Sustainable Finance Disclosures Regulation disclosures
MeDirect Group

Table of Contents

Version Control

For further information or clarification, please contact the Sustainability team on sustainability@medirect.com.mt.

Version	Version date	Version author	Description
1.0	20 February 2023	Head of Products and Wealth	New website disclosures in accordance with SFDR
2.0	22 July 2025	Head of Regulatory Affairs and Sustainability	Revisions to enhance website disclosures in accordance with SFDR

1 SFDR general overview

The Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (commonly referred to as the "Sustainable Finance Disclosures Regulation" or "SFDR"), and the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, aim to improve transparency in the market for sustainable investment products by mandating certain disclosures on sustainability from financial market participants, including investment firms providing the service of portfolio management.

1.1 MeDirect Group's classifications under SFDR

In accordance with Article 2 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"), the MeDirect Group entities are classified as follows:

- **MeDirect Bank (Malta) plc** ("MeDirect Malta") qualifies as a **Financial Market Participant (FMP)** pursuant to Article 2(1)(j) of SFDR, in relation to its provision of portfolio management services. It also qualifies as a **Financial Adviser (FA)** pursuant to Article 2(11)(c), in relation to the provision of investment advice.

- **MeDirect Bank NV/SA** ("MeDirect Belgium") qualifies as a **Financial Market Participant (FMP)** pursuant to Article 2(1)(j), in relation to its provision of portfolio management services.

MeDirect in the Netherlands, operating under the trading name "MeDirect Bank (Malta) plc" and providing regulated services under the EU passporting regime, qualifies as a Financial Market Participant (FMP) under SFDR.

1.2 MeDirect's approach to Sustainability

Sustainability continues to be one of the core corporate principles of MDB Group Limited and its affiliated companies ('the "Group' or ''MeDirect''). The Group continues to build on a number of actions it has taken over the last few years to integrate environmental, social and governance (''ESG'') principles into its daily business processes, and wider business strategy.

1.3 Transparency of integration of sustainability risks (Article 3 of SFDR)

"Sustainability risk" refers to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

In 2025, the Group further refined its ESG risk classification methodology to ensure alignment with regulatory expectations and ever-progressing industry standards and best practices. This revised methodology is aligned with the Enterprise Risk Management and includes:

- Identification of ESG risks across asset classes, sectors, and geographies.
- Integration of sustainability considerations/screening in investment analysis, selection and monitoring processes.

While ESG factors are carefully considered as part of the investment analysis, the Group notes that they are not the principal driver of investment decisions.

Further details can be found in the **Group's Sustainability Risk Policy**, which outlines the approach to identifying, assessing, and managing sustainability risks, including the integration of ESG risk screening in the investment process.

1.4 No consideration of adverse impacts of investment decisions on sustainability factors (Article 4 of SFDR)

"Sustainability factors" are defined as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. **"Principal Adverse Impacts"** ("PAI") entail any adverse effects that an investment may have on these sustainability factors. Therefore, PAI indicators consist of metrics designed to illustrate the sustainability risks associated with specific investments.

The Group continues to be unable to commit to complying with SFDR Article 4 PAI disclosures obligations. The reason for not considering PAIs is based primarily on the principle of proportionality, i.e., considering the Group's size in terms of annual turnover and an average annual employee base of less than 500.

Moreover, considering ongoing discussions at EU regulatory level on its "SFDR version 2.0 proposal", which is anticipated to include a more targeted SFDR categorisation system for investment products, the Group views it more prudent to wait for and be guided by the publication of final SFDR revisions by the European Commission.

As the Sustainability agenda evolves in the EU, and an increasingly refined ESG methodology is adopted by the financial services sector, the Group will continue to monitor industry developments and relevant data, and will review its sustainability investment strategy on a yearly basis, reserving the right to re-evaluate its decision on whether or not to consider compliance with PAIs at entity level in the future.

1.5 Integration of sustainability risks in the remuneration policy (Article 5 of SFDR)

The purpose of the **Group Remuneration Policy** is to set out the overall principles that must be followed by the Group when determining the remuneration and compensation of its management and staff. The Group's Remuneration Policy establishes an effective framework for determining role descriptions, performance measurement, risk adjustment of compensation, and the linkages to rewards.

Starting in 2022, the Group has incorporated ESG objectives into its Remuneration Policy. Qualitative and quantitative ESG objectives for key employees are intended to encourage active engagement in the ESG transformation and support the implementation of the ESG strategy, while also discouraging excessive risk-taking related to sustainability risks.

As of 2026, the Group aims to more formally demonstrate the impact of individual performance on total variable compensation of key employees, against both qualitative and quantitative ESG objectives outlined in the ESG Strategy. This evaluation will be tailored to reflect the specific nature and responsibilities of each individual's role.

2 Document Linkage and References

Document type	Document name	URL
European Commission SFDR website	Sustainability-related disclosures in the financial services sector	https://finance.ec.europa.eu/sustainable-finance/disclosures/sustainability-related-disclosure-financial-services-sector_en
SFDR Regulation	EU Regulation 2019/2088 (SFDR)	https://eur-lex.europa.eu/eli/reg/2019/2088/oj/eng

SFDR Delegated Regulation	Commission Delegated Regulation SFDR 2022/1288	https://eur-lex.europa.eu/eli/reg_del/2022/1288/oj/eng
SFDR Delegated Regulation Annex	Annex 1 – template supporting PAI Statement	https://ec.europa.eu/finance/docs/level-2-measures/C_2022_1931_1_EN_annexe_acte_autonome_part1_v6.pdf
MeDirect Sustainability website- Group / Malta	Sustainability at MeDirect	https://www.medirect.com.mt/about-us/sustainability/
MeDirect Sustainability website - Belgium	Sustainability at MeDirect	https://www.medirect.be/about-medirect/sustainability-at-medirect/
MeDirect Sustainability website – the Netherlands	Sustainable investing at MeDirect	https://www.medirect.nl/over-ons/duurzaam-beleggen/
MeDirect policy	MeDirect Group Sustainability Risk Policy	https://www.medirect.com.mt/about-us/sustainability/
MeDirect policy	MeDirect Group Remuneration Policy	https://www.medirect.com.mt/about-us/careers/
MeDirect policy	MeDirect Group Information on Sustainability Preferences during the Suitability Process	https://www.medirect.com.mt/wp-content/uploads/Information-on-Sustainability-preferences-during-the-suitability-process.pdf Found under section titled 'Sustainability Investing Preferences' found here https://www.medirect.com.mt/about-us/sustainability/