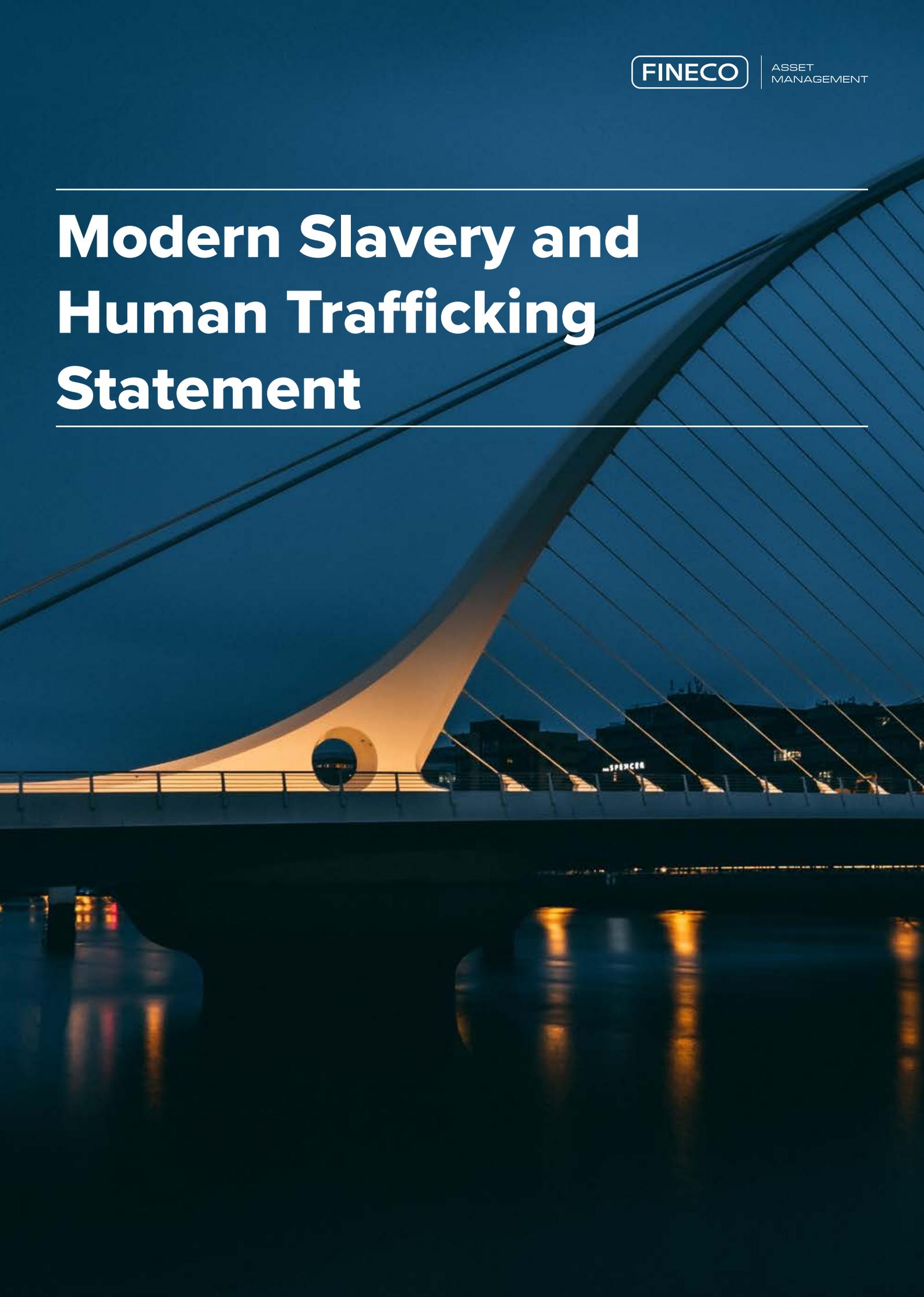


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# Modern Slavery and Human Trafficking Statement

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## Introduction and purpose of statement

This statement is made on behalf of Fineco Asset Management dac ("**Fineco AM**") pursuant to section 54(1) of the UK Modern Slavery Act 2015 (the "Act") and constitutes our slavery and human trafficking statement. Any reference to "we" and "our" in this statement pertains to Fineco AM.

This statement is made in relation to Fineco AM's own business and supply chain. This is not a statement made at Group level by Fineco AM. Please refer to section "Organisation structure and supply chain" below for information about the Group ownership and organisation.

This statement sets out the actions taken and/or to be taken to understand potential modern slavery risks related to our business and to implement steps to ensure that slavery and human trafficking are not taking place in our business and supply chain.

## Organisation structure and supply chain

Fineco AM is a designated activity company (limited by shared) established in the Republic of Ireland (register n. 614136) with registered office at 6th floor, George's Quay Plaza, Dublin 2, Ireland.

Fineco AM is authorised and regulated by the Central Bank of Ireland as a UCITS Management Company under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended.

Fineco AM is fully owned by its Italian parent company FinecoBank S.p.A. ("**FinecoBank**"), with registered office at Piazzale Durante Francesco, 11 20131, Milan – Italy. FinecoBank is authorised and regulated by the Bank of Italy and CONSOB, it is registered with the "*Albo delle Banche*" (Register of Banks) (registration n. 5261) and authorised to perform, among other things, fund distribution services.

FinecoBank has also established a branch in the United Kingdom at 19, at great Winchester Street - EC2N 2JA, London, where it holds an authorization with the Financial Conduct Authority ("**FCA**") (registration n. 222329).

Fineco AM has appointed FinecoBank as its exclusive distributor in Italy and in the UK for the distribution of its funds under management.

When referring to our "supply chain", the following material suppliers are included, considering the core business of our company:

- Delegate Investment Managers;
- Depositaries and Administrators;
- Middle Office third party provider;
- Distributor.

## Approach and policies in relation to slavery and human trafficking

Fineco AM incorporates the fight against slavery and human trafficking into its management approach to funds. Such commitment is explicitly stated in our exclusion policy (the "**Exclusion Policy**") that applies negative screenings to the selection of underlying funds, investee companies or other issuer types that are involved in any act of slavery and/or human trafficking.

Fineco AM is also a signatory of the United Nations Principles for Responsible Investment ("**UNPRI**") and the United Nations Global Compact ("**UN Global Compact**"), being voluntary frameworks for incorporating ESG (environmental, social and governance) issues into investment decision-making and ownership practices. Among other things, Fineco AM's Code of Conduct relies on the UNPRI.

Further, in relation to its negative screenings and sustainability risk assessment conducted on funds under management, as explained below in more details, Fineco AM relies on a third party data provider whose metrics consider the International Labor Organisation ("**ILO**") as one of its pillar to rate issuers.

The ILO identifies a number of fundamental conventions on labor rights, including the Forced Labor Convention, 1930, which the Modern Slavery Act 2015 considered and expanded in its legislative procedure by adopting new step forwards in strengthening the legal framework for combatting all forms of forced labor.

The above frameworks of policies adopted by Fineco AM and international organisation and initiatives which we adhered to, absorb and also expand on principles that are against modern slavery and human trafficking.

Please refer to [this link](#) for the Six Principles of Responsible Investment and to [this other link](#) for the Ten Principles of the UN Global Compact that Fineco AM has adhered to.

Fineco AM does not tolerate modern slavery or human trafficking within its business operations and takes a risk-based approach regarding its supply chain. Such approach mainly relies on these pillars:

- Our due diligence process on our supply chain;
- Our Exclusion Policy applicable to funds under management;
- Our risk assessment and management framework related to modern slavery; and
- Our commitment to train Fineco AM's employees on modern slavery matters.

Each pillar is explained below in more detail.

## Due diligence processes and exclusion policy

### Due Diligence on Delegate Investment Managers

Due diligence checks are different depending on whether the process applies to internally managed or externally managed funds.

As a UCITS management company, Fineco AM manages funds:

- Internally and directly, via its team of portfolio managers ("**PMs**"); as well as
- Externally via appointed delegate investment managers (the "**Delegate Investment Managers**") under Fineco AM's supervision.

With internally managed funds, Fineco AM applies the above mentioned Exclusion Policy in order to make sure that no investment is made (depending on the strategy, directly or indirectly – such as in the case of a fund-of-fund strategy) in securities of issuers that are involved in modern slavery or human trafficking (the "**prohibited investment(s)**") and that are therefore included in our Exclusion List.

This process is ensured via our compliance monitoring system. A pre-trade control is attached to all internally managed funds that will generate a block to the relevant portfolio managers ("**PMs**") if they try to trade in a security on our Exclusion list.

As of today, due diligence checks are also performed by Fineco AM in respect of externally managed funds by liaising directly with each relevant Delegate Investment Manager to make sure that they are aware of the rules of our Exclusion Policy and of the securities included in our Exclusion List by confirming alignment to same.

In addition to the above, there is a post-trade control attached to all funds, internal and external, that will generate a violation in the monitoring system and will be investigated by the Compliance Department.

Our Exclusion Policy is applied to all funds under managed regardless of their "green" or "non-green" classification.

As part of our due diligence on Delegate Investment Managers, we also investigate whether the relevant business may be or have been involved in any modern slavery-related offences.

### Due Diligence on Other Providers

In addition to the above, we are also committed to conducting appropriate due diligence on our material service providers whom we work with other than Delegate Investment Managers, as listed above, by periodically investigating whether they may be or have been involved in any modern slavery-related offences.

## **Risk assessment and management**

As mentioned above, we risk assess all existing and new suppliers for goods or services to Fineco AM for a variety of risks, including modern slavery, via our due diligence on our supply chain.

The assessment provides assurance that suppliers are in compliance with relevant legislation and continue to be so while we work with them. Given the nature of the business (including the regulated environment in which Fineco AM acts), the locations operated, and the fact that many of the suppliers also operate modern slavery risk management, we expect the risk of modern slavery to be low.

In relation to our assessment of modern slavery risks for funds under management specifically, the analysis will be mainly performed by relying on third-party data provider tools that provide risk ratings in relation to the specific portfolio managed by the relevant Delegate Investment Manager of Fineco AM PM (i.e. quantitative assessment), which includes metrics able to identify modern slavery-related risks.

Such data which will be used to measure the “ESG risk rating” of each portfolio, both for internally managed and externally managed funds.

That quantitative analysis is then supported by a qualitative assessment conducted via an interpretation made by the Company’s risk department of the above-mentioned ratings.

## **Employee training**

All Fineco AM’s employees will be trained on a periodic basis in relation to Modern Slavery Act-related matters.

## **Key performance indicators to measure effectiveness of steps being taken**

For the coming year, our focus will be:

- To strengthen our approach to identifying, monitoring and managing modern slavery risks within our organisation and supply chain;
- To develop and roll out modern slavery-related trainings to all our staff in order to make employees at all levels aware of the Company’s values in this regard and of the importance to identify and manage any risks thereto related;
- To exercise our influence as a responsible investor to protect human rights and address modern slavery.

## **Statement approval and annual update**

This statement is updated and published as of 21 June 2022, it was approved by the Fineco AM's Sustainable Finance Committee and by the Board of Directors on 16 June 2022 and it will be reviewed and updated annually, each year within six months of the end of Fineco AM's financial year.

Fabio Melisso<sup>1</sup>

Chief Executive Office

On behalf of Fineco AM

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<sup>1</sup>A signed version of this statement is available upon request from Fineco Asset Management dac.



**FINECO**

ASSET  
MANAGEMENT

Fineco Asset Management D.A.C. is part of the FinecoBank Group. Fineco Asset Management D.A.C. is regulated by the Central Bank of Ireland.