



## Environmental, Social and Governance (ESG) Policy

### Table of contents:

Definitions and abbreviations .....	2
CEO Statement .....	3
1. About this Policy .....	3
2. Sustainability for Nectaro .....	4
3. Environmental Responsibility .....	4
4. Social Responsibility .....	5
5. Governance .....	5
6. ESG Integration in Investment Services .....	6
7. ESG Governance Framework .....	6
8. Exclusions and No-Go Activities .....	7
9. Monitoring and Review .....	7



## Definitions and abbreviations

ESG	Environmental, Social and Governance
Client	A natural person or legal entity, including a business partner, with whom Nectaro is involved in at least one financial service, or who has submitted an application to Nectaro for provision of financial services, as well as the Client's representative (authorized person) who has powers to act on behalf of the Client
CEO	Chief Executive Officer
Nectaro or Investment Brokerage firm, or the Company	SIA Nectaro
Regulatory authority	Bank of Latvia
Laws, Regulations and Standards	Laws and regulations which govern operations of Nectaro, standards set by the self-governing institutions associated with the operations of Nectaro, professional codes of conduct, codes of ethics, and other best practice standards associated with the operations of Nectaro
Policy	The present Environmental, Social and Governance (ESG) Policy
Management Board	Nectaro Management Board



## CEO Statement

At Nectaro, we believe responsible finance and innovation go hand in hand.

As a technology-driven investment platform, we recognize our responsibility to shape a transparent, inclusive, and sustainable financial future.

This ESG Policy outlines our approach to embedding environmental, social, and governance principles into every aspect of our operations, risk management, and decision-making.

We aim to create long-term value for our clients, employees, investors, and society – ensuring that our fintech solutions contribute to a sustainable global economy.

### 1. About this Policy

- 1.1. The purpose of this Policy is to define the framework and main principles for managing Environmental, Social, and Governance (ESG) topics at Nectaro.
- 1.2. It establishes the Company's sustainability ambition and ESG objectives as a licensed investment brokerage and fintech platform operating under the supervision of Latvijas Banka.
- 1.3. This Policy aims to:
  - 1.3.1. Integrate ESG factors into Nectaro's operations, products, and risk management systems;
  - 1.3.2. Align the Company's activities with Regulation (EU) 2019/2088 (SFDR) and Regulation (EU) 2020/852 (Taxonomy Regulation);
  - 1.3.3. Promote transparency, accountability, and responsible corporate behavior;
  - 1.3.4. Contribute to the sustainable development goals (SDGs) defined by the United Nations;
- 1.4. The ESG Policy is reviewed annually and updated when necessary to reflect regulatory or operational changes.
- 1.5. It complements Nectaro's Disclosure of Information Report and Remuneration Policy.



## **2. Sustainability for Nectaro**

- 2.1. Sustainability for Nectaro means balancing business growth with ethical, environmental, and social responsibility.
- 2.2. As a digital-first company, we focus on minimizing our environmental footprint, promoting financial inclusion, and upholding strong governance practices.
- 2.3. Nectaro's sustainability objectives are to:
  - 2.3.1. Promote responsible investment behavior and transparency in the fintech ecosystem;
  - 2.3.2. Support the transition to sustainable finance in the Baltic and European markets;
  - 2.3.3. Encourage innovation that aligns with the long-term well-being of society and the environment;
  - 2.3.4. Contribute to achieving the UN Sustainable Development Goals (SDGs) – particularly SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 13 (Climate Action).

## **3. Environmental Responsibility**

- 3.1. Although Nectaro's direct environmental footprint is limited as a digital company, we are committed to operating sustainably and efficiently.
- 3.2. Our environmental commitments include:
  - 3.2.1. Operating as a paperless and energy-efficient organization;
  - 3.2.2. Promoting remote and hybrid work models to reduce travel emissions;
  - 3.2.3. Encouraging digital transformation to minimize waste and resource use;
  - 3.2.4. Implementing sustainable office practices, including responsible waste management and energy-efficient equipment;
  - 3.2.5. Exploring opportunities to develop or distribute ESG-aligned investment products in compliance with EU regulations;
- 3.3. We continuously evaluate our environmental performance and identify opportunities to further reduce our impact.



## 4. Social Responsibility

- 4.1. People are at the heart of Nectaro's business model.
- 4.2. We believe that financial services can empower individuals and communities when delivered responsibly, ethically, and inclusively.
- 4.3. Nectaro's social responsibility commitments:
  - 4.3.1. Equality and inclusion: We ensure equal opportunities for all employees regardless of gender, ethnicity, religion, or orientation.
  - 4.3.2. Employee well-being: We provide health insurance, flexible work options, and promote a healthy work-life balance.
  - 4.3.3. Professional growth: We support skill development through continuous learning and training programs.
  - 4.3.4. Financial literacy: We encourage clients and the public to make informed investment decisions through education initiatives.
  - 4.3.5. Community engagement: We support initiatives that promote financial inclusion and digital accessibility in the Baltics.

## 5. Governance

- 5.1. Strong governance underpins Nectaro's reputation and integrity.
- 5.2. Our governance principles are designed to ensure that we conduct business with transparency, accountability, and respect for the law.
- 5.3. Nectaro's governance practices include:
  - 5.3.1. Compliance with EU and Latvian financial regulations, including MiFID II and SFDR;
  - 5.3.2. Zero tolerance for corruption, money laundering, fraud, or unethical behavior;
  - 5.3.3. Clear organizational structure with defined responsibilities and internal controls;



- 5.3.4. Transparent communication with regulators, investors, and stakeholders;
- 5.3.5. Ethical decision-making supported by risk-based compliance oversight;
- 5.3.6. Integration of ESG risks into overall business and risk management strategies.

## **6. ESG Integration in Investment Services**

- 6.1. Nectaro integrates sustainability considerations into its risk management and investment-related processes.
- 6.2. Key principles:
  - 6.2.1. Sustainability risk identification is part of overall risk evaluation and client suitability assessments;
  - 6.2.2. ESG data is sourced from public reports, external ratings, and internal analysis;
  - 6.2.3. Nectaro does not currently offer Article 8 or 9 products under SFDR, but continuously monitors the market to identify opportunities for ESG-aligned offerings;
  - 6.2.4. ESG preferences are integrated into the client suitability assessment process under MiFID II
- 6.3. Nectaro aims to empower clients with transparent information and support the development of sustainable investment practices.

## **7. ESG Governance Framework**

- 7.1. Nectaro's ESG governance structure ensures that sustainability principles are integrated across all levels of decision-making.
  - 7.1.1. Management Board – Responsible for executing the ESG strategy and integrating ESG considerations into operations.



7.1.2. Head of Risk and Regulatory Compliance – Incorporates ESG risks into the enterprise risk management framework.

7.1.3. This framework ensures clear accountability, coordination, and continuous improvement of ESG practices

## **8. Exclusions and No-Go Activities**

8.1. Nectaro will not knowingly engage in or facilitate investments that are directly linked to:

8.1.1. illegal or unethical activities;

8.1.2. environmental degradation or unsustainable resource exploitation;

8.1.3. human rights violations, forced labor, or child labor;

8.1.4. manufacture or trade of prohibited materials or weapons;

8.1.5. activities in breach of EU sanctions or international treaties.

8.2. These exclusions align with the EBRD Environmental and Social Policy and international best practices.

## **9. Monitoring and Review**

9.1. Nectaro reviews the ESG Policy annually and whenever major operational, strategic, or regulatory changes occur.

9.2. Key performance indicators (KPIs) are developed to measure progress on environmental efficiency, employee well-being, governance integrity, and stakeholder engagement.

