for approval, in line with regulatory requirements.

In application of the option envisaged in the applicable regulations, the Remuneration Committee uses the aid of an external consultant specialised in advisory services, whose independence has been verified in advance. This consultant supports the Committee's decisions on remuneration by providing, for example, analyses on market practices and updates on the developments in the regulatory framework.

Fineco maintains a constructive dialogue with institutional investors and the main proxy advisors in relation to the Remuneration Policy and the Incentive Plans, with a particular focus on ESG issues, in order to gather valuable input on the approach to remuneration and specific suggestions for ensuring effective disclosure to the public.

With regard to the **voting** at the Ordinary and Extraordinary Shareholders' Meetings of Fineco on 27 April 2023 on the remuneration systems, a positive result was recorded, reflecting broad consensus among shareholders. Specifically, there were 94.6% votes in favour for the "Report on remuneration policy" and 98.3% for the "Report on compensation paid".

The **remuneration strategy**, consistent with regulations and best market practices, ensures consistency between remuneration and performance, context, market trends, business strategies and the long-term interests of shareholders.

⁷² The Board of Statutory Auditors had already defined its optimal composition on a voluntary basis upon reappointment of the body approved by the Shareholders' Meeting of 28 April 2020.

⁷³ Resolution no. 21359 of 13 May 2020 amended Article 144-undecies.1 of the Issuers' Regulation, paragraph 3 of which, in its current wording, establishes that "Where the application of gender division criteria does not result in a whole number of members of the administrative or control body belonging to the least represented gender, this number is rounded up, except for the corporate bodies made up of three members, for which the rounding takes place by default to the lower unit".

The **Remuneration Policy** establishes the reference guidelines for the Group's remuneration practices, aiming to define incentive systems to attract, retain and motivate all personnel in line with the corporate values and objectives – also in relation to sustainability – with the company's results, with effective risk management – consistently with the reference framework for determining risk appetite – and with capital and liquidity levels. In this regard, the Group is committed to ensuring fair remuneration irrespective of age, race, culture, gender, disability, sexual orientation, religion, political affiliation and marital status, and any other personal or professional circumstances. Particular attention is given to the gender neutrality of the policy.

Under the principle of “Pay for sustainable performance” and in order to align management interests with those of the shareholders, minimum shareholding levels are set for the CEO and General Manager, equal to 200% of the GAS⁷⁴, and for Key Management Personnel, equal to 100% of the GAS, normally to be reached within 5 years from the first appointment and to be maintained for the entire duration of the office held.

For the Group's **employees**, the approach to the overall remuneration involves a balance between fixed and variable components, each set with the aim of having a significant impact on employee motivation and retention. All fixed remuneration is set on the basis of pre-established, non-discretionary criteria, considering the skills, levels of professional experience and responsibility of each employee. The variable remuneration, on the other hand, is aimed at recognising results achieved by establishing a direct link between remuneration and short-, medium- and long-term risk-adjusted performance, while avoiding incentives that could induce staff to behave in ways that are not consistent with the Bank's risk profile. The variable remuneration is based on short-term Incentive Systems linked to annual performance, together with the Long-Term Incentive Plan.

Short-term variable remuneration is linked to the achievement of specific individual objectives defined ex-ante through the use of indicators aimed at strengthening the sustainability of the business. For the Group's Identified Staff⁷⁵, the payment of short-term incentive, in cash and in shares, is deferred, except for specific exceptions provided for by the reference regulations. The 2023 Individual Scorecard for the Identified Staff maintains an appropriate balance between quantitative/strategic factors, which account for 70% of the overall scorecard, and qualitative and sustainability⁷⁶ factors, which account for 30% of the overall scorecard. In particular, the specific Stakeholder Value objective includes a number of ESG goals, incorporated in the Group's 2020-2023 Strategic Plan. In addition, a specific “Tone from the top” objective concerning integrity in conduct and the dissemination of a compliance culture within the organisation continues to be maintained.

With regard to the **long-term variable remuneration**, the 2021-2023 Long-Term Incentive (LTI) Share Plan for employees includes specific ESG performance targets, linked to customer satisfaction, people engagement and the extension of the ESG rating to all new funds, in line with the 2020-2023 Strategic Plan. Bonuses are paid entirely in shares and are subject to deferral periods.

⁷⁴ Gross Annual Salary.

⁷⁵ “Identified staff” means the staff whose activities have a significant impact on the Group's risk profile according to the provisions of Circular no. 285 of 2013 and Delegated Regulation (EU) 2021/923.

⁷⁶ The Head of Sustainability and the Energy Manager have sustainability goals related to the short and long term incentive system.

As provided for in the Group Remuneration Policy, the variable remuneration awarded or paid is subject to ex-post correction mechanisms (malus and claw backs) designed to take individual conduct into account. Specifically, these measures allow for the reduction, cancellation or reclaiming of any form of variable remuneration.

Other forms of remuneration (e.g., entry bonuses and retention bonuses) are subject to a specific decision-making process and are only envisaged in exceptional cases. These are considered variable remuneration and, as such, are subject to the rules applicable to it.

With regard to **severance pay**, the Termination Payments Policy has been adopted, which implements the regulatory provisions contained in Bank of Italy Circular no. 285 of 2013, with particular regard to the amounts agreed ahead of or at the time of early termination of the employment relationship. Discretionary pension benefits are not normally awarded. If they are envisaged in local practices and/or, exceptionally, individual agreements, they are in any case paid in a manner consistent with the related specific legal and regulatory provisions.

RATIO OF TOTAL ANNUAL REMUNERATION	2023	2022	2021
Total annual remuneration of the organisation's highest-paid person/median annual total remuneration of all employees (excluding the highest-paid person) ⁷⁷	42	45	53
Percentage increase in total annual remuneration of the organisation's highest paid employee/Median percentage increase in total annual remuneration of all employees (excluding the highest paid employee)	0.25	-4.9	-7.5

With regard to the **remuneration strategy for the Network**, the provisions of the Remuneration Policy also apply to the FinecoBank personal financial advisors classed as Identified Staff, in line with their specific remuneration characteristics. To adapt the rules on the structure of employee remuneration, which are based on the coexistence of a fixed and a variable component, to the specific features of the personal financial advisors, who are connected to the company through a self-employment contract, the regulations have established that remuneration must be separated between a “recurrent” and a “non-recurrent” component.

As a further compliance safeguard, a “Scoring” system has been in place for the network since 2023, which introduces a corrective measure resulting from the assessment of indicators of compliance and quality of operations, relating to specific areas such as mandatory training and internal regulations, Transparency, Anti-Money Laundering and Anti-Terrorism, MiFID and Disciplinary Measures. This system applies during the incentive period and may lead to a revision of the amount of the bonus accrued.

For more details see “Section I – 2023 Report on Remuneration Policy” and the “Termination Payments Policy”, both of which are available in the Governance section of the FinecoBank website.

⁷⁷ The annual changes in the ratio of the total annual remuneration of the organisation's highest-paid person to the median total annual remuneration of all employees (excluding the highest-paid person) are attributable to the different pay-out profiles (applicable in particular to the organisation's highest-paid person) in the multi-year plans, in the form of cash and shares, in the reference year.

5.2 MANAGEMENT OF ESG RISKS

Fineco has always promoted a solid risk culture based on shared values and consistent behaviour, which are necessary to ensure long-term sustainable profitability.

The key principles that ensure the dissemination of risk culture are:

- risk awareness: the Bank aims to make employees aware of the various types of risks to which the institution is exposed and to understand how their daily actions can influence these risks;
- integrated management: risk management is integrated into all functions and levels of the organisation, rather than being considered solely the responsibility of the risk management department;
- transparency and communication: risk information is transparent and easily understood, both within and outside the organisation. Open and clear communication is essential to deal with risks effectively;
- regulatory compliance: risk culture also implies compliance with applicable regulations and laws, ensuring that the bank operates in accordance with industry standards and laws;
- continuous learning: the organisation learns from past events and adapts its risk management strategies and processes based on experience and internal and external developments.

Specifically, the Group has adopted an effective and efficient **Internal Control System** (ICS), with the aim of ensuring that the company's activities are based on sound and prudent management practices that guarantee capital solidity and company earnings, whilst also ensuring informed risk-taking and operating conduct based on fairness and compliance with internal and external regulations. This system, which includes first, second and third level controls⁷⁸, allows broad support for strategic choices and control over objectives, not only economic but also risk propensity, promoting stability and transparency and protecting stakeholders' interests. In particular, the ICS consists of the set of rules, functions, structures, resources, processes and procedures that aim to ensure the achievement of the following objectives:

- containment of risk within the limits indicated in the Group *Risk Appetite Framework*;
- verifying the implementation of the Bank's strategies and policies;
- protecting the value of assets and preventing losses;
- ensuring the effectiveness and efficiency of corporate processes;
- ensuring the security and reliability of the Bank information and ICT procedures;
- preventing the risk of the Group being involved, even involuntarily, in illegal activities (with particular reference to money laundering, usury and financing terrorism);
- ensuring transactions comply with the law, supervisory regulations and internal policies, procedures and regulations.

The Internal Control System is pervasive in the Group's organisational structure and involves the Corporate Bodies, the corporate control functions and the line structures. For Fineco, the **Risk Appetite Framework** (RAF) is the instrument to monitor the risk profile that the Group wants to adopt in the implementation of its business strategies and in the pursuit of sustainable profitability

⁷⁸ For more details on the nature of the first, second and third level controls, see the section "Risk management objectives and policies" of the document FinecoBank Group Public Disclosure - Pillar III as at 31 December 2023, available in the Corporate/Investors section of the Fineco website.

in conjunction with solid business growth. The RAF uses a set of risk limits and metrics to establish risk objectives, tolerance thresholds and operating limits that the Group intends to comply with as part of the pursuit of its strategic guidelines.

In line with the **Risk Appetite Framework Global Policy**, the RAF is defined through the Risk Appetite Statement, which qualitatively defines FinecoBank's positioning in terms of strategic objectives and related risk profiles, and the Risk Dashboard, composed of a set of quantitative indicators. Among the strategic objectives set out in the Statement, the following intentions of the Bank are particularly relevant for non-financial reporting purposes:

- addressing “its business and operational management choices, accompanying its strategy, focused on stable and organic growth, with the progressive integration of environmental and social sustainability (ESG) principles”;
- providing comprehensive information to customers on ESG issues within the investment and brokerage product offerings, and in financial education initiatives;
- achieving 95% investment in Net-Zero countries and institutions by 2030.

In line with the Statement, since 2020 the Group has been monitoring a series of **ESG risk indicators** in its Risk Dashboard:

- one of the indicators is designed to ensure that a part of the investments is made in ESG bonds, which are designed to support projects or activities that promote social and environmental sustainability;
- an indicator measuring the percentage of ESG funds⁷⁹ offered by the subsidiary Fineco AM out of the total fund offerings promoted by the latter;
- an indicator for physical climate and environmental risk, which monitors the geographical concentration of real estate collateral received to secure mortgage loans in areas with high seismic and hydrogeological risk. In this context, during 2023, in order to make the indicator more accurate and reliable, the Bank conducted the necessary analysis to update the methodology for identifying high-risk properties, taking advantage of the information flows on properties already used by the Bank for Pillar III reporting. The new version of the indicator envisages a shift from a geographical approach to an analytical approach, and will replace the previous one in the Risk Appetite Dashboard starting from January 2024;
- additional indicators relating to conduct risk and banking transparency, coupled with an enhanced escalation process, which is triggered when certain risk thresholds are reached.

The RAF metrics are regularly **monitored** and **reported**, at least quarterly: the monitoring is carried out by the Chief Risk Officer Department (CRO) and the Chief Financial Officer Department and reported to the Corporate Bodies. In this regard, the CRO Department supports the Board of Directors in defining a proposed risk appetite for the Group. Aligning the incentive schemes for top management and the network of Personal Financial Advisors with the RAF encourages a conservative approach to risk-taking and the maintenance of adequate risk levels.

⁷⁹ For the purposes of the indicator, ESG funds are considered to be those that meet the requirements set forth in former Articles 8 and 9 of the SFDR.

The risk assessment is also carried out whenever a new product is introduced. The **Global Policy for the New Products Process** involves in-depth analysis by all the Bank's functions for their respective areas of responsibility and requires unanimous approval by the Product Committee.

The CRO Department, in its capacity as the risk management function, is responsible for identifying, quantifying and mitigating the Group's risks, using a series of rules, methodologies, policies and strategies in line with the regulatory requirements established by the Supervisory Authorities, and supporting the strategic planning. In this context, in addition to the above-mentioned additions made to the Risk Appetite Statement and Dashboard, a focus on ESG risks and reputational risks is prepared during the annual **Risk Inventory**. Given that these are cross-cutting risks, the analysis focused on the impact of environmental, social, reputational and governance risk factors on the traditional risk categories already managed and monitored by the Group (e.g., credit risk, market risk, etc.).

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 from those risks on the Group's risk profile, given the limited exposure of FinecoBank's business model to climatic and environmental risk factors. Specifically, with regard to credit risk, the Bank's strategy does not contemplate the granting of credit to corporate customers⁸⁰, and the **Commercial Lending Policy** specifically states that the Bank shall refrain from financing companies operating in sectors with high climate and environmental risk (e.g., the energy or steel sectors). Furthermore, the Group's strategic investments mainly involve sovereign counterparts (Sovereign States, Government Organisations, etc.) with little exposure to climate and environmental risks, or sufficiently organised to manage them. This approach safeguards the Group from being exposed to various climate risk factors, including, for example, loss of biodiversity.

With regard to **market risk**, the Group as a whole does not engage in proprietary trading, and the trading book is only operated for the functional needs of proprietary trading with customers. The Group carefully monitors and hedges these positions, and in any event most of them are closed at the end of the day. The Group's limited exposure to market risks prevents it from being exposed to sudden price changes due to climatic and environmental risk factors.

With regard to **operational risk**, climatic and environmental risk factors that could generate impacts mainly fall under acute physical risks. Extreme weather events could cause damage to the Bank's infrastructure and, consequently, generate losses in the profit and loss account (Event Type 5⁸¹). However, Fineco has little exposure to acute physical risks as, with the exception of a single property it owns (a building where it has its registered office), it does not invest in real estate. In addition, the Bank also does not use branches to maintain relations with its customers as it has always promoted the use of digital channels. In fact, branches could also be damaged by extreme weather events, causing losses for repairs and inconvenience to customers.

⁸⁰ The Group does not finance companies operating in sectors with high climate and environmental risk, such as dams, mining, coal, nuclear, oil and unconventional gases (containing more carbon and sulphur and possibly higher impurities that make them harder to refine).

⁸¹ Damage to tangible property – internal loss data classifications as per Art.324 of Regulation 575/2013.

With regard to **liquidity risk**, funding comes mainly from customers' demand deposits, which proved to be insensitive to the most recent earthquake/climate events. In addition, the Bank's counterbalancing capacity is mainly composed of Sovereign bonds, which have little exposure to climate and environmental risks.

Taking into account the characteristics of FinecoBank's business model outlined above, the risk categories that, albeit marginally, could be impacted by climate and environmental factors were: i) credit risks stemming from retail customers' reliance on the Bank, and ii) business risks stemming from offering financial products not aligned with customers' sustainability preferences:

- with regard to credit risks, the analysis carried out during the 2024 Risk Inventory recognises that mortgage loans granted to retail customers could be affected, already in the short term, by a reduction in the value of the real estate pledged as collateral, mainly due to acute physical risk factors (e.g., floods or landslides). This trend could also worsen in the long run as global warming worsens, due to a greater frequency and intensity of acute physical risk events, a more pronounced manifestation of chronic physical risks (e.g., sea level rise), and a greater likelihood of transitional risk factors, such as the imposition of a minimum energy class requirement for the sale of real estate. To mitigate the exposures to those risks, the second level controls on credit risks include a series of monitoring activities aimed at controlling the areas considered most at risk. In the calculation of the *Expected Credit Losses* (ECL), calculated by the Group in accordance with IFRS 9, FinecoBank has integrated physical risk factors into its model for estimating the Loss Given Default of mortgage loans. Specifically, loans secured by mortgages on properties more exposed to climate and environmental risks will have a higher LGD. As a result, the Bank calculates higher expected losses on these positions. With regard to physical risks related to climate change, as mentioned above, the Group monitors on a quarterly basis the concentration of real estate pledged as collateral for real estate loans in areas with a high climate and environmental risk. As of January 2024, a new indicator is adopted, which is based on an analytical approach in the identification of at-risk properties, made possible by the increased granularity of information made available by a specialised external provider. In addition to the spatial location, a series of qualitative information relating to individual housing units is taken into account, which can mitigate physical and transitional risks, including, by way of example, the construction quality of the building (seismic and energy class) and certain intrinsic characteristics (e.g., the floor of the building). The new indicator makes it possible to broaden the scope of the risks monitored.
- Unlike credit risks, business risks are more concentrated in the short term. Specifically, the performance of investment products that do not promote social and/or environmental characteristics or that do not have sustainable investment objectives, offered by Fineco Asset Management, may be affected by certain transitional risks, such as a change in customer preferences, which could shift towards products with greater sustainability characteristics offered by other asset managers. This risk factor is expected to decrease in the medium to long term as Fineco AM refines its sustainable product offering.

The monitoring of **country risk**, includes a number of indicators (Worldwide Governance Indicators), developed by a group of researchers in collaboration with the World Bank, aimed at summarising the effectiveness of policies implemented by government authorities in different

countries. To accompany these indicators, a specific environmental risk indicator, *ND-Gain*⁸², is used, which was developed by a group of researchers at the US University of Notre Dame.

Another area of monitoring is aimed at identifying business crisis situations in companies that provide salaries to a large number of Fineco account holders with outstanding personal loans or mortgages. Specifically, for the 10 companies that pay salaries to the largest number of Fineco current accounts held by borrower customers, news monitoring has been implemented to identify any business difficulties that could lead to delays or suspensions in the payment of salaries or in collective redundancies, resulting in difficulties for Fineco's borrower customers to make repayments. In addition to checking the news about these companies, the Bank monitors the exposure and management of the ESG risks by analysing the ratings provided by the ESG Risk Rating agency Sustainalytics.

Within the **ICAAP process** (*Internal Capital Adequacy Assessment Process*), stress tests are carried out that consider both physical risk and transition risk. The stress test focuses on three uncorrelated risk factors considered relevant to Fineco's business model:

- change of customer preferences from Fineco AM funds classified as SFDR Article 6 to funds of third-party managers with ESG characteristics classified as SFDR Article 8 and 9. The objective of the scenario, which can be classified as transition risk, is to estimate the impact of the change of preference on fees and commissions and the internal capital related to the Group's business risk;
- reduction in the value of the real estate collateral for mortgage loans in areas of high climate and environmental risk. The reduction in value would lead to an increase in LGD, a consequent increase in loan adjustments and higher internal capital as a result of the credit risks;
- downgrades of countries most exposed to climate and environmental risks, resulting in a higher Probability of Default (PD) of institutional counterparties and higher credit and internal capital adjustments for credit risks.

In the **ICAAP 2023 stress test**, relating to data as of 31 December 2022, in line with the exposures held by the Group, the counterparties considered were China, the United Arab Emirates and Latvia. The downgrade resulted in a higher PD of the aforementioned institutional counterparties, and consequently higher credit and internal capital adjustments for credit risks.

To manage the **operational risks** related to human error, deficiencies in internal procedures and incorrect execution of processes, Parent Company CRO Department and the local risk control functions collect and classify loss data from the various business areas and creates a system of operational risk indicators. The loss data and any anomalous values recorded by the indicators are used for the purposes of internal improvement of operations and are brought to the attention of the Board of Directors of the Parent Company through the Quarterly Report on Group risk exposures. Specifically, the Group maintains a series of Key Risk Indicators divided into different control areas: *Payment Cards, Compliance, HR, Legal, Operations Securities, Payment Systems, Complaints, Network Controls, IT Systems, Security, Administration, Audit, Sustainability/ESG,*

⁸² This indicator considers two fundamental parameters: the level of a country's vulnerability to climate change and its positioning in terms of economic, social and governance readiness to cope with climate change. The two indicators are compared to determine a country's exposure to climate and environmental risks.

Outsourcing, Money Laundering, Anti-terrorism and Reputational Risk. Some of these indicators are defined as relevant for ESG purposes, because if their value is abnormal, they may signal specific risks concerning relations with customers (e.g., complaints received from customers, availability or security issues in IT systems), with staff (e.g., turnover) or with the regulators, affecting the sustainability of the business.

With reference to **reputational risks**, the Group identifies, in the Risk Inventory, the risk factors that could lead to a current or prospective decline in profits or capital resulting from a negative perception of the Group's image by stakeholders (customers, employees, counterparties, shareholders, investors or regulators). In the ESG area, factors that could generate reputational risk undoubtedly include the possible involvement of one or more Group companies and external partners in scandals related to *greenwashing* practices. To guard against this type of risk, in 2023 the Group implemented some KRIs, aimed at identifying the number of products (mainly funds and ETFs) exposed to greenwashing risk, which Fineco distributes through its platform.

The Global Policy to guard against operational and reputational risks also provides that any employee who identifies events that could have an impact on the image and reputation of the Fineco Group is required to promptly inform the Parent Company's CRO Department. The Group CRO assesses whether to continue the escalation process to the Parent Company's Top Management, including the CEO and General Manager, based on the materiality of the event. In the most relevant cases, the issue is brought to the attention of the Risk and Related Parties Committee in the first useful session.

In addition to ESG risks, the Group also assesses its exposure to other types of non-financial risks, including a range of **emerging risks**, potentially impacting the Group's business strategies, financial performance or reputation.

Pandemic risk is the risk that, in order to contain the spread of a particular infectious disease, countries will impose a series of restrictive measures, including, for example, social distancing and the closure of businesses, with serious repercussions on the local economy. As shown by the Covid 19 pandemic crisis, these types of events have little impact on FinecoBank's business model. Indeed, the business model does not involve the use of branches, and has always encouraged customers to use digital channels, also for financial advice. In addition, the Bank's contingency plan and IT infrastructure enable the use of remote working. Lastly, the Group's credit exposures are mainly focused on the sovereign segment, which is only secondarily affected by a pandemic.

The **risk of geopolitical and economic uncertainty** is the risk of increased volatility in global markets or deterioration of the macroeconomic environment due to geopolitical and economic events. FinecoBank's business model has little exposure to currency or commodity price volatility, as the "Group Market Risk Global Policy" limits market risk exposure to the minimum compatible with the business needs and does not allow the opening of speculative positions. Credit exposures, on the other hand, despite being concentrated within the European Union, may be affected by the deterioration of the macroeconomic environment, particularly in the context of calculating expected credit losses in accordance with IFRS 9. In any case, all risks potentially impacted by geopolitical events (credit risk, country risk, market risk, etc.) are managed and monitored by the Group according to the three lines of defence model, within the related frameworks.

Cyber risk is the risk of unauthorised access, by persons inside and outside the organisation, to information and communication systems. This is considered to be an emerging risk as a result of the increasing use of digital channels and the number and sophistication of cyber incidents targeting the banking system. A cyber-attack on the Group could result in customers being unable to access their financial assets, or in the loss/deletion of sensitive data. In order to reduce exposure to this type of risk, the Group adopts the highest safety standards and best practices in the field, increasing risk awareness also through staff training by means of special video courses. This risk is managed and monitored in conjunction with ICT risk according to the three lines of defence model, in accordance with the relevant Group framework.

Third-party risk takes the form of an increase in the Group's dependence on services offered by third parties, with particular reference to providers of cloud or IT services in general. For the latter, in the case of the FinecoBank Group, the increased dependence on third-party providers is not dictated by internal needs but by the increasingly marked trend of the market to migrate towards cloud technology. As part of the framework for the management of outsourcing and third-party ICT services, the Group carefully evaluates all risk factors arising from third-party service providers, taking into account the extent and nature of the services provided, and adopting exit strategies in the case of outsourcing of essential or important functions.

Innovation and customer experience risk is the risk of not being able to maintain the standards of quality/innovation already provided to customers with repercussions for the level of customer service. The risk is considered to be emerging risk due to the entry of new, highly digitised competitors into the market and the increasing tendency to adopt cutting-edge technologies in the provision of financial services that enable an increasingly personalised user experience. The Group is continuously developing and updating its digital platforms and services, using investment in technology infrastructure to guarantee business continuity and full maintenance of service levels even in emergency situations. The customer satisfaction orientation is also supported by a careful and proactive handling of complaints, and the monitoring of indicators that measure the degree of customer satisfaction/dissatisfaction.

For a full description of the risks and uncertainties that the Group faces in the current market situation, see “Part E – Information on risks and related hedging policies” in the “2023 Annual Report and Accounts”.

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
L.D. 254/2016: Social		
Business ethics and compliance culture	<p>Internal fraud: actions carried out with the intent to defraud, misappropriate assets, violate laws or company policies involving at least one Company employee or similar. Internal fraud takes on particular social and reputational importance when perpetrated to the detriment of customers.</p>	<ul style="list-style-type: none"> • Risk is overseen by various functions of the Parent Company (<i>Network Control Department, Risk Management, Compliance, Information Security & Fraud Management, Internal Audit</i>, etc.) by means of specific monitoring activities. • Fraud monitoring in accordance with EU and national legislation, to ensure the protection of information systems from incidents that may affect the rights of the persons concerned. • The controls and mitigation measures are described in the “<i>PFA network control system</i>” Local Policy⁸³, while the second level is governed by the “<i>Monitoring and control of operational and reputational risks</i>” Global Policy. • The results of the controls carried out by the various organisational units and centralised within the <i>Network Controls</i> Unit, which examines and analyses the individual cases, to enable the Bank to promptly take the most appropriate disciplinary action against the PFAs based on the severity of the misconduct. • <i>Whistleblowing</i> Procedure for Reports of Misconduct.
	<p>Risk of lack of protection of personal data and privacy</p>	<ul style="list-style-type: none"> • Privacy Global Policy. • Establishment of a <i>Data Protection Officer</i> (DPO) to manage the theme and the launch of new projects, including assessing their feasibility and the way they are applied with a <i>privacy by design</i> approach. • Oversight of enforcement of the relevant legislation, with the support of the DPO. • Technical and organisational security measures to prevent data loss and unlawful use of data. • <i>Whistleblowing</i> Procedure for Reports of Misconduct.

⁸³ The “PFA Network Control System” Policy contains the control criteria and methods and the information flows between the various units involved in ensuring efficient management and prevention of conduct by PFAs that does not comply with the applicable external and external regulations.

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
Business ethics and compliance culture	Supply Chain: reputational risk from selecting suppliers involved in unlawful actions or affected by social responsibility disputes	<ul style="list-style-type: none"> • Evaluation of the required documentation during the selection process, such as: regulations concerning social security, health and safety at work, any ISO 9001 and ISO 14001 standards certifications, self-declaration on the exploitation of labour (i.e., “<i>Caporalato</i>”). • Evaluation of the answers provided to the ESG self-assessment questionnaire by the supplier at the start of the collaboration.
	Risk of failure to effectively manage third parties	Global Policy that defines principles and rules, roles and responsibilities for the definition and management of outsourcing and insourcing agreements, even when the use of cloud technology is envisaged. The Global Policy sets out the roles and responsibilities inherent in the outsourcing and internalisation of corporate functions (both intra-group and extra-group), indicates the corporate structures involved, recalls the methodology useful for determining the correct contractual category in the procurement process (purchase or outsourcing) and for determining the appropriate type of outsourcing. In addition, this Policy sets out the steps necessary for the implementation of an effective and efficient monitoring of the outsourced functions and the controls required to ensure their proper governance.
	Risk of error in tax compliance: operational risk, which may arise when carrying out the activities contained in the business processes	<ul style="list-style-type: none"> • Subscription, from 2016, to the optional Cooperative Compliance regime pursuant to Legislative Decree 128/2015, which provides for the adoption of an effective tax risk management and control system. • Risk mapped and managed within the <i>Tax Control Framework</i> (TCF). • When an operational error emerges, Fineco promptly rectifies the problem, where possible, and notes the deficiency in the internal control system reports. • The Tax Compliance Officer reports the emergence and correction of operational errors relating to the previous year to the Italian Revenue Agency, in accordance with the agreed time limits and procedures.
	Tax fraud risk: risk of Fineco incurring tax violations as a	<ul style="list-style-type: none"> • Subscription, from 2016, to the optional Cooperative Compliance regime pursuant

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
Business ethics and compliance culture	result of criminal conduct, also by third parties	to Legislative Decree 128/2015, which provides for the adoption of an effective tax risk management and control system. <ul style="list-style-type: none"> • Tax fraud risk is controlled by monitoring, analysing and assessing compliance and interpretation risk, namely by interrelationships with the Bank's internal processes (protocols of the Model pursuant to Legislative Decree 231/2001). • Cases involving a risk of tax fraud arising from the actions of third parties are always reported to the tax authorities. Corporate functions that receive formal notices from the legal authorities must immediately inform the Tax function for it to examine the related tax implication. • <i>Whistleblowing</i> Procedure for Reports of Misconduct.
	Tax interpretation risk: tax issues of a purely interpretative/assessment nature that can be understood differently by the Bank and the tax authorities	Specific escalation procedure for tax risk analysis and assessment and dialogue with the tax authorities. The procedure, validated by the Italian Revenue Agency under the Cooperative Compliance regime pursuant to Legislative Decree 128/2015, governs the roles, responsibilities and procedures for the: (i) detection of the existence of a possible interpretation risk; (ii) qualitative and quantitative assessment of the interpretation risk; (iii) triggering of the internal authorisation escalation procedure; (iv) and potential dialogue with the tax authorities. In the case of an interpretation risk with "Delta Tax" above the threshold predefined with the Italian Revenue Agency, there is an obligation of prior disclosure with the Agency.
Customer Satisfaction	Risk of implementing new products that do not reflect customer needs or expectations	<ul style="list-style-type: none"> • Monitoring of indicators measuring customer satisfaction/dissatisfaction. • Survey of customer sustainability preferences under MiFID legislation. • Analysis of products offered by other operators. • Volume analysis of products traded on regulated markets. • Listening to customers during education sessions on various topics (chats and surveys in digital meetings) and during industry events.

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
Education and financial advice	Misselling practices - Risk of inappropriateness of financial education initiatives aimed at the public	<ul style="list-style-type: none"> Regular updating of initiatives to make the offering diversified in order to enable users to broaden their knowledge of financial products and the concepts underlying them. Selection of target customers to be invited to the initiatives based on the level of knowledge of financial products and concepts.
	Misselling practices - Risk of advising customers on products that do not match their investment preferences or risk/return profile	<ul style="list-style-type: none"> Implementation of the MiFID profiling questionnaire with the possibility for customers to update it at any time and, in any case, the compulsory requirement for it to be updated when its validity expires. Adoption of IT procedures to perform suitability and target market checks on each investment recommendation made. Integration of indicators in the PFA scoring to signal operations that are not in line with customer preferences and/or risk profiles. Checks, by the <i>Network Controls</i> Unit, on advisors identified by related compliance indicators.
Correctness and transparency of information	Compliance risk: non-compliance with obligations to customers and risk of lack of transparency in marketing communications	<ul style="list-style-type: none"> The controls and mitigation measures are described in the “PFA network control system” Local Policy. Remote and on-site audits of the sales network by <i>Compliance, Audit, Monitoring and Network Services</i>. Group guidelines for the preparation of marketing and advertising initiatives. Risk also controlled by the CRO Department as part of the monitoring of operational and reputational risks. This involves monitoring the KRIs on conduct risk and transparency.
Innovation	<p>Risk of not being able to maintain the standards of quality/innovation already provided to customers with repercussions for the level of customer service.</p> <p>Risk considered emerging with medium- to long-term impact in 3-5 years, in relation to the digitisation</p>	<ul style="list-style-type: none"> Business model that has always been underpinned by principles of innovation, transparency and simplicity, with a focus on customer satisfaction. Ongoing development and updating of digital platforms and services. Investments aimed at ensuring business continuity and full maintenance of service levels, also in emergency situations. Thorough and proactive handling of complaints.

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
Cybersecurity and information security	process in the banking sector.	<ul style="list-style-type: none"> Monitoring of indicators measuring customer satisfaction/dissatisfaction.
	External fraud: actions committed by third parties with the intention of misappropriating company or customer assets and infringing regulations or laws	<ul style="list-style-type: none"> At the first level, this risk is controlled by the <i>Information Security & Fraud Management</i> team with regard to the security of customer transactions through intelligence gathering and prevention that ensure safeguards, in accordance with industry regulations, to meet strict security requirements and provide an appropriate level of protection for the risks involved. At the second level, this risk is managed by the <i>Risk Management</i> function through the monitoring of RAF indicators, the second level controls (KRI), the collection of loss data.
	<p>ICT and security risk:</p> <ul style="list-style-type: none"> Business disruption and system failures: the vulnerabilities and risks associated with the use of information and communication technology can have significant social implications. In the event of business disruption, customers may, for instance, be unable to access their financial assets. Cybersecurity: the loss or theft of sensitive data could have significant social implications. <p>The risk is considered emerging, with a long-term impact of 3-5 years, in relation to the increasing use of digital channels and the number and sophistication of cyber incidents targeting the banking system.</p>	<ul style="list-style-type: none"> Global Policy <i>ICT and Security Risk Governance and Control System</i>. At the first level, the risk is managed by the <i>ICT&Security Office</i>, which is responsible for supporting and managing the adoption of policies and technical and organisational measures aimed at guaranteeing the security properties of company information and assets, in order to avoid data loss/damage. At the second level, the risk is managed by the <i>CRO Department</i> and the <i>Compliance Department</i>. The <i>CRO Department</i> closely monitors ICT and security risk through a series of indicators included in the RAF, including the ICT & Cyber Risk Index (ICRI), which allows monitoring the level of risk against the cyber risk appetite defined by the Board of Directors. In addition to the RAF indicators, the Management performs second-level controls (KRI) and carries out the collection of loss data, the annual ICT and security risk assessment (summarised in the ICT Risk Situation Summary Report) and, if deemed necessary, scenario analyses. The <i>Compliance Department</i> is responsible for monitoring and controlling ICT and security risks from the point of view of adherence to external regulations. To this end: (i) it defines and performs second-level controls; it contributes to the definition of the information security policy; (ii) it is informed of

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
		<p>any activity or event that materially affects the Bank's risk profile, significant operational or security incidents, as well as any substantial changes to ICT systems and processes; (iii) is involved in projects for substantial changes to the information system in order to assess its adherence to the applicable regulations; (iv) more generally, ensures that ICT systems and projects, as well as all activities carried out within the information system, comply with the statutory, regulatory or statutory provisions and internal regulations and codes applicable to the Bank.</p>
Responsible Finance	<p>Market risk related to lack of preparedness or delay in understanding changes in customers' preferences for responsible products and investments with regard to social and environmental issues.</p> <p>The risk is considered to be emerging, with a long-term impact of 3-5 years, in relation to the increasing focus of customers on social and environmental issues.</p>	<ul style="list-style-type: none"> • Objective included in the <i>Multi Year Plan 2020-2023</i>, which includes training activities on ESG issues for financial advisors. • Evaluation of market risks and definition of objectives for their management within the framework of the Environmental Management System finalised in 2021. • Collection of client preferences with respect to sustainability issues in investment choices through the MiFID questionnaire.
L.D. 254/2016: Social/Human Rights		
Responsible Finance	<p>Financing of and investment in unethical activities, activities that do not comply with standards and practices relating to Human Rights, working conditions and the environment.</p>	<p>In its lending activities, the Group adheres to a set of ethical values that incorporate environmental, social and governance (ESG) considerations. These principles, which were recently incorporated into the Commercial Lending Policy, can be summarised as follows:</p> <ul style="list-style-type: none"> - the Bank does not finance any economic operators or projects that do not comply with the World Bank's social and environmental standards and/or with national and international environmental regulations applicable in the country. Specifically, the Bank does not finance companies operating in sectors with a high environmental impact. - the Group is committed to offering its credit products in a responsible manner, assessing the specific circumstances of individual customers and ensuring that the criteria for granting credit

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
		do not lead to undue hardship and over-indebtedness of customers and their families.
L.D. 254/2016: Personnel		
Fair and inclusive work environment through talent attraction and retention strategies and meritocratic remuneration policies	Lack of applications, lack of attractiveness to the talent on the market, turnover with relative loss of key personnel and skills	<ul style="list-style-type: none"> • Organisational unit dedicated to Personnel Management and Development. • Processes and global policies issued by the HR function dedicated to personnel management. • Partnerships with the main Italian universities and participation in targeted events, presence and dedicated campaigns on the main social networks. • Evaluation system consistent with a structured and transparent compensation system. • Remuneration policy and management for the total reward (including benefits and welfare offer) for all staff. • Strategies and employer branding campaigns • Definition of pipeline leadership and succession plans.
	Fall in employee engagement level with consequent impact on performance	<ul style="list-style-type: none"> • Listening initiatives on specific topics. • Dedicated welfare and parenting support initiatives. • Engagement & Reputation Survey. • Using the company intranet as an information tool.
	Inadequate personnel training initiatives	<ul style="list-style-type: none"> • Presence of a specific unit for Personnel Management and Training. • Skills mapping to analyse gaps to be filled. • Traceability of training needs through the <i>performance management tool</i>. • Mandatory Training Policy. • Training and Professional Development Policy.
	Lack of effectiveness of programmes and initiatives related to diversity and equal opportunities	<ul style="list-style-type: none"> • Gender Equality Global Policy. • Joint committee on work-life balance, innovation and company welfare. • “Gender Equality Committee” to implement and maintain gender equality objectives. • Definition of a training plan on D&I issues with special reference to gender equality for the three-year period 2024- 2026. • Constant updating through participation in dedicated associations.

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
Fair and inclusive work environment through talent attraction and retention strategies and meritocratic remuneration policies		<ul style="list-style-type: none"> Objectives included in the <i>Multi Year Plan 2024-2026</i> related to the topic. Monitoring and analysis of the gender pay gap and gender balance, also integrated into the objectives of the Managing Director's <i>Short Term Incentive Plan</i>. Monitoring through specific questions on Diversity & Inclusion within the <i>Engagement & Reputation Survey</i>.
	Failure to comply with the understandings in the second-level agreements	<ul style="list-style-type: none"> Management of discussions with trade union representatives to verify the correct application of the understandings contained in the second-level agreements. Constitution of the Welfare Commission for corporate welfare issues, in which the parties hold discussions in order to analyse, monitor and gain a deep technical understanding of tools for work-life balance (e.g.: flexible work, additional leave, part-time). In addition, the Commission is specifically concerned with analysing the performance of the company welfare plan, the related supplementary pension fund and the insurance plans for employees. The Commission also performs a supervisory and monitoring function.
	Failure to comply with level 1 regulations on the exercise of trade union rights (e.g., provisions of the Workers' Statute, NCBA)	<ul style="list-style-type: none"> Internal controls carried out in accordance with Bank of Italy Circular no. 285 to ensure that the company guarantees the exercise of trade union freedoms by trade union representatives and workers. For example: leave provided for trade union activities, leave for staff assemblies, other paid leave, etc.
	Failure to apply or incorrect application of labour regulations (in relation to fixed-term, part-time, etc.)	<ul style="list-style-type: none"> Internal controls carried out in accordance with Bank of Italy Circular no. 285 to identify any violations of labour regulations and provide for corrective measures. Support and regulatory interpretation on labour law issues also in cooperation with internal offices, external consultants (tax and labour) and the provider dealing with the processing of payslips.
	Failure to apply or incorrect application of disability legislation (Law 68/99 "Rules for the right to work of people with disabilities")	<ul style="list-style-type: none"> Internal controls carried out in accordance with Bank of Italy Circular no. 285 to identify any violations of the provisions of Law 68/99 and provide for corrective measures.

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
		<ul style="list-style-type: none"> • Interpretation and application of legislation also in cooperation with provincial Targeted Placement offices.
LD 254/2016: Personnel/Human Rights		
Fair and inclusive work environment through talent attraction and retention strategies and meritocratic remuneration policies	Risk of human rights violations resulting from discriminatory behaviour in the company	<ul style="list-style-type: none"> • “Commitment to Human Rights” Global Policy. • “Combating Harassment, Sexually Inappropriate Behaviour and Bullying” Global Policy. • Specific training on “Combating Harassment, Sexually Inappropriate Behaviour and Bullying”. • Training with specific course on Unconscious Bias”. • <i>Whistleblowing</i> procedure for employee reports of misconduct.
LD 254/2016: Environmental		
Protection of the Environment	Natural disasters and public safety: events caused by natural disasters or similar events. Such events, in addition to causing economic losses, may lead to social impacts if business continuity cannot be guaranteed.	<ul style="list-style-type: none"> • Business Continuity Plan, strategic plan aimed at ensuring adequate levels of business continuity even in the event of major incidents.
	Risk of inadequate monitoring of the use of resources and energy consumption and energy emissions at Group level, with the consequent lack of achievement of objectives in this area.	<ul style="list-style-type: none"> • Environmental Management System certified according to EMAS Regulation (1221/2009/EC). • Objectives included in the 2020-2023 Multi-Year Plan concerning monitoring of energy consumption, modernisation of the company car fleet, sustainable mobility initiatives, and reduction of plastic consumption. • Net Zero Commitment, including reduction targets for operating emissions. • Drafting of the Environmental Programme 2021-2024 with environmental targets. • Presence of the Energy Manager, tasked with analysing, monitoring and optimising the use of energy in all the buildings, in order to achieve economic, energy and environmental benefits. • Presence of the Company Mobility Manager, tasked with developing sustainable mobility tools to reduce the environmental impact of vehicle traffic in the urban and metropolitan areas where Fineco operates.

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
Protection of the Environment	<ul style="list-style-type: none"> • Risk of concentration of real estate securing mortgage loans in areas subject to high hydrogeological risk, with consequent reduction in the value of guarantees for the Bank in the event of extreme weather events (physical risk). • Risk of concentration of credit to customers employed by companies exposed to climate and environmental risks. • Risk of exposure to countries vulnerable to climate change and lacking the economic, social and governance capacity to cope with it. <p>Risk considered to be emerging with a long-term impact of 5-10 years, although at the moment there are no particular findings of criticality for Fineco's business model. The matter will also be subject to extensive regulation by regulators in the coming years.</p> <p>Risks arising from leaks and emissions of ozone-depleting substances - fluorinated greenhouse gases from installations and devices</p>	<ul style="list-style-type: none"> • “Framework for the management and monitoring of credit risks” Global Policy. • Second level controls on the concentration of buildings in areas classified as having high seismic, landslide and hydrogeological risk. • Addition of the risk of reduction in the value of collateral properties due to climate and environmental risk factors in the estimation of LGDs for mortgage loans, used to calculate expected credit losses in accordance with IFRS 9. • Monitoring ND-Gain indicator in the context of country risk controls. <p>Definition and management of environmental risks related to ozone-depleting substances - fluorinated greenhouse gases are given in the Environmental Management Framework.</p>
LD 254/2016: Corruption		
Business ethics and compliance culture	Risk of losses and harm to reputation due to the Group's involvement in bribery and corruption. The risk relates to completed actions as well as attempts, instigations and	<ul style="list-style-type: none"> • Risk monitored by the Anti-Money Laundering and Anti-Corruption function. • Zero-tolerance policy towards corruption formalised in the “Anti-Corruption” Global Policy. • Anti-Corruption Plan.

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
Business ethics and compliance culture	being an accessory to those actions	<ul style="list-style-type: none"> • Organisation and Management Model pursuant to Legislative Decree 231/2001 • <i>Whistleblowing</i> Procedure for Reports of Misconduct.
	Risk of money laundering or funding terrorism: providing direct or indirect support for money laundering or funding terrorism. The risk has reputational consequences and also carries significant sanctions	<ul style="list-style-type: none"> • Risk controlled by the “Anti Money-Laundering” function. • “AML/CFT Global Policy”. • Organisation and Management Model pursuant to Legislative Decree 231/2001. • Training on AML issues through face-to-face sessions conducted by the compliance officers, including case studies. • <i>Whistleblowing</i> Procedure for Reports of Misconduct.
	Risk of loss and harm to reputation due to non-compliance with antitrust regulations and to anti-competitive practices	<ul style="list-style-type: none"> • Antitrust Compliance and Antitrust Training Programme. • Single Antitrust Rulebook – Antitrust and Unfair Commercial Practices Group Policy, containing practical rules of conduct for managing meetings with competitors. • Antitrust handbook on fair competition. • Organisation and Management Model pursuant to Legislative Decree 231/2001 • Global Operating Rule and Guidelines and Process Marketing, Advertising and Promotional Initiatives. • <i>Whistleblowing</i> Procedure for Reports of Misconduct.
Other areas: economic		
Group’s solidity and resilience	Prudential regulation - Risk of non-compliance with regulatory requirements or exceeding regulatory indicators	<ul style="list-style-type: none"> • <i>Risk Appetite Framework</i>. • <i>Capital & Liquidity Plan</i>. • <i>Other Contingency Plans</i>. • Internal policies and operational processes governing the monitoring of regulatory indicators.
	External Communications - Deceptive or misleading disclosures of financial results or regulatory indicators	<ul style="list-style-type: none"> • Global policy and operational processes on the management of regulated information for the preparation and disclosure of data and information provided to the market. • Constant monitoring of press coverage (traditional media and online) in particular following the publication of regulated information and relevant data. • Internal policies and operational processes governing the preparation of key documents

MATERIAL TOPICS	RISK FACTOR AND DESCRIPTION	MANAGEMENT APPROACH (CONTROL / MITIGATION)
		containing financial results or regulatory indicators. <ul style="list-style-type: none">• Assurance of the Consolidated and Individual Financial Statements and the NFS by the independent auditors.

5.3 PERFORMANCE AND CAPITAL STRENGTH

Performance and capital strength are ensured through careful planning and the preparation of the Group Budget and Multi-Year Plan.

The **Budget** and the **Multi-Year Plan** are constructed on the basis of the assumptions and business objectives provided by the Bank's various departments in relation to their areas of responsibility. Specifically, a preliminary step in drawing up the Budget is an analysis of the needs and characteristics of customers, carried out by the Bank's internal commercial and business departments. The achievement of forward-looking objectives, which are the main drivers for the formulation of economic and financial forecasts, is therefore the responsibility of the Bank's organisational units involved in the budget and multi-year plan preparation process.

On a monthly basis, in conjunction with the Bank's Management Committee meeting, the Planning Unit carries out a careful analysis of the deviations between the forecasts contained in the budget and forecast models and the actual results achieved, both with regard to the overall operating and financial results and to the main drivers, including, for example, the figures for deposits and loan disbursements. The differences found are justified through targeted meetings with the various the Bank's various functions, the purpose of which is to determine the actions necessary to reduce and/or eliminate potential negative impacts and to provide new estimate forecasts to the Planning Unit that take these corrective actions into account.

This activity provides a "360 degree" view of the resilience and effectiveness of the Bank's business model, highlighting any critical areas and/or areas for improvement.

The planning and control process, in particular the strategic planning and budgeting processes and the monitoring processes, play a priority role in the management and allocation of capital based on the risks assumed, in order to develop its operations with the aim of creating value. Accordingly, in the **active management of its capital**, the Parent Company prepares a capital plan, in compliance with the regulatory constraints and in line with the risk profile adopted by the Group, and monitors the regulatory capital requirements, identifying the actions needed to achieve the objectives.

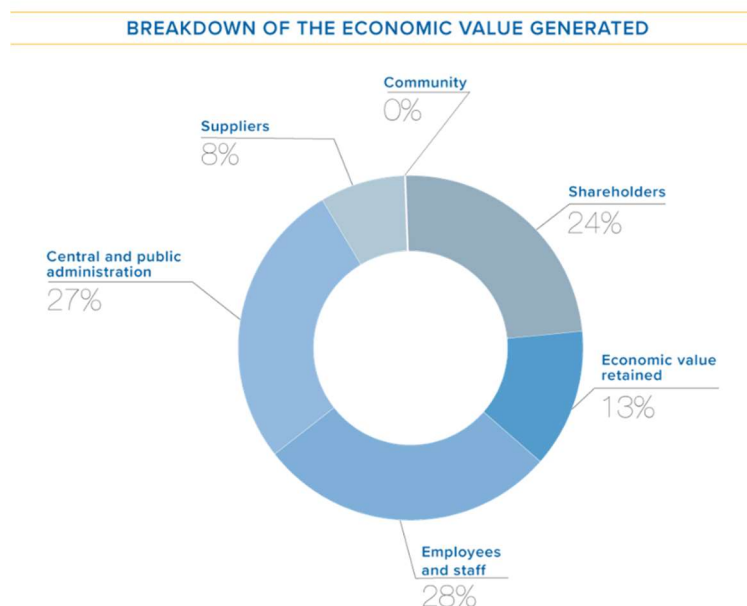
Capital and its allocation, therefore, play a very important role in setting long-term strategies, because it represents the shareholders' investment in the Group, which must be adequately remunerated, but it is also a resource subject to external limits, set by the supervisory regulations.

Fineco's attention to capital management is reflected in its position as one of the most solid banks in Italy and Europe also in 2023, with a CET1 ratio equal to 24.3% and a Total Capital ratio equal to 34.9%.

For more details, see the document "FinecoBank Group Public Disclosure – Pillar III as at 31 December 2023", published on the Bank's website.

5.4 ECONOMIC VALUE GENERATED AND DISTRIBUTED

The FinecoBank Group also operates with the aim of **generating long-term economic value** for all its stakeholders. In this regard, the economic value generated by the Group during 2023, which represents the overall wealth generated by FinecoBank thanks to the production and commercial capacity linked to its business activities, amounted to approximately € 1.7 billion, of which approximately 87% was **redistributed** to its stakeholders: **human resources, suppliers, shareholders, public administration and the community**⁸⁴.



(amounts in € thousands)

ITEMS		31.12.2023	31.12.2022	31.12.2021
10.	Interest income and similar revenues	778,401	357,272	250,598
20.	Interest expenses and similar charges	(94,613)	(19,723)	(7,449)
40.	Fee and commission income	940,347	903,823	871,244
50.	Fee and commission expense	(83,521)	(77,835)	(73,834)
70.	Dividend income and similar revenue	226	206	199
80.	Net trading income	66,273	77,966	71,643
90.	Net gain (loss) on hedging activities	(7,151)	12,207	2,505
100.	Profit (loss) from the sale or repurchase of:	208	49,404	32,141
	<i>a) financial assets at amortised cost</i>	208	49,095	29,243
	<i>b) financial assets at fair value through other comprehensive income</i>	-	309	2,898
	<i>c) financial liabilities</i>	-	-	-

⁸⁴ To determine the economic value generated and distributed, the Group adopted the “Statement of determination and distribution of value added” defined by ABI (October 2019), prepared from the balances of the items in the consolidated income statement of FinecoBank Group at 31 December 2023, also taking into account the Parent Company’s proposed allocation of profit for the year. The income statement has been reclassified in order to highlight the process of value creation and its distribution to the various categories of stakeholders.

ITEMS		31.12.2023	31.12.2022	31.12.2021
110.	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	1,054	(480)	(39)
	<i>a) financial assets and liabilities designated at fair value</i>	-	-	-
	<i>b) other financial assets designated at fair value</i>	1,054	(480)	(39)
130.	Net write-downs/write-backs for credit risk relating to:	(3,098)	(5,186)	(586)
	<i>a) financial assets at amortised cost</i>	(3,098)	(5,184)	(594)
	<i>b) financial assets at fair value through other comprehensive income</i>	-	(2)	8
140.	Profit/loss from contract changes without cancellation	2	(1)	-
160.	Net premiums	-	-	-
170.	Net other income (expense) from insurance operations	-	-	-
230.	Other net operating income/expenses	165,694	139,717	140,813
250.	Gains (losses) on equity investments	-	-	-
280.	Profit (loss) on disposal of investments	35	543	1
320.	Profit (loss) after tax from operating activities	-	-	-
A. TOTAL ECONOMIC VALUE GENERATED		1,763,857	1,437,913	1,287,236
190.	b) other administrative expenses	(130,164)	(124,911) ⁸⁵	(112,556)
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS		(130,164)	(124,911)	(112,556)
190.	a) Payroll costs	(498,742)	(480,105) ⁸⁵	(458,721)
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND STAFF		(498,742)	(480,105)	(458,721)
340.	Profit (Loss) for the year attributable to minorities	-	-	-
ECONOMIC VALUE DISTRIBUTED TO MINORITIES		-	-	-
	Net profit attributable to shareholders	(421,590) ⁸⁶	(299,210)	(237,947)
VALORE ECONOMICO DISTRIBUITO AD AZIONISTI		(421,590)	(299,210)	(237,947)
190.	b) other administrative expenses: indirect duties and taxes (-)	(171,026)	(142,916)	(145,162)
190.	b) other administrative expenses: charges for resolution and deposit guarantee funds (-)	(41,610)	(47,734)	(40,039)
300.	Tax expense (income) related to profit or loss from continuing operations: current tax, adjustment to current tax of prior years, reduction of current tax for the year	(268,946)	(178,666)	(150,741)

⁸⁵ It should be noted that from 2023, for the sake of better presentation, the sub-item "190. b) other administrative expenses - other personnel expenses" was removed from item "190. b) other administrative expenses (Economic value distributed to suppliers)" and allocated to item "190. a) personnel expenses" (Economic value distributed to employees and contractors). For consistency of comparison, the amounts for the financial years 2022 and 2021 have been restated.

⁸⁶ The portion allocated to shareholders corresponds to the allocation to dividends of net profit for 2023 that the Board of Directors of the Parent Company will propose to the Shareholders' Meeting.

ITEMS		31.12.2023	31.12.2022	31.12.2021
ECONOMIC VALUE DISTRIBUTED TO CENTRAL AND REGIONAL ADMINISTRATIONS		(481,582)	(369,316)	(335,942)
190.	b) other administrative expenses: donations (-)	(469)	(693)	(179)
ECONOMIC VALUE DISTRIBUTED TO THE COMMUNITY AND ENVIRONMENT		(469)	(693)	(179)
B. TOTAL ECONOMIC VALUE DISTRIBUTED		(1,532,547)	(1,274,235)	(1,145,345)
200.	Net provisions for risks and charges	(22,206)	(10,051)	(9,890)
	a) commitments and guarantees given	(229)	(23)	9
	b) other net provisions	(21,977)	(10,028)	(9,899)
210.	Impairment/write-backs on property, plant and equipment	(21,144)	(20,258)	(19,529)
220.	Net adjustments/reversals of intangible assets	(5,995)	(6,607)	(6,689)
250.	Profit (loss) from investments (for the measurable portion: "write-downs/write-downs", "write-downs/write-backs", "other charges and income")	(263)	(276)	(26)
260.	Gains (losses) on fair value of tangible and intangible assets	-	-	-
270.	Impairment of goodwill	-	-	-
300.	Tax expense (income) related to profit or loss from continuing operations: adjustment to current tax of prior years, adjustment of deferred taxes	5,809	2,809	37,049 ⁸⁷
	Profit allocated to reserves	187,511	129,295	142,764
350.	Profit (Loss) for the Year allocated to the Parent Company	609,101	428,505	380,711
	Profit allocated to Shareholders	(421,590)	(299,210)	(237,947)
C. TOTAL ECONOMIC VALUE WITHHELD		(231,310)	(163,678)	(141,849)

⁸⁷ The positive change recognised in 2021 was mainly due to the effects of exercising the option for the tax realignment of goodwill recognised in the financial statements at 31 December 2019 provided for by Article 110 of Legislative Decree No. 194 of 2020. The profit and loss effects of the realignment for the portion relating to the change in deferred tax assets and the change in deferred tax liabilities amounted to € 34.7 million.

5.5 ENVIRONMENTALLY SUSTAINABLE ASSETS

European Taxonomy reporting came into force following the enactment of Regulation (EU) 2020/852 (**Taxonomy Regulation**) and subsequent Delegated Acts. In particular, the European Taxonomy aims to guide economic sectors in the pursuit of the environmental objectives outlined by the European Union, favouring the creation and diffusion of sustainable forms of investment. To this end, the regulatory framework establishes parameters for classifying economic activities that have positive impacts on the environment and society, and which are consequently considered eco-sustainable.

Pursuant to Article 8 of the Taxonomy Regulation, the Group is subject to the reporting requirements of the Non-Financial Reporting Directive – NFRD (EU Directive 2014/95) and reports a set of Key Performance Indicators (KPIs), defined in Delegated Regulation (EU) 2021/2178 and subsequent Delegated Acts that have amended its content.

With reference to the financial year 2023, the Group conducted an analysis of its assets falling within the scope of prudential consolidation as at 31 December 2023, in order to meet current reporting requirements.

In continuity with the previous financial year and in accordance with Article 10 of Delegated Regulation (EU) 2020/852, supplemented by subsequent Delegated Acts⁸⁸, the following performance indicators were reported:

- the shares of eligible and non-taxonomy-eligible business exposures, for the six environmental objectives⁸⁹, in relation to the assets covered;
 - the share of exposures in central governments, central banks and supranational issuers in total assets;
 - the share of derivative exposures not held for trading in relation to total assets;
 - the share of the on-demand interbank loan portfolio in total assets;
 - the trading portfolio's share of total assets;
- the share of exposures in corporates not subject to NFRD obligations in relation to total assets.

Indicators on Total Covered Assets	31.12.2023
Exposures in Economic Activities Eligible for Taxonomy on a Turnover Basis	24.0%
Exposures in Economic Activities Eligible for Taxonomy on a CapEx Basis	22.7%
Exposures in Economic Activities Not Eligible for Taxonomy on a Turnover Basis	76.0%
Exposures in Economic Activities Not Eligible for Taxonomy on a CapEx Basis	77.3%
Indicators on Total Assets	31.12.2023
Share of exposures to central governments, central banks and supranational issuers	62.9%
Share of derivative exposures not held for trading	2.7%
Share of exposures to demand interbank loans	1.0%
Share of the trading portfolio	0.0%
Share of exposures to companies not required to publish non-financial information	0.5%

⁸⁸ EU Delegated Acts 2021/2178, 2023/3851 and 2023/2486.

⁸⁹ Delegated Regulation (EU) 2020/852 defines the six European taxonomy objectives: Climate Change Mitigation (CCM); Climate Change Adaptation (CCA); Sustainable Use and Protection of Water and Marine Resources (WTR); Transition to a Circular Economy (CE); Pollution Prevention and Control (PPC); and Protection and Restoration of Biodiversity and Ecosystems (BIO).

As of 1 January 2024, in line with the regulatory provisions set out in Annexes V and VI of the EU Delegated Regulation 2021/2178⁹⁰, the Group compiles and communicates the following mandatory forms for credit institutions:

- Template 0: Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation;
- Template 1: Assets for the calculation of GAR;
- Template 2: GAR – Sector Information;
- Template 3: KPI GAR (stock);
- Template 4: KPI GAR (flow);
- Template 5: KPI off-balance sheet exposures.

In addition, in order to report information on economic activities related to the nuclear energy and fossil gas sectors, in line with Annex XII of Regulation (EU) 2022/1214, an analysis of exposures in the prudential perimeter was conducted to verify whether counterparties subject to NFRD perform at least one of the economic activities⁹¹ described in the Regulation. The analysis revealed that the Group had no counterparties connected to these types of economic sectors and, consequently, the Annex XII templates were not filled.

The Models and their methodological specifications can be found in Annex III of this document.

⁹⁰ Modified by the later EU Delegated Regulation 2023/2486.

⁹¹ Economic activities referred to in Sections 4.26, 4.27, 4.28, 4.29, 4.30 and 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139.

5.6 PROTECTION OF THE COMPANY REPUTATION

To protect the company reputation, the Group has adopted the **Global Policy on Media Relations and Public Speaking**, which is aimed at employees and Personal Financial Advisors and provides guidance on the principles and rules relating to the management of media relations, the use of social media and personal websites, spreading a culture aligned with the company's principles and promoting the responsible use of these communication tools.

The aim of the policy is to clarify to each company structure when and to whom in the media is allowed to communicate with in the name and on behalf of the Fineco Group, or when it may use the Group's name for events and company matters that could influence the Group's public image, including external events, public meetings, conferences or seminars with a media impact. In addition to the company officials authorised to speak to the media – i.e., the Chairman of the Board of Directors, the CEO and General Manager, the Deputy General Managers and the CFO – the Policy also identifies other spokespersons who can give interviews or attend public events (Marketing Director, Product Manager, HR Manager, etc.). The management of media relations is centralised within the Identity & Communications Team, which is the point of reference and coordination for these activities. The policy also regulates the use of social media, prohibiting employees from disclosing confidential or sensitive information concerning Fineco, also for the purpose of protecting the Group's reputation and that of its stakeholders.

In addition to the adoption of this Global Policy, FinecoBank develops a **reputational programme**, which identifies and monitors the main areas of concern and therefore of interest for Italians in relation to the role of companies, such as, in particular in 2023, the management of environmental issues, the protection of employees and the management of the inflationary/recessionary environment.

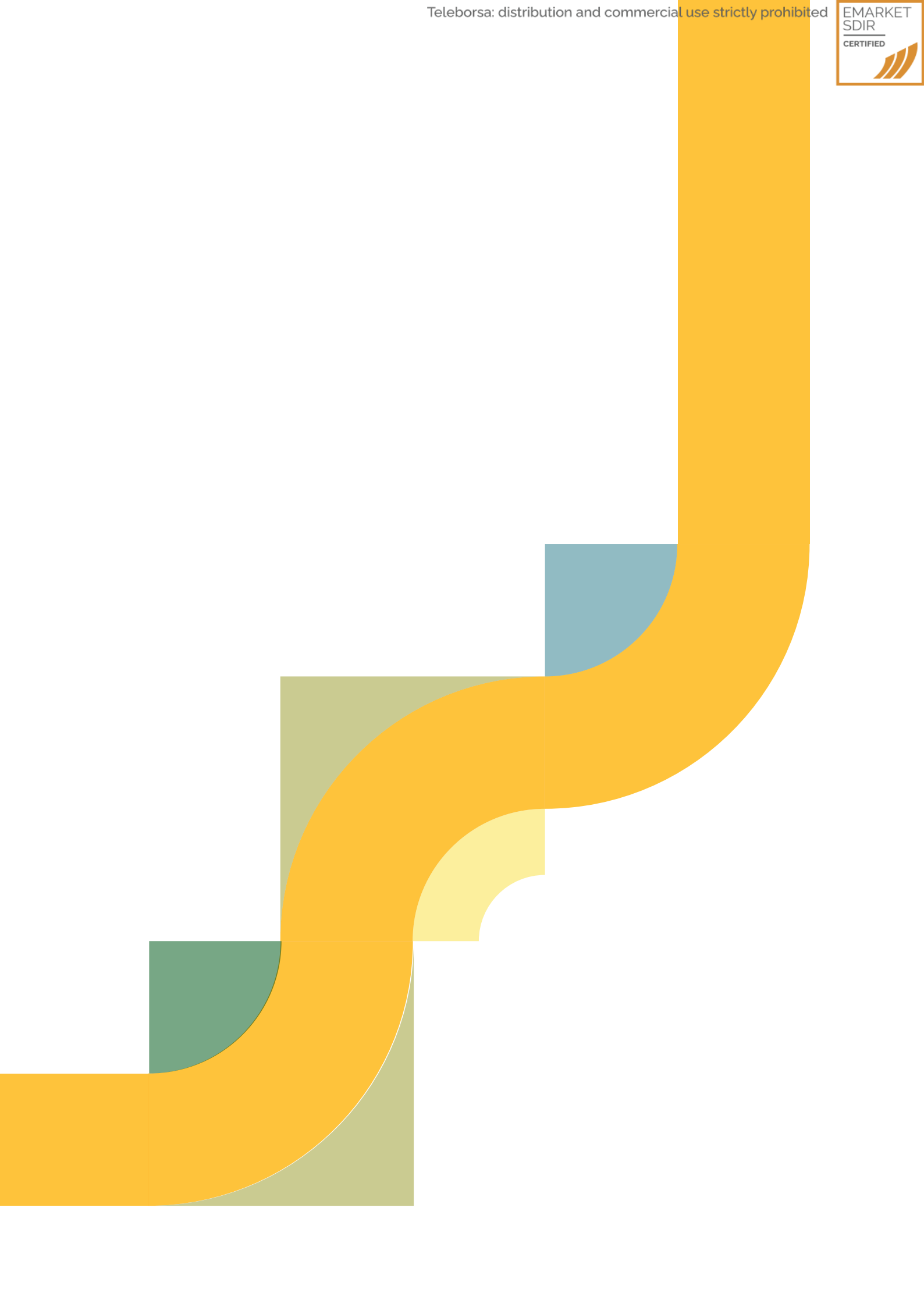
The actions taken by FinecoBank to protect its reputation are focused on two main stakeholders: the Italian population and the company's employees.

With regard to the population, on a monthly basis, a reputational indicator is measured and analysed, and the impact this has (for example, on the propensity to buy, to recommend and to trust Fineco), in order to identify any situations which, as a result of specific activities carried out, may have weakened consumer trust in Fineco.

The areas for action are identified on the basis of rational parameters inherent in some areas of the company, including products and services, management leadership, financial performance, the workplace and the ability to innovate, in order to identify the aspects to be mitigated because they are perceived to be weaker and the aspects that should continue to be enhanced, also with respect to the areas of highest expectation.

For employees, the monitoring covers the same areas, but with a different timing and with the addition of a specific indicator relating to the level of **Employee Engagement**, aimed at measuring the sense of belonging to the organisation.

To regularly report and share reputational results, a working group has been set up that cuts across Fineco's functions, with the aim of making more informed decisions on actions to be taken. The functions involved include: *Marketing, Advertising and Events, HR, Sustainability, Investor Relations, CRM, PFA Network*.

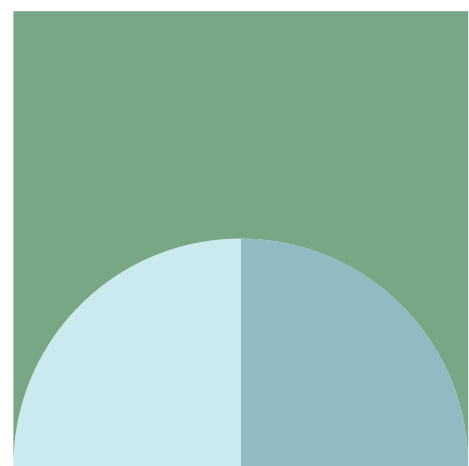


06



ETHICS AND COMPLIANCE CULTURE

- 6.1. COMPLIANCE CULTURE
- 6.2. ETHICS AND INTEGRITY IN BUSINESS CONDUCT



Compliance with internal and external regulations and codes of conduct is of great strategic importance. Compliance with rules and fairness in activities are fundamental to the conduct of banking business, which by nature is based on trust and transparency. A culture of compliance supports the protection of customer rights, as well as the creation and maintenance of a competitive business environment, thereby contributing to local and community development.

Fineco pursues its business objectives with honesty, fairness and responsibility, in full and substantive compliance with the rules, professional ethics and the spirit of the agreements it has signed, setting high standards of compliance for the whole Group. In complying with the applicable regulations and internal rules, the Group prevents misconduct and contributes, among other things, to combating financial crime. Fineco's business relationships are based on the principles of transparency, integrity, professionalism and must be conducted in strict compliance with applicable laws and related internal regulations.

The **Group's regulatory model** has two levels:

- a global level, through regulations issued by FinecoBank and addressed to at least one other Group Company, the *Global Rules* (GRs). The GRs constitute the Group rules that the Parent Company issues in performing its policy, coordination and control functions, to regulate activities that are considered relevant in accordance with the legal and regulatory provisions in force and/or with regard to responsible business conduct and risk management;
- a local level, through the regulations issued by a Group Company applicable to itself, including its foreign legal entities, and where appropriate to its other subsidiaries.

At Parent Company level, each function issues GRs for its area of responsibility, adhering to the corporate principles and rules laid down for the drafting of regulations and the related approval and distribution processes. The issuing functions (*Owners*) are also responsible for:

- implement the GRs for which it is responsible, defining and completing the regulatory, organisational, operational and/or IT measures required to implement the regulatory provisions contained in the GRs; and
- monitoring the status of their approval and implementation at the target functions and legal entities.

In relation to the management of Group rules, the Bank's *Organisation and Operations Department* acts as the overall hub and coordinator of the management of the various *Rules* by the Parent Company's internal *Owners*, by establishing principles, standards and rules applicable at Group level and supporting the *Rule Owners* in ensuring their correct application. The controls are carried out through periodic reporting to FinecoBank's *Owner* units and Corporate Bodies on the status of approval, implementation and planning of the *Global Rules*, including the status of those transmitted to the legal entities.

6.1 COMPLIANCE CULTURE

The development of a strong culture of compliance and integrity at Group level is necessary to create, sustain and increase the trust of all Stakeholders over time, in order to ensure compliance with laws and rules, the execution of fair business practices and, in general terms, risk management.

The compliance culture shall extend to all hierarchical levels and all functional lines and it requires an understanding and sharing of the employee's individual responsibility as a first level of risk management. The responsibility for adopting behaviours that are in line with the compliance culture concerns not only all Group company Employees, but also including all the members of the executive, strategic and supervisory bodies, as well as (where applicable) Personal Financial Advisors and Third Parties (natural persons or corporate bodies connected to Group companies, e.g. suppliers, business consultants, related agents, and people with temporary/service contracts).

Within this context, the *Compliance Function* is responsible for: (i) the implementation and compliance control of the regulations applicable and related processes; (ii) providing periodic reporting on compliance issues to the Company's Corporate Governance Bodies and, when requested, to local Authorities; (iii) coordinating measures aimed at strengthening the compliance culture in cooperation with other control/support functions; (iv) updating training on compliance issues and monitoring the level of completion, assessing, if necessary, the adoption of ad hoc training courses in collaboration with other departments.

FinecoBank has also adopted a **Code of Ethics** that represents an integral part of its Organisation and Management Model pursuant to Legislative Decree no. 231 of 8 June 2001, which defines a series of principles of ethics and rules intended to ensure that the conduct of all addressees is always guided by criteria of fairness, collaboration, loyalty, transparency and mutual respect, as well as to prevent the perpetration of offences or administrative offences set forth in Legislative Decree 231/2001.

In more general terms, at Group level, the **Global Policy Integrity Charter, Code of Conduct and Compliance Culture** was adopted, which defines:

- the principles and values to which the companies of the Group wish to orientate their activities, the set of rights, duties and responsibilities which they assume towards all Stakeholders, which they undertake to respect and which constitute a decisive guide to business decisions and behaviour and the heritage of the Group's corporate culture;
- the common principles and guidelines for the Group to establish, promote and support a compliance culture internally as an integral part of the Group-wide culture and values and reinforcing behaviour in compliance with applicable rules, regulations, processes, ethical standards and sound business practices.

The **Integrity Charter** sets out the fundamental guiding principles at Group level, which guide the conduct of business. It provides a framework of guiding values for our professional life, acting as a reference point in the management of problematic situations/doubts – which do not always find precise reference in the discipline provided by laws, regulations and internal procedures – while allowing the expression of each individual's professionalism while respecting individual freedom.

The **Code of Conduct** complements the Integrity Charter and sets out the principles that all Group Company employees and Third Parties shall adhere to, in order to ensure high standards of professional conduct and integrity in the performance of activities carried out in or on behalf of Group Companies. The Code of Conduct has the following objectives: (i) the generalised dissemination of the culture of compliance, through the presentation of the context in which it applies, and (ii) providing a point of reference when drafting internal policies and procedures. The Code of Conduct, in particular, is one of the measures aimed at guaranteeing the legitimacy and efficiency of the company's operations and, at the same time, where applicable, compliance with the regulations on the administrative liability of legal persons pursuant to Legislative Decree 231/01.

Commitment to compliance shall be inherent in the organisational culture and constantly nurtured, to support and influence the daily choices and decisions. In this context, the attitude of employees and Third Parties to conduct themselves correctly, in accordance with applicable regulations and consistent with the Group-wide core values is a prerequisite for the legitimacy of the Group's activities and sustainability. Establishing and nurturing the Compliance Culture is a continuous process and requires commitment, perseverance, consistency (including a common "language" on the subject) and strong supervision.

With the aim of strengthening the compliance culture within the Bank, the **Compliance Culture – Tone from the Top** initiatives have been implemented since 2018, which meet the top management's need to interpret and disseminate a culture of respect, prudence and integrity to all those who work for and on behalf of the organisation, enhancing internal risk mitigation procedures. In this context, the Top Management of Fineco and Group Companies helps to ensure the adoption and supervision of correct and compliant behaviour to achieve sustainable business objectives. The programme continued in 2023, with senior managers focusing on specific compliance issues and communicating directly with employees via email or the company intranet portal, such as: conduct and behaviour at Fineco, Anti-corruption, the Organisation and Management Model pursuant to Legislative Decree 231/2001, AML, fiscal risk and Whistleblowing.

With regard to whistleblowing, Fineco believes that reporting any irregularities helps to protect the company and its reputation, as well as all of its employees. Through the **Whistleblowing Global Policy**, FinecoBank has adopted a system through which employees, Personal Financial Advisors and Third Parties can report any conduct that violates the law or the Bank's internal rules. In this regard, the Bank provides with specific channels, available 24 hours a day, 7 days a week, for reporting irregularities, also anonymously. Specifically, the reporting can be made through the following channels:

- by phone, via the FinecoBank *SpeakUp*⁹² line, leaving a voice message, also anonymously;
- on the website, via the FinecoBank *SpeakUp* web service, leaving a written message, also anonymously;
- using the dedicated email address;
- by writing to the dedicated postal address;
- in-person meeting.

Information on whistleblowing is also made available to employees and Personal Financial Advisors in a specific section of the company Intranet dedicated to the importance of this issue,

⁹² The *SpeakUp* channel is operated by an independent third party.

which provides details on how and when to make the report, and through dedicated online training sessions.

If there is any reason to suspect that unacceptable conduct has occurred or may occur, it can be reported to the company's *Compliance Officer* who, as the person responsible for the internal reporting systems, ensures that the procedure is properly conducted. If a report falls within the scope of the Whistleblowing Policy, the *Compliance Officer* carries out a preliminary assessment of the report received and, if he or she considers that there is sufficient evidence of unlawful conduct to justify the initiation of an investigation, a person or function is assigned to carry out the investigation, based on the matter reported. 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.

Serious disclosures, even if anonymous, shall be managed and promptly and confidentially reported, complying with the specific process, which guarantees the involvement of the Senior Management of the Group Company in analyses, defining the activity plan, the investigation's results, recommendations and monitoring.

FinecoBank ensures confidentiality, privacy and data protection and guarantees the protection of the whistleblower from any direct or indirect retaliation related to the report made. Where possible, the whistleblower is informed of the initiation, progress and outcome of the process. At the end of the investigation, the person or function in charge of the investigation prepares a report, summarising the course of the investigation and the evidence gathered, setting out the conclusions, providing recommendations and suggesting actions to be taken to remedy the breaches identified and ensure that they do not occur in the future.

In addition, an annual Report is prepared on the proper functioning of the internal system for reporting breaches, containing aggregate information on the results of the activities carried out, which is made available to the company personnel after has been approved by the Board of Directors. In 2023, there were 2 whistleblowing warnings, both of which were handled and closed within the year, within the deadlines provided for by law, one of which resulted in the adoption of measures deemed appropriate to ensure compliance with the applicable legislation, and the other without the detection of irregularities or unlawful conduct, as it did not contain sufficient and concrete evidence to support what was reported.

6.2 ETHICS AND INTEGRITY IN BUSINESS CONDUCT

FinecoBank S.p.A. has adopted an **Organisation and Management Model**, in accordance with Legislative Decree 231/2001 (hereinafter the “Model”), concerning the administrative liability of entities, companies and associations. The aim of adopting the Model is to ensure that the Bank provide its own customers with banking and financial services with respect for the values and principles of integrity, professionalism, diligence, honesty, fairness and responsibility. Although organisations are not legally obliged to implement the Model, it nonetheless performs the important function of preventing offences, including corruption, that could give rise to the Bank’s administrative liability.

The Model, approved by the Board of Directors and updated in 2023 to incorporate the latest regulatory changes introduced, is aimed at all corporate bodies’ members, all FinecoBank personnel and external parties, such as, for instance: advisors, independent professionals, Personal Financial Advisors, suppliers and business partners.

The adoption of Model pursues the following fundamental objectives:

- to remind and raise awareness among its intended readers of correct behaviour and compliance with internal and external regulations, rejecting any conduct contrary to the principles of sound and transparent business operations to which the Bank aspires;
- to prevent offences, including criminal offences, within the Bank, through continuous monitoring of all areas of activity at risk and staff training on how to correctly perform assigned tasks;
- to implement the values set out in the Code of Ethics.

In particular, FinecoBank has identified the following tools for formulating, planning and implementing company decisions and for carrying out the related checks: the Corporate Governance rules, the internal controls system, the delegation of powers system, the Integrity Charter and the Code of Conduct. Moreover, with regard to Legislative Decree 231/2001, the Bank has formalised specific decision-making protocols that identify the activities at risk and the related potential offences, as well as the principles of conduct and the rules on checks, designed to prevent those offences, and has established additional rules of conduct in the *Code of Ethics*. In drafting the Model, the Bank took into account the ABI (Italian Banking Association) guidelines.

ANTI-CORRUPTION

Fineco has a “**zero tolerance**” approach to corruption and prohibits facilitation payments. Political donations in any tangible or intangible form are also prohibited, as specified in the **Anti-Corruption Global Policy**. Accordingly, there were no contributions of this kind made in 2023 and no cases of corruption were recorded.

Fineco’s approach to preventing corruption and bribery is defined in the Anti-Corruption Global Policy, which, together with the related Operating Instructions, establishes the minimum standards for anti-corruption compliance and apply to all members of Fineco’s strategic, control and executive bodies, employees, Personal Financial Advisors and casual staff. More specifically, the Anti-Corruption Policy aims to define principles and rules aimed at identifying and preventing potential acts of corruption in order to protect the integrity and reputation of the Group and to

provide recipients with general information on the measures taken to identify, mitigate and manage the risks of corruption. The Bank has also adopted an **Anti-Corruption Programme**, based on the following four main elements, whose implementation is periodically monitored and submitted to the Bank's bodies through periodic compliance reporting:

- corruption risk assessment in terms of outcomes of *Risk Assessment* activities;
- verification of the updating of policies and procedures;
- continuity of the *Tone from the Top* initiatives;
- controls in terms of the summary evaluation emerging from the *Second Level Controls* (2LCs) carried out, including the monitoring of mandatory training attendance.

The Group has adopted specific mechanisms to monitor the effectiveness of the adopted anti-corruption and bribery approach, including: escalation procedures for significant and strategic issues, quarterly information requests from management, analysis and testing of the results of activities relating to managing second level controls, compliance risk assessment processes carried out for each regulatory area of the Compliance Department, and internal audit inspections. The last two mechanisms result in risk mitigation actions that need to be completed on time to ensure the management of the risks identified. Non-compliance risks are managed through a dedicated risk assessment process and second-level controls.

Lastly, the Bank's activities and organisational structures are subject the implementation of the Organisation and Management Model in accordance with Legislative Decree 231/2001 in relation to anti-corruption.

MANAGING CONFLICTS OF INTEREST

For the management of conflicts of interest, the Group has adopted the **Global Policy for the management of transactions with persons in potential conflict of interest of the FinecoBank Group**. The document sets out the principles and rules to be observed in order to guard against the risk arising from situations of possible conflict of interest caused by the proximity of certain parties to the decision-making centers of the Bank and the Company controlled by the Group. Specifically, the Global Policy regulates transactions with:

- related parties in accordance with the Consob Related-Party Regulations;
- associated persons within the meaning of the Bank of Italy Supervisory Regulations (Part Three, Chapter 11, Circular No. 285 of 2013);
- bank corporate officers in accordance with Article 136 TUB;
- relevant persons pursuant to Article 88 CRD V;
- other entities identified by the Bank on a discretionary basis.

In addition, FinecoBank has implemented the **Conflicts of Interest Global Policy**, which sets out the single model for identifying and managing Conflicts of Interest (below the "Model").

The current Model adopted by the FinecoBank Group involves: i) the identification of events/activities related to the Group that may generate conflicts of interest; ii) the identification of the types of conflicts of interest on the basis of the Group classification; iii) the identification of the organisational measures capable of mitigating or eliminating the specific types of conflict of interest

as well as the conduct to be adopted; iv) the recording of conflicts of interest; and, lastly, v) the controls. Based on the Model, certain types of organizational measures and general principles have been identified to eliminate or mitigate the risk of harming customer interests, including:

- measures based on the organisational structure, such as: i) the separation – between product companies and distribution companies – of the development and distribution of the products and services offered to customers and the separation, where possible, into different business units of activities that generate conflicting interests and transactions; ii) the adoption of the principle of hierarchical independence between structures that oversee potentially conflicting activities; and iii) the prevention or control of the simultaneous performance of conflicting activities;
- measures based on specific policies/internal memos, such as the adoption of: i) a Remuneration Policy, with incentive mechanisms designed to eliminate any direct connection between the remuneration of individuals who predominantly engage in transactional activities and the results of activities related to interests that might conflict with them; ii) a Policy on personal interests, for the establishment of limits, exclusions, behavioural measures, notification procedures and monitoring of cases of personal interests of employees potentially in conflict with the interests of the Group or the Group's customers; iii) a Policy on the execution/transmission of orders; and iv) the identification of specific functions dedicated to the management of conflicts of interest (i.e. the *Compliance Department*);
- measures based on codes of conduct and employee training modules, such as: i) training of staff at all levels on conflict of interest regulations; ii) prevention of the exercise of undue influence by individuals in top management positions on the employees responsible for carrying out transactions, outside the structures under their hierarchical authority.

The above-described Model is implemented on a daily basis through an operational process of identifying, managing and reporting all cases of conflict of interest that may occur by applying the conflict of interest matrix. The conflict of interest matrix cross-references the list of services and activities provided by the Bank that generate conflicts, detailing for which conflict categories organisational measures are in place to manage the conflict, and those for which the Bank has opted instead for *disclosure*.

This process provides for: i) the identification, through the Group's centralised IT system, of each specific conflict of interest by individual contact persons identified within the Bank; ii) the verification that organisational measures are in place to adequately manage the conflict identified; iii) the decision on the requirement to provide information to the client or to implement a process to manage the individual case.

The *Compliance Department* submits a *Report on Conflicts of Interest* to the Top Management at least once a year.

ANTITRUST AND UNFAIR COMMERCIAL PRACTICES

Following the introduction of the Group's antitrust regulations in 2016, the Bank has adopted an **Antitrust Compliance Programme**, subject to periodic monitoring and review, aimed at strengthening antitrust governance, promoting a competition culture and reinforcing the broader

compliance culture, enhancing the Bank's reputation in the markets and mitigating antitrust risks and sanctions.

In this regard, Fineco has adopted the **Group Antitrust and Unfair Commercial Practices Policy**, which includes practical rules of conduct for the proper management of meetings with competitors, the promotion and marketing of products and services offered by the Bank in order to protect consumers, and inspections carried out by the Antitrust Authorities.

Lastly, the Code of Ethics obliges all those concerned to conduct all activities in compliance with current laws and regulations related to non-competition agreements and forbids any act of intimidation against the Bank's competitors.

With reference to the PS12018 proceedings (Order no. 29985 notified on 16 November 2021⁹³) concluded with notification by the Bank in 2022 of its compliance with the commitments undertaken, the Bank, in view of the changed macroeconomic scenario and following a hearing with the Italian Antitrust Authority (AGCM), formulated – on 20 March 2023 – a request to the Authority to modify the implementation of the commitments, so that they would be aligned with the changed context, and provide customers with a true and fair representation both in terms of communications and in terms of the Bank's actions. The Bank was notified of the Authority's acceptance of this request on 14 April 2023.

In 2023 there were no prosecutions and penalties or proceedings for anti-competitive behaviour, antitrust and monopolistic practices.

PROTECTION OF HUMAN RIGHTS

The Group recognises the importance of respect for human rights as an essential element for proper business conduct. The **Commitment to Human Rights Global Policy** reinforces the Group's desire to base its activities on guaranteeing and promoting respect for all human rights, in order to ensure compliance with national and international regulations and standards, and to establish an inclusive approach that manages impacts and minimises potential risks of violation, while maintaining an open dialogue with stakeholders and taking into account their legitimate expectations. This commitment is underpinned by the principles set out in the main references and international standards, including the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. This commitment defines the roles and responsibilities, as well as the principles, rules, procedures and reporting systems adopted in order to create a corporate culture that is capable of guaranteeing human dignity and a working environment that is free of any form of discrimination, and promoting the diversity and inclusion of its own staff and personal financial advisors. It emphasises the protection and the importance placed on and the commitment to recognising all forms of diversity, be it in terms of gender, physical characteristics, skills, sexual orientation, gender identity/expression, or beliefs and opinions, valuing the richness and innovation thereof to benefit the Company.

⁹³ The proceedings initiated in April 2021 by the Italian Antitrust Authority ("AGCM") against FinecoBank S.p.A., in relation to the communicated change in the clause for withdrawal from the current account due to conditions of inactivity, ended on 16 November 2021 without any finding of infringement pursuant to Article 27, paragraph 7, of the "Consumer Code". In the same measure, the Authority also announced that it had decided that the commitments proposed by the Bank on its own initiative were mandatory, as it considered them suitable for eliminating any possible unfairness in the commercial practice under investigation.

The Bank also pays close attention to the indirect impacts on human rights that may be generated through its financial advisory activities and promotes dialogue with customers based on clarity and transparency, in addition to considering potential risks related to the respect of human rights in investment decisions.

The commitment to human rights also applies to the supply chain, with the aim of minimising the risk of violation of those rights; to this end, Fineco improved the efficiency of the assessment of suppliers in relation to social and environmental impacts, by evaluating the characteristics of the supply chain also taking into account respect for and protection of human rights.

Any impact on human rights must be managed and reduced in such a way as to protect privacy and identify and mitigate any risk of corruption. With this in mind, as already described, 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.

PRIVACY AND DATA PROTECTION

The subject of privacy, namely the individual right to the confidentiality of personal information and a private life, has been the subject of specific regulations in recent years with the aim of safeguarding and protecting the private sphere of the individual. The protection of personal data is recognised as an individual’s right to have control over information and personal data concerning their private life, and is fully recognised as a fundamental human right.

In this context, for Fineco, safeguarding the personal data of its data subjects is fundamental to protect them from undue intrusions into their personal lives by third parties. To this end, the Bank has put in place a comprehensive **system for protecting the information** (including personal data) provided by data subjects to Fineco. In addition, for the purposes of transparency towards its data subjects, the Bank has adopted special information tools, such as information on the processing of personal data, to make data subjects aware of the purposes, methods and rights concerning the processing of personal data carried out by Fineco.

The Data Protection Office (DPO) has assumed an increasingly central role, both with regard to the general management of privacy issues and to the launch of new projects that have an impact on the protection of personal data, in order to assess the feasibility of these and the most appropriate means of implementation. The DPO ensures that the monitoring of current legislation on the processing of personal data, is adhered to and overseeing the implementation of any updates and alignments with the regulations, and monitors compliance with the points stipulated in the measures provided by the Antitrust Authority.

To this end, Fineco has adopted a **Global Policy on Privacy**, applicable to all Group companies, and has issued further specific internal regulations on privacy and data protection, such as the detection and management of *data breaches*, the appointment of external data processors, the duties and responsibilities of the *Data Protection Officer*, and the management of the register of processing operations.

The measures adopted internally by FinecoBank cover all business processes, from the design of products and services to training, incentives and interaction with the data subjects and they include:

- the establishment of a regulation on the use of electronic tools (e.g., email, internet, laptops and smartphones) during work, to set out the principles of conduct on their correct use, including rules on security, personal data protection, confidentiality and protection of the Bank's workers;
- the dissemination of specific guidelines on the Data Retention Period and the Rights of Data Subjects;
- a *Data Privacy Impact Assessment* (DPIA);
- the compilation of a data treatment register, in which all data processing operations carried out within the Bank under its responsibility are tracked and organised;
- the execution of second-level checks on Fineco's compliance with privacy regulations;
- the adoption of a *Legitimate Interests Assessment* (LIA) model for assessing the legal basis of the legitimate interest, where used by the data controller.

These instruments are published and made available to all addressees on the corporate portal, and communicated at the time of recruitment to each employee, or at the start of the collaboration to each consultant worker, who uses the Bank's information systems, with acknowledgement that they have viewed their contents.

In order to support this, it should be noted that during the course of 2023, Fineco continued to develop and improve the measures required in order to implement the new regulations set out under the GDPR⁹⁴, including adhering to the principles of data protection by design and by default, a data protection impact assessment, updating the register of treatment activities and the strengthening of security measures.

The Bank has implemented a **data breach management procedure** that sends notification to the DPO of any violations detected internally or by external entities (including customers); this retrieves information from the relevant departments and assesses the impact on privacy. For each breach, the necessary measures to reduce the risk of similar occurrences in the future are assessed, with the help of the competent Bank structures as well as suppliers who qualify as data controllers.

Data protection is also carried out through **fraud monitoring** in accordance with European and national legislation, security regulations and best-practice industry standards, in order to ensure that information systems are protected from attacks or incidents that could compromise the rights of data subjects. In the event of a data breach, the Bank, in its capacity as Data Controller, will proceed with assessing this and sending out any communications and notifications necessary pursuant to Articles 33 and 34 of the GDPR, in the manner and within the time limits indicated therein.

With regard to the handling of **reports and complaints regarding privacy-related issues**, Fineco has formalised and adopted a number of specific internal procedures designed to ensure that these are given due consideration, and dealt with within the timeframe established by the GDPR. These activities and tools have allowed the mitigation of reputational and non-compliance risks in

⁹⁴ *General Data Protection Regulation.*

the processing of personal data, including with regard to the lawfulness and fairness of the data processing itself.

The data protection management model can be audited by the Internal Control Functions. In particular, it is worth mentioning the *ex-post* controls carried out by the *Compliance Department* in order to verify the effective application of internal rules and the effectiveness of the measures put in place to eliminate or mitigate any non-compliance. For each area monitored, including privacy, there is provision for the identification of the main legal requirements and the respective association with a level of risk defined based on the comparison between the result of an indicator and the default single control limit threshold. In 2023, there were no specific internal audits in this regard, but the risk assessment was carried out to verify any non-compliances in this area. The second level controls continued in accordance with the *Framework* in place.

The data protection initiatives are brought to the attention of stakeholders through communication initiatives and awareness-raising campaigns on the subject. For example, internal stakeholders receive specific information notices on the processing of their personal data, enabling them to understand how their personal data are processed, the purposes for which they are processed and their rights, as well as awareness-raising initiatives on the subject, through special training campaigns, and internal data privacy policies. In fact, over the course of 2023, the Bank ensured that it continued to provide all staff with a mandatory privacy training plan, which serves as a general introduction to the topic of personal data protection, including the “*GDPR Data Breach*” course. External stakeholders, on the other hand, are provided with data privacy notices and specific privacy awareness videos and FAQs.

In 2023, the Bank has not received any substantiated complaints regarding breaches of customer privacy. With regard to possible data leaks, thefts or losses, following the strengthening of the detection capacity of the competent structures and in line with the results of the surveys carried out in 2023, 26 events were detected for which the Bank determined that there was no damage to the customers and put in place appropriate mitigation measures⁹⁵.

THIRD-PARTY MANAGEMENT

The digitisation of the financial sector has made the interconnections and dependencies within the sector and with third-party providers of infrastructure and services more pronounced. **Third-party risk** is the risk that arises from relying on suppliers, partners or other external parties for business activities. Organisations in all sectors rely on third parties, whether *cloud service* providers, suppliers or subordinates. Recent regulations, such as, but not limited to, the GDPR, the EBA guidelines on outsourcing and ICT and security risk management, the DORA Regulation⁹⁶ have made it even more important to analyse the risks arising from third parties. To manage this risk, Fineco complies with regulations and assesses, monitors and controls the performance and compliance of third parties in order to identify gaps in the supply chain and prevent incidents or losses.

To this end, Fineco has adopted: (i) the **Global Policy Outsourcing and Internalisation** with the aim of defining principles and rules, roles and responsibilities for the definition and management

⁹⁵ With regard to Fineco AM, there were no substantiated complaints regarding privacy breaches or events of data theft or loss.

⁹⁶ *General Data Protection Regulation*.

of outsourcing and internalisation (insourcing) agreements, including in the event that the use of cloud technology is envisaged and (ii) the **Global Policy Regulation for the management of the outsourcing/internalisation process**, in order to mitigate the legal, reputational, compliance, financial and information security risks deriving from the use of suppliers.

In particular, the outsourcing management process involves specific steps, including: (i) the preparation of a feasibility study, which includes, *inter alia*, the performance of due diligence, including reputational verification, on potential suppliers and sub-suppliers of the outsourcing initiative, and (ii) the monitoring of outsourcing agreements, specifically in order to verify the performance of service providers, agreed service levels, compliance with contractual and regulatory obligations provided for and, in the case of cloud outsourcing, the maintenance of agreed security measures. Monitoring is also ensured by maintaining an up-to-date register of information concerning all outsourcing agreements.

In order to ensure effective governance of outsourcing and internalisation, Fineco has adopted and maintains a control system that includes a clear definition of the responsibilities assigned to the functions responsible for providing the information needed to assess outsourcing and to check the accuracy and completeness of the related data. In particular, in relation to first-level controls: the *Outsourcing Manager*: i) ensures the correct application of the Global Policy on Outsourcing and Internalisation and also verifies that the corporate functions responsible for monitoring the supplier constitute an effective contractual and operational oversight; ii) establishes controls to verify that outsourcing strategies and monitoring and control methodologies are correctly transposed and implemented, also defining the appropriate information flows in the event of critical issues.

Second-level controls are part of the controls carried out by the various Control Structures of each Group Company (*Risk Management* and *Compliance*). The independent review of the outsourced functions (third-level controls) is performed by the internal audit function.

With regard to the bribery risk of Third Parties, the Group requires that they act in accordance with applicable laws and regulations, including local laws and laws with extraterritorial applicability. The Group requires each Third Party to review and understand the Anti-Bribery Policy of Fineco and its Companies and to comply with the clause in the contractual agreements, which includes the Group's right to suspend or terminate the relationship if there is knowledge or reasonable suspicion that the Third Party is involved in bribery. In addition, the Group encourages all Third Parties with whom it has relationships to implement an anti-corruption programme similar to FinecoBank's wherever local laws and regulations permit.

TAX COMPLIANCE

The contribution that the Fineco Group makes from a tax perspective is a key part of the wider economic and social role that it plays in the countries in which it operates. The tax approach adopted by the Group is contained in FinecoBank's **Tax Strategy**, which has been approved by the Parent Company's Board of Directors, published on the institutional website and implemented by the Group companies through resolution by their respective Boards. The Strategy is reviewed at least annually by the tax function and any changes are submitted to the Board of Directors for approval. The document sets out the objectives of the top management in relation to taxation, as

well as the risk appetite at Group level, the degree of top management involvement in tax planning decisions and the objectives in relation to risk management processes.

The Fineco Group's primary objective, in relation to its Tax Strategy, is to meet all its tax obligations, to promptly fulfil all the requirements imposed by tax regulations, both national and international, while ensuring the efficiency of the Group's taxation at global level, avoiding double taxation and reducing its tax burden only where legitimately permitted, in compliance with the provisions aimed at guaranteeing appropriate transfer prices for intercompany transactions.

The Fineco Group is committed to guaranteeing constant and transparent cooperation with the tax authorities, in compliance with the reporting obligations established by international regulations on the exchange of information between countries (e.g., the FATCA and CRS regulations). In this context, the Bank also ensures compliance with the provisions on reporting to the tax authorities of cross-border arrangements that identify a potential undue tax advantage, in accordance with DAC 6 regulation. More specifically, a number of safeguards have been put in place both for the competent internal structures of the bank and for the personal financial advisors, given that the latter may find themselves in the conditions envisaged in the above-mentioned regulation.

Since 2016, Fineco has been admitted to the **Cooperative compliance regime**, which aims to increase the level of certainty on relevant tax issues and thus avoid possible disputes with the tax authorities. This objective is pursued through constant and pre-emptive dialogue with the tax authorities, aimed at a common assessment of situations likely to generate tax risks, and the agreement on the internal control system for tax risk. An important step in the correct fulfilment of the tax obligations is the check carried out by the External Auditors for the signing of the tax declarations.

Compliance in tax matters is guaranteed by an effective **Tax Control Framework** (TCF), consisting of 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.

Each Group Company guarantees the presence of a specific internal Tax function or Internal Manager. The *Tax Affairs and Advisory Unit* is responsible for defining domestic, international and supranational tax scenarios and implementing appropriate and effective procedures for the correct fulfilment of tax obligations and the correct and efficient taxation of the Group. This Unit, together with the CFO, periodically reports to the Board of Directors on major tax issues. In addition, the Head of the Tax Function participates in several internal committees as a permanent member, in order to monitor the potentially related risks. The Tax Affairs and Advisory Unit includes the Tax Compliance Technical Unit, as a specialised arm of the Compliance Department, whose purpose is to monitor and control the risk of non-compliance with tax regulations by the activities carried out by the Bank.

Raising awareness among the Bank's staff and top management in relation to tax risk is actively supported by training courses, aimed at generating greater awareness of the regulations and consequently fostering the development of a corporate culture focused on tax compliance. The Fineco Group does not have any remuneration schemes for its directors and employees that are related to tax saving and they are expressly prohibited from purchasing or offering investments, products and other transactions that are purely based on a tax benefit for the Group, customers or other counterparties.

Country-by-country reporting	2023		2022		2021	
	Italy	Ireland	Italy	Ireland	Italy	Ireland
Name of resident entity	FinecoBank S.p.A.	Fineco AM DAC	FinecoBank S.p.A.	Fineco AM DAC	FinecoBank S.p.A.	Fineco AM DAC
Main activity of the organisation	Regulated financial services					
No. Employees at 31/12 [Head Count]	1,311	73	1,279	57	1,261	44
Revenues from sales to third parties [€/000]	1,541,579	351,471	1,186,045	311,555	1,045,147	244,719
Revenues from intragroup transactions with other tax jurisdictions [€/000]	166,828	-	145,103	-	119,670	-
Profit/loss before tax [€/000]	850,618	135,319	582,892	118,659	471,709	84,268
Property, plant and equipment other than cash and cash equivalents [€/000]	144,768	1,729	144,102	2,106	149,506	841
Corporate income taxes paid on a cash basis [€/000]	84,040	16,770	153,721	15,495	99,624	10,005
Corporate income taxes accumulated on profits/ losses [€/000]	251,792	17,154	163,626	15,040	137,478	10,592

The difference between the corporate income tax accrued on profits/losses and the tax due is mainly attributable to the tax prepayments made by FinecoBank S.p.A. during the year. The reconciliation of the theoretical tax rate and the effective tax rate, which can be found in the financial statements, is due to the combined tax effect of income and expenses that are not relevant in determining the tax base, as envisaged by law. Taxes paid on a cash basis are reported net of the offsetting of Ecobonus credits.

07





OUR PEOPLE

- 7.1.** MANAGEMENT OF OUR PEOPLE
- 7.2.** DIVERSITY AND INCLUSION
- 7.3.** PROMOTING AND DEVELOPING HUMAN RESOURCES
- 7.4.** WELFARE AND INDUSTRIAL RELATIONS
- 7.5.** HEALTH AND SAFETY



7.1 MANAGEMENT OF OUR PEOPLE

OUR EMPLOYEES

Being aware that the ability to innovate and the continuous evolution cannot disregard the enhancement of human capital and the development of its professionalism and talent, as well as the richness deriving from the diversity of its composition, Fineco wants to be for its employees "The Place To Be", i.e., the workplace where everyone can express their potential and aspirations to the fullest, contributing to the success and sustainability of the business. People represent one of the main *Key Success Factors* and Fineco is committed to investing in their development and growth, creating an inclusive, sustainable working environment that allows for work-life balance.

In order to consolidate and convey this culture within the company, Fineco has set up a regulatory framework of policies, procedures and documents governing the fundamental aspects of human resource management. These principles are reiterated in the Group's Charter of Integrity, Code of Conduct and Compliance Culture and Code of Ethics, as well as in the **Global Policy HR Policy Framework**. In particular, the latter Policy regulates the main processes of the Human Resources service model, such as: human resources management, people engagement, skills model, training and development, talent acquisition, compensation & benefits. The *Code of Ethics* also deals with various aspects necessary to ensure good personnel management, including the search and selection process, which must be carried out according to criteria of objectivity, competence and professionalism, free from prejudice or discrimination and applying the principle of equal opportunities.

No. employees	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total									
Italia - Milan ⁹⁷	628	397	1,025	615	394	1,009	608	383	991
Italia - Reggio Emilia	132	154	286	125	145	270	124	146	270
Outside Italy - Ireland	44	29	73	32	25	57	29	15	44
Total	804	580	1,384	772	564	1,336	761	544	1,305
Permanent									
Italia - Milan	625	391	1,016	615	390	1,005	604	380	984
Italia - Reggio Emilia	126	149	275	121	144	265	121	141	262
Outside Italy - Ireland	44	29	73	32	25	57	29	15	44
Total	795	569	1,364	768	559	1,327	754	536	1,290
Fixed-term									
Italia - Milan	3	6	9	0	4	4	4	3	7
Italia - Reggio Emilia	6	5	11	4	1	5	3	5	8
Outside Italy - Ireland	0	0	0	0	0	0	0	0	0
Total	9	11	20	4	5	9	7	8	15

⁹⁷ In this table, the data for the geographical area "Italy - Milan" also includes the Pero Data Processing Centre.

No. employees	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time									
Italia - Milan	626	349	975	613	345	958	606	331	937
Italia - Reggio Emilia	129	107	236	122	101	223	121	104	225
Outside Italy - Ireland	44	29	73	32	25	57	29	15	44
Totale	799	485	1,284	767	471	1,238	756	450	1,206
Part-time									
Italia - Milan	2	48	50	2	49	51	2	52	54
Italia - Reggio Emilia	3	47	50	3	44	47	3	42	45
Outside Italy - Ireland	0	0	0	0	0	0	0	0	0
Totale	5	95	100	5	93	98	5	94	99
By employee category and gender									
Executives	34	10	44	34	9	43	30	6	36
Managers	349	152	501	325	140	465	317	129	446
Professionals	421	418	839	413	415	828	414	409	823
Totale	804	580	1,384	772	564	1,336	761	544	1,305
By employee category and age									
	≤30	31-50	>50	≤30	31-50	>50	≤30	31-50	>50
Executives	1	16	27	1	18	24	-	18	18
Managers	9	322	170	6	322	137	3	333	110
Professionals	173	551	115	177	550	101	183	558	82
Totale	183	889	312	184	890	262	186	909	210

The average age of FinecoBank Group employees at the end of 2023 is 42.4 years, in line with 2022. Fineco's staff is mainly made up of two groups of people:

- highly qualified staff, with specific skills and mainly located within the product, commercial and ICT areas;
- young people (the so-called *Millennials* and *Generation Z*), mainly employed in the *Customer Care* area, which represents an "incubator of talent" where they have the opportunity to acquire in-depth knowledge of the Bank's products, services and processes.

The year 2023 confirmed the strong acceleration of digitisation in all HR processes begun in previous years. Fineco, which was born digital, has managed to quickly adapt to this change, shifting the entire recruitment process completely to digital. For some years now, in fact, the bank has been using video interviewing, thus offering a unique *candidate experience* that speeds up *screening* times, reduces travel time and the use of transport. Fineco contacts digital natives through the communication channels they use most: *social media* and *job fairs*, which, especially in recent years, have become digital events. In 2023 Fineco also continued its collaboration with the best universities in Italy, through its participation in *Digital Job Fairs* (digital and in-person), i.e., recruiting initiatives promoted by some of the main universities in Milan (Bocconi and Cattolica) and Pavia, as well as *Career Days* on a national scale. Within the *Customer Care* area, which is the main entry point for new hires at FinecoBank, at the end of an *on-the-job training period* of around 2 years, new employees have the opportunity to further specialise in that area, or to undertake a process of horizontal growth within the Bank thanks to intense *job rotation*. In this regard, in 2023,

22 people took advantage of the opportunity to get to know and work within other areas of the Bank and at the end of 2023, 13.8% of the total workforce was employed in the *Customer Care*, in line with last year. Fineco has always been aiming at organic growth aimed at enhancing the skills present in the company. In fact, many of the vacant positions are filled by internal staff.

Hiring rates and numbers ⁹⁸	2023		2022		2021	
	Number	Rate	Number	Rate	Number	Rate
By gender						
Men	63	8%	58	7%	54	7%
Women	40	7%	43	8%	31	6%
Total	103	7%	101	8%	85	7%
By age group						
≤30	64	35%	72	39%	63	34%
31-50	36	4%	28	3%	21	2%
>50	3	1%	1	-	1	-
Total	103	7%	101	8%	85	7%
By geographical area						
Italy - Milan	67	7%	69	7%	62	6%
Italy - Reggio Emilia	17	6%	5	2%	9	3%
Ireland	19	26%	27	47%	14	32%
Total	103	7%	101	8%	85	7%
Termination rates and numbers ⁹⁹	2023		2022		2021	
	Number	Rate	Number	Rate	Number	Rate
By gender						
Men	31	4%	47	6%	24	3%
Women	24	4%	23	4%	18	3%
Total	55	4%	70	5%	42	3%
By age group						
≤30	23	13%	44	24%	27	15%
31-50	28	3%	22	2%	13	1%
>50	4	1%	4	2%	2	1%
Total	55	4%	70	5%	42	3%
By geographical area						
Italy - Milan	49	5%	51	5%	30	3%
Italy - Reggio Emilia	3	1%	5	2%	6	2%
Ireland	3	4%	14	25%	6	14%
Total	55	4%	70	5%	42	3%

⁹⁸ The rate of new hires is given by the ratio between the number of new hires during the year and the number of employees at the end of the year (by gender, age group and geographic area). In addition, an analysis of the composition of the workforce is carried out on a quarterly basis, with further detail on the hiring rate, broken down by gender, age, job category and organisational structure, and the termination rate, broken down by gender, age, seniority. Finally, evidence is also given of the gender pay gap figure. The People Analytics representation is transmitted quarterly to the CEO/DG and to the managers with strategic responsibility, for the consequent assessments in terms of resource management planning.

⁹⁹ The rate of new hires is given by the ratio between the number of new hires during the year and the number of employees at the end of the year (by gender, age group and geographic area). In addition, an analysis of the composition of the workforce is carried out on a quarterly basis, with further detail on the hiring rate, broken down by gender, age, job category and organisational structure, and the termination rate, broken down by gender, age, seniority. Finally, evidence is also given of the gender pay gap figure. The People Analytics representation is transmitted quarterly to the CEO/DG and to the managers with strategic responsibility, for the consequent assessments in terms of resource management planning.

OUR PERSONAL FINANCIAL ADVISORS

The relationship with the customer – based on transparency and the primary protection of the customer's economic and financial interests, on technological and process innovation to simplify and make savings management "friendly" and efficient, on efficiency and growth, mainly understood as the acquisition of new customers – is key for both the Bank and the Network.

The cornerstone of the Network strategy is the **quality of the relationship with the customer**, based creating a solid relationship of mutual trust. The work of the advisors helps to identify customer needs and agree on investment solutions, and the overall management of their assets, in order to develop effective financial and wealth planning throughout the various stages of their lives, primarily for the purpose of controlling asset risks rather than just financial performance. Another equally important objective is financial education, aimed at mitigating the emotional impacts on customers, as these can lead them to instinctively engage in transactions that are not appropriate to their financial situation and personal goals.

The use of a wide and diversified range of products, made available within an open architecture platform that is among the most complete on the market, makes it possible to mitigate portfolio risks and offer investment solutions that are consistent with the characteristics and expectations of clients. In addition, the Bank provides advanced advisory services, which allow constant risk monitoring while minimising conflicts of interest.

With regard to the objective of mitigating asset allocation risks, Fineco Asset Management's contribution is key. Indeed, the company is increasingly distinguished by its capacity for innovation and a time-to-market strictly aligned to the changing customer needs and market situations.

The **FinecoBank Personal Financial Advisor Network**, the third largest¹⁰⁰ in Italy in terms of assets under management, is organised on three levels in ascending hierarchical order: Personal Financial Advisor (PFA), Group Manager and Area Manager. PFAs represent the base of the pyramid and are the people almost exclusively responsible for the customer management; Group Managers are the intermediate role in the Network, who, in addition to managing customers, also have the managerial task of coordinating the advisors within a particular local area. Lastly, Area Managers are the most senior role in the Network and are mainly dedicated to promoting business development and coordinating staff in the geographical areas assigned to them.

Within the network, starting in 2017, the role of Private Banker was introduced. These are financial advisers who, while operating within the structures described above, upon reaching certain thresholds of portfolio and number of private customers become recipients of dedicated training, focused on in-depth study of typical wealth management topics. At the end of 2023, there were 710 Fineco Private Bankers, of which 140 Senior Private Bankers, always selected on the basis of the quality of their client portfolios, and 27 Ambassadors. In order to be appointed Private Banker, Senior Private Banker and Ambassador, it is necessary to reach certain thresholds, which are periodically reviewed in order to make their achievement an incentive.

In addition, since 2022, the **Ambassador Club** has been set up, in which *Senior Private Bankers* with higher portfolios and a solid reputation participate. The initiative stems from the need to dialogue with the Bank's Top Management on key issues, such as strategic, operational and

¹⁰⁰ Source Assoreti, September 2023 (last one available at the date of writing).

business choices as well as the conception of new products and services, the evolution of the Private Banker's work organisation and customer service methods, and the conception and testing of communication, marketing and private customer development initiatives.

No. of PFAs by role	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
By gender									
Area Manager	26	-	26	26	-	26	26	-	26
Group Manager	175	9	184	173	9	182	168	9	177
Other PFAs	2,235	517	2,752	2,201	509	2,710	2,111	476	2,587
Total	2,436	526	2,962	2,400	518	2,918	2,305	485	2,790
By age group	≤30	31-50	>50	≤30	31-50	>50	≤30	31-50	>50
Area Manager	-	2	24	-	3	23	-	5	21
Group Manager	-	49	135	-	53	129	-	65	112
Other PFAs	216	1,072	1,464	210	1,133	1,367	189	1,125	1,273
Total	216	1,123	1,623	210	1,189	1,519	189	1,195	1,406

In 2023, total net sales through the personal financial advisor Network reached € 7.1 billion, the result is particularly positive considering the complex macro-economic situation. The large amount recorded is a sign of customer confidence and indicates important results that confirm steady, healthy and sustainable growth. 61.7% of total net savings came from newly acquired customers (more than 64,000 current accounts were opened during the year). The average per capital of the Network is € 36 million. Financial advisors with assets over € 20 million represented 63.9% of the Network, with 89.3% of assets under management. at the end of 2023.

Organic growth, through the acquisition of new customers, new assets and the enhancement of existing relationships by the Network, continues to be the main driver for the development of the Bank's business.

With regard to the **recruitment of new Personal Financial Advisors**, the priority objective for 2023 was once again to improve the quality of the network, focusing the selection on qualified professionals with solid experience, coming from financial advisory networks, traditional banks and institutions specialised in private banking. The Group seeks to attract professionals who share the Group's vision and values: transparency in customer relationship management, ability to use technology intelligently, desire for professional growth and drive to meet market challenges. The new employees are provided: i) specific and thorough onboarding, for a period sufficient to obtain full knowledge of the Fineco world; and ii) full, independent operational activation. Particular attention is paid to the financial package, which consists of the two components of upfront and ongoing remuneration, with a high degree of flexibility and personalisation.

Another fundamental pillar for growth is the Bank's investment in junior talent, necessary to promote generational change in the network and update the working methods and professional culture. Candidates are selected through partnerships with universities, smart monitoring of social and digital communication channels and targeted use of more traditional channels. The Bank also provides training support, ranging from preparation for the qualification exam through to the end

of the fourth year of work within the Network, financial support through a “package”, able to maintain the new recruit for the first 36 months of work, which represents the most critical period for building economic sustainability in this profession, and operational support provided by a dedicated trainer.

In 2023, the net growth of the Network amounted to 44 people. The number of new advisors joining the Network was 141 of which, 70 were *senior* and 71 *junior*. Also worth noting is the low turnover of the Network in this period (3.3%), largely consisting of retirements.

No. New Arrivals	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Beginner	58	13	71	98	30	128	126	29	155
Senior	55	15	70	66	20	86	96	20	116
Total	113	28	141	164	50	214	222	49	271

7.2 DIVERSITY AND INCLUSION

OUR EMPLOYEES

Fineco aims to support the well-being and protect the people with whom it relates through its business activities and on whom it can generate a positive or negative impact. FinecoBank is aware that a diverse workforce ensures a plurality of perspectives, fosters innovation and contributes to a stimulating work environment. For these reasons the Group is constantly committed to enhancing the talents, skills, experience and different cultural backgrounds of a pluralistic organisation, where people feel respected and appreciated and can express their potential, through the adoption of an approach to *diversity* that takes into account the different needs expressed by clients, employees and communities.

As evidence of this, a **Diversity Manager**¹⁰¹ has been appointed within the Bank, who represents the point of reference for activities and initiatives relating to the issue of diversity. Fineco has long been committed to a fair and inclusive working environment based on equal opportunities and respect for dignity through various initiatives and a solid internal regulatory framework. As confirmation of this commitment, in 2023 the Bank obtained the **Gender Equality Certification in accordance with the UNI 125/2022 reference practice**, that defines the guidelines on the management system for gender equality.

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 ESG MYP 2024-2026 (see Annex I to this NFS).

As referred to in the *Code of Ethics*, diversity of gender, thought, experience and skills represents a value that contributes to Fineco's professional enrichment, as well as an element of strength to be valued as a source of new ideas. Since 2013, a **Global Policy on Gender Equality** has been adopted, last updated in 2023, which sets out principles and guidelines to ensure a level playing field where all employees, regardless of gender, can realise their full potential and to create a gender-balanced leadership pipeline, within which contributions of all people are fairly valued in decision-making processes, at all levels of the organisation.

The FinecoBank Group is committed to respecting the principles and civil liberties as inalienable human rights, as stated in the **Human Rights Commitment**. For this reason, the Group does not tolerate any form of discrimination with reference to age, nationality, ethnicity, citizenship, political opinions, religion, marital status, gender, sexual orientation, sexual identity, disability, personal characteristics and experiences or aspects that distinguish an individual throughout his or her life, such as personal and corporate culture, type of employment contract, professional role and hierarchical position within the organisation. Furthermore, the recipients of the Integrity Charter and the Code of Conduct are called upon to promote an environment based on equal opportunities and to treat others with dignity and respect, and under no circumstances must they engage in or tolerate discrimination or harassment.

¹⁰¹ The Diversity Manager is identified as the Head of the Company's People Management & Development unit.

The **Combating Harassment, Sexually Inappropriate Behaviour and Bullying Global Policy** was also issued in 2020 and updated in 2023, reflecting the company's commitment to upholding a peaceful, participative and professional working environment free from all forms of harassment, sexually inappropriate behaviour and bullying. During 2023, no incidents of discrimination in the workplace were brought to the Group's attention.

The Fineco Group is committed to ensuring gender neutrality also in terms of remuneration. In particular, the Board of Directors, with the support of the Remuneration Committee, oversees the issue of gender neutrality of policies, monitoring any gender pay gap and its evolution over time. 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. Management is accountable with regard to gender neutrality in remuneration systems. In fact, also in 2023, the *ESG Stakeholder Value* objective, which includes, among others, the KPI *YY delta on Gender Pay Gap and Gender Balance*, has been included in the performance evaluation forms of the Group CEO, as well as of other *Identified Staff*.

According to the methodology of GRI Standard 405-2¹⁰², the *ratio of base salary* of women to men for 2023 is 80% for executives, 98% for managers and 101%, for professional employees, while in 2022 these values were 80%, 99% and 102% respectively.

The ratio of total remuneration¹⁰³ of women to men in 2023 for executives is 63%, for middle managers 97% and for office workers 101%, while in 2022 the values were 62%, 98% and 102% respectively.

As of 2019, FinecoBank subscribes annually to **Valore D**, thus promoting access to training and the sharing of *best practices* with other member companies. In addition, Fineco has decided to use Valore D's *Inclusion Impact Index* methodology to map its diversity and inclusion policies in an integrated manner, and to measure their real organisational impact, with the aim of discovering its areas of strength, but above all to identify the areas in which it will continue to invest in the future.

Finally, also as of 2019 FinecoBank adheres to the ABI's **Charter "Women in banking: enhancing gender diversity"**, which outlines the commitment to enhance, promote and strengthen diversity, including gender diversity, at every level of the organisation.

In 2023 Fineco was ranked first in Italy and sixth in Europe among the 50 companies in *Europe's Diversity Leaders* ranking, published by the *Financial Times*, confirming the effectiveness of the actions put in place in recent years to create a truly inclusive working environment capable of enhancing the talent and commitment of all its people. In addition, once again this year it participated as a supporter in the event promoted by ABI "*D&I in Finance*": an annual event of benchmark for banks and operators in the financial world to reflect on the importance of the socio-

¹⁰² The basic salary is understood as the Gross Annual Salary (GAS). Due to the specific nature of the role assigned to the CEO, the calculation does not include the CEO's basic salary.

¹⁰³ Total remuneration is understood as the GAS combined with any additional amounts paid, such as bonuses, benefits, overtime and daily rates. Due to the specific nature of the role assigned to the CEO, the calculation does not include the CEO's total remuneration.

cultural transformations taking place, at a national and international level, on the issues of diversity, inclusion and accessibility.

Fineco is also committed to continuous management and monitoring of resources coming back from **maternity leave**. In this regard, in line with previous years, an analysis was carried out on the following three issues, showing that, of the total of 22 people who returned from leave in 2023:

- Position and role: 100% returned to the same role held before the period of absence, even in the case of a role of responsibility;
- Flexibility: 59% returned full time without requesting any flexibility, while 41% requested a change in working hours, so that it would be easier; all requests were granted;
- Promotions e Bonuses¹⁰⁴: 45% received a promotion or salary increase or a bonus during the period of maternity leave.

Lastly, the Group is constantly committed to supporting people belonging to **protected categories**, who amounted to 55 as of 31 December 2023, including 5 middle managers and 49 employees. In this context, in 2023 Fineco took part in two events aimed at promoting diversity management and the employment of people with disabilities and belonging to protected categories: (i) the *Diversity Day* in-person event organised in June at Bocconi University in Milan, in partnership with private companies, universities, public institutions, the media and the community; (ii) the *Digital Inclusion Job Day* held in October. In addition, collaboration continued with *Jobmetoo*, an online recruiting company that allows companies to meet candidates belonging to protected categories and offers the opportunity to participate in workshops dedicated to the management and development of staff with disabilities.

OUR PERSONAL FINANCIAL ADVISORS

Fineco adopts policies that also ensure gender equality within the personal financial advisor network. This means that the parameters for defining objectives, assessments, remuneration and rewards for advisors are based on the principles of meritocracy and objectivity, and are independent of gender, as they refer exclusively to qualitative and quantitative factors linked to the performance achieved.

As confirmation of this, the **Integrity Charter, Code of Conduct Policy and Compliance Culture Policy**, also aimed at the personal financial advisors, promotes an environment based on equal opportunities, dignity and respect, and the addressees of the Policy are not permitted under any circumstances to engage in or tolerate discrimination or harassment. Specifically, the personal financial advisors are also required to respect the principles of civil liberties and reject all forms of discrimination, to be replaced by the fundamental importance of assessing each individual's skills and abilities, and backed up by a specific commitment to nurturing and integrating the people who join the Group.

In absolute terms, 17.8% of the Network is made up of women, compared to an average in the national Networks of 22.3%¹⁰⁵. In this regard, it is worth noting that the profession of personal financial advisor has a strong technical and relational content, and the legacies of the past – even

¹⁰⁴ The data on the recognition of bonuses and promotions refer only to those resources eligible for an evaluation (20).

¹⁰⁵ Source: Supervisory Board and Register of Personal Financial Advisors – 2022 Annual Report.

though mistaken and disproved by more recent evidence – have always led to the belief that men are more suited to the profession. On the contrary, Fineco believes that the daily organisational needs of women, including mothers, are highly compatible with the organisational flexibility afforded by the work of a Personal Financial Advisor. From this perspective, this flexibility could be considered an implicit benefit, facilitating a more efficient work-life balance. This is why, for some years now Fineco has been seeing a change in trend and the percentage of women in this profession, although still low, is increasing significantly.

For years, the Bank has focused on and believed in its **Youth Project**, the project dedicated to junior advisors, aimed at supporting those entering the profession. Here, female participation is higher, showing that there is a greater willingness to embark on this career path in the younger generation.

Lastly, Fineco provides **support measures for PFAs on maternity leave**, including, for example, the possibility of temporarily transferring management of their customer portfolios to colleagues operating in the vicinity, while retaining a part of the fees.

7.3 PROMOTING AND DEVELOPING HUMAN RESOURCES

OUR EMPLOYEES

Developing human resources is a strategic factor for Fineco and, for this reason, appropriate training plans and programmes designed to develop the individual's skills and capabilities are encouraged.

In 2023, training focused both on acquiring and consolidating the skills required by the various corporate needs, and on updating individual knowledge, with a focus on compulsory, technical, linguistic and behavioural-managerial training. The courses took place in different modes of delivery through workshops and webinars, face-to-face and virtual classrooms, online courses and asynchronous video pills.

The training content is developed with the support of external training companies and/or internal colleagues, owners of the identified subject matter.

In 2023, Fineco delivered over 47,842 hours of training involving all employees, equating to an average of over 34.6 hours of training per person.

Fineco is constantly committed to disseminating and improving its risk and compliance culture. Accordingly, in 2023 the Group again gave special attention to **compulsory training** for all employees, which includes learning tests and periodic monitoring. The completion of compulsory training is also a requirement for access to the annual incentive scheme. The main topics covered during the year are: Outsourcing and internalisation, Management of IT services provided by third parties, PSD2¹⁰⁶ and PAD¹⁰⁷ and GDPR Data Breaches, Integrity Charter, Code of Conduct and Compliance Culture, Anti-Money Laundering and Anti-Corruption. In-person sessions were also organised on “Focus on Anomaly Indicators and SOS Reporting” in AML.

In addition, there were also **mandatory training courses for specific targets**, such as: The integration of ESG factors in banking/finance, Revolving credit: risks, governance and customer protection, Product Oversight Governance for investment services. Within the structures in charge of providing information to clients, compulsory IVASS insurance training, professional refresher courses for the purposes of the CONSOB Regulation and annual skills assessment on the subjects indicated by ESMA were also provided.

The following new compulsory courses were also released during the year:

- “Outside Business Interests – OBI”, with the aim of providing awareness of the operational procedure that employees are required to follow when holding or intending to hold an outside business interest;
- “The system of internal controls on Financial Reporting (Law 262/2005)”, with the aim of raising awareness of the 262 Model adopted by the Bank.

In order to ensure compliance with occupational health and safety regulations, Fineco provides appropriate training, information and instruction on a regular and continuous basis to all the staff concerned on the basis of current regulations.

¹⁰⁶ Revised Payment Services Directive.

¹⁰⁷ Payment Account Directive.

During 2023, in order to ensure business continuity in the event of a crisis, Business Continuity training courses were organised from essential resources to replacement resources for 521 hours, as well as “Awareness on ECM¹⁰⁸ and Incident Management” training sessions with the aim of raising the level of awareness and culture in the company on the subject.

Furthermore, in order to increase knowledge and awareness of possible cyber threats and to be able to react appropriately to them, Fineco continued to promote the information campaign during the year “*I Navigati - Informati e sicuri*” designed to promote the safe and informed use of digital channels for financial services.

A great deal of importance is also given to **on-the-job training** aimed at new recruits and employees who change jobs, which is extremely useful to ensure concrete, practical and effective training, through tutoring and support during the first months of the new job with senior colleagues. On-the-job training in Customer Care also continued as usual. At Bank level, a total of 15,464 hours of on-the-job training were provided.

In order to improve business development and the level of specialisation of employees, training sessions were organised to improve technical, behavioural and managerial skills. In particular, for the development of technical skills, some relevant initiatives during 2023 are highlighted:

- In line with the new provisions set forth in the 40th update of Bank of Italy Circular 285, a specialised training course entitled "Risk Management, Cyber-resiliency and Regulatory Compliance in the Banking Sector" was set up, which involved some resources from the Risk, Compliance, Audit and Organisation areas, as well as advanced specialised technical training for some colleagues who took advantage of "Cyber Security Audit" and "ITIL v4 Foundation" (IT Service Management Certification) courses;
- for digital skills development, online training courses are being activated on a dedicated platform.

With regard to the development of managerial/behavioural skills, the following is a list of the training courses organised and activated during the year and involving 127 resources:

MANAGERIAL COURSES

- “Leadership Evolution” – a training course for senior managers offering opportunities to learn new managerial skills;
- “LeaderSHIFT” – training course dedicated to new appointed managers that offers opportunities for confrontation and growth in the role and allows leadership and management skills to be enhanced.
- Coaching course "Elevating your impact" – a training course dedicated to managers that offers opportunities for professional comparison and growth in gaining awareness of both one's strengths and areas of focus with respect to the challenges of the role and context.
- “Structogram® TRAINING SYSTEM” – training course dedicated to managers in the compliance function, aimed at the acquisition of greater self-awareness for the development of their managerial/individual/relational skills.

¹⁰⁸ Electronic Content Management

PROGRAMMES FOR THE DEVELOPMENT OF CROSS-CUTTING SKILLS

- "Saying, writing, listening: tools for effective communication": a path that allows participants to acquire the techniques to convey the message with clarity and impact, overcoming obstacles, fears and limiting beliefs, to emerge with effective communication, positively influencing professional interactions;
- "Personal effectiveness: being protagonists of one's own development": a path that offers insights and tools to better manage relationships, conflicts, priorities and personal organisation, leading to greater self-awareness;
- "Excel intermediate level" and "Excel advanced level": both paths aim to deepen and refine technical knowledge for an increasingly effective use of the application. Training paths are organised for homogeneous groups from the point in terms of learning objectives, thanks to an initial assessment aimed at identifying the level of knowledge in order to favour the effectiveness of the course during delivery;
- Project Management training courses dedicated to both managers and professionals.

All training courses are designed with a very practical approach: the training is dynamic and concrete and offers participants comparisons and reflections, activities, exercises and simulations. In most cases, participants conclude the course with the definition of their own action plan. At the end of each session, participants are asked to complete a satisfaction survey to collect feedback. This year too, in order to meet the behavioural, managerial and personal training needs of all employees, the catalogue¹⁰⁹ of online courses freely accessible to all employees was expanded.

Through the collaboration with *Valore D*, also in 2023 Fineco took part in a number of training initiatives specifically designed to promote diversity and inclusion in the company, covering topics such as unconscious stereotyping, inclusive language, working in diverse teams, empowering staff, and gender and sexual harassment in the workplace. The *Valore D* programmes accompany people in an experience of in-depth knowledge of D&I-related issues built in a coherent way with respect to specific seniority targets. The objective is to encourage the conscious adoption of inclusive perspectives and leadership styles to enhance all diversity in teams and in the company.

The Young Talent programme is aimed at young talents in the company to encourage self-awareness and self-knowledge in the early stages of their professional growth, to enhance relations with others and to stimulate an inclusive approach. The course includes three meetings respectively dedicated to:

- "Managing oneself/themselves": identifying one's values, the sources of one's energy and motivation. Using knowledge of one's motivational drivers to create and communicate one's personal brand.
- "Managing relationships with others": to see the impact of motivational drivers in managing relationships with other people, especially those motivated by needs different from one's own, and to develop strategies to better manage them.

¹⁰⁹ The catalogue includes the following areas: Communication & Influencing; People & Self-Management; Leadership; Efficiency, Execution & Organization; Ethics & Respect, Diversity & Inclusion; Health & Safety; Languages.

- "Managing the organisational system": identifying one's own style of influence, learning and managing stakeholders more strategically, understanding the importance of having a sponsor, how to identify them and how to manage the relationship.

The programme for Middle Managers (dedicated in particular to the female population) is designed to acquire fundamental tools for solid career development, mature professionalism and greater self-awareness. The course includes three meetings respectively dedicated to:

- "Merit and power: career between competence and strategy": reflections and strategies to enhance merit - one's own and that of others - and actual skills in tune with the organisational context, knowing the "rules of the game" and knowing when and how to improve them.
- "My" leadership, personal impact and role balance": getting to know the elements of effective and authentic leadership. A comparison with leadership models to discover the characteristics of one's personal "power" to act a unique and inclusive leadership.
- "Personal impact and role balance": acquiring roles of responsibility also means knowing how to play all the parts each role entails. Being comfortable with oneself, knowing how to use one's voice, knowing the behavioural implications required by different contexts.

The programme for Senior Managers is designed to support them in understanding the managerial skills needed to successfully face the changes and challenges of the current context, to develop new ways of strategic thinking necessary to manage complex situations through a sustainable growth mindset for the organisation and its team. It includes two meetings respectively dedicated to:

- "Working with the future": offering keys to current and future scenarios to analyse complexity and uncertainty inside and outside organisations, to make decisions in the present, to build resilient and long-term professional growth actions.
- "Being an anticipating leader": to understand how anticipating leadership is the key competence of sustainability managers, to develop synergies of thought to manage complexity in the team and in the organisation, generating high added value solutions.

In addition, the Ethics & Respect, Diversity & Inclusion section of the Bank's online catalogue also includes courses on ethics, valuing diversity and cultural diversity.

Lastly, with regard to **language training**, in 2023 all employees had the opportunity to use a dedicated platform, based on artificial intelligence, aimed at enhancing their English language skills through a personalised learning path based on their initial level of knowledge and interests. In addition, the usual group and individual training courses were carried out for 320 employees by telephone or in virtual classrooms. Courses in legal English and German were provided for specific staff. German, Spanish, French and Business English language training courses have also been added to the **Learning Next** online training catalogue.

Average hours of training per capita	2023	2022	2021
By gender	34.6	34.1	31.4
Men	35.5	37.0	34.2
Women	33.3	30.1	27.5
By employee category	34.6	34.1	31.4
Executives	44.2	43.0	41.2
Managers	25.4	26.7	26.5
Professionals	39.6	37.7	33.5
Total Training Hours			
By training area			
Technical	19,900	17,881	13,207
Linguistic	4,135	4,121	4,917
Mandatory	21,259	22,075	21,410
Behavioural	2,548	1,411	1,418
Total	47,842	45,488	40,952

All Group employees undergo an annual performance evaluation by their respective managers that not only takes into account performance and results linked to specific and common objectives but also identifies future opportunities for learning and development.

The **Performance Management** tool responds to the need to make the assessment objective and identify the behaviour expected to achieve results. This assessment process consists of several stages:



The process therefore comprises two official discussion sessions between the assessor and the person being assessed, one during the assignment of objectives and the second during the feedback phase, with the aim of **developing talent** and increasing **employee engagement**. With this in mind, in addition to the performance appraisal there is a potential appraisal, which is based on 3 levels (from reached potential to high potential).

The annual review provides an opportunity to plan, identify and manage career and succession plans in line with the performance and expectations of those concerned and identify activities to support the development of sustainable leadership. In 2022, around 97% of employees received an annual performance evaluation using the Performance Management tool¹¹⁰.

Performance Management focuses on the talent of each individual, making it possible to enhance his or her strengths and highlight areas for improvement that can be filled through the identification of ad hoc training programmes. The **compensation** and **salary review process**, for its part, is closely linked to the performance evaluation system. The head of each unit proposes a promotion and/or pay rise for their staff, which is analysed by the Chief People Officer Department in accordance with the principles of fairness, transparency and consistency and through a careful and accurate Pay for Performance analysis, which looks at the consistency between the distribution of individual performance evaluations for the year and the relative average bonus paid. This analysis is presented annually to the Remuneration Committee.

OUR PERSONAL FINANCIAL ADVISORS

Fineco's ambition is to encourage the diffusion of a truly sustainable savings culture, in a simple and accessible way.

From this perspective, the training of financial advisors becomes a key factor in preparing them to navigate in an ever-changing environment, providing them with the necessary skills to offer high-quality advice and services to clients. This is done in collaboration with professors from leading universities, specialised companies and other experienced professionals. Fineco is therefore constantly committed to implementing training plans aimed at developing the advisors as professionals and as businesses, with a strong focus on managerial training and on the private banking segment.

For years, Fineco has provided a training course dedicated to new arrivals with a senior profile called "**welcome senior**", which consists of 8 training sessions on the products and services offered by the Bank to its Network. In 2022, a new session on pension funds was added to this course in order to make it easier for new advisors to enter into a relationship with the pension world right from the start. In 2023, video training pills were added to transmit the content also through the digital mode. Solely for the advisors originating from the bank, the course also includes a session on their new role, enabling them to develop the all-important role awareness that characterises a Fineco advisor. The aim of the course is to introduce advisors to the new Fineco reality, fostering since the beginning a good understanding of the products, services, platform and the guiding concept represented by transparency.

Also, during the year a series of web conferences were held with university professors and professionals to support advisors with new insights on generational change, focusing on the financial preferences and behaviour of generations Y and Z, changes in financial wealth perspective, emotional management of clients and the impact of inflation on financial planning.

¹¹⁰ The most recent data available is for the 2022 assessment year, as the performance review takes place at the beginning of the year following the year of assessment. Therefore, the percentage of employees who have undergone an evaluation of their annual performance for 2023 will be available after this document has been published.

In particular, for the Private segment, a course of action has been set up to strengthen skills also in the area of wealth and succession advice, which increasingly constitute the distinctive element that allows the Bank to also follow *High Net Worth Individual* (HNWI) customers.

At the end of the training sessions, the participants are given a survey to collect feedback on the content and methods of delivery in order to continue to improve the process.

In addition, within each course there is a discussion with the managers on the actions to be implemented to achieve the aims, in order to draw up an action plan to be implemented from the end of the course.

A total of over **218,000 hours of training** were provided in 2023 (approximately 73 hours per personal financial advisor) against over 235,000 hours in 2022 (approximately 80 hours per personal financial advisor), including:

- 129,175 hours of training on mandatory topics;
- 70,952 hours of training on Fineco product-related issues;
- 6,620 hours of highly specialised training for the Private Banking PFAs through a dedicated course;
- videos, media, web conferences, webinars and dedicated sessions;
- an e-learning platform dedicated to detailed study and the provision of classroom materials;
- highly qualified trainers and leading figures from the financial and academic spheres.

Training on mandatory topics, continues to be a key element for strengthening the risk and compliance culture. Indeed, again in 2023, the training offering for all the personal financial advisors was updated and personalised with targeted content, and the results were monitored to ensure that the subjects had been mastered from all PFAs, protecting the Bank from operational, legal and reputational risks. The focus was on providing courses aimed at compliance with and knowledge of the applicable regulations and the products in the portfolio, particularly insurance products. Specific online courses were therefore delivered on regulatory (29 courses) and product (22 courses) topics. In the regulatory sphere, training sessions were organised on the subject of anti-money laundering, delivered in virtual classrooms directly by the Compliance Department, mainly aimed at the new PFAs that arrived during the year, with a specific focus on operational aspects and practical cases.

Special attention has also been maintained on the subjects of possessing and maintaining the knowledge and skills required of the personal financial advisor network. Indeed, to comply with the requirements of the regulations on the review of development and training needs, in 2023 a specific Knowledge and Skills Assessment was again made available to the entire Network. Any skills gaps identified by the assessment were filled through specific online training courses.

On maintaining and updating the appropriate knowledge and skills required of Financial Advisors, the 30-hour training course validated for **CONSOB, IVASS** and **EFPA** purposes on specific topics continued, together with the 60-hour training course for personal financial advisors who were not yet registered with the Register of Insurance Intermediaries (IVASS), as envisaged by the related IVASS Regulation.

Lastly, the following new mandatory courses of strategic importance for Fineco were launched in 2023:

- “The Integration of ESG Factors in the Banking-Financial Sector”, with the aim of presenting the ongoing transition process towards sustainability and its impacts on the banking-financial sector. The course focuses in particular on a number of aspects, such as the regulatory context and its evolution, the expectations of the Supervisory Authority, the business areas impacted by the integration of ESG factors, and the transparency regulation in the sustainability sphere, with particular focus on the Regulations on financial sustainability disclosure and the taxonomy of eco-friendly activities;
- “ESG and Ethical Finance: New Regulations”. The course aims at an analysis of ESG regulations, providing an overview of the implementation measures of the European Green Deal, with particular reference to the requirements for product distributors on contractual and pre-contractual disclosure, suitability, conflicts of interest and transparency;
- “Charter of Integrity, Code of Conduct and Compliance Culture”, with the aim of fostering knowledge and understanding of the principles and values to which Fineco Group companies align their operations and which provide a decisive guide for corporate decisions and behaviour.

In addition, mandatory training courses were delivered during the year on the following topics: PSD2, PAD, GDPR-Data Breaches, Anti-Money Laundering and Countering the Financing of Terrorism, Anti-Money Laundering and Suspicious Transaction Reporting, Anti-Corruption, Revolving Credit, Product Oversight Governance for Investment Services.

Live AML webinar sessions entitled “AML and Anti-Terrorism Update Focus” were also organised.

To assess the effectiveness of the training provided, each mandatory course includes a final knowledge assessment test, which must be passed at the end of the course. Participation in the mandatory courses is also periodically and continuously monitored and, under certain conditions, the personal financial advisors who have done so are reported to Fineco’s internal control bodies.

In relation ESG, which is now a shared and priority objective for many of the personal financial advisors in line with the greater market awareness of this issue, since July 2021 Fineco has supported the **EFPA ESG Advisor** certification for its personal financial advisors. This is the European certification of a continuous and permanent professional training process and includes a compulsory preparatory course for registration for the exam organised by EFPA. Obtaining the certification is optional for the individual personal financial advisors, however, with the aim of offering an incentive to the Network, the Bank provides a one-off contribution to the advisors who obtain the certification. As at 31 December 2023, a total of 232 Fineco personal financial advisors had obtained EFPA ESG Advisor certification.

In 2023, Fineco continued its investment and focus on **young Personal Financial Advisors** who want to enter the profession. In fact, during the year 71 young advisors were included in the Youth Project, which provides training support, in addition to financial support and the assistance of a tutor, through a four-year course, constantly monitored and updated in terms of content, for the acquisition of the technical and behavioural/commercial skills necessary to exercise the profession. Specifically, in 2023 a total of 77 dedicated courses were delivered.

Average hours of training per capita	2023	2022	2021
By gender	73.8	80.8	77.2
Men	73.7	80.0	77.2
Women	74.4	85.0	77.5
By role	73.8	80.8	77.2
Area Manager	84.3	85.4	136.1
Group Manager	82.9	85.4	108.7
Other PFAs	73.1	80.5	74.0

Total training hours	2023	2022	2021
By training area			
Mandatory	129,175	132,136	136,929
ESG	12,019	20,395	15,552
Compliance	23,923	27,427	45,278
Product insurance issues	9,001	9,329	4,381
IVASS/CONSOB maintenance	77,556	65,865	61,578
New IVASS registrations	6,676	9,120	10,140
Business and Youth Project (Non Mandatory)	89,513	103,780	78,577
ESG	0	0	4,252
Products	68,826	80,531	50,680
Technical	8,237	10,854	7,546
Behavioural	12,450	12,395	16,099
Total	218,688	235,916	215,506

N. Courses by category (Non Mandatory)	2023	2022	2021
Products	411	432	422
Technical	73	86	101
Behavioural	88	99	176
Total	572	617	699

The performance data – both qualitative and quantitative – of the advisors within the **Youth Project** are constantly monitored. In particular, the following are taken into consideration: gathering data, percentage achievement of objectives and economic sustainability data.

Participation and involvement in the training courses (both mandatory and non-mandatory) are monitored, as they represent an opportunity for dialogue and interchange with the advisors involved in the project.

With regard to **performance evaluation** for the PFA Network, a set of tools to support the management of the network has been developed by the Network and Private Banking Sales Department. Specifically:

- internal reporting and analysis which periodically summarises data on sales and measure deviations from assigned budgets and desired targets;
- benchmarking with main competitors based on reports provided by trade associations (ASSORETI, ASSOGESTIONI and AIPB) and/or studies by brokerage houses on listed peers;
- regular meetings with management departments to compare results and identify specific initiatives and actions designed to enhance performance;



- monitoring of operational anomalies, in collaboration with the designated Departments, with intervention by the units supporting the work of the network's management units.

7.4 WELFARE AND INDUSTRIAL RELATIONS

OUR EMPLOYEES

In 2023 the process of close collaboration with social partners continued, to address issues of relevance to the entire workforce in order to increase work-life balance measures. The parties have agreed to extend the temporary measures defined in the **Agreement regulating agile work**ⁱⁱⁱ which provides, inter alia, for an increase in the monthly limit of agile work days to 14 days and additional flexibility for certain categories of workers such as pregnant women and shift workers.

The work of the **Joint Commission** on work-life balance, innovation and welfare set up between the company and trade unions also continues. In particular, 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, flextime, part-time work, leaves and sabbaticals, parental leave and time banking schemes policies.

The initiatives relating to parenting, organisational flexibility and staff welfare promoted within the **Innovation Plan**, the second-level agreement aimed at introducing and promoting tools to facilitate work-life balance, have been also continued. In particular, the possibility of taking leave for key life events (children's wedding, bereavement for relatives up to the second degree, children's graduation, moving house, buying of a first home), for childcare, for carrying out voluntary work, for introducing children to daycare and/or nursery school, for children's illness, for disabled family care. The flexibility granted to working parents in the use of daily leave to care for children in their first year of life has also been maintained, with the granting of additional leave allowing them to accumulate so-called breastfeeding leave in the afternoon and to work up to the morning break.

Finally, company benefits in the form of welfare for employees with children up to the age of 12 and the disabled family contribution were also provided for 2023. All the measures in place were also reported to employees through the publication on the company intranet of the Fineco Work-Life Guidebook, which contains the main information relating to flexibility, leave and work-life balance with particular focus on parenting initiatives and related leave.

Moreover, as further confirmation of Fineco's constant focus on the wellbeing and satisfaction of its staff, and in the light of the current economic climate, Fineco has decided to provide additional support in the form of extraordinary welfare payments for the purchase of goods and services through the Welfare Platform.

As part of initiatives aimed at diffusing a pension culture, a virtual Corner was set up to create opportunities to meet with the complementary pension fund.

Finally, special access conditions for various banking products and other FinecoBank services are offered, with the aim of providing employees with support throughout the different phases of their lives. Confirming its commitment to promoting the health of its employees, Fineco extended and

ⁱⁱⁱ Agreement regulating agile work of 20 October 2022, supplementing the Agreement of 16 March 2022.

increased the range of services at the time of the three-year (2022-2024) renewal of its **Health Insurance Plans**, also through discussions with the trade union representatives. The revised health insurance policy provided for the raising of the out-of-pocket maximums for many benefits including, but not limited to, cancer care, the maternity package, the prevention package and the introduction of new protection cases such as, for example, the provision of physiotherapy treatment related to the severely disabled condition. The Employee Benefits were also confirmed with the following policies: life, permanent disability, car work-related and personal use, and accident insurance.

The **remote medical assistance service** (telemedicine) and the telephone or video call counselling service, aimed at providing specialist support to workers who request it, also continue in 2023.

In keeping with FinecoBank's Remuneration Policy, benefits are generally aligned by applying a series of common criteria for each employee category, whilst the nature of the benefits is established based on the Bank's practices. Benefits that complement national social security, healthcare and work-life balance support systems with the aim of ensuring the wellbeing of employees and their families throughout their working lives and even after retirement, for example, are included.

Welfare systems in line with local best practice are adopted for Fineco AM employees, which include: agile working, a supplementary healthcare plan, marriage leave, paid parental leave, and 5 days of leave in addition to those provided for by law.

All FinecoBank employees are covered by collective bargaining agreements¹¹².

OUR PERSONAL FINANCIAL ADVISORS

The focus on the wellbeing of workers and their families is also equally strong for the personal financial advisor network. In line with the past, and in accordance with the roles assigned and the portfolios managed, benefits are awarded on the basis of uniform criteria and range from the supplementation of national pension and welfare systems, to access to the Bank's products and services at special conditions.

A number of benefits of increasing value are awarded, based on the role held and the assets managed by each personal financial advisor.

These benefits relate to:

- insurance cover for death and permanent disability;
- health insurance to cover medical examinations and tests, hospitalisation, surgery and specialist care;
- investment-linked insurance policy (with different investment lines to be chosen by the policyholder) which provides for a liquidation upon termination of the work activity;
- car contribution.

¹¹² The figure stated refers to the Group's Italian division (which accounts for 96% of employees), the employment relationships of which, where Professional Areas for Middle Managers and Executives are concerned, are regulated by the respective NCBA for the credit sector. Among other things, this NCBA establishes the minimum number of weeks' notice to be given to employees and their representatives regarding significant changes that could have a considerable effect on them, amounting to 50 days (around 7 weeks).



The entire network is also offered favourable conditions for current accounts, mortgages, credit facilities and personal loans, in line with that available for employees.

7.5 HEALTH AND SAFETY

OUR EMPLOYEES

In its efforts to protect the health and safety of its people, the Fineco Group is committed to complying with the regulations, properly assessing risks and consequently designing and planning prevention and protection measures to minimise those risks, as set out in the Human Rights Commitment. The Code of Ethics lists the obligations that all those bound by it are required to comply with in order to ensure safe, healthy and dignified working conditions and healthy working environments, in accordance with the applicable regulations and available technology.

To ensure the health and safety of all employees, Fineco AM is committed to complying with local regulations, conducting risk assessments and introducing appropriate measures to prevent illness and injury and to minimise risks to employees.

FinecoBank has implemented an effective **Health and Safety Management System**, in line with the regulatory requirements, coordinated and managed by the Prevention and Protection Office, comprising 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.

In December 2022, new Safety Responsibilities of were assigned and, as a result, a new system was developed with three “theme-based” Safety Officers¹¹³, each with specific employer responsibilities allocated according to their area operation, based on their actual spending, organisational, management and control powers. The system for the monitoring, management and prevention of risks related to the performance of the professional activities in place at FinecoBank relates, for example, to the presence of electrical systems and appliances, the use of video display equipment and work-related stress. This management system also standardises the methods of engagement of the FinecoBank relevant employees and units, implementing the actions related to the application and fulfilment of the requirements of Legislative Decree 81/2008 as amended. The Health and Safety Management System thus defined applies to all FinecoBank employees.

Suppliers are also subject to appropriate professional and technical checks. These include checks carried out on insurance cover, collective bargaining agreements applied, average annual workforce, social security compliance, and any suspension orders. Where necessary, Fineco and the supplier discuss the Interference Risk Assessment Document or the Safety and Coordination Plan, where applicable, to identify any risks in the environments where the supplier is called upon to operate.

The main occupational **health and safety risks**, along with the corresponding management approach and mitigation measures, are identified and outlined, based on the provisions of Legislative Decree 81/2008, as amended, through specific inspections, and at the PPOs, following which a new Risk Assessment Document was produced. These types of risk were deemed to be medium-low.

The Real Estate Unit and a specific email address are available to workers to report any hazards or risks. If workers consider it appropriate not to continue an activity that they believe is harmful to

¹¹³ For more information, see the section “The Governance System – Sustainability Governance”.

them, they can report this to the Human Resources officers and FinecoBank will analyse the concerns raised, with the aid of the PPO and the Company Doctor. Suppliers, on the other hand, can contact the liaison staff of the Real Estate Unit to report dangerous situations, either by email or through the dedicated application (RefTree).

Fineco also provides its employees with an **occupational health service**. In particular, the Company Doctor carries out an annual inspection of the company offices to check for any work-related risks, assessing whether changes or improvements need to be made to the work environment or the equipment used. This process includes company medical examinations, as required by Legislative Decree 81/2008 as amended, whose type and frequency is defined according to the activities carried out by each worker and in relation to their age.

As envisaged by Legislative Decree 81/2008, the two Worker Safety Representatives (WSRs), appointed from among the trade union representatives and who represent all the Group employees working in Italy, participate in specific activities such as safety meetings, inspections and the drafting of documents.

In order to ensure compliance with health and safety at work regulations, Fineco provides all employees with adequate education, information and training on a regular and ongoing basis.

In particular, this training area includes:

- basic training courses for new employees or supervisors;
- update courses for employees and supervisors;
- basic and update training courses for safety officers;
- annual update courses for Workers' Safety Representatives (WSRs);
- training courses for managers in charge.

To maintain the high level of attention to issues related to workers' health and safety, during 2023 work continued on analysing and monitoring the indicators required for the **Work-Related Stress Assessment** in cooperation with the RSPP. To mitigate the effects of stress, the Company has put in place:

- preventive treatments, contractual arrangements and company initiatives that promote physical, mental and social wellbeing within the organisation;
- restorative measures, helpful in mitigating new or possible stress conditions that may also originate from outside the work environment;
- alleviating measures to mitigate any issues identified during the Assessment.

In addition, the regular updating and monitoring of data related to workloads and work rhythms continues, also in order to assess the possible implementation of improvement measures.

Lastly, a structured process for **analysing occupational accidents** has been put in place, which provides for immediate verification of incidents, with the involvement of the INPS (National Social Security Institute) in the event of serious accidents. The process also includes an annual review of the risks, in collaboration with the WSRs, Company Doctor, 81/2008 Representative and the PPO. There have been no work-related injuries and no occupational illnesses reported in the three years period 2021 - 2023.

All initiatives dedicated to employees – even in their long absence – and their families can be consulted in the company corporate website and communicated periodically by e-mail and/or news publication.

The rate of employee absenteeism was 2.1%¹¹⁴, of which 1.7% related to men and 2.7% to women.

OUR PERSONAL FINANCIAL ADVISORS

Although FinecoBank does not have any specific health and safety obligations towards its Personal Financial Advisors as imposed by Legislative Decree no. 81/2008, as amended, the Bank has nevertheless adopted a number of measures for the **prevention of risks present in the Corporate Fineco Centers**, i.e. offices with leases in the name of the Bank.

Personal financial advisors working within buildings managed by FinecoBank receive appropriate training on health and safety. In addition, the Bank has decided to carry out specific inspections in the Corporate Fineco Centers, to check that the premises and equipment comply with current health and safety regulations, accompanied by training for the managers of the financial shops, to properly instruct them on how to maintain and run the Fineco Centers, in compliance with the provisions of Legislative Decree 81/2008.

The personal financial advisors working in buildings managed by FinecoBank can report any risks by contacting the real estate unit directly through the dedicated application (RefTree).

¹¹⁴ The absenteeism rate is calculated by considering the incidence of absences due to illness (the only significant cause of absence for the calculation) in relation to the number of hours worked.

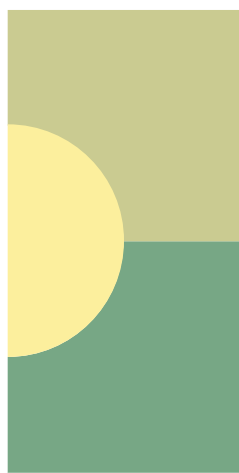
08





THE COMMUNITY

- 8.1.** FINANCIAL EDUCATION
- 8.2.** COMMUNITY SUPPORT



8.1 FINANCIAL EDUCATION

Consistently with the previous year, in 2023 FinecoBank continued to strengthen its financial education activities, involving both customers and *prospects* in these initiatives and, starting this year, also students. The main objective 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.

The aim of the financial education provided by Fineco is to offer all participants in the initiatives a deeper understanding of all the topics covered. To this end, a number of mini-surveys have been introduced during the web sessions, in order to check the level of understanding of the most significant aspects, while at the end of each *webinar* the comments made via chat are reviewed and a number of *mini-surveys* on the level of appreciation of the event are set up. This approach allows the Bank to obtain detailed feedback from participants and continuously adjust the quality of the proposals. In addition to this, all Fineco's presentations are aimed at providing the tools needed to assess, understand and approach markets and instruments with full awareness of any associated risks.

In the field of financial education, the “**Financial Education Month**” initiative was a key appointment for 2023 as well. Organised annually in October by the Interministerial Committee for the Planning and Coordination of Financial Education Activities (Edufin Committee), Fineco took an active part by holding four *webinars*. These events covered crucial topics such as savings management, financial planning and supplementary pensions.

Furthermore, in 2023, a fruitful partnership was launched with **FEduF** (Foundation for Financial and Savings Education) to enhance the educational offer for all customers and *prospects*. This *partnership* resulted in 4 *online* events aimed at parents, offering them a solid foundation on how to educate their children in the conscious use of money, as well as at children and young people. Through the creative use of Lego® bricks, fundamental concepts such as inflation and circular economy were explained in an accessible and accurate manner.

Thanks to this synergy, Fineco had the opportunity to enter secondary schools as a guest. During these meetings, the Bank engaged with 266 students about crucial topics such as sustainability, the importance of supplementary pensions (stressing that it is never too early to think about it) and simple methods of investing, such as the accumulation plan.

In continuing the commitment to provide educational resources to help people navigate the complex world of finance and make informed decisions for their financial well-being, six new videos produced by ADEIMF (Association of Teachers of Economics of Financial Intermediaries and Markets and Corporate Finance) were introduced, on topics related to financial products, to provide users with a clear perspective and practical information to make informed financial decisions. In particular, compound and simple capitalisation were explored in detail, providing clear explanations and visual illustrations to facilitate understanding of fundamental concepts in money management.

In continuation of the previous year, two other thematic strands also continued.

In the first one, which is more related to assets under custody, the focus was on explaining the characteristics and functioning of individual financial instruments (from bonds to government

securities to more speculative products). In addition, given the recent strong price fluctuations, topics explaining market dynamics (both short-term and long-term) were offered, in order to better understand the economic and financial aspects involved. Of great importance were talks on topics such as operational strategies and risk management. In the second strand, dedicated to the *Investing* area, a new series of webinars called "Finance for All" was introduced, in order to explain in a simple and accurate manner basic topics for getting started in investing, such as the concept of diversification and the difference between savings and investments, as well as giving an overview of financial instruments and methodologies (e.g., capital accumulation plans) with which to achieve one's financial goals even in small steps.

Always bearing the responsibility to educate on conscious choices in managing one's savings, the Bank extended certain *webinars* to *social channels* as well, streaming them on its *YouTube* channel. In order to best communicate these concepts, different types of content have been created, ranging from notions of behavioural finance and complementary pension schemes in which the pages of **Fineconomy**¹¹⁵ per are reviewed, to better explain the long-term market environment and its main drivers.

Initiatives by type of delivery [no.]	2023			2022			2021		
	Sessions	Participations ¹¹⁶	Hours	Sessions	Participations	Hours	Sessions	Participations	Hours
Classroom ¹¹⁷	6	255	22	-	-	-	-	-	-
Webex	153	27,192	153	190	30,577	190	309	60,675	309
Mini Videos ¹¹⁸	204	n.d.	n.d.	190	n.d.	n.d.	349	n.d.	n.d.
Total	363	27,447	175	380	30,577	190	658	60,675	309

Initiatives by subject and participant target [no.]	2023		2022		2021	
	Sessions	Participations	Sessions	Participations	Sessions	Participations
Live trading and operational ideas	15	2,624	46	8,224	59	9,796
Trading courses	84	15,204	70	10,720	109	19,535
Operational strategies	18	2,409	30	4,448	65	12,474
Investing	29	4,686	37	5,695	71	17,369
Initiatives included in the Financial Education Month and in schools	16 ¹¹⁹	2,980	7	1,490	5	1,501
Total	162	27,903	190	30,577	309	60,675

¹¹⁵ <https://www.fineconomy.it/> Information and financial education blog on savings-related topics.

¹¹⁶ The term 'participation' refers to the use of the initiative by a user (customer or prospect) who may also participate several times in the same initiative. The total number of participations, therefore, may not coincide with the total number of unique participants in the individual initiative. The number of participants for classroom meetings in 2023 was 223, while the number of participants in webinars was 6,417.

¹¹⁷ In 2021 and 2022, meetings in classrooms were suspended due to the pandemic emergency.

¹¹⁸ Data on the number of participants and training hours are not available as the use of the Video Pills on the platform does not allow a breakdown over the different years.

¹¹⁹ This figure includes 3 events organised in cooperation with FEduF and delivered in secondary schools.

	2023	2022	2021
Financial education initiatives by target [n.]			
Specific meetings on products or services	146	183	304
Meetings without commercial purposes	16	7	5
Total	162	190	309

Events dedicated to customers represent a strong commitment in terms of financial education, and this is why Fineco firmly believes in the usefulness of continuing to hold meetings with customers and *prospects*, with the aim of increasing knowledge on topics such as behavioural finance, savings and investments, financial and wealth planning. Physical and *web-based* events organised by *Network Managers* took place throughout 2023, with particular intensity in October and November when the so-called **FinecoDays** were launched, a calendar full of meetings held throughout the country and focused on different topics. A total of **1,835 events** were held in 2023, attended by almost **61,000 customers and prospects**.

A strong awareness-raising effort also on the broader topic of **wealth planning** continues. For this reason, events are organised specifically for high-end clients. The aim is to educate clients, but also advisors, about the need for orderly management of all client assets and their effective transmission to future generations. Meetings of this type (17 in the year involving some 1,400 private clients) are held by colleagues from the *Private Banking Advisory team* (and, in some cases, by accredited external professionals).

Monitoring metrics are quantitative, by means of data collection on net inflows and managed inflows for individual participants or on new account openings for prospects.

Events dedicated to wealth advisory, as they are reserved for high-profile clients, in addition to being subject to the same monitoring applied to all other events, also give rise to a more punctual follow-up by *Network* colleagues who are called upon to elaborate on the insights offered during the meetings and to bring out the needs of the clients themselves. The digitisation of the process that manages end-to-end customer and prospect engagement on the events organised by the *Network* and by the Bank for the *Network* enables a better customer experience, as well as being functional to a more punctual monitoring of every single phase of the process (from the invitation, through the registration to the post-event), naturally taking care of the management of privacy consents.

8.2 COMMUNITY SUPPORT

Since the early years of its foundation, the Bank has been committed to supporting concrete solidarity projects in various fields of intervention, including social or health care, training, education, promotion of culture and art, scientific research and environmental protection.

In order to be approved, projects shall be promoted by non-profit organisations (NPOs, Foundations, Associations, Religious Bodies, Universities, Public Institutions), whose activities are developed widely throughout the Country. The projects supported by Fineco are all developed in Italy. The process of identifying associations and approving donations involves careful selection and assessment, through the request and study of specific documentation concerning the association and the initiative for which the contribution is requested.

In particular, the Association is required to provide: i) a presentation of the association/body; ii) a presentation of the initiative for which the grant is requested, highlighting: with reference to the organisation, the social aims and the areas of intervention (including in territorial terms), with reference to the activities and projects, the needs to be met and categories of beneficiaries; iii) the updated Articles of Association / Social Report; iv) a certification attesting to the Chairman's/Legal Representative's signatory powers (e.g. copies of minute books, updated certifications, self-certifications); v) a copy of the identity document of the Chairman's/Legal Representative; vi) any other document useful or necessary to better prepare the application. (e.g., copies of minute books, updated certifications, self-certifications); v) a copy of the identity document of the President / Legal Representative; vi) any other document useful or necessary to better instruct the submission. Associations are also submitted a questionnaire aimed at avoiding taking initiatives in favour of bodies/associations involved in acts of corruption.

In the first half of the year, during the **earthquake emergency in Syria and Turkey**, the Bank supported *Save the Children*, which was active in the territories with the distribution of basic necessities and support for the populations affected. The Bank's donation was flanked by a fundraising on the Fineco website. Fineco also contributed to the fundraising of the Italian *Red Cross*, which intervened in Emilia-Romagna to rescue and evacuate the population following the **floods** that hit the area. In this case too, in addition to the Bank's direct donation, a campaign of fundraising was activated through the Fineco website. Fineco also supported the *PicNic Theodora*, one of the association's two main fundraising events, whose mission is to bring moments of play, listening and escape to children in hospital thanks to the personalised visits of the "Doctor Dreams", professional artists, hired and trained by the *Theodora Foundation* to work in highly complex pediatric wards.

The second half of 2023 saw the launch of Fineco's traditional **Christmas solidarity campaign**, which combines a donation from the Bank with customer participation via the company website. Four areas of intervention were selected, through the support of projects selected from those of Associations active in the Country. As part of the campaign, Fineco focused on four projects in 2023:

- in the area of child protection and illness, Fineco supported the *Ronald McDonalds Foundation* and in particular the "Adopt a family" project, thanks to which it is possible to support the stay in the *Ronald Homes and Family Rooms* of the families of children hospitalised at the Foundation's

partner hospitals, offering them the opportunity to benefit from ordinary and extra care and services during an extremely delicate time in their lives;

- with regard to combating gender-based violence and supporting social inclusion, the Bank has contributed to the “*From Signs to Dreams*” project, the training course with which the *Libellula Foundation* helps social and medical staff in hospitals and emergency rooms to recognise the signs of domestic violence even when they are not visible, enabling them to respond to the needs of women victims, so that no violence goes unnoticed;
- in the area of environmental sustainability and poverty, the Bank supported the operations of *RECUP*, an association that combats food waste by recovering fruit and vegetables still edible that would otherwise be thrown away, by distributing them free of charge to those in need in the Milan and Rome markets, in a network with other organisations engaged in the recovery and redistribution of foodstuffs, including *Banco Alimentare* and the Italian *Red Cross*;
- in support of the important issue of educational poverty and the fight against school drop-outs, Fineco finally supported the *OP-ED* project, through which *ActionAid* intervenes in Calabria and Sicily, where the growth in the economic fragility of families is one of the main factors contributing to increasing educational poverty, combating social exclusion and educational inequalities through long-term structured paths.

As part of the Christmas campaign, Fineco also directly supported five other non-profit organisations. They are: i) *I Semprevivi*, for the support of adolescent patients suffering from mental distress in conveying themselves and their personalities in an autonomous and conscious manner; ii) *VIDAS*, committed to providing complete and free social-health assistance to the sick, elderly, adults and children suffering from incurable diseases iii) *Terre des Hommes* and, in particular, the *Indifesa campaign*, which promotes the rights of girls around the world with interventions in the field aimed at offering better life opportunities to thousands of girls and young women; iv) *Amici del Cenacolo*, an association committed to supporting and rehabilitating people affected by drug addiction. Lastly, Fineco has made a contribution to the *Istituto Torri Tarelli* in Lecco for the implementation of the “*Scuola Senza Zaino*” (“School Without a Backpack”) project, which aims to make the school more inclusive even for children with physical or psychological difficulties or from complex backgrounds. In the field of scientific research, Fineco in the second half of the year also financed a scholarship for a young researcher at the IEO, supporting the *IEO-Monzino Foundation*.

ENVIRONMENTAL SUSTAINABILITY AND CULTURAL INITIATIVES

Also for 2023, the Group confirmed its important collaboration with **FAI (Fondo Ambiente Italiano)**: Fineco continues in fact to be FAI's *Corporate Golden Donor* since 2017, a qualification that rewards the companies most active in the field of culture and the protection of the territory's artistic heritage, and is also the main sponsor of the “*FAI Spring Days*” in the 2023 edition, the biggest street festivals dedicated to Italy's cultural heritage and landscape, with more than 1,000 openings.

In addition, customers have the opportunity to contribute in person on the Fineco website to the projects that the FAI promotes in the area of care and protection of artistic and cultural heritage.

The project launched by the City of Milan, “**Care for and Adopt Public Green Areas**”, has been renewed for 2024 with a partnership for the redevelopment of urban green areas in the Lombard

capital, in the area between Corso Como, Corso Garibaldi and Largo La Foppa. The objective of the three-year sponsorship project is to contribute to the conservation and improvement of existing green areas.

The project with *LifeGate* has expanded and transformed from the **PlasticLess®** project to the new **Water Defenders Alliance**: a group of Stakeholders who together can concretely fight the issue of water pollution in our seas. This initiative consists of activities to reduce plastics from the seas, an operation to clean the seabed of the Ligurian *Smart Bay* area, and a joint action with ports to combat the presence of hydrocarbons on the surface of the waters of some Italian ports.

Lastly, Fineco continued to support the initiatives organised by **TEDxMilano**, concretising its commitment by supporting the major *TEDx Milano* presence event “*From One Thing Comes One Thing*”. The event focused on the ever-closer relationships and connections between the actions of the individual and the actions of the community in a global community. More than 1,500 participants and 11 speakers from a variety of sectors took to the stage to make valuable contributions to engage the community in creating a positive impact on the territory, to develop cultural contaminations and to design a sustainable society of the future, a mission that the Group shares. Fineco gave employees the opportunity to access all events remotely for free.

As part of its activities aimed at supporting institutional events, Fineco sponsored the “*XIX Forum del Private Banking*” organised by AIPB (Associazione Italiana Private Banking).

Fineco AM also contributed with sustainability initiatives, in particular, with regard to social aspects, it financed, for the second year, the **AlxGirls project**, i.e., a free weekly campus dedicated to girls finishing the fourth year of high school, aimed at encouraging their enrolment in degree courses in technological disciplines. With regard to environmental aspects, Fineco AM participated, for the first year, in the “*Funds Industry Climate Challenge*” promoted by *The Green Team Network*¹²⁰. This is a two-week challenge for investment fund and asset management industry players to create awareness, strengthen industry relationships and drive action towards reducing individual CO2 emissions.

Type of contribution to the community (€)	2023	2022	2021
Fineco Charitable donations	455,000	692,995	179,000
Sponsorships	424,030	406,149	301,950
Funds raised and donated by customers ¹²¹	708,871 ¹²²	1,180,816	252,520
Total	1,587,901	2,279,960	733,470

¹²⁰ *The Green Team Network* is a network of companies in the Irish fund industry that aims to facilitate knowledge sharing and collaboration to promote change towards a sustainable environment. For more details please refer to the website: <https://www.greenteamnetwork.ie/>.

¹²¹ The values for donations from customers in 2022 are significantly high as a result of the great success of the fundraising campaign in support of associations in connection with the Russia-Ukraine conflict. It should also be noted that, as of the year 2023, FAI projects have been added, therefore, the figures for 2022 and 2021 have been restated.

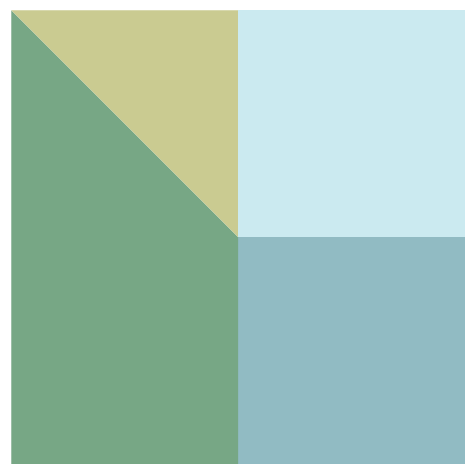
¹²² The total includes the fundraising of the Christmas charity campaign that ended on 11 January 2024.

09



ENVIRONMENT

- 9.1.** THE EMAS ENVIRONMENTAL MANAGEMENT SYSTEM
- 9.2.** ENVIRONMENTAL PERFORMANCE



Protecting the environment, fulfilling compliance obligations, adopting tools and operating methods aimed at limiting the consumption of natural resources, preventing and mitigating risks related to the environment and reducing the impacts that could arise from the Group's activities are objectives that Fineco pursues along the entire value chain, from procurement choices to the operations of the financial advisor Network.

These commitments are enshrined in the following company documents:

- FinecoBank's **Code of Ethics**, a cornerstone of the Organisation and Management Model adopted pursuant to Legislative Decree 231/2001, of which Environmental Protection is a key principle, aimed at ensuring full and substantial compliance with environmental legislative requirements in all the activities carried out and at carefully assessing the environmental consequences of every choice made in carrying out its activities.
- FinecoBank Group's **Environmental Policy**¹²³, approved in 2020 by the Board of Directors, which sets out Fineco's general intentions and direction with respect to its environmental performance, including compliance with all relevant environmental regulatory obligations and a commitment to continuous improvement in environmental performance.
- **Reducing energy consumption – Global Policy**, containing guidelines on the reduction of energy consumption at buildings occupied and/or managed by Group Companies, in order to promote virtuous personal behaviour and practices.

¹²³ The Environmental Policy is available on the company website <https://about.finecobank.com/en/sustainability/>

9.1 THE EMAS ENVIRONMENTAL MANAGEMENT SYSTEM

Since 2022 FinecoBank has obtained the **EMAS Registration**¹²⁴ of its **Environmental Management System** in accordance with Regulation 1221/2009/EC (EMAS Regulation - *Eco-Management and Audit Scheme*), a voluntary European certification of the organisation's compliance with all applicable regulatory obligations relating to the environment and its commitment to continuously measure, assess and improve its environmental performance.

The **scope of Fineco's EMAS Registration** (hereinafter the "EMAS Scope") comprises:

- FinecoBank's Company Offices, where employees work and which include the Registered Office, owned, and the Head Office and the Data Processing Centers (DPCs), located in spaces owned by third parties and used on lease by Fineco¹²⁵;
- the commercial Network of Fineco Centers (FCs).

The subsidiary Fineco Asset Management DAC in Dublin is not included in the scope of the EMAS Registration.

The results and the actions planned and implemented to improve environmental performance are included in the **EMAS Environmental Programme**, integrated in the broader Plan of Sustainability Objectives of Fineco, described in section "1.3 Sustainable Development Goals and Commitments Subscribed" of this NFS.

During 2023, the **ESG Multi-Year Plan 2024-26**, shown in Annex I to this document, was approved, whose environmental objectives and targets constitute the EMAS Environmental Programme for the three-year period 2024-2027. The environmental improvement targets are defined consistently with the results of the significance assessment of the environmental aspects.

The methodology for assessing environmental aspects includes, in brief:

- **identification and assessment of business-related environmental aspects.** In this case, the distinction between sites where the activity is physically carried out is not relevant. These environmental aspects are identified and assessed as part of the analysis of the organisational context carried out in accordance with the EMAS Regulation;
- **identification and assessment of environmental aspects related to property management.** The activity is carried out by distinguishing two macro areas of investigation – Company Offices and commercial Network – which have different peculiarities, in terms of both the characteristics of the buildings and the ability to influence and control the related environmental aspects. For each of the two areas (Company Offices and Network), the aspects connected to the operational management of the buildings and the relative impacts and risks to the environment, under normal and anomalous/emergency conditions, are identified and assessed¹²⁶;

¹²⁴ Registration number IT-002166; NACE reference code 64.19.1 (Monetary intermediation by monetary institutions other than central banks); EMAS registration valid until 28 June 2024.

¹²⁵ In 2023, in addition to the two main DPCs, there is a third *disaster recovery* site, also located in spaces owned by third parties and where there is no fixed operational presence of FinecoBank staff.

¹²⁶ Under normal conditions, environmental aspects generate impacts and are assessed according to criteria of frequency and magnitude of impacts; under anomalous or emergency conditions, environmental aspects are associated with a risk to the environment, which is assessed according to criteria of probability and magnitude of the associated potential damage.

- **definition of intervention priorities.** The outcome of the assessments of the significance of environmental aspects and risks feeds into the definition of priorities for intervention, in terms of:
 - improvement plans and programmes;
 - activities and initiatives to prevent, manage and mitigate risks;
 - activities and initiatives to pursue identified opportunities.

The table below summarises the outcomes of the assessment activities.

ENVIRONMENTAL ASPECT	ACTIVITY
Significant environmental aspects	
Environmental aspects connected to the offering of socially and environmentally focused lending products (mortgages and loans)	Business
Environmental aspects connected to the offering of ESG investment products and services	Business
Energy consumption	Property management: i) Company offices, ii) Fineco Centers
Air emissions	Property management: i) Company offices, ii) Fineco Centers
Environmental aspects of medium significance	
Environmental aspects related to green and social bond investment policies and their management in the Bank's portfolio	Business
Non-significant environmental aspects	
F-GASES – Ozone-depleting substances	Property management: i) Company offices, ii) Fineco Centers
Water consumption	Property management: i) Company offices, ii) Fineco Centers
Water discharges	Property management: i) Company offices, ii) Fineco Centers
Paper consumption	Property management: i) Company offices, ii) Fineco Centers
Consumption of other materials – Plastic	Property management: i) Company offices, ii) Fineco Centers
Waste production and management	Property management: i) Company offices, ii) Fineco Centers
Emergency management	Property management: i) Company offices, ii) Fineco Centers
Mobility	Property management: i) Company offices, ii) Fineco Centers
Other environmental aspects (storage of hazardous substances; asbestos; radon; noise; electromagnetic fields)	Property management: i) Company offices, ii) Fineco Centers

MANAGEMENT OF LEGISLATIVE COMPLIANCE

With regard to **environmental compliance**, in accordance with the compliance model relating to sustainability issues, described in section “5.1 Governance System” of this NFS, to which reference should be made for details, the *Real Estate* Unit is identified as the Specialist function with regard to the regulations on responsible consumption, waste disposal and pollution reduction at buildings used by the Bank and the financial advisors with lease in the name of the Bank. With regard to environmental compliance, in the three-year period 2021-2023, no sanctions were imposed for non-compliance with environmental regulations and laws, nor were any complaints received.

OPERATIONAL MANAGEMENT OF BUILDINGS

The management of the buildings depends on the type of site: Company Offices and Fineco Centers (FCs). For the latter, in particular, these can be divided into two categories:

- “Corporate” FCs: offices for which FinecoBank holds the lease, which are given on a free loan for use basis to the PFAs;
- “PFA and Personal Office” FCs: properties where the lease is held by the PFAs operating there.

In the Bank’s Company Offices and in the corporate FCs, the maintenance, management, organisational and design activities, aimed at maintaining the value of the buildings, are entrusted by the Bank to *Global Service* (GS) companies on the basis of specific contracts; fire protection services are outsourced to other specialised companies. The services performed by GS companies include: electrical installations, mechanical installations (heating, air conditioning, plumbing, drainage), building and complementary structures (works by masons, locksmiths, carpenters, glaziers, etc.), and outdoor green areas. In addition to the activities of the GS, further services provided by external companies, such as cleaning and waste management services, are also provided at the Company Offices.

In the “PFA and Personal Studio” FCs, the building management is the responsibility of the PFAs in charge of the offices.

With regard to the management of the environmental aspects connected with the activities carried out by third-party firms in the Company Offices and the corporate FCs, the respective contracts set out the legislative and operational requirements that the contractors are required to meet in performing the services and the methods of verification adopted by Fineco to control and monitor compliance with the requirements by those firms.

For all types of FCs, since 2021 Fineco has released a *Handbook* to the Network, summarising the main obligations and operating methods to ensure proper environmental management of the offices.

Since 2022, **Guidelines for the Environmental Design of Fineco Centers** (hereinafter *Guidelines*) have been adopted, with the aim of managing and mitigating the environmental impacts associated with the supply chain, which include the following criteria: (i) the optimisation of existing building elements, when acquiring, maintaining or renovating a building, aimed at reusing pre-existing architectural elements, systems and furnishings; (ii) the reuse of fittings, in order to reuse as much as possible the components and fit-out products of FCs being decommissioned

(furniture, seating, lighting fixtures, signs, etc.) for new Fineco Centers and when upgrading the image of existing financial shops. In 2023, the Guidelines were applied in 12 financial shop openings out of a total of 17 projects carried out.

The methods for selecting and monitoring suppliers are described in section “1.2. Who we are, strategy and business model”, to which refer should be made.

COMMUNICATION, AWARENESS AND INFORMATION

Fineco is committed to supporting awareness projects in various areas, including environmental protection, as described in section “8.2 Community Support” of this NFS. A series of initiatives were also carried out in 2023 aimed at communicating to internal and external Stakeholders the EMAS recognition obtained and promoting the diffusion of the logo, including a press release and a news on the internal website dedicated to employees; the recognition was integrated into the content of the **communication campaign on social media** dedicated to Fineco's sustainability initiatives and commitments. In addition, a series of physical items¹²⁷ present in all company offices as well as in the Network (posters, window stickers, etc.) was created, including a set of plaques containing environmental messages (“EMAS green tips”), aimed at raising awareness and promoting the environmental awareness of staff with respect to office activities, in terms of containing energy, material and water consumption, as well as proper waste management. Overall, these initiatives enabled the Bank to win the *EMAS Italia 2023 Award* in the category “Best logo use initiatives”.

¹²⁷ For the production of the items, environmental criteria were used, such as the use of PVC-free adhesives for the window stickers and, for the posters, paper made of pure E.C.F. cellulose and a recycled fiber content (at least 40 per cent) certified by FSC®.

9.2 ENVIRONMENTAL PERFORMANCE

This section contains the Fineco Group's environmental data. For sites falling within the EMAS scope, in particular, the relevant KPIs (*Key Performance Indicators*) are calculated, in accordance with the EMAS Regulation.

For employees, KPIs are calculated on the number of FinecoBank employees as at 31/12 of each year: 1,311 (in 2023), 1,279 (in 2022), 1,261 (in 2021). For advisors, KPIs are calculated on the number of financial advisors as at 31/12 of each year: 2,962 (in 2023), 2,918 (in 2022), 2,790 (in 2021).

ENERGY CONSUMPTION

As part of its commitment to minimise its environmental impact, the Group monitors energy consumption at its offices in Milan, Reggio Emilia and Dublin, at its DPCs and at the Fineco Centers where the Bank is the registered user of the utilities¹²⁸. The company **Energy Manager** is the Head of the *Real Estate* Unit.

In line with the internal Circular “*Operational measures for responsible energy consumption*”¹²⁹, issued in 2022, also in 2023 the setting and operating procedures for winter air-conditioning envisaged, both for Company Offices and Fineco Centers, a reduction in the duration of switching on the heating systems, a reduction in the temperatures set in the systems, as well as a reduction in the operating times of the luminous signs.

Also, in the field of *energy management*, in 2023, the studies carried out in collaboration with a specialised professional consulting firm, in order to design energy efficiency measures for the Milan Company Office, were completed.

For the two-year period 2022-2023, a contract was in place with a single, nationwide supplier for the supply of methane gas and electricity. The choice of the supplier was determined by the certifications held by the company, as well as by the guarantees of origin required by Directive 2009/28/EC, which attest to the sourcing from **renewable sources**. In addition, for gas, the supplier purchased a quantity of certified carbon credits (*VERs - Verified Emission Reductions*), that allow for the offsetting of 100% of the CO₂ equivalent of methane gas consumption. The agreement provided for the extension of the offer at the same economic conditions also to financial advisors who are Fineco Center and Personal Studio electricity users; at the end of the year, there were 45 PFAs adhering to the agreement.

For the period 2024-2025, the supply contract was renewed in December 2023, again with a single supplier at national level, for the supply of electricity and methane gas at the same technical conditions (100% electricity from renewable sources attested by guarantees of origin and VERs compensation of 100% of CO₂ equivalent to gas consumption); in continuity with previous years,

¹²⁸ As at 31/12/2023, the perimeter of the 428 Fineco Centres was made up of 117 company FCs and 311 "PFA and Personal Studio" FCs (non-corporate). Within the company Fineco Centres, it is possible to distinguish FCs in which Fineco is the holder of the electricity utilities (accounting for about 15% of all Fineco Centres and about 54% of the corporate Fineco Centres) from those in which such utilities are in the name of PFAs.

¹²⁹ The Circular on “*Operational Measures for Responsible Energy Consumption*”, issued in October 2022, implemented the European Commission's guidelines set out in Regulation (EU) 2022/1369 and the related National Plan for Reducing Consumption of the Ministry of Ecological Transition.

also for the two-year period being started, favourable economic conditions are envisaged for financial advisors who are owners of FC and Personal Studio electricity utilities.

During the course of 2023, the new **photovoltaic system** was completed and went into operation at the Milan Office, with a capacity of around 190 kWp¹³⁰, which is expected to produce energy equal to around 10% of the building's total needs. In the Dublin Office, building management activities are managed by the owner of the building that houses the offices of Fineco AM on lease. In 2023, activities to regulate and monitor the running times of the heating systems resulted in estimated savings of around 30 GJ in Fineco AM's Office.

An overview of the categories of sites included in the NFS scope, including the classification of their corresponding energy consumption and emissions, is reported below. The methods for classifying internal and external energy consumption and the respective Scope 1, 2 and 3 emissions are based on the operational control of utilities.

Type of site	Energy consumption classification	Emission classification
Company Offices		
Milan FinecoBank	Internal to FinecoBank	- Scope 1 for fuels - Scope 2 for electricity
Reggio Emilia ¹³¹ FinecoBank	External to FinecoBank	- Scope 3
Dublin ¹³² Fineco AM	External to FinecoBank	- Scope 3
Service sites		
Data Processing Centers ¹³³	Esterni a FinecoBank	- Scope 3
Fineco Centers		
Leased to FinecoBank		
Electrical utilities		
Registered to FinecoBank	Internal to FinecoBank	- Scope 2
Not registered to FinecoBank	External to FinecoBank	- Scope 3
Natural gas utilities		
Registered to FinecoBank	Internal to FinecoBank	- Scope 1
Not registered to FinecoBank	External to FinecoBank	- Scope 3
District heating utilities		
Registered to FinecoBank	Internal to FinecoBank	- Scope 2
Not registered to FinecoBank	-	-
Leased to PFAs ¹³⁴	External to FinecoBank	- Scope 3

The **Fineco Group's total energy consumption** in 2023 amounted to 39.2 TJ – down 18% year-on-year - of which **78% was due to indirect consumption**, i.e., the purchase of electricity and heat. As regards total electricity consumption – therefore including utilities registered to Fineco

¹³⁰ kWp (kilowatt peak). In the photovoltaic industry, kWp is the unit of measurement used to indicate the instantaneous power output of a photovoltaic cell or panel under certain standard conditions.

¹³¹ The building is owned by UniCredit and the corresponding utilities are owned by UniCredit.

¹³² FAM's offices occupy part of one floor inside a building that is shared with other companies and utilities are shared based on the occupied commercial space.

¹³³ The management of the Data Processing Centres is outsourced to third-party companies that operate in buildings and with utilities over which Fineco has no operational control.

¹³⁴ FinecoBank does not own the utilities at any Fineco Center leased by PFAs.

and those registered to third parties – in 2023 the Group consumed 71% of its electricity from renewable sources.

Below the main data and indicators relating to energy consumption are reported, both *direct* (gas and diesel) and *indirect* (electricity and heat purchased), relating to FinecoBank offices¹³⁵, Fineco AM and Fineco Centers, and the respective EMAS KPIs for sites included in the EMAS scope.

Information about the car fleet and mobility initiatives is provided in a specific section below. With regard to the commercial network, for the FCs where Fineco is the owner of the utilities, it is possible to have data on metered consumption, while for the remaining FCs consumption is estimated¹³⁶ on the basis of the characteristics of the offices, including in particular the surface area serving the activities. Any misalignments of one unit are due to rounding.

¹³⁵ As from the year 2022, for the Milan and Reggio Emilia sites, the allocation of electricity and heating consumption is made on the basis of occupancy square metres apportioned according to the use of space (office, warehouse, bathrooms, etc.) of the individual companies operating in the buildings. Common areas are also apportioned according to the same occupancy percentages. Based on this, the values for 2021 have been restated. For previously published historical data, please refer to the Sustainability Report 2021. In addition, for the months of November and December 2022 and for the whole of 2023, an additional parameter was introduced for Monday and Friday only, as on these days almost all Fineco offices were closed to employees (unlike the other companies in the buildings), resulting in no use of electricity and rationalisation of the heating system. For the Reggio Emilia office, the value of district heating for the month of December 2023 was estimated.

¹³⁶ On the basis of the amounts of the invoices relating to the Fineco Centers where Fineco is the owner of the utilities, the electricity and gas consumption per square metre of each FC was calculated, the average value of which was in turn used to estimate the total consumption of the Fineco Centers where Fineco is not the owner of the utilities.

Energy consumption within the organisation, by source [GJ]	2023	2022	2021
Natural gas – Milan office	2,328	3,482	4,592
Natural gas – FCs with utilities registered to FinecoBank	491	525	691
Total natural gas for heating	2,819	4,007	5,283
Photovoltaics (self-produced and consumed energy) – Milan office	32	-	-
Gasoline – FinecoBank car fleet	915	537	239
Diesel – FinecoBank car fleet	639	941	1,012
Total fuel for FinecoBank car fleet	1,553	1,478	1,251
Total direct energy consumption	4,403	5,485	6,534
Electricity – Milan office	4,861	6,336	6,375
Electricity – FCs with utilities registered to FinecoBank	5,787	6,861	6,910
From non-renewable sources	-	-	54
From renewable sources	10,648	13,197	13,231
Total electricity	10,648	13,197	13,285
District heating – company FCs with utilities registered to FinecoBank	-	-	68
From non-renewable sources	-	-	68
From renewable sources	-	-	-
Total district heating	0	0	68
Total indirect energy consumption	10,648	13,197	13,353
Totale internal energy consumption	15,051	18,682	19,887
Energy consumption outside the organisation, by source [GJ]	2023	2022	2021
Natural gas – FCs with utilities registered to third parties	4,046	6,032	5,610
Natural gas - Fineco AM	297	320	158
Total natural gas for heating	4,343	6,352	5,768
Total direct energy consumption	4,343	6,352	5,768
Electricity - Reggio Emilia office	565	735	770
Electricity - DPCs	8,464	8,747	10,544
Electricity - FCs with utilities registered to third parties	9,007	11,577	11,786
Electricity - Fineco AM	411	356	129
From non-renewable sources	8,324	11,691	11,915
From renewable sources	10,122	9,734	11,314
Total electricity	18,446	21,415	23,229
District heating - Reggio Emilia office	1,329	1,237	1,722
From non-renewable sources	1,329	1,237	1,722
From renewable sources	0	0	0
Total district heating	1,329	1,237	1,722
Total indirect energy consumption	19,775	22,652	24,951
Total external energy consumption	24,119	29,004	30,719

Energy consumption – Fineco Group [Gj]	2023	2022	2021
Direct consumption	8,747	11,837	12,302
Indirect consumption	30,423	35,849	38,304
Energy purchased from renewable sources	20,770	22,931	24,545
Self-Produced and consumed energy from renewable sources	32	-	-
Consumption (Direct + Indirect)	39,170	47,686	50,606

EMAS KPIs Italy - Energy	2023	2022	2021
Direct consumption at Finecobank offices [Gj]	3,913	4,960	5,843
Indirect consumption at Sedi Finecobank [Gj]	15,219	17,055	19,411
Energy consumption per employee [GJ per capita]	14.59	17.21	20.03
Direct consumption Fineco Centers [Gj]	4,536	6,557	6,301
Indirect consumption Fineco Centers [Gj]	14,794	18,438	18,764
Consumi Energetici Per Consulente [GJ Pro-Capite]	6.53	8.57	8.98
Energy consumption per advisor [GJ per capita]			

In 2023, 59% of the electricity consumption of the company Offices is to be attributed to the consumption of the DPCs, which represent the most energy-intensive activities. Therefore, when analysing the *per capita* indicator of the offices (also compared to that of the Commercial Network), it is necessary to take into account the weight of this consumption and the presence, at the Data Centres, of only 7 employees. If, indeed, one considers the total consumption *per employee* of the Milan and Reggio Emilia offices alone, neutralising the effect of the DPCs, the indicator, in 2023, drops from 14.6 GJ/employee to 8.1 GJ/employee (in 2022 these values were 17.2 GJ/employee and 10.4 GJ/employee, respectively). In terms of performance, the DPCs in Milan and Pero show high levels of energy efficiency, as demonstrated by their respective *Power Usage Effectiveness* (PUE) values, a widely recognised standard, in comparison with benchmark values¹³⁷.

PUE	2023	2022	2021
DPC Pero (MI) ¹³⁸	1.59	1.57	1.57
DPC Milan	1.43	1.48	1.55
DPC Rome	2.79	-	-

PUE	DPC EFFICIENCY LEVEL
3.0	Very inefficient
2.5	Inefficient
2.0	Medium
1.5	Efficient
1.2	Very efficient

Source: <https://www.42u.com/measurement/pue-dcie.htm>

¹³⁷ The technical site in Rome, opened in 2023, has an inefficient PUE for its minimal IT load, compared to the its air conditioning needs.

¹³⁸ 2023 Value referring to the months from November 2022 to October 2023.

AIR EMISSIONS

In order to objectively identify and monitor the Group's environmental performance, Greenhouse Gas (GHG) emissions are calculated. Any misalignments of one unit are due to rounding.

Greenhouse gas emissions per employee in Italy have decreased over the last year, by about 22% considering Scope 2 emissions calculated with the *location-based* approach, and by about 18% according to the *market-based* approach. This improvement in performance over the past year reflects the reduction in energy consumption.

Similarly, emissions per advisor for the Fineco Centers fell by 24% (with *location-based* Scope 2 emissions) and 29% (with *market-based* Scope 2 emissions) over the past year.

TYPE OF EMISSION		CATEGORY	2023	2022	2021
FINCOBANK OFFICES AND DPCs [t CO₂e]					
Direct emissions		Natural gas	137	203	266
		Diesel	47	70	75
		Gasoline	67	40	18
TOTAL DIRECT EMISSIONS – SCOPE 1			252	313	359
Indirect emissions (Location-based)		Electricity	363	460	495
		District heating	-	-	-
TOTAL INDIRECT EMISSIONS – SCOPE 2 (Location-based)¹³⁹			363	460	495
Indirect Emissions (Market-based)		Electricity	-	-	-
		District heating	-	-	-
TOTAL INDIRECT EMISSIONS – SCOPE 2 (Market-based)			-	-	-
Other indirect emissions		Natural gas	-	-	-
		Electricity	-	-	-
		District heating	50	44	62
		Office paper	1	3	2
TOTAL OTHER INDIRECT EMISSIONS – SCOPE 3			51	47	64
TOTAL EMISSIONS (with Scope 2 - "Location-based")			666	819	918
TOTAL EMISSIONS (with Scope 2 - "Market-based")			303	360	423

¹³⁹ The energy conversion and emission factors used are those indicated in the ABI Lab *Guidelines on the application in banks of the GRI (Global Reporting Initiative) Environmental Standards – version December 2023*. In particular, the reporting standard used (GRI Sustainability Reporting Standards) envisages two different approaches for calculating Scope 2 emissions: "Location-based" and "Market-based". The "Location-based" approach envisages the use of average emission factors relative to the specific national energy mix of electricity production (emission coefficient used equal to 269.1 gCO₂e/kWh from ABI Guidelines 2023). The "Market-based" approach foresees the separation of electricity and thermal energy purchased from renewable sources with Guarantee of Origin certificates, as well as the use – as an emission factor – of the national "residual mix", equal for Italy to 457.1 gCO₂e/kWh (Source: *European Residual Mixes 2022, Version 1.0, 2023-06-01, AIB*).

TYPE OF EMISSION FINECO AM [t CO ₂ e]	CATEGORY	2023	2022	2021
Direct emissions	Natural gas	-	-	-
	Diesel	-	-	-
	Gasoline	-	-	-
TOTAL DIRECT EMISSIONS – SCOPE 1		-	-	-
Indirect emissions (Location-based)	Electricity	-	-	-
	District heating	-	-	-
TOTAL INDIRECT EMISSIONS – SCOPE 2 (Location-based)		-	-	-
Indirect emissions (Market-based)	Electricity	-	-	-
	District heating	-	-	-
TOTAL INDIRECT EMISSIONS – SCOPE 2 (Market-based)		-	-	-
Other indirect emissions	Natural gas	18	19	9
	Electricity	11	8	10
	District heating	-	-	-
	Office paper	0.1	0.02	0.01
TOTAL OTHER INDIRECT EMISSIONS – SCOPE 3		29	26	19
TOTAL EMISSIONS (with Scope 2 - “Location-based”)		29	26	19
TOTAL EMISSIONS (with Scope 2 - “Market-based”)		29	26	19

TYPE OF EMISSION FINECO CENTER [t CO ₂ e]	CATEGORIA	2023	2022	2021
Direct emissions	Natural gas	29	31	40
	Diesel	-	-	-
	Gasoline	-	-	-
TOTAL DIRECT EMISSIONS – SCOPE 1		29	31	40
Indirect emissions (Location-based)	Electricity	433	498	536
	District heating	-	-	4
TOTAL INDIRECT EMISSIONS – SCOPE 2 (Location-based)		433	498	540
Indirect emissions (Market-based)	Electricity	-	-	7
	District heating	-	-	4
TOTAL INDIRECT EMISSIONS – SCOPE 2 (Market-based)		-	-	11
Other indirect emissions	Natural gas	238	351	325
	Electricity	611	840	914
	District heating	-	-	-
	Office paper	12	14	13
TOTAL OTHER INDIRECT EMISSIONS – SCOPE 3		861	1,205	1,253
TOTAL EMISSIONS (with Scope 2 - “Location-based”)		1,323	1,734	1,833
TOTAL EMISSIONS (with Scope 2 - “Market-based”)		890	1,236	1,304

EMISSIONS – FINECO GROUP [t CO₂e]	2023	2022	2021
TOTAL SCOPE 1	281	344	399
<i>Of which FinecoBank Offices</i>	252	313	359
<i>Of which Fineco Centers</i>	29	31	40
TOTAL SCOPE 2 (“Location-based”)	796	958	1,035
<i>Of which FinecoBank Offices</i>	363	460	495
<i>Of which Fineco Centers</i>	433	498	540
TOTAL SCOPE 2 (“Market-based”)	-	-	11
<i>Of which FinecoBank Offices</i>	-	-	-
<i>Of which Fineco Centers</i>	-	-	11
TOTAL SCOPE 3¹⁴⁰	941	1,279	1,336
<i>Of which FinecoBank Offices and DPCs</i>	51	47	64
<i>Of which Fineco Centers</i>	861	1,205	1,253
<i>Of which Fineco AM</i>	29	26	19

EMAS KPIs Italy – Emissions [t CO₂e]	2023	2022	2021
Emissions per employee (with Scope 2 - Location-based)	0.50	0.64	0.73
Emissions per employee (with Scope 2 - Market-based)	0.23	0.28	0.34
Emissions per advisor (with Scope 2 - Location-based)	0.45	0.59	0.66
Emissions per advisor (with Scope 2 - Market-based)	0.30	0.42	0.47

¹⁴⁰ The *GHG Protocol* defines 15 categories of Scope 3 "Other indirect GHG emissions", including *upstream* and *downstream* activities with respect to the Company's operations. The Scope 3 emissions included in this section of the NFS are the following: i) Category 1 office paper consumption; ii) Category 8 electricity and district heating of the offices in Reggio Emilia and Fineco AM in Dublin; electricity of the Data Processing Centres; iii) Category 14 electricity and gas for heating of the FCs with rent in the name of Fineco, but utilities in the name of third parties.

FINANCED EMISSIONS¹⁴¹

As of 2023, the financed emissions associated with mortgages and sovereign debt securities are estimated, and performance indicators are calculated for each *asset class*, in terms of CO₂ emissions in relation to the monetary value of the corresponding *assets*.

Year 2023	tCO ₂	€ Mln asset	tCO ₂ /€ Mln asset
Mortgages	58,069	2,501	23.2
Sovereign debt securities ¹⁴²	2,523,053	18,747	134.6
Total	2,581,122	21,248	121.5

MOBILITY

With reference to mobility management, also in 2023 FinecoBank drew up the **Home-Work Travel Plan** for the Milan and Reggio Emilia offices, based on the analysis of public transport in the areas concerned and the mobility habits and needs of employees, collected through a specific *survey*.

The Plan is drawn up with the aim of developing sustainable mobility tools to reduce the environmental impact of vehicle traffic in urban and metropolitan areas. The company **Mobility Manager**, appointed within the *Chief People Officer Department*, coordinates the activities for drafting the Plan and, with the support of the reference structure, oversees the effective implementation of initiatives to promote sustainable mobility and monitors emissions from home-to-work journeys¹⁴³.

Since 2022, a corporate portal exclusively dedicated to sustainable mobility has been active, consisting of specific sections corresponding to an equal number of mobility-related services, such as, for example, "*news*" for information on mobility, "*travels*" for finding the most sustainable home-to-work route, "*mobility tickets*" for the purchase of season tickets at favourable rates and by instalments, etc. In 2023, a "*sharing*" section was integrated into the portal for the purchase of vouchers for *sharing mobility*, which was added to the other initiatives available to employees (such as, for example, the reimbursement of bike sharing subscriptions). In 2024, a new "*benefits*"

¹⁴¹ It should be noted that the estimated values for these emissions - classified as Scope 3 - are not included in the emission reduction targets of the *Net Zero Emission Plan by 2050*. Emissions were estimated according to the methodology of *Financed Emissions - The Global GHG Accounting and Reporting Standard of the Partnership for Carbon Accounting Financial (PCAF)*, second edition (December 2022). Emissions associated with mortgages were estimated based on kg CO₂/m² values for each property, as provided by an external provider. For emissions associated with debt securities of sovereign issuers, the following sources were used: UNFCCC (https://di.unfccc.int/time_series) for Countries' CO₂ emissions and the World Bank database (<https://databank.worldbank.org/>) for GDP values. Countries' CO₂ emissions were also used to estimate emissions associated with debt securities of *sub-sovereign* issuers. Emissions associated with debt securities of sovereign issuers are calculated net of emissions related to the LULUCF (Forest and Land Use) sector.

¹⁴² This includes debt securities of *sub-sovereign* and *supranational* issuers.

¹⁴³ Emissions associated with employees' home-to-work journeys. The COPERT method (*Computer Programme to calculate Emissions from Road Transport*) was used to estimate the quantity of pollutants released into the atmosphere due to the systematic home-to-work journeys of employees. This method is based on the estimates made for the purpose of drawing up the national inventory of air emissions, which is carried out annually by Ispra as a tool for verifying the commitments undertaken at international level on the protection of the atmospheric environment (*COPERT version 5.2.2 software*). The data come from the survey carried out at company level, from which the modal split, the type of vehicle used and the pollutant class to which it belongs, and the average kilometres travelled for travel in each city were estimated. The methodology applied to the estimation of emissions is based on the *EMEP/EEA air pollutant emission inventory guidebook 2016* and foresees a first step in which the data obtained from the questionnaire are processed and a second part in which estimates are derived from these for the entire company population, also taking into account the *smart working* mode. Thanks to this methodology, a carbon dioxide value of about 373 tons/year of CO₂ was obtained for the Milan office and about 134 tons/year for the Reggio Emilia office.

module is expected to be activated, through which employees will be able to purchase, at subsidised prices, vouchers issued by affiliated carriers, to use not only sharing mobility initiatives (e.g., car, motorbike, bike, scooter), but also other forms of transport, such as trains and buses. In addition, it will be possible to buy vouchers for recharging electricity for one's own vehicle.

The policy on the allocation of cars for mixed private and business use includes a [car list consisting solely of hybrid/electric cars](#). With regard to the mobility associated with the operation of the Fineco Centers, the related vehicles are under the control of the PFAs.

With reference to business travels, the emissions associated with the Bank's employees' travel by air and train in the year 2023 are summarised below¹⁴⁴.

Vehicle	Route type	tCO ₂ e	Km travelled
Plane	Europe	50	284,351
	Intercontinental	51	261,651
	National	68	365,838
Total Plane		169	911,840
Total Train	National	18	513,337
Total		187	1,425,177

Finally, with regard to Fineco AM, several initiatives have been implemented to encourage sustainable mobility, including the possibility of public transport passes at subsidised prices and the purchase of traditional or electric bicycles without incurring tax charges.

CONSUMPTION OF MATERIALS

The initiatives described in the Innovation chapter on dematerialisation, in particular the possibility for customers to provide digital and graphometric signatures, as well as the use of digital signatures by the Bank, have brought great benefits in terms of reducing paper consumption, enabling the Bank and its customers to save more than 59 tonnes of paper in 2023.

Paper consumption and related indicators are shown below. For Fineco AM, the increase in consumption in 2023 is attributable to the return of year-round operations in the offices, as well as to an increase in employees. As far as FCs are concerned, the figures reported are the result of an estimate based on the consumption of reams of paper¹⁴⁵ recorded in a sample of Fineco Centers.

¹⁴⁴ It should be noted that the values for these emissions – classified as Scope 3 – are provided by the transport service provider and are not included in the Scope 3 operational emission reduction target of the *Net Zero Emission Plan by 2050*. The methodology for calculating emissions used by the business travel service provider is based on data on the distance travelled on each trip, taken directly from the air and rail booking system, to which a vehicle-specific emission factor is applied. The emission factors used are those of the GHG Protocol and related to the United Kingdom (DEFRA). Only CO₂eq emissions related to public transport are considered in the calculations. In addition, for air transport, the type of class (*Economy, Business, First Class*) is also taken into account, in relation to the area of the aircraft occupied by each passenger, which is greater in the case of higher classes.

¹⁴⁵ Paper consumption for the commercial network was estimated by collecting, from a sample of FCs, the number of reams consumed each year and, consequently, the total weight of paper consumed. This figure was used to obtain an indicator of the kg of paper consumed per PFA per capita, multiplying it in turn by the total number of PFAs to obtain total consumption.

Paper consumption	2023	2022	2021
Total paper consumed - FinecoBank offices [kg]	3,300	6,836	5,755
of which FSC-certified paper [%]	100%	100%	100%
of which EU Ecolabel-certified paper [%]	100%	100%	99%
Total paper consumed – Fineco AM [kg]	275	64	14
of which FSC-certified paper [%]	100%	100%	100%
of which EU Ecolabel-certified paper [%]	0%	0%	0%
Total paper consumed - Fineco Centers [kg]	33,013	36,156	34,455
of which FSC-certified paper [%]	51%	51%	49%
of which EU Ecolabel-certified paper [%]	87%	61%	89%
OVERALL TOTAL [kg]	36,588	43,056	40,224
of which FSC-certified paper [%]	56%	59%	57%
of which EU Ecolabel-certified paper [%]	87%	67%	91%

EMAS KPIs Italy – Paper consumption [kg per capita]	2023	2022	2021
Paper consumption per employee	2.5	5.3	4.6
Paper consumption per advisor	11.1	12.4	12.3

WASTE MANAGEMENT

Waste produced at FinecoBank's sites mainly consists of urban waste (plastic, organic waste, various packaging)¹⁴⁶, which is taken to the relevant municipal public collection service. An exception to this is the service of collecting and sending for treatment waste consisting of paper and toner, which is contracted out to specialised companies¹⁴⁷.

At the DPCs, paper and cardboard waste is managed by the host companies. Servers that are no longer used are sold; hard disks and tapes are handed over to specialised destruction and disposal companies contracted by FinecoBank.

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

The following table shows the amount of waste produced by Fineco and managed by a contracted company, taken from the relevant "Waste Identification Forms" that accompany its transport to recovery or disposal facilities; the data refer exclusively to the Bank's company offices.

¹⁴⁶ The Legislative Decree 116/2020, implementing the EU Directive 2018/851 on waste, partially amended the regulations of Part IV of Legislative Decree 152/2006 (Consolidated Environmental Act, CEA) with effect from 1 January 2021. By amending Articles 183 and 184 of the CEA, the definition of waste was reformed, which can now be distinguished into municipal waste, special waste and 'formerly assimilated' municipal waste. Annex L quinquies Legislative Decree 116/2020 lists the economic activities likely to produce such waste, including Banks ('Annex L-quinquies: Activities producing ex-assimilated waste, now municipal waste').

¹⁴⁷ In 2023, a minority fraction of exhausted toner was still handled in the company offices as part of the maintenance services of printing consumables.

EMAS KPIs Italy – FinecoBank waste	2023	2022	2021
Paper and cardboard ¹⁴⁸ [kg]	28,950	33,530	29,070
Total waste produced [kg]	28,950	33,530	29,070
Total waste produced per employee [kg per capita]	22.0	26.2	23.1

In a circular economy perspective, electronic devices that are no longer usable, if obsolete but still functional, are reconditioned in order to proceed with their resale or disposal for humanitarian purposes (e.g., missions and social works); if, on the other hand, the goods have outlived their usefulness and prove to be non-functional, they are sold to specialised companies, which proceed with their destruction and disposal in accordance with the law.

In line with the previous year, a *Life Cycle Assessment* (LCA¹⁴⁹) of the reprocessing and reuse process of electronic equipment compared to its disposal at mechanical recycling facilities was also carried out in 2023. In particular, the reduction of environmental impacts due to a reuse process of electronic appliances compared to a traditional scenario of delivery to WEEE facilities was calculated.

Life Cycle Assessment ¹⁵⁰ KPIs	2023
Devices delivered [kg]	2,767
Devices delivered [no]	1,139
Devices sent for reuse [no.]	1,139
% devices sent for reuse	100%
Greenhouse gas emissions avoided [tonnes CO ₂ e]	211
Water consumption avoided [m ³]	2,670
Emissions of human carcinogens avoided [tonnes]	17
Emission of ecotoxic substances in freshwater avoided [tonnes]	40
Emission of ecotoxic substances into the marine environment avoided [tonnes]	52

¹⁴⁸ CER Code 200101.

¹⁴⁹ Analytical and systematic method for assessing the environmental footprint (defined as the impact on the ecosystem and natural resources) of a product or service over its entire life cycle. The calculation of the environmental impacts using LCA methodology was carried out in accordance with ISO 14041-14044.

¹⁵⁰ The environmental impact related to the production and disposal of electrical and electronic equipment does not end with the emission of greenhouse gases, but also involves other aspects, such as groundwater pollution (both river and sea), harmfulness to humans due to carcinogenic substances, and water consumption. The indicators for carcinogenic and ecotoxic substances shown in the table are normalised on the basis of the carcinogenicity of the aromatic compound 1,4-dichlorobenzene.

WATER CONSUMPTION AND DISCHARGES

The water supply is from the aqueduct and is mainly used for sanitary facilities and office cleaning. Water consumption has seen a progressive increase in recent years. For the company's offices, the increase in per capita consumption in 2023 is largely attributable, for the Milan office, to the presence of water dispensers and showers in the new spaces of the wellbeing area inaugurated at the beginning of the year¹⁵¹, while for the Reggio Emilia office it is due to the adjustment in the 2023 invoices of consumption of the previous year. In the Network, per capita water consumption has remained stable over the last two years, with an increase in 2022 compared to 2021 linked to the progressive return to the Fineco Centers after the pandemic emergency. The Fineco Centers' water consumption is the result of an estimate¹⁵² based on the number of PFAs operating at the FCs, to which an average consumption value per advisor has been applied. Water discharges are discharged into public sewers, in accordance with current regulations.

Water consumption [m ³]	2023	2022	2021
Water consumption – FinecoBank ¹⁵³	13,807	6,452	3,291
Water consumption – Fineco AM	143	176	82
Water consumption – Fineco Centers	36,023	35,568	21,233
TOTAL	49,973	42,196	24,606

EMAS KPIs Italy – Water consumption [m ³ per capita]	2023	2022	2021
Water consumption per employee	10.4	5.0	2.6
Water consumption per advisor	12.2	12.2	7.6

¹⁵¹ At the same time, the installation of the dispensers led to a significant decrease in the consumption of water from the vending machines at the sites. In 2023, 226,000 0.5-litre bottles were purchased for both the Milan and Reggio Emilia offices, against 434,000 bottles purchased in 2022. Although the figure does not allow for a precise comparison of per capita water savings (due to the different attendance rate of employees at the sites in the two years), the benefit of reduced plastic consumption is nevertheless noted.

¹⁵² For the estimate, the invoices of the Fineco Centers whose utilities are registered to the Bank were collected to first quantify the consumption in cubic metres of each office and then a consumption per PFA, based on the number of financial advisors associated with the individual FCs considered. The average consumption of m³ of water per PFA was used to estimate total consumption.

¹⁵³ The figure for FinecoBank offices does not include the water consumption of Fineco staff at the DPCs; however, it is a very small amount due to the limited number of staff at the DPCs (7) and the exclusively hygienic and sanitary use of water.

BIODIVERSITY

The indicator of gross floor area per employee (taken as an indicator of total land use according to the EMAS Regulation¹⁵⁴) is 15.8 m² per employee for company sites, and 26.2 m² per advisory for FCs, as illustrated below.

EMAS KPIs Italy - Biodiversity	2023	2022	2021
Gross surface area FinecoBank offices [m²]	20,735	20,693	21,157
<i>of which Registered Office</i>	15,558	15,558	15,558
<i>of which Head Office</i>	4,260	4,260	4,399
<i>of which DPCs</i>	917	875	1,200
Number of employees FinecoBank [no.]	1,311	1,279	1,261
Gross surface area per employee [m² per capita]	15.8	16.2	16.8
Gross surface area FCs [m²]	77,548	76,678	63,478
Number of advisors [no.]	2,962	2,918	2,790
Gross surface area per advisor [m² per capita]	26.2	26.3	22.8

OTHER ENVIRONMENTAL ASPECTS

The air-conditioning of premises takes place through the operation of equipment containing fluorinated greenhouse gases (**f-gas**), which, in line with current regulations, are subject to periodic checks on the absence of leaks and undergo ordinary and extraordinary maintenance. This activity is entrusted to maintenance firms for the Bank's corporate offices and FCs, and controlled through the use of a specific IT platform for managing *facility management* activities.

Within the EMAS scope, **emergency management** mainly concerns fire prevention measures. The Bank complies with all general measures to protect the health and safety of workers pursuant to Legislative Decree 81/2008 and organises the necessary relations with the competent public services for first aid, rescue, fire prevention and emergency management. On an annual basis, an escape test is carried out at company sites; the evidence emerging from the tests is recorded and any anomalies are taken care of and managed promptly. The Milan Durante and Reggio Emilia offices have the respective Fire Prevention Certificates pursuant to Presidential Decree no 151/2011¹⁵⁵; there are no activities in FCs that are subject to fire prevention controls under the above legislation.

The presence of **asbestos** is not a significant environmental aspect for FinecoBank's business. For the purposes of assessing the significance of the aspect from an environmental point of view, the possible presence of asbestos on sites is considered significant to the extent that it represents a criticality for the external environment and not in terms of human health and safety. In this sense, the presence of asbestos can be considered significant for the environment only in cases where it is detected in areas and parts of buildings in contact with the outdoors such as, for example, chimneys and building roofs. There are no artefacts containing Materials Containing Asbestos (MCA) in contact with the external environment, neither in the Milan headquarters nor in the

¹⁵⁴ Annex IV of the EMAS Regulation lists "land use in relation to biodiversity" as a key environmental performance indicator. In this regard, it is required to collect information on: total land use, total sealed area, total nature-oriented area on site, total nature-oriented area off site. With reference to FinecoBank's EMAS Registration, the indicator in question was constructed solely with respect to the square metres of land occupied in total by the Bank's offices and commercial network (total land use).

¹⁵⁵ In 2023 the Fire Prevention Certificates were renewed in both locations. At the Reggio Emilia site, the Certificate was renewed by UniCredit.

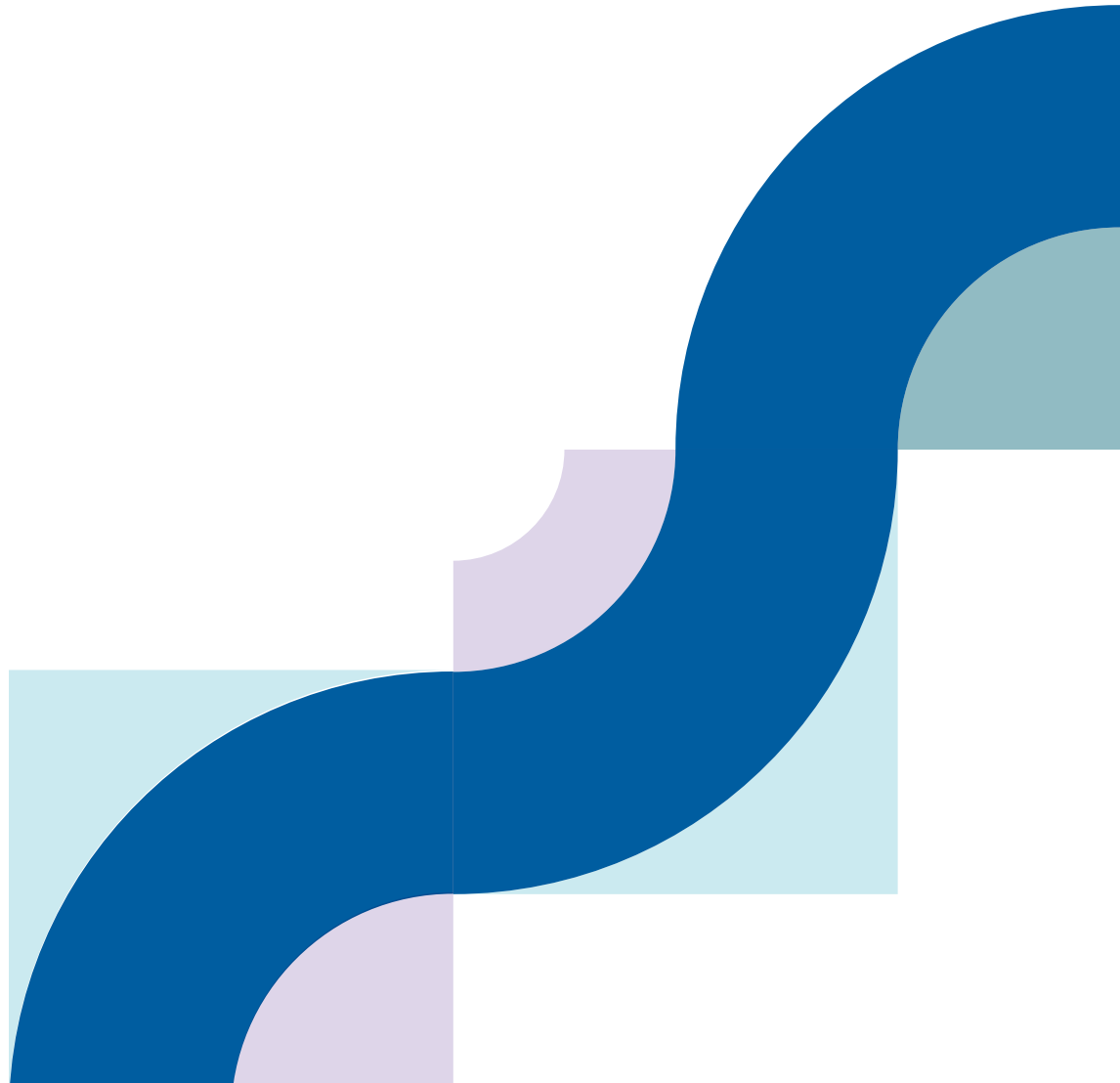
corporate FCs. During 2023 the Bank commissioned an external company to carry out an analysis in the newly opened Fineco Centres; the check confirmed the absence of MCA in contact with the external environment.

With reference to the possible presence of **radon gas**, an analysis was carried out on all the FCs present in the Puglia and Campania Regions (both company FCs and PFA and Personal Studio FCs) and in the remaining corporate Fineco Centers located throughout the Country, investigating the basement and ground floor rooms of the buildings. In the FCs in the Puglia Region no gas levels above the limits set by regional regulations were detected; in the FCs in the Campania Region the presence of radon gas was found inside three buildings. In the remaining FCs located in the national territory, the presence of radon gas was found in seven buildings. In the buildings in which the presence of radon gas has been verified, remedial work is planned and carried out on the premises under the responsibility of Fineco and/or the property, according to their respective competences.

In general, Fineco's activities do not give rise to external **noise**. The only noise sources can be identified in the motors of air conditioning systems, both in company offices and at Fineco Centers; in both cases, however, these are not situations capable of generating significant disturbance. In the Data Centers, the assessment of risks related to the sources of noise represented by the systems supporting the functionality of the data centers themselves, carried out from the point of view of the health and safety of workers as part of the fulfilments carried out in implementation of Legislative Decree no 81/2008, does not highlight any critical issues. Noise, consequently, is not a relevant environmental aspect.

Within the EMAS scope, there are no critical situations related to the presence of **electromagnetic fields** and consequent compliance with applicable regulations; consequently, the environmental aspect in question is not significant.

The presence of **hazardous substances** on Fineco sites is not a significant environmental aspect. This environmental aspect may derive from the possible presence of stockpiles of diesel oil for the service of power generators at company sites (for which checks are carried out periodically to verify that they are properly maintained) or from the possible use of hazardous substances by suppliers during maintenance or construction activities, the proper management of which is regulated contractually.



GRI CONTENT INDEX

Statement of use	FinecoBank S.p.A. has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1 - Foundation – 2021.
Applicable GRI Sector Standard(s)	The Sector Standards for the financial services sector were not yet available at the date of publication of this document.

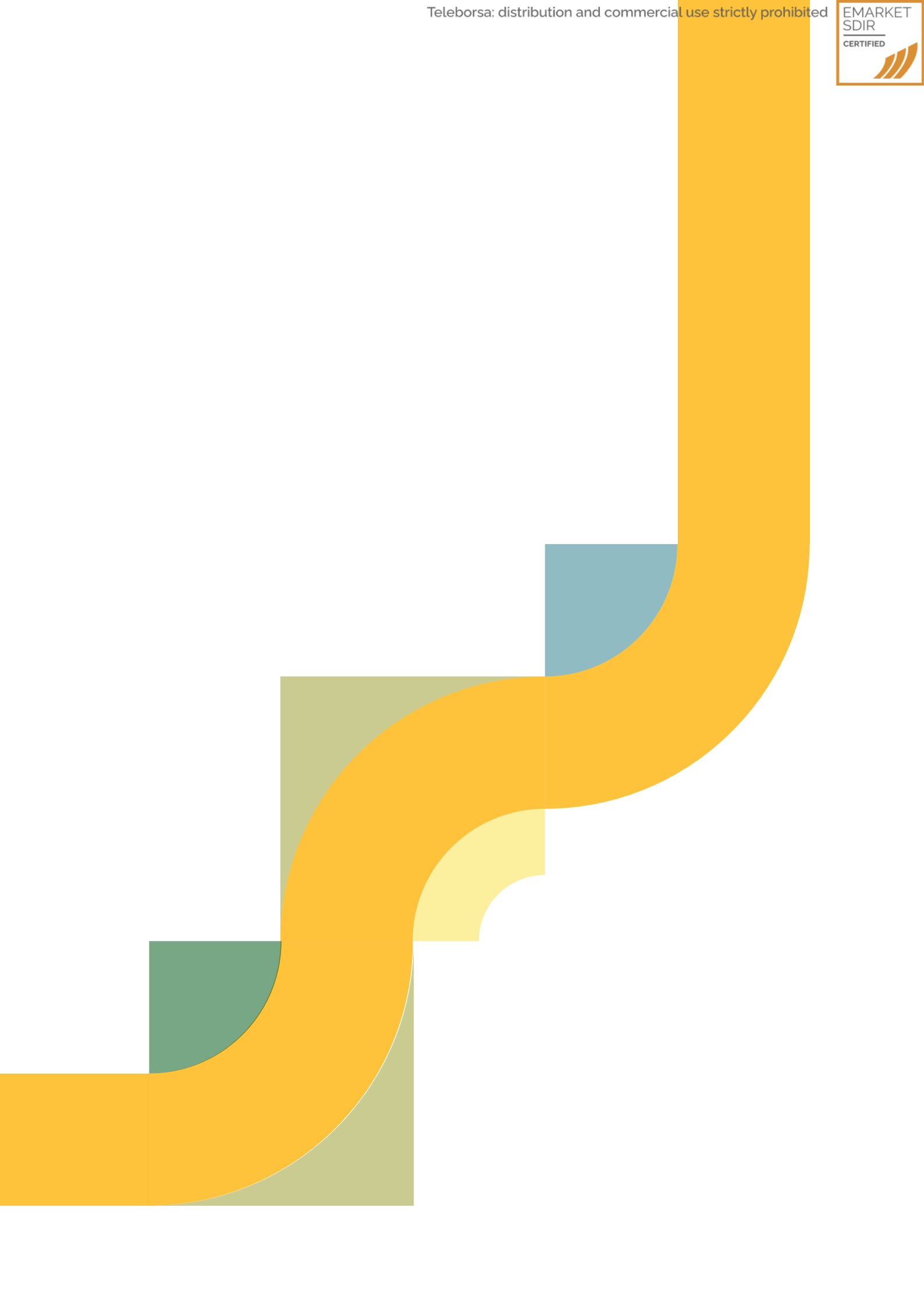
GRI Standard / Other source	Disclosure	Page No. / Notes	Omissions
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The organization and its reporting practices			
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2-2	Entities included in the organization's sustainability reporting	6	
2-3	Reporting period, frequency and contact point	6-7	
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2-5	External assurance	193, 241	
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2-6	Activities, value chain and other business relationships	12-16	
2-7	Employees	130-131	There are no non-guaranteed hours employees
2-8	Workers who are not employees	134	
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2-9	Governance structure and composition	73-74, 76, 79-80	
2-10	Nomination and selection of the highest governance body	73, 77-78, 81	
2-11	Chair of the highest governance body	77-78	
2-12	Role of the highest governance body in overseeing the management of impacts	74-76	
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2-19	Remuneration policies	82-84	

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2-26	Mechanisms for seeking advice and raising concerns	116-117	
2-27	Compliance with laws and regulations	121. No significant cases of non-compliance with laws and regulations for which fines or non-monetary penalties were recorded in 2023.	
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GRI 3: Material Topics 2021			
3-3	Management of material topics	35	
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GRI 3: Material Topics 2021			
3-3	Management of material topics	64-67	
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GRI Standard / Other source	Disclosure	Page No. / Notes	Omissions
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G4 - FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	52-53, 57	
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G4 - FS14	Initiatives to improve access to financial services for disadvantaged people	59-60	
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GRI 3: Material Topics 2021			
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206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	120-121	
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415-1	Political contributions	31, 118	
GRI 418: Customer privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	124	

GRI	Standard / Other source	Disclosure	Page No. / Notes	Omissions
Financial education and advice				
GRI 3: Material Topics 2021				
3-3		Management of material topics	158-160	
Fair and inclusive work environment through talent attraction and retention strategies and meritocratic remuneration policies				
GRI 3: Material Topics 2021				
3-3		Management of material topics	130-152	
GRI 401: Employment (2016)				
401-1		New employee hires and employee turnover	132, 135	
GRI 404: Training and Education (2016)				
404-1		Average hours of training per year per employee	144, 148	
GRI 405: Diversity and Equal Opportunity (2016)				
405-1		Diversity of governance bodies and employees	79, 81, 131, 134	
405-2		Ratio of basic salary and remuneration of women to men	137	
GRI 406: Non-discrimination (2016)				
406-1		Incidents of discrimination and corrective actions taken	137	
Protection of the environment				
GRI 3: Material Topics 2021				
3-3		Management of material topics	166-185	
GRI 301: Materials (2016)				
301-1		Materials used by weight or volume	180-181	
GRI 302: Energia (2016)				
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GRI 305: Emissions (2016)				
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305-2		Energy indirect (Scope 2) GHG emissions	178	
305-3		Other indirect (Scope 3) GHG emissions	178	
Indicators according to Annex IV Regulation 1221/2009/EC (EMAS)				
Letter C, point 2. a) i) c i) d)		Direct energy consumption, total and per employee	174, 175	
Letter C, point 2. a) ii) c ii) d)		Annual mass flow of main materials used, total and per employee	180-181	

GRI Standard / Other source	Disclosure	Page No. / Notes	Omissions
Letter C, point 2. a) iii) c iii) d)	Annual water consumption, total and per employee	183	
Letter C, point 2. a) iv) c iv) d)	Annual waste production, total and per employee	181-182	
Letter C, point 2. a) iv) c iv) d)	Annual production of hazardous waste, total and per employee	No hazardous waste was produced in the three-year period 2021-2023	
Letter C, point 2. a) v) c v) d)	Use of land, total and per employee	183-184	
Letter C, point 2. a) vi) c vi) d)	Annual atmospheric emissions, total and per employee	176-180	
Other GRI disclosures not related to material topics			
GRI 207: Tax (2019)			
207-1	Approach to tax	126-127	
207-2	Tax governance, control, and risk management	126-127	
207-3	Stakeholder engagement and management of concerns related to tax	126-127	
207-4	Country-by-country reporting	127	
GRI 402: Labor/Management Relations (2016)			
402-1	Minimum notice periods regarding operational changes	151	
GRI 403: Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	153-155	
403-2	Hazard identification, risk assessment, and incident investigation	153-155	
403-3	Occupational health services	154	
403-4	Worker participation, consultation, and communication on occupational health and safety	153-155	
403-5	Worker training on occupational health and safety	141, 154	
403-6	Promotion of worker health	151-153	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	153-154	





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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

*To the board of directors of
FinecoBank S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of the FinecoBank Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 12 March 2024 (the "NFS").

Our procedures did not cover the information set out in section 5.5 "*Environmentally sustainable assets*" of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of FinecoBank S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.



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The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this report, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
 - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
 - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).



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5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at group and subsidiaries level
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- through remote meetings, we held discussions with the parent's management, which we have selected on the basis of its business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of the FinecoBank Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in section 5.5 "*Environmentally sustainable assets*" of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 15 March 2024

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit



ANNEX



ANNEX I – ESG MULTI-YEAR PLAN 2024-2026¹⁵⁶

Responsible Finance – Investing and Brokerage (*)		
Goals and Targets		Deadline
Enlargement of the offer within the platform with funds with ESG characteristics	At least 50% of new funds launched on Fineco's platform with ESG-rating ¹⁵⁷ ≥ 6 (No. ISIN)	From 2024
	At least 50% of new funds launched on Fineco's platform with SFDR classification ex artt.8 o 9 (No. ISIN)	From 2024
	Maintenance of a minimum threshold of 68% of funds with SFDR classification ex artt.8 o 9 out of the total subscribable funds (No. ISIN)	2026
Enrichment of active funds included in open consultancy insurance baskets with ESG instruments	At least 65% of new active funds placed in open consultancy insurance baskets with SFDR classification ex artt.8 o 9 (No. ISIN)	From 2024
	Maintenance of a minimum threshold of 65% of funds with SFDR classification ex artt.8 o 9 out of the total funds offered within the available baskets (No. ISIN)	2026
Integration of ESG criteria in the PFAs Incentive Plan		From 2024
Inclusion of at least two investment houses with specific ESG DNA within the open platform architecture		2026
Enlargement of the offer with at least three ESG <i>certificates</i> ESG		2026
Integration of ESG information into product search and selection parameters	Integration of an ESG filter for all the investment funds included in the platform ¹⁵⁸	2026
	Integration of ESG parameters in the <i>snapshots</i> within the private area of the website of the fact sheets of equities, ETPs and bonds of the main stock exchanges	2024
	Integration of an ESG filter, within stock and bond screener, for bonds and equities of the main stock exchanges	2025
Strengthening of ESG training in Fineco AM through at least 10 training courses for employees and the Board		2026
Responsible Finance – Bank's Internal Portfolio (*)		
Goals and Targets		Deadline
ESG investments volume equal to at least 10% of total treasury portfolio		2026
Volume of transactions in ESG collateral switches equal to at least € 800 mln		2026
Responsible Finance – Financial Inclusion		
Goals and Targets		Deadline
Adhesion to the ABI Agreement for women victims of violence		2024
Realisation of at least one event on financial education in the territory dedicated to specific targets of the population (weak / less protected groups)		2024

¹⁵⁶ The objectives and targets marked with an asterisk identify the environmental objectives and targets under the EMAS Environmental Programme 2024-2027.

¹⁵⁷ For details on rating, see section “3.2 Products and Responsible Investments”.

¹⁵⁸ where information from the investment house is present.

Strengthening the teamwork approach within the Personal Financial Advisor Network		From 2024
Financial education and advice		
Goals and Targets		Deadline
ESG Training to the Network of Financial Advisors	Planning and ed delivery of the first training sessions	2024
	Training of at least 75% <i>Private Bankers</i>	2026
	Training of at least 50% PFAs	2026
Realisation of at least 1 customer event with ESG focus per business area ¹⁵⁹		2025
Realisation of at least 20 events on financial education		2026
Uploading of at least 20 new videos on financial education		2026
Y/Y increase in the access to the contents on financial education		From 2025
Granting of a scholarship for secondary school pupils as part of the collaboration with Feduf		2025
Launch of a current account dedicated to minors		2025
ESG Governance		
Goals and Targets		Deadline
Maintenance of international commitments	UN PRB (FinecoBank); UN PRI e UN PRI Advance (Fineco AM); UN Global Compact (FinecoBank; Fineco AM); Climate Action 100+ (Fineco AM)	Maintenance
Activation of partnerships organised with con external bodies for the development and strengthening of internal know-how on key innovation / security issues		From 2024
Definition of ESG Ambassadors in the Bank's organisational model		2025
Adoption of a Policy on Artificial Intelligence		2024
Adoption on a Policy on Diversity & Inclusion by Fineco AM		2024
Fineco AM Active Stewardship and Voting Policy: publication of the Voting Policy and of the voting history on the company's website		2024
Diversity & Inclusion		
Goals and Targets		Deadline
<i>Diversity, Equity & Inclusion</i>	Definition of an awareness plan for external and internal stakeholders on D&I with at least 13 contents in the three-year period and an internal survey on these issues	2026
	Implementation of measures to support parenting and work-life balance with specific reference to the introduction of a supplementary allowance paid by the company for parental leave	2026
	Increasing the percentage of the least represented gender in the organisation in leadership roles, with a minimum target of 5%	2026

¹⁵⁹ 26 commercial area as of 31 December 2023.

	Decrease of the gender equity pay gap below 5% for all categories of workers doing the same or equally valuable work	2026
Strengthening the Youth Project of the PFA Network	Review of the economic proposal	2024
	Design and delivery of a <i>Coaching Plan</i>	Planning: 2024 Release: 2025
Increasing the focus on gender diversity also within the PFA Network	At least 15% of female managers out of new managers in the period 2024-2026	2026
	Integration of a KPI on women recruiting in the managers' Incentive Plan	From 2024
	Women's participation extended to specific activities or initiatives dedicated to Ambassadors, also involving the top 5 women per weighted portfolio (excluding women already Ambassadors)	From 2024
Specialised accessibility training for designers to further support the development of digital products and services accessible to all users		2025
Environment¹⁶⁰ and Supply Chain (*)		
Goals and Targets		Deadline
Modernisation of the car fleet with 100% of hybrid/electric cars		2024
<i>Net Zero Emissions Commitment by 2050</i>	95% exposure in debt securities of sovereign and bank issuers with a Net Zero target to 2050	2030
	100% exposure in debt securities of sovereign and bank issuers with a Net Zero target to 2050	2050
	Reduction of operating Scope 1, 2 greenhouse gas emissions (market-based): -55% vs 2021	2026
	Reduction of operating Scope 1, 2 greenhouse gas emissions (market-based): -90% vs 2021	2050
	Reduction of operating Scope 3 greenhouse gas emissions: -20% vs 2021	2030
	Reduction of operating Scope 3 greenhouse gas emissions: -90% vs 2021	2050
Space optimisation in the Head Office for energy efficiency purposes		2026
Implementation of more energy-efficient screen savers		2025
Installation of at least 15 charging stations for company car fleets and private employee cars		2025
Replacement of at least 50% of the plastic card stock with recycled PVC cards		2026
Digitisation	Increasing the use of digital solutions by financial advisors to a paper-to-digital ratio of 1/7	2026

¹⁶⁰ The target for at least 80% of IT service providers to hold ISO 27001 or equivalent certification is not included in the EMAS Environmental Programme 2024-2027.

	Digitisation of 90%: <ul style="list-style-type: none"> - of the contractual documents of non-current account holders - of the contractual documents of non-current account holders 	2026
Supply Chain	Integration of a section in the e-shop of financial advisors for the purchase of environmentally friendly products	2024
	Adoption of guidelines for the Network to select suppliers with ESG characteristics for the organisation of events	2024
	Identification and selection of materials and gadgets with eco-friendly characteristics for events and the Network	From 2024
	Elimination of plastic products (e.g., bottles, glasses) on company premises	2025
	Provision of specialised training on green and sustainable procurement for 100% of the Procurement Office staff	2025
	Supplier environmental audits performed on 100% of the companies contracted for global services on Fineco Centres over the three-year period 2024-2026	2026
	At least 80% of IT service providers must have an ISO 27001 or equivalent certification	2026
Customer satisfaction		
Goals and Targets		Deadline
Maintenance of a threshold of 90 points on annual basis for the <i>Tri*m Index</i>		From 2024
Improvement of the user experience and user interface through the development of new services	Access to the training offer with the possibility to register through mobile	2025
	PAC ETF service on App with simplification of mobile use	2026
Charitable donations, partnerships and relations with the territory		
Goals and Targets		Deadline
Ongoing community support through charity campaigns and emergency response initiatives using direct donations and activation of fundraisers		From 2024
Activation of partnerships to support culture and the valorisation of historical and artistic heritage and for the protection of the environment and territory		From 2024
Strengthening of ESG partnerships by Fineco AM through the subscription of at least 4 new external initiatives		2026

ANNEX II – SDGs AND RELATED RELEVANT TARGETS

The 12 of the 169 targets of the **17 Sustainable Development Goals** (SDGs) considered most relevant on the basis of their commonalities with the material themes and goals of the Sustainability Goals Plan 2020-2023 are reported below.

 <p>1.4 By 2030, ensure that all men and women, particularly the poor and vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technologies and financial services, including micro-finance.</p>	 <p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>	 <p>5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>
 <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p>	 <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</p>	 <p>10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>
 <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	 <p>13.2 Integrate climate change measures into national policies, strategies and planning</p>	 <p>16.b Promote and enforce non-discriminatory laws and policies for sustainable development</p>

ANNEX III – EU TAXONOMY REGULATION

The reporting of the Group's European Taxonomy was based on an analysis of the regulatory requirements set forth in the Delegated (EU) Regulations mentioned in section "5.5 Environmentally sustainable Assets", in order to identify the most consistent methodologies to correctly calculate the required quantitative indicators.

With reference to the mandatory reporting provided for in Art. 10, the eligibility reporting covered all the environmental objectives described in Art. 9 of Delegated Regulation (EU) 2020/852¹⁶¹.

Data from the Group's internal systems were collected and analysed, as well as information directly published by counterparties, through the consultation of their sustainability reports.

In particular, a conservative approach was followed to report eligibility and alignment with the Taxonomy, avoiding the use of estimates or inaccurate or incomplete information. This methodological approach was also used with respect to financial exposures to retail customers.

The off-balance sheet exposures in Template 1 include the assets under management of Fineco AM. The KPI for assets under management is zero, as it was not possible to determine the portion of the assets under management aligned out of total assets under management. Looking ahead, the Group is committed to putting in place appropriate processes in order to be able to perform an assessment of these types of assets to meet the required disclosure requirements.

In relation to the climate mitigation (CCM) and adaptation (CCA) targets, data was collected on the eligibility shares based on the KPIs of turnover (Turnover) and capital expenditure (CapEx) published by the NFRD counterparties within the consolidated prudential perimeter as at 31 December 2023. For the climate change mitigation objective, the value of the stock of loans granted to households secured by residential properties was also considered eligible.

In relation to the remaining four environmental objectives, as no public counterparty data were available, an analysis of the counterparties' NACE codes was conducted, from which no eligible counterparties emerged. This is attributable to the nature of the Group's business, which operates mainly with NFRD counterparties in the financial sector.

Therefore, the regulatory models of the GAR (Green Asset Ratio), set forth in Annex VI of Delegated Regulation 2023/2486, were filled only with respect to the two climate targets CCM and CCA. In detail, for the compilation of these models, the following were used: i) the same eligibility data that fed into the reporting in accordance with Article 10; ii) the portion of alignment, based on the turnover KPI (Turnover) and the capital expenditure KPI (CapEx); and iii) the relative portion of enabling and transition assets published by each counterparty under analysis.

The GAR stock, which is the main KPI, shows considerably low values due to the type of business conducted by the Group and the customer segments to which the commercial offer is addressed.

The following tables display the KPI Templates for credit institutions described in Annex VI.

¹⁶¹ Delegated Regulation (EU) 2020/852 defines the six European Taxonomy objectives: Climate Change Mitigation (CCM); Climate Change Adaptation (CCA); Sustainable Use and Protection of Water and Marine Resources (WTR); Transition to a Circular Economy (CE); Pollution Prevention and Control (PPC); and Protection and Restoration of Biodiversity and Ecosystems (BIO).

Template 0: Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI (Turnover based)	KPI (CapEx based)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	224.0*	0.0%	0.0%	37.0%	12.0%	63.0%
Additional KPIs	GAR (flow) **	-	-	-	0.4%	-	-
	Financial Guarantees	-	-	-	-	-	-
	Asset Under Management	-	-	-	-	-	-

* The amount (expressed in €) refers to the KPI GAR stock calculated on the basis of turnover.

** The KPI GAR (flow) is calculated only with respect to assets that entered the prudential perimeter during the financial year 2023.

Template 1: Assets for calculation of GAR (Turnover)

		2023													
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)						
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)						
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)						
		Of which Use of Proceeds			Of which transitional		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		
		Of which Use of Proceeds			Of which transitional		Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		
Min €		Total [gross] carrying amount													
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	8,351.6	2,965.4	0.0	-	-	-	-	0.0	-	-	-	2,965.4	0.0	-
2	Financial undertakings	2,647.4	466.3	-	-	-	-	-	-	-	-	-	466.3	-	-
3	Credit institutions	2,639.7	465.4	-	-	-	-	-	-	-	-	-	465.4	-	-
4	Loans and advances	22.3	2.4	-	-	-	-	-	-	-	-	-	2.4	-	-
5	Debt securities, including UoP	2,617.4	462.9	-	-	-	-	-	-	-	-	-	462.9	-	-
6	Equity instruments	0.0	0.0	-	-	-	-	-	-	-	-	-	0.0	-	-
7	Other financial corporations	7.6	0.9	-	-	-	-	-	-	-	-	-	0.9	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	4.2	0.0	-	-	-	-	-	-	-	-	-	0.0	-	-
13	Loans and advances	4.2	0.0	-	-	-	-	-	-	-	-	-	0.0	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	3.4	0.9	-	-	-	-	-	-	-	-	-	0.9	-	-
17	Loans and advances	3.4	0.9	-	-	-	-	-	-	-	-	-	0.9	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	0.0	0.0	0.0	-	-	-	-	0.0	-	-	-	0.0	0.0	-
21	Loans and advances	0.0	0.0	0.0	-	-	-	-	0.0	-	-	-	0.0	0.0	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	5,704.3	2,499.1	-	-	-	-	-	-	-	-	-	2,499.1	-	-
25	of which loans collateralised by residential immovable property	2,499.1	2,499.1	-	-	-	-	-	-	-	-	-	2,499.1	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	4,001.0	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	175.7	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	174.3	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	167.3	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	6.0	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	896.6	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On demand interbank loans	332.9	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	2,595.8	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Total GAR assets	12,352.6	2,965.4	0.0	-	-	-	-	0.0	-	-	-	2,965.4	0.0	-
49	Assets not covered for GAR calculation	20,999.4	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	18,782.7	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Central banks exposure	2,202.6	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Trading book	14.1	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Total assets	33,352.0	2,965.4	0.0	-	-	-	-	0.0	-	-	-	2,965.4	0.0	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	17.2	5.9	-	-	-	-	-	-	-	-	-	5.9	-	-
55	Assets under management*	30,782.5	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* The off-balance sheet exposures in Template 1 include the asset under management of Fineco AM. The KPI for asset under management is zero, as it was not possible to determine the relative portion of assets under management aligned out of total asset under management.

Template 1: Assets for calculation of GAR (CapEx)

Min €	Total [gross] carrying amount	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)						
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)						
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)						
		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling				
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	8,351.6	2,805.0	0.0	-	-	0.0	-	-	-	-	2,805.0	0.0	-	-	0.0
2	Financial undertakings	2,647.4	305.9	-	-	-	-	-	-	-	-	305.9	-	-	-	-
3	Credit institutions	2,639.7	305.2	-	-	-	-	-	-	-	-	305.2	-	-	-	-
4	Loans and advances	22.3	2.4	-	-	-	-	-	-	-	-	2.4	-	-	-	-
5	Debt securities, including UoP	2,617.4	302.8	-	-	-	-	-	-	-	-	302.8	-	-	-	-
6	Equity instruments	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	7.6	0.7	-	-	-	-	-	-	-	-	0.7	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	4.2	0.0	-	-	-	-	-	-	-	-	0.0	-	-	-	-
13	Loans and advances	4.2	0.0	-	-	-	-	-	-	-	-	0.0	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	3.4	0.7	-	-	-	-	-	-	-	-	0.7	-	-	-	-
17	Loans and advances	3.4	0.7	-	-	-	-	-	-	-	-	0.7	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	0.0	0.0	0.0	-	-	0.0	-	-	-	-	0.0	0.0	-	-	0.0
21	Loans and advances	0.0	0.0	0.0	-	-	0.0	-	-	-	-	0.0	0.0	-	-	0.0
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	5,704.3	2,499.1	-	-	-	-	-	-	-	-	2,499.1	-	-	-	-
25	of which loans collateralised by residential immovable property	2,499.1	2,499.1	-	-	-	-	-	-	-	-	2,499.1	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	4,001.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	175.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Loans and advances	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Debt securities	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Equity instruments	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Non-EU country counterparties not subject to NFRD disclosure obligations	174.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Loans and advances	167.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Debt securities	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Equity instruments	6.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Derivatives	896.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	On demand interbank loans	332.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Cash and cash-related assets	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Other categories of assets (e.g. Goodwill, commodities etc.)	2,595.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Total GAR assets	12,352.6	2,805.0	0.0	-	-	0.0	-	-	-	-	2,805.0	0.0	-	-	0.0
49	Assets not covered for GAR calculation	20,999.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Central governments and Supranational issuers	18,782.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Central banks exposure	2,202.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Trading book	14.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Total assets	33,352.0	2,805.0	0.0	-	-	0.0	-	-	-	-	2,805.0	0.0	-	-	0.0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	17.2	6.2	-	-	-	-	-	-	-	-	6.2	-	-	-	-
55	Assets under management*	30,782.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* The off-balance sheet exposures in Template 1 include the asset under management of Fineco AM. The KPI for asset under management is zero, as it was not possible to determine the relative portion of assets under management aligned out of total asset under management.

Template 2: GAR – Sector information (Turnover)

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		€ mln	Of which environmentally sustainable (CCM)	€ mln	Of which environmentally sustainable (CCM)	€ mln	Of which environmentally sustainable (CCA)	€ mln	Of which environmentally sustainable (CCA)	€ mln	Of which environmentally sustainable (CCM + CCA)	€ mln	Of which environmentally sustainable (CCM + CCA)
1	H53.10 - Postal activities under universal service obligation	0.03	0.00			-	-			0.03	0.00		

Template 2: GAR – Sector information (CapEx)

Scomposizione per settore - livello NACE a 4 cifre (codice a marchio)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		€ mln	Of which environmentally sustainable (CCM)	€ mln	Of which environmentally sustainable (CCM)	€ mln	Of which environmentally sustainable (CCA)	€ mln	Of which environmentally sustainable (CCA)	€ mln	Of which environmentally sustainable (CCM + CCA)	€ mln	Of which environmentally sustainable (CCM + CCA)
1	H53.10 - Postal activities under universal service obligation	0.03	0.03			-	-			0.03	0.03		

Template 3: GAR KPI stock (Turnover)

		2023																		
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)											
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)											
%		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						Proportion of total assets covered					
(compared to total covered assets in the denominator)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling							
GAR - Covered assets in both numerator and denominator																				
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	24.0	0.0	-	-	-	-	0.0	-	-	-	-	-	24.0	0.0	-	-	-	-	25.0
2	Financial undertakings	3.8	-	-	-	-	-	-	-	-	-	-	-	3.8	-	-	-	-	-	7.9
3	Credit institutions	3.8	-	-	-	-	-	-	-	-	-	-	-	3.8	-	-	-	-	-	7.9
4	Loans and advances	0.0	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.1
5	Debt securities, including UoP	3.7	-	-	-	-	-	-	-	-	-	-	-	3.7	-	-	-	-	-	7.8
6	Equity instruments	0.0	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.0
7	Other financial corporations	0.0	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.0
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	0.0	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.0
13	Loans and advances	0.0	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.0
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	0.0	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.0
17	Loans and advances	0.0	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	0.0
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	0.0	0.0	-	-	-	-	0.0	-	-	-	-	-	0.0	0.0	-	-	-	-	0.0
21	Loans and advances	0.0	0.0	-	-	-	-	0.0	-	-	-	-	-	0.0	0.0	-	-	-	-	0.0
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	20.2	-	-	-	-	-	20.2	-	-	-	-	-	20.2	-	-	-	-	-	17.1
25	of which loans collateralised by residential immovable property	20.2	-	-	-	-	-	-	-	-	-	-	-	20.2	-	-	-	-	-	7.5
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total GAR assets	24.0	0.0	-	-	-	-	0.0	-	-	-	-	-	24.0	0.0	-	-	-	-	37.0

Template 3: GAR KPI stock (CapEx)

		2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
%		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total assets covered
		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling				
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22.7	0.0	-	-	0.0	-	-	-	-	-	-	-	0.0	25.0	
2	Financial undertakings	2.5	-	-	-	-	-	-	-	-	-	-	-	-	7.9	
3	Credit institutions	2.5	-	-	-	-	-	-	-	-	-	-	-	-	7.9	
4	Loans and advances	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.1	
5	Debt securities, including UoP	2.5	-	-	-	-	-	-	-	-	-	-	-	-	7.8	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	
7	Other financial corporations	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.0	
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	of which management companies	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.0	
13	Loans and advances	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.0	
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	of which insurance undertakings	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.0	
17	Loans and advances	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.0	
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Non-financial undertakings	0.0	0.0	-	-	0.0	-	-	-	-	-	-	-	0.0	0.0	
21	Loans and advances	0.0	0.0	-	-	0.0	-	-	-	-	-	-	-	0.0	0.0	
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Households	20.2	-	-	-	-	-	-	-	-	-	-	-	-	17.1	
25	of which loans collateralised by residential immovable property	20.2	-	-	-	-	-	-	-	-	-	-	-	-	7.5	
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	Total GAR assets	22.7	0.0	-	-	0.0	-	-	-	-	-	-	-	0.0	37.0	

Template 4: GAR KPI flow (Turnover)

		2023										
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
%		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total assets covered	
(compared to flow of total eligible assets)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling			
GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.0	-	-	-	-	-	-	-	-	-	0.4
2	Financial undertakings	0.0	-	-	-	-	-	-	-	-	-	0.0
3	Credit institutions	0.0	-	-	-	-	-	-	-	-	-	0.0
4	Loans and advances	0.0	-	-	-	-	-	-	-	-	-	0.0
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-
24	Households	1.0	-	-	-	-	-	-	-	-	-	0.4
25	of which loans collateralised by residential immovable property	1.0	-	-	-	-	-	-	-	-	-	0.4
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-
32	Total GAR assets	1.0	-	-	-	-	-	-	-	-	-	0.4

Template 4: GAR KPI flow (CapEx)

		2023													
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
%		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total new assets covered		
(compared to flow of total eligible assets)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling					
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.0	-	-	-	-	-	-	-	1.0	-	-	-	-	0.4
2	Financial undertakings	0.0	-	-	-	-	-	-	-	0.0	-	-	-	-	0.0
3	Credit institutions	0.0	-	-	-	-	-	-	-	0.0	-	-	-	-	0.0
4	Loans and advances	0.0	-	-	-	-	-	-	-	0.0	-	-	-	-	0.0
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	1.0	-	-	-	-	-	-	-	1.0	-	-	-	-	0.4
25	of which loans collateralised by residential immovable property	1.0	-	-	-	-	-	-	-	1.0	-	-	-	-	0.4
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total GAR assets	1.0	-	-	-	-	-	-	-	1.0	-	-	-	-	0.4

Template 5: KPI off-balance sheet exposures Stock (*Turnover*)

		2023											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	34.3	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-

Template 5: KPI off-balance sheet exposures Flow (*Turnover*)

		2023											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-

Template 5: KPI off-balance sheet exposures Stock (*CapEx*)

		2023											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which transitional	Of which enabling	
1	Financial guarantees (FinGuar KPI)	36.0	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-

Template 5: KPI off-balance sheet exposures Flow (*CapEx*)

		2023											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which transitional	Of which enabling	
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-

The fulfilment of the disclosure requirements in relation to nuclear energy and fossil gas related activities was based on a detailed analysis of the NFRD counterparties, in order to verify whether these counterparties carried out at least one of the economic activities described in Delegated Regulation (EU) 2022/1214¹⁶². The analysis showed that the Group had no counterparties carrying out economic activities related to these types of economic sectors and, consequently, the models in Annex XII were not fed.

- The regulatory models described in Annex XII are listed below:
 - Template 1: Nuclear energy and fossil gas related activities;
 - Template 2: Taxonomy-aligned economic activities (denominator);
 - Template 3: Taxonomy-aligned economic activities (numerator);
 - Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities;
 - Template 5: Taxonomy-non-eligible economic activities.

Template 1: Nuclear energy and fossil gas related activities

Nuclear energy related activities

1	Funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	Funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	Funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities

4	Funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	Funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	Funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

¹⁶² Economic activities referred to in Sections 4.26 4.27, 4.28, 4.29, 4.30 and 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139.

Template 2: Taxonomy-aligned economic activities (denominator)

Economic activities	Turnover based						CapEx based					
	CCM+CCA		CCM		CCA		CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
2 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
3 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
4 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
5 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
6 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
8 Total applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-

Template 3: Taxonomy-aligned economic activities (numerator)

Economic activities	Turnover based						CapEx based					
	CCM+CCA		CCM		CCA		CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
2 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
3 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
4 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
5 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
6 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-

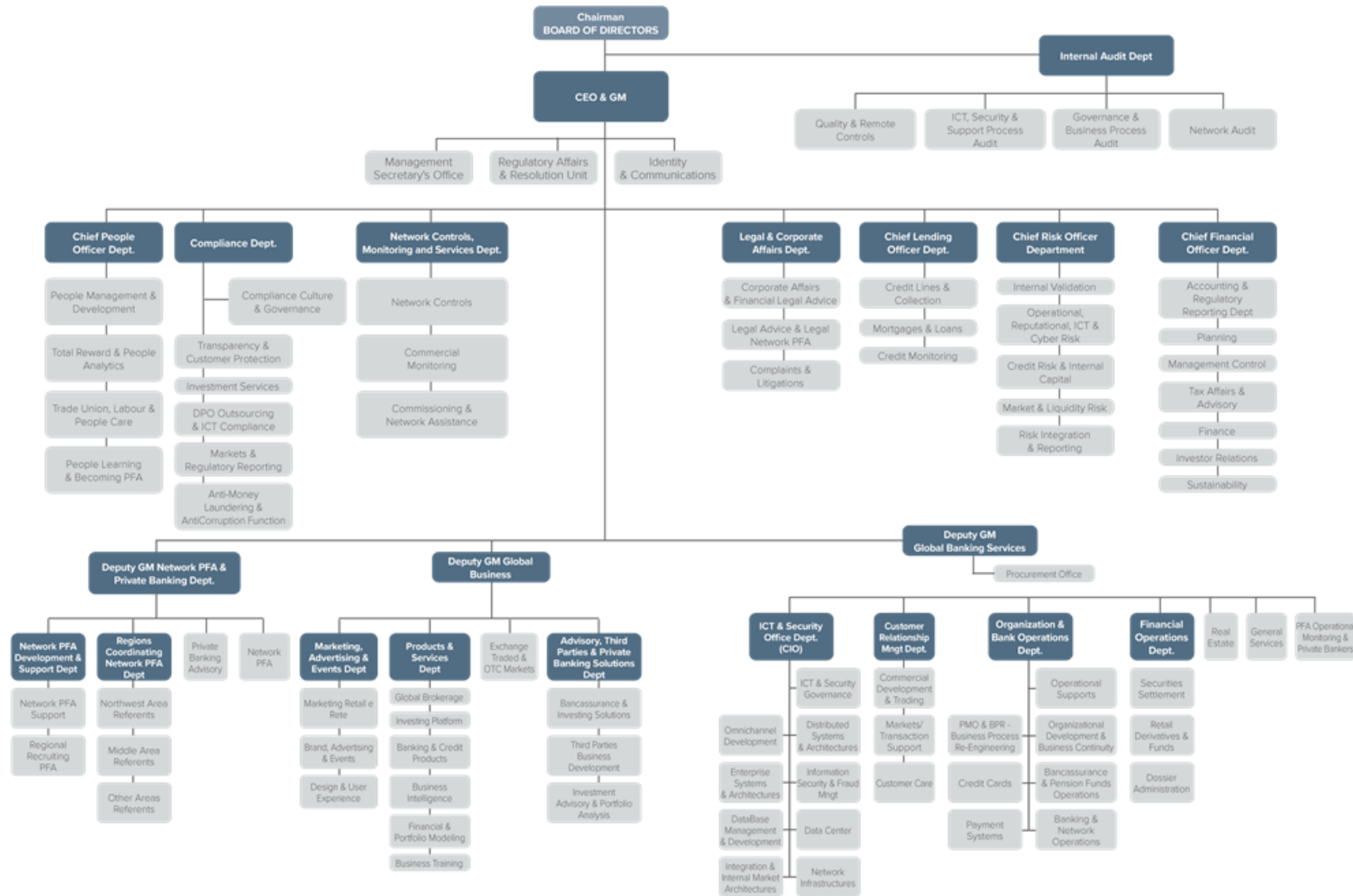
Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

Economic activities	Turnover based						CapEx based					
	CCM+CCA		CCM		CCA		CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
2 Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
3 Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
4 Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
5 Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
6 Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
8 Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-

Template 5: Taxonomy-non-eligible economic activities

Economic activities	Turnover		Capex	
	Amount	%	Amount	%
1 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
2 Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
3 Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
4 Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
5 Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
6 Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-
7 Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	-	-	-
8 Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	-	-	-	-

ANNEX IV – ORGANISATIONAL CHART



ANNEX V - PRINCIPLES FOR RESPONSIBLE BANKING - REPORTING AND SELF-ASSESSMENT TEMPLATE

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 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, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

FinecoBank S.p.A. is a joint-stock company listed on the *Mercato Telematico Azionario* organised and managed by *Borsa Italiana S.p.A.* Since 1 April 2016 it has been included in the *FTSE Mib* stock index and since 2017 in the *Stoxx Europe 600*; it is the Parent Company of the **FinecoBank Banking Group**, which includes the Irish-registered asset management company, **Fineco Asset Management Designated Activity Company** (hereinafter **Fineco AM**).

As of 31 December 2023, the FinecoBank Group, with **1,384 employees**¹⁶³ operated through its registered office and General Management located in Milan and Reggio Emilia, respectively, and three Data Processing Centres (DPCs) located in Pero (MI), Milan and Rome. The subsidiary **Fineco AM** is based in Dublin.

FinecoBank is one of the most important FinTech banks in Europe and one of the leading advisory networks. It is among the leaders in brokerage in Europe and No.1 in Italy in terms of number of transactions and equity trading volumes. Its transactional and advisory services and platforms are developed *in-house* with proprietary technologies and characterised by a strong innovation component, aimed at making the client experience smooth and intuitive across all channels. It is also one of the most important players in Private Banking in Italy, with an advisory approach built on the basis of individual clients' needs, including fiduciary services, protection and transmission of personal and corporate assets. The business model qualifies FinecoBank as a **Retail Bank**, with almost all clients being individuals. In 2023, the number of customers is over 1.5 million, 98% of whom are natural persons.

In terms of **geographical distribution**, the Bank operates with a network of financial advisors spread throughout Italy. FinecoBank is in fact active in 20 Italian regions, with **428 Fineco Centres** (offices where financial advisors carry out their activities) distributed throughout the Country and **2,962 Personal Financial Advisors** (PFAs).

The business model consists of three integrated business areas:

- **Banking & Credit** – The Group offers its customers a portfolio of products that includes financing and payment services associated with current accounts.
- **Investing** – The Group offers its customers, according to a "*guided open architecture*" business model, a particularly extensive range of asset management products, consisting of collective asset management, pension and insurance products, as well as investment advisory services through its network of financial advisors.

¹⁶³ Including 1,311 employees of the Bank and 73 employees of Fineco Asset Management.

- **Brokerage** - The Group provides order execution services on behalf of clients, with direct access to the main world equity markets and the possibility to trade CFDs, futures, options, bonds, ETPs, certificates and covered warrants.

Links and references

2023 Consolidated Non Financial Statement (NFS): 1.2 Who We Are, Strategy and Business Model (pages 11-16).

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Yes

No

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 relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

UN Guiding Principles on Business and Human Rights

International Labour Organization fundamental conventions

UN Global Compact

UN Declaration on the Rights of Indigenous Peoples

Any applicable regulatory reporting requirements on environmental risk assessments, e.g., on climate risk - please specify which ones: *FinecoBank Group Public Disclosure Pillar III*¹⁶⁴

Any applicable regulatory reporting requirements on social risk assessments, e.g., on modern slavery - please specify which ones: *FinecoBank Group Public Disclosure Pillar III*

None of the above

Response

During 2023, the Group updated its **Sustainability Strategy**, through the definition of ESG objectives and targets to be pursued over the three-year period 2024-2026. The **ESG Multi-Year Plan 2024-2026** (MYP ESG 24-26) was approved by the Board of Directors in December 2023, together with the Multi-Year Plan (MYP) 2024-2026, of which it is an integral part, with the aim of combining business growth and financial solidity with social and environmental sustainability, creating long-term value for all Stakeholders.

The Sustainability Strategy is aimed at strengthening the Bank's commitments to responsible finance, including through greater involvement of the commercial network. The ESG 24-26 MYP also includes environmental objectives under the EMAS Regulation, including the Net-Zero Emissions Commitment by 2050, whose financed emission reduction targets include the alignment of balance sheet assets with the Paris Agreement targets.

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.

Links and references

¹⁶⁴ Article 449a of Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

2023 NFS: 1.3 Sustainable Developments Goals and commitments subscribed (pages 17-27); Annex I – ESG MULTI-YEAR PLAN 2024-2026 (pages 197-200).

[Commitment to Net-Zero Emissions by 2050](#)

FinecoBank Group Public Disclosure – Pillar III as at 31/12/2023: Disclosure of environmental, social and governance risks (pages 105-117).

Principle 2: Impact and 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.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

The Impact Analysis was completed in 2023 and focused in particular on the two main business areas in which the Bank's strategy is focused - *Banking & Credit* and *Investing* – which together accounted for 84% of the Group's revenues as at 1H2023. As outlined below, in 2023 the Impact Analysis was conducted as part of the activities to define the objectives and targets of the new MYP ESG 24-26, combining the Bank's internal analysis and discussion with an assessment of the external reference context, in both *peer* and territorial terms.

Looking ahead, updates to the Impact Analysis will progressively examine the *Brokerage* area - which is the component with the lowest percentage weight in terms of revenue (16%) – and which is nevertheless included in the ESG MYP 2024-2026.

Links and references

2023 NFS: 1.2 Who We Are, Strategy and Business Model (pages 11-16); Annex I – ESG MULTI-YEAR PLAN 2024-2026 (pages 197-200).

[2Q23Results](#) (page 40).

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope:

i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Response

The Impact Analysis addressed the composition of the Bank's portfolio, in terms of both the characteristics of its customers and the range of products and services offered to them. FinecoBank is a *retail* bank, and its business strategy does not include lending to *corporate* customers; in 2023, 98% of customers were individuals. In 1H23, the average age of customers was 50 (64 for the *private* customer segment); in terms of TFA, out of a total of 115.9 € bn, the *customer base* was distributed as follows:

- 45% with TFA >0.5 € mln;
- 36% with TFA 100-500k €;
- 10% with TFA 50-100k €;
- 9% with TFA <50k €.

In terms of loan portfolio composition, out of a total of 5,711 € mln, about 45% was related to mortgages, 39% to current accounts/loans, 10% to personal loans and 6% to payment cards.

Links and references

2023 NFS: 1.2 Who We Are, Strategy and Business Model (pages 11-16).

[1H23Results](#) (pages 10; 15; 40).

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

Response

The Impact Analysis addressed the context in which the Bank operates, in terms of both policy and operational territorial references, particularly with respect to its sustainability challenges and priorities. Since 2020, the Bank's ESG objectives are related to the *UN Sustainable Development Goals*, as well as to the *Italian National Sustainable Development Strategy*¹⁶⁵. For example, in the Sustainability Plan 2020-2023, the development of credit products with an environmental value was linked to the Strategy's national objective of "*Increasing energy efficiency and energy production from renewable sources*".

In this area, in addition to the *green mortgage* – which finances the purchase of class A or B energy properties and is available in the Bank's offer as early as 2019 – at the end of 2023 the Bank developed and included in its offer range the *green loan*, aimed at financing the purchase and installation of renewable energy technologies.

¹⁶⁵ <https://www.mase.gov.it/pagina/strategia-nazionale-lo-sviluppo-sostenibile> Consistent with the commitments signed in September 2015, Italy has declined the United Nations 2030 Agenda for Sustainable Development into the National Strategy for Sustainable Development (SNSVS). The NDSVS was approved in 2017 by CIPE Resolution No. 108. The Strategy document, updated and revised to 2022, having obtained the favourable opinion of the State-Regions Conference, was approved by CITE Resolution on 18 September 2023.

During the year, 15.9% of the total of new purchase loan stipulations fell into the green mortgage category, for a total amount of € 20.8 million, representing approximately 20.4% of the total amounts disbursed by the Bank for purchase mortgages in the same year. In terms of stock, at the end of 2023, total capital disbursed on green mortgages represented 18% of total purchase mortgages offered to customers, amounting to € 256 million.

Furthermore, as part of the Materiality Analysis¹⁶⁶, potentially relevant sustainability issues emerging from the context – Identified through *desk research* – were investigated through an engagement activity of priority Stakeholders, through a specific *survey*. The results of the Materiality Analysis provided input to the Impact Analysis.

In 2023, the Impact Analysis was conducted as part of the activities to define the objectives and targets of the new ESG MYP 24-26. The definition of the ESG MYP 24-26 started from an analysis of several sources, including a *desk analysis* that considered:

- (i) the Sustainability Reports of the Bank's main *peers*;
- ii) the requirements of the main ESG rating indices/agencies.

The *desk analysis* was accompanied by a literature review of the Italian external context in which the Bank operates, with particular reference to the most relevant issues for the definition of the business-related objectives of the new Sustainability Strategy, in terms of:

- ***level of digitisation of the economy and society*** (e.g., level of connectivity of the Country, integration of digital technologies, digital skills of the population)¹⁶⁷. The evidence analysed shows that the strengthening of skills and digital literacy should remain among the main priorities for Italy, as key conditions for an inclusive and truly incisive digital transformation;
- ***financial education***, with particular reference to the state of the art of financial education in Italy in terms of criticalities, strengths and initiatives in the field¹⁶⁸. Evidence shows that perceived financial knowledge remains very low and shows a decreasing trend over time, consistent with the increasing complexity of the general economic situation¹⁶⁹;
- ***sustainable finance***, with reference to both the European and national policy frameworks¹⁷⁰ and in relation to financial education. In this context, a specific focus has been devoted to the analysis of evidence on sustainable finance¹⁷¹, showing, for example, how variables such as *income*, *educational degree* and *higher levels of financial knowledge* do positively affect the intention to include more sustainable investment products in portfolios. With regard to these products, the growth of investment intentions is also higher in the *over-65* population and in younger age groups. Interest in sustainable investments in Italy was also investigated through the 2019 and 2021 surveys of the Consob Observatory on “*Approach to finance and investments of Italian households*”;

¹⁶⁶ The Materiality Analysis is briefly described in paragraphs 2.1 and 2.2 of the 2023 NFS. For a more detailed description of the Materiality Analysis, please refer to the [Sustainability Report 2022](#).

¹⁶⁷ Among the sources examined, particular reference was made to the European Commission's [Digital Economy and Society Index \(DESI\) 2022](#) study.

¹⁶⁸ Among the sources examined, reference was made in particular to the [Research Notebooks](#), a virtual library within the national financial education portal of Edufin, the initiative of the Interministerial Committee for the Planning and Coordination of Education Activities, set up in 2017 with the aim of promoting and coordinating initiatives useful for raising financial, insurance and social security knowledge and skills among the population.

¹⁶⁹ Source: [Edufin Report 2022](#).

¹⁷⁰ at European level, the guidelines defined by the [EU Sustainable Finance Framework](#) and the [ECB](#) level, at national level the [Bank of Italy's Strategic Plan for 2023-2025](#)

¹⁷¹ Source: [Edufin Report 2022](#).

- **climate change**, through the examination of Italy's strategic policy documents on the reduction of greenhouse gas emissions¹⁷² and adaptation to climate change¹⁷³. In terms of context, the fight against climate change is, however, a purely global challenge.

The results of the *desk analysis* were presented and shared with all the Bank structures involved, in order to identify and collect proposals for activities, initiatives and projects to be included in the Sustainability Strategy. These proposals were then presented, discussed and shared at both the *Sustainability Management Committee* and the *Corporate Governance and Environmental and Social Sustainability Committee*, to be finally approved by the Board of Directors on 14 December 2023.

Links and references

2023 NFS: 1.3 Sustainable Development Goals and commitments subscribed (pages 17-27); 2.1 Stakeholder Engagement (pages 34-38); 2.2 Material Topics (pages 39-41); 3.2 Responsible Products and Investments (pages 50-58).

[Commitment to Net-Zero Emissions by 2050](#)

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.

Response

The Impact Analysis highlighted the following main areas of impact related to the Bank's business activities, against which sustainability objectives were to be defined:

- **Responsible Finance** – Responsible Finance is one of the main material topics for Fineco, based on the Materiality Analysis conducted in 2022, as well as a relevant topic for the Bank's operating environment, based on the sources examined as part of the Impact Analysis.
- **Financial Education** – Financial Education – conceived first and foremost as the promotion, among the reference community, of the improvement of the ability to understand financial products and the concepts underlying them – also emerged as a material topic for Fineco in the Materiality Analysis conducted in 2022. The evidence emerging from the Impact Analysis conducted in 2023 confirmed this significance, both with respect to the Italian territorial context of reference, and with respect to the instances of the main ESG rating agencies considered for the purposes of defining the ESG MYP 24-26.
- **Climate Change Mitigation** - The topic of combating climate change, with particular reference to business-related impacts, emerges above all in terms of expectations and demands from the Stakeholder categories of Investors and Regulators. This has led to the approval by the Board of Directors, as early as 2022, of the *Net-Zero Emission Commitment by 2050*, i.e., the Fineco Group's target of zero greenhouse gas emissions by the year 2050, envisaging – in addition to a significant reduction in operating emissions – the alignment of balance sheet assets with the Paris Agreement objectives.

2023 NFS: 1.3 Sustainable Development Goals and commitments subscribed (pages 17-27); 2.2 Material Topics (pages 39-41); 3.2 Responsible Products and Investments (pages 50-58); Annex I - ESG MULTI-YEAR PLAN 2024-2026 (pages 197-200).

¹⁷² [Italian long-term strategy on the reduction of greenhouse gas emissions.](#)

¹⁷³ [National climate change adaptation strategy.](#)

d) For these (min. two prioritized impact areas): **Performance measurement**: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e., qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex [of the Template]. If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

Response

FinecoBank is characterised as a bank that offers its banking and investment services mainly to retail customers through its network of financial advisors, *online* and *mobile* channels. The Bank's strategy does not contemplate the provision of credit to corporate clients. In this context, specific performance indicators have been defined for each of the impact areas identified. The indicators set out below have been identified in order to provide an objective picture of performance specific to each impact area, as well as to measure the baseline against which the respective targets are defined:

- **Responsible Finance** – In this area, performance is measured by the following KPIs:
 - (i) the percentage of Article 8 and Article 9 funds pursuant to the EU Regulation 2019/288 (Sustainable Finance Disclosure Regulation, SFDR) out of the total number of new funds on the platform (n° ISINs);
 - (ii) the percentage of Article 8 and Article 9 SFDR funds available within the offer of subscribable funds (n° ISINs.);
 - (iii) the percentage of new funds launched on the platform with *Fineco ESG Rating* ≥ 6 (n° ISINs).
- **Financial Education** – In this area, performance is assessed by KPIs measuring: (i) the number and (ii) the level of participation/adherence to the various initiatives defined in the ESG MYP 2024-26 (see details in section 2.2 below).
- **Climate Change Mitigation** – As part of the *Net-Zero Emission by 2050 Commitment* signed as early as 2022, performance is measured with respect to the alignment of the Group's balance sheet assets to the Net-Zero targets as defined by relevant international standards.

Links and references

2023 NFS: 1.2 Who we are, Strategy and Business Model (pages 11-16); 1.3 Sustainable Development Goals and commitments subscribed (pages 17-27); 3.2 Responsible Products and Investments (pages 50-58); Management of ESG Risks (pages 85-103); Annex I - ESG MULTI-YEAR PLAN 2024-2026 (pages 197-200).

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

- *Responsible Finance*
- *Financial Education*
- *Climate Change Mitigation*

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART¹⁷⁴). Please disclose the following elements of target setting (a-d), for each target separately:

- a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

Response

Impact area and objectives	Alignment – International and national references
Responsible Finance - Enlargement of the offer of ESG funds within the platform	<ul style="list-style-type: none"> • 2030 Agenda – Sustainable Development Goals (SDGs)¹⁷⁵: <ul style="list-style-type: none"> ○ No. 8 (Decent work and Economic Growth), No 13 (Affordable and Clean Energy), No 13 (Climate Action) • EU Sustainable Finance Framework¹⁷⁶ • 2023-2025 Bank of Italy Strategic Plan¹⁷⁷: <ul style="list-style-type: none"> ○ Objective 4.1 Sustainable finance and combating climate change
Financial Education - Strengthening financial education events and content	<ul style="list-style-type: none"> • Agenda 2030 – Sustainable Development Goals (SDGs): <ul style="list-style-type: none"> ○ UN SDG no. 4 (Quality education) • 2021-2023 Italian Strategy on Financial Education¹⁷⁸: <ul style="list-style-type: none"> ○ Objective 1. Raising the basic financial, insurance and social security skills of young people ○ Objective 2. Raising the financial, insurance and social security skills of adults ○ Objective 4. Combining financial skills with digital skills ○ Objective 5. Raising citizens' and companies' awareness of sustainability by spreading knowledge of environmental issues and challenges and educating them on sustainability-inspired financial, insurance and pension choices (environmental, social and governance) • 2023-2025 Bank of Italy Strategic Plan: <ul style="list-style-type: none"> ○ Objective 4.1 Sustainable finance and combating climate change.
Climate Change Mitigation - Net-Zero Emissions Commitment by 2050 – Alignment of the internal investment portfolio with the objectives of the Paris Agreement	<ul style="list-style-type: none"> • Agenda 2030 – Sustainable Development Goals (SDGs): <ul style="list-style-type: none"> ○ UN SDG no. 13 (Climate action) - Target 13.2 Integrating climate change measures into national policies, strategies and plans • Paris Agreement¹⁷⁹ • Italian Long-term Strategy on the reduction of greenhouse gas emissions¹⁸⁰.

b) **Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Response

Impact area and objectives	Baseline and KPIs	Links and references
Responsible Finance - Enlargement of the offer of ESG funds within the platform	The indicators identified for performance measurement were used to calculate baselines against which to define targets for inclusion in the ESG MYP 24-26: <ul style="list-style-type: none"> percentage of Article 8 and Article 9 SFDR funds in platform (ISIN no.): 68% (as of October 2023); percentage of new Article 8 and Article 9 SFDR funds entered into the platform out of total new funds entered (ISIN no.): 52% (January - October 2023); percentage of new funds with <i>Fineco ESG Rating</i> \geq 6 entered on platform out of total new funds entered (ISIN no.): 50% (January - October 2023). 	2023 NFS , 3.2 Responsible Investments and Products (pages 50-58)
Financial Education - Strengthening financial education events and content	With reference to the impact area “Financial Education”, a number of new KPIs were defined within the framework of the ESG MYP 24-26 against which targets were set: <ul style="list-style-type: none"> Number of financial education events/year; Number of participants/event; Number of financial education video content made available/year; Number of views of video content/year; Number of customer events on ESG topics/trade area; 	2023 NFS , Annex I - ESG MULTI-YEAR PLAN 2024-2026 (pages 197-200) Until 2023, the measurement and monitoring of financial education data were based on different indicators - see section 8.1 Financial

¹⁷⁴ Specific, Measurable, Achievable, Relevant, Time-bound (SMART).

¹⁷⁵ <https://sdgs.un.org/goals>

¹⁷⁶ https://finance.ec.europa.eu/sustainable-finance_en

¹⁷⁷ <https://www.bancaditalia.it/media/notizia/piano-strategico-per-il-triennio-2023-2025/>

¹⁷⁸ <https://www.quellocheconta.gov.it/it/chi-siamo/strategia-nazionale/>

¹⁷⁹ <https://unfccc.int/process-and-meetings/the-paris-agreement>

¹⁸⁰ https://www.mase.gov.it/sites/default/files/lts_gennaio_2021.pdf

	<ul style="list-style-type: none"> • Realization of a financial education event in the territory; • Activation of scholarship. 	<p>Education (pages. 158-160).</p> <p>The new KPIs will be measured and monitored as of 2024.</p>						
Climate Change Mitigation - Net-Zero Emissions Commitment by 2050 – Alignment of the internal investment portfolio with the objectives of the Paris Agreement	<p>In this area, the answers provided are related to the PRB indicators developed for the “Climate Change Mitigation” impact area which are applicable to FinecoBank, by indicating the relevant code.</p>	Commitment to Net-Zero Emissions by 2050						
	<table border="1"> <thead> <tr> <th>PRB Indicator Code</th> <th>Response</th> </tr> </thead> <tbody> <tr> <td>A.1.1</td> <td> <p>FinecoBank has adopted a Climate Strategy since 2022, with the approval of the Net-Zero Emissions Commitment to 2050 by the Board of Directors.</p> </td> </tr> <tr> <td>A.1.2</td> <td> <p>The Group's <i>Net-Zero Emissions Commitment by 2050</i> envisages both a significant reduction in operating emissions and the alignment of its assets with the Paris Agreement targets of limiting the global temperature increase to 1.5° C above pre-industrial levels.</p> <p>In setting short- and long-term targets for financed issues, the <i>Foundations for Science-Based Net-Zero Target Setting in the Financial Sector</i> guidelines of the Science-Based Target initiative were taken into account.</p> <p>In particular, the approach adopted was to ensure that key balance sheet assets, and more specifically government and bank debt securities in the internal investment portfolio, are 100 per cent aligned with the target of zero net emissions by 2050.</p> <p>By analysing the main components of balance sheet assets, debt securities were identified as the area of greatest importance, and in particular government securities and securities issued by banks, which, in the year 2021 defined as the baseline, constituted over 70% of Total Consolidated Assets.</p> <p>Performance is measured by the percentage of the Bank's exposure in countries, supranational</p> </td> </tr> </tbody> </table>	PRB Indicator Code	Response	A.1.1	<p>FinecoBank has adopted a Climate Strategy since 2022, with the approval of the Net-Zero Emissions Commitment to 2050 by the Board of Directors.</p>	A.1.2	<p>The Group's <i>Net-Zero Emissions Commitment by 2050</i> envisages both a significant reduction in operating emissions and the alignment of its assets with the Paris Agreement targets of limiting the global temperature increase to 1.5° C above pre-industrial levels.</p> <p>In setting short- and long-term targets for financed issues, the <i>Foundations for Science-Based Net-Zero Target Setting in the Financial Sector</i> guidelines of the Science-Based Target initiative were taken into account.</p> <p>In particular, the approach adopted was to ensure that key balance sheet assets, and more specifically government and bank debt securities in the internal investment portfolio, are 100 per cent aligned with the target of zero net emissions by 2050.</p> <p>By analysing the main components of balance sheet assets, debt securities were identified as the area of greatest importance, and in particular government securities and securities issued by banks, which, in the year 2021 defined as the baseline, constituted over 70% of Total Consolidated Assets.</p> <p>Performance is measured by the percentage of the Bank's exposure in countries, supranational</p>	
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		<p>institutions and banks that have formalised their own Net-Zero target by 2050¹⁸¹.</p> <p>In 2021 (baseline year), the percentage of exposure in debt securities of sovereign issuers and banks with a Net-Zero target by 2050 was 64.5%.</p> <p>The Bank has adopted an engagement policy for the <i>sovereign</i> counterparties and banks in which it invests.</p>
	A.1.4	<p>From the year 2023 onwards, a portfolio analysis was conducted to measure the financed emissions associated with mortgages and sovereign debt securities, and to calculate performance indicators for each asset class, in terms of CO₂ emissions in relation to the monetary value of the corresponding assets.</p> <p>2023 NFS, 9.2 Environmental Performance (pages 171-185).</p>
	A.1.5	<p>As of 2019, the Bank's green mortgage offer allows the purchase of energy class A or B properties to be financed with a mortgage loan, at advantageous conditions compared to the standard price list, promoting the renewal of Italy's real estate stock.</p> <p>Through constant work towards the dematerialisation of product application/management processes (including the "virtual" card, which has no physical support and available since 2022 for debit and prepaid card products requested after account opening), the emissions associated with card production and paper consumption are progressively reduced.</p> <p>In 2023, the Bank designed and implemented the <i>green loan</i>, intended to finance the installation of renewable energy technologies at a more advantageous rate than the standard one. The characteristics of the product were defined in line with the "<i>Green Loan Principles. Supporting environmentally sustainable economic activity</i>" of the Loan Market Association and Asia Pacific Loan Market Association, which provide that a loan can only be defined as 'green' if the funds are made available exclusively to finance, in whole or in part, activities with environmentally sustainable characteristics. In defining these characteristics, reference was made to the European Environmental Taxonomy (EU Reg. 852/2020) and, in particular, to the technical screening criteria set out in the Climate Change Mitigation Act.</p> <p>2023 NFS, 3.2 Responsible Products and Investments (pages 50-58).</p>

¹⁸¹ [Net-Zero Emissions Commitment by 2050.](#)

	A.2.2	<p>For the year 2023, CO₂ emissions associated with mortgages are 58,069 tCO₂.</p> <p>Emissions associated with sovereign debt securities are 2,523,053 tCO₂.</p> <p>2023 NFS, 9.2 Environmental Performance (pages 171-185).</p>
	A.3.1	<p>In 2023, 15.9% of the total of new purchase mortgages stipulated fell into the green mortgage category, for a total amount of € 20.8 million, or about 20.4% of the total amounts disbursed by the Bank for purchase mortgages in the same year. At the end of 2023, total capital disbursed on green mortgages represented 18% of total purchase mortgages offered to customers, amounting to € 256 million.</p> <p>2023 NFS, 3.2 Responsible Products and Investments (pages 50-58).</p>
	A.4.1	<p>2023 is the first year of reporting on the financed emissions.</p> <p>2023 NFS, 9.2 Environmental Performance (pages 171-185).</p>
	A.4.2	<p>In 2023, the percentage of exposure in debt securities of sovereign and bank issuers with a Net-Zero target by 2050 is 93.4%.</p> <p>2023 NFS, 1.3 Sustainable Development Goals and commitments subscribed (pages 17-27).</p>

c) **SMART targets** (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response

Impact area and objectives	SMART Targets (source: MYP ESG 24-26 Targets)
<p>Responsible Finance - Enlargement of the offer of ESG funds within the platform</p>	<ul style="list-style-type: none"> • At least 50% of new funds entered into the platform with SFDR Art. 8 or Art. 9 classification (ISIN n°) – From 2024; • Maintenance of the 68% minimum threshold of Art. 8 or Art. 9 SFDR funds out of the total funds within the offer of subscribable funds (ISIN n°) – At 2026; • At least 50% of new funds launched on platform with <i>Fineco ESG rating</i> ≥ 6 (ISIN n°) – From 2024.
<p>Financial Education - Strengthening financial education events and content</p>	<ul style="list-style-type: none"> • Implementation of at least 20 financial education events by 2026. • Release of 20 new financial education video materials by 2026. • Implementation of at least 1 customer event dedicated to ESG topics per commercial area (n° 26 commercial areas) - by 2025. • Implementation of at least one financial education event on the territory dedicated to specific targets (weak/less protected population groups) - by 2024. • Activation of a scholarship as part of the collaboration with Feduf¹⁸² – by 2025.
<p>Climate Change Mitigation - Net-Zero Emissions Commitment by 2050 – Alignment of the internal investment portfolio with the objectives of the Paris Agreement</p>	<p>Percentage of exposure in debt securities of sovereign and banking issuers with a Net-Zero target by 2050 of:</p> <ul style="list-style-type: none"> • 95% by 2030; • 100% by 2050.

¹⁸² The "Fondazione per l'Educazione Finanziaria e al Risparmio" (Foundation for Financial and Savings Education), set up basing on the initiative of the Italian Banking Association to promote Financial Education in Italy, in the broader concept of Education for Conscious and Active Economic Citizenship, to develop and disseminate financial and economic knowledge.

d) **Action plan:** which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response

Starting in 2024, the sustainability initiatives and projects defined in the ESG MYP 2024-26, the corresponding KPI measurement and progress monitoring activities are planned, including through the ESG governance bodies described in section 5.1 of the 2023 NFS.

Self-assessment summary:

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	First area of most significant impact: Responsible Finance	Second area of most significant impact: Financial Education	Third area of most significant impact: Climate Change Mitigation
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART Targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):

describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

Compared to the previous PRB Report¹⁸³, the year 2023 marked an important step on the path towards increasingly integrating sustainability into the business model. In fact, the Group's Sustainability Objectives Plan 2020-2023 came to an end, with the achievement of all the defined targets, including the promotion of new ESG investment solutions, the increase in green and social bond coverage within the Bank's investment portfolio and the development and launch of the green loan.

During the year, the new Sustainability Strategy was defined through the adoption of the Multi Year Plan ESG 2024 - 2026, fully integrated into the Group's Multi-Year Plan. The new three-year plan shows an increase in the Group's level of maturity in setting more ambitious and challenging sustainability goals.

Starting in 2024, the sustainability initiatives and projects defined in the ESG MYP 2024-26, the corresponding KPI measurement and progress monitoring activities are planned, including through the ESG governance bodies described in section 5.1 of the NFS 2023.

Links and references

2023 NFS: 1.3 Sustainable Development Goals and commitments subscribed (pages 17-27); Annex I - ESG MULTI-YEAR PLAN 2024-2026 (pages 197-200).

¹⁸³ [2022 Sustainability Report](#), page 168.

Principle 3: Clients and 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.

3.1 Client Engagement

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

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 relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Response

In addition to the various channels for listening to clients, described in paragraph 2.1 of the 2023 NFS, *client engagement* activities on ESG issues have a fundamental point of reference in the organisation of financial education events dedicated to clients and *prospects*, which also represent a strong commitment with respect to promoting knowledge of responsible finance issues. In line with this approach, within the framework of the new MYP ESG 2024-2026, specific targets have also been defined to strengthen *client engagement* on sustainability issues, through the provision of client events with an ESG focus for all business areas in which the Network is divided.

Links and references

2023 NFS: 2.1 Stakeholder Engagement (pages 34-38); 3.2 Responsible Products and Investments (pages 50-58); 8.1 Financial Education (pages 158-160).

3.2 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 you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g., green mortgages – climate, social bonds – financial inclusion, etc.).

Response

Fineco's objective is to consolidate its sustainable growth strategy on an ongoing basis, in the belief that investing responsibly means contributing to generating a positive social and environmental impact in the long term, minimising risks, without giving up opportunities for returns and business growth.

From 2021 onwards, as part of the *Global Policy New Products Process*, the process of assessing the risks associated with new products and substantial changes to existing products is integrated with the assessment of sustainability risks, as well as including any environmental, social and/or governance sustainability objectives among the product characteristics to be included in the relevant identification sheet.

In Banking and Credit areas, business opportunities have so far led to the development of the offer of products such as the *green mortgage* and the *green loan*. The Bank also regularly reviews sales volumes and product developments on the market, including through competitor analysis, in order to identify, among other things, ideas for launching new products with a view to sustainability. Product development is mainly guided by the needs gathered from customers directly or indirectly, paying particular attention to responsible finance issues, in order to support customers in achieving their investment objectives.

Advisory services and insurance solutions are geared towards offering solutions that consider ESG criteria in the creation of model portfolios, by means of specific quantitative and qualitative analyses, with the support of Fineco's ESG Rating, which assesses the sustainability risk in the provision of services.

Links and references

2023 NFS, 3.2 Responsible Products and Investments (pages 50-58).

Principle 4: Stakeholders



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

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have 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 how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

Over the years, Fineco has developed numerous listening and interaction activities, which continuously involve numerous Stakeholders in order to better manage mutual relations. Thanks to a careful analysis of the needs and opinions of each Stakeholder, the Group is able to develop more targeted strategies, improving the decision-making process and the offering of products and services.

In 2023 the **Stakeholder Map** developed in 2022 was reconfirmed by the corporate bodies, identifying the main stakeholders towards whom Fineco develops its engagement activities:

- Clients
- Employees
- Financial advisors
- Financial Community
- Savers.

For each category, stakeholder engagement activities are described in detail in section 2.1 of the 2023 NFS, to which reference should be made.

Links and references

2023 NFS, 2.1.Stakeholder Engagement (pages 34-38); 2.2 Material Topics (pages 39-41).

Principle 5: Governance & Culture



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

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please 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 and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

FinecoBank has adopted a sustainability governance structure, described in detail in section 5.1 of the 2023 NFS, to which reference should be made, and summarised below with particular reference to the main activities related to the implementation of the PRBs:

- the *Board of Directors* defines corporate strategies taking into consideration, among others, sustainable finance objectives and the integration of environmental, social and governance factors in corporate decision-making processes;
- the *Board Committee for Corporate Governance and Environmental and Social Sustainability* oversees sustainability issues related to FinecoBank's business operations and the dynamics of interaction with all Stakeholders, performing support functions for the Board of Directors. It oversees the evolution of the Group's sustainability strategy, examines and, if necessary, formulates proposals regarding plans, objectives, rules and corporate procedures on social and environmental issues, contributes to the review of products with ESG purposes issued by the Bank, monitors the positioning of the Company and the Group with respect to the financial markets on sustainability issues and relations with Stakeholders;
- the *Sustainability Management Committee*, which is made up of FinecoBank managers, is entrusted with the main task of defining a proposal for the Bank's sustainability strategy and the related objectives to be achieved, to be submitted to the aforementioned Endoconsulting Committee for review and possible approval by the Board of Directors
- the *Sustainability Unit*, a technical structure reporting to the Chief Financial Officer (CFO), has the task of supporting the CFO and the Sustainability Management Committee in the management of sustainability in Fineco, including the development and monitoring of the ESG strategy.

The sustainability aspects subject to supervision, approval and monitoring by the governance bodies described include the commitments made through adherence to the PRBs.

Links and references

2023 NFS: 5.1 Governance System (pages 73-84).

5.2 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, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

The development of a strong Group-wide compliance and integrity culture is necessary to create, sustain and increase the trust of all stakeholders over time, to ensure compliance with laws and rules, the execution of fair business practices and the management of risks.

The responsibility to adopt behaviours adhering to the compliance culture concerns not only all employees of Group companies, but also all members of the executive, strategic and control bodies, as well as (where applicable) financial advisors and third parties (natural or legal persons connected to Group Companies, e.g. suppliers, business consultants, related agents, seconded workers).

FinecoBank has adopted a *Code of Ethics* that defines the rules aimed at ensuring, among other things, 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 Integrity Charter, 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 behaviour in compliance with applicable rules, regulations, processes, ethical standards and correct business practices.

Within this framework, the initiatives and measures taken by the Bank to promote a responsible banking culture among employees are described in particular in sections 6.1, 6.2, 7.1 and 7.3 of the 2023 NFS.

Links and references

2023 NFS: 5.1 Governance System (pages 73-84); 6.1 Compliance Culture (pages 115-117); 6.2 Ethics and integrity in business conduct (pages 118-127); 7.1 Management of our people (pages 130-135); 7.3 Promoting and developing human resources (pages 140-149).

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, 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 you have in place to oversee these risks.

Response

Fineco has always promoted a solid risk culture, based on shared values and consistent behaviour, elements necessary to ensure sustainable profitability in the long term. The key principles that guarantee the diffusion of risk culture are: i) risk awareness ii) its integrated management iii) transparency and communication; iv) regulatory compliance; v) continuous learning. Within this framework, environmental and social risks are fully integrated into the Bank's Internal Control System, as described in detail in section 5.1 of the 2023 NFS.

Links and references

2023 NFS: 5.2 Management of ESG Risks (pages 85-103).

FinecoBank Group Public Disclosure – Pillar III as at 31/12/2023 : Disclosure of environmental, social and governance risks (pages 105-117).

Self-assessment summary:

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g., incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

yes In progress No

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.

6.1 Assurance

Le informazioni pubblicate sugli impegni del PRB sono state sottoposte ad assurance da un revisore indipendente?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

Response

The information contained in the 2023 NFS referred to in the PRB Template is subject to *limited assurance* by KPMG S.p.A.

This PRB Template is subject to *limited assurance* by Deloitte & Touche S.p.A.

Links and references

Auditors' Report on the Consolidated Non-Financial Statement (p. 193).

Auditors' Report on the Principles for Responsible Banking - Reporting and Self-Assessment Template (p. 242).

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: EU EMAS Regulation n. 1221/2009/CE

Response

For the 2023 Consolidated Non-Financial Statement, the 2021 version of the GRI Universal Standards, the 2016 and later versions of the GRI Topic Standards were adopted and the GRI's G4 Sector Disclosure Supplement "Financial Services" was taken into consideration. The document is also supplemented with data and information to meet the requirements of Annex IV of Regulation 1221/2009/EC (EMAS Regulation).

As of 2022, Fineco also implements the CDP Climate Change questionnaire in the "full" version publicly disclosed.

Links and references

2023 NFS: Methodological Note (pages 5-7); GRI Content Index (pages 187-191).

CDP Climate Change Questionnaire : <https://www.cdp.net/en/responses>

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

Response

Starting in 2024, the sustainability initiatives and projects defined in the ESG MYP 2024-26, the corresponding KPI measurement and progress monitoring activities are planned, including through the ESG governance bodies described in section 5.1 of the NFS 2023.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

- | | |
|--|---|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input checked="" type="checkbox"/> Prioritizing actions internally |



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INDEPENDENT AUDITOR'S REPORT ON SELECTED KEY AREAS REPORTED IN THE PRINCIPLE FOR RESPONSIBLE BANKING REPORT OF THE FINCOBANK GROUP FOR THE YEAR ENDED 31 DECEMBER 2023

To the Board of Directors of
FincoBank S.p.A.

We have been engaged to perform a limited assurance engagement on the key areas “2.1 Impact Analysis”, “2.2 Target Setting”, “2.3 Target implementation and monitoring” and “5.1 Governance Structure for Implementation of the Principles” (the “Subject Matter”) included in the Principle for Responsible Banking Report of the FincoBank Group for the year ended 31 December 2023 (the “2023 PRB Report”), prepared by the Board of Directors of FincoBank S.p.A. (the “Bank”) in accordance with the “Principles for Responsible Banking” and the “Principle for Responsible Banking - Guidance Document” issued by the United Nations Environment Programme Finance Initiative (“UNEP FI”).

Directors' Responsibility

The Directors of the Bank are responsible for the preparation of the Subject Matter in accordance with the “Principles for Responsible Banking” and the “Principle for Responsible Banking - Guidance Document” issued by UNEP FI and for the reliability and completeness of the information and data contained therein. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Subject Matter that is free from material misstatement, whether due to fraud or error.

Auditor's Independence and quality management

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our auditing firm applies International Standard on Quality Management 1 (ISQM Italia 1) which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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Auditor's Responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the Subject Matter with the "Principles for Responsible Banking" and the "Principle for Responsible Banking - Guidance Document" issued by UNEP FI. We conducted our work in accordance with the criteria established in the *International Standards on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Information* ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance as to whether the Subject Matters is free of material misstatement.

Therefore, the procedures performed are less than those performed in a reasonable assurance engagement conducted in accordance with *ISAE 3000 revised* and, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

The procedures performed have been based on our professional judgment and have included inquiries, primarily with Bank personnel responsible for the preparation of the Subject Matter, analysis of documents, recalculations, comparisons, reconciliations with the accounting records and other procedures aimed to obtain evidence that are appropriate in the circumstances.

In detail, we have performed the following procedures:

- understanding of the internal rules underlying the preparation of the Subject Matter through acquisition and analysis of the relevant internal documentation (policies, procedures, process guides and methodologies);
- interviews and discussions with Bank's management to gather information on the reporting and technology systems used in preparing the Subject Matter and on the processes and internal control procedures used to gather, combine, process and transfer data and information for the preparation of the Subject Matter;
- analyses, on a sample basis, of documentation supporting the preparation of the Subject Matter to obtain evidence of the application of the processes put in place to prepare the data and information presented therein;
- analysis of the consistency of the information reported in the Subject Matter with the relevant disclosures reported in the 2023 consolidated non-financial statement approved by the Board of Directors of the Bank on 12 March 2024 and of which the 2023 PRB Report including the Subject Matter constitutes an annex;
- obtaining a representation letter from the Bank attesting that the Subject Matter has been prepared in accordance with the "Principle for Responsible Banking" and the "Principle for Responsible Banking - Guidance Document" issued by the UNEP FI and the reliability and completeness of the information and data contained therein.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Subject Matter included in the Principle for Responsible Banking Report of FinecoBank Group for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the criteria provided by the “Principles for Responsible Banking” and the “Principle for Responsible Banking - Guidance Document” issued by the UNEP FI.

DELOITTE & TOUCHE S.p.A.

Signed by
Alessandro Grazioli
Partner

Milan, Italy
March 15, 2024

This independent auditor’s report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



FinecoBank Banca Fineco S.p.A.

in abbreviated form "FinecoBank S.p.A.", or "Banca Fineco S.p.A." or "Fineco Banca S.p.A."

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This Non Financial Statement has been prepared by the Sustainability Function – CFO
Department of FinecoBank S.p.A.

Special thanks to all Group's Departments and Offices for their support in drawing up this
document.



