

Pelican Exchange Europe (CY) Limited
(Regulated by the Cyprus Securities & Exchange Commission)

SUSTAINABILITY RISK DISCLOSURE POLICY

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Approver	Board of Directors
Last Review	October, 2025
Next Review	April,2026
Current Version	Version 1

1. Purpose

This policy outlines Pelican EU's approach to sustainability risk integration in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). It supports Article 6 transparency obligations and complements the firm's product governance, risk management, and client disclosure frameworks.

2. Scope

This policy applies to:

- Portfolio management and investment advice services
- Distribution of copy trading strategies via Pelican EU's regulated platform
- Strategy provider onboarding, monitoring, and ESG assessment
- Client-facing disclosures and website publication

Pelican EU does not manufacture financial instruments or promote ESG-labelled products under SFDR Articles 8 or 9.

3. Definition of Sustainability Risk

A sustainability risk is an environmental, social, or governance (ESG) event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment or on client outcomes.

4. Integration into Services

Pelican EU integrates sustainability risks into its operational and advisory processes as follows:

- 4.1 ESG risks are considered during the onboarding and monitoring of strategy providers available on the copy trading platform.
- 4.2 ESG factors are assessed as part of due diligence and ongoing oversight, alongside financial and operational risk indicators.
- 4.3 Where relevant, sustainability risks are reflected in internal risk monitoring tools and client disclosures.
- 4.4 ESG scoring is documented in the ESG Risk Matrix and referenced in the MiCA ESG Annex.

5. Scope of Disclosures

Pelican EU does not currently promote financial products under SFDR Articles 8 or 9. All services are disclosed under **Article 6**, which requires transparency on how sustainability risks are integrated, even where no ESG promotion is claimed.

Client disclosures are provided:

5.1 Pre-contractually during onboarding

5.2 On the firm's website under "Sustainability Risk Disclosure (SFDR)"

5.3 Within the Internal Operations Manual (IOM) and Product Governance Policy

6. Governance & Review

6.1 The integration of sustainability risks is reviewed at least annually by the Risk and Compliance Committees.

6.2 Updates are made in line with CySEC circulars, ESMA guidance, and regulatory developments.

6.3 Changes to this policy are version-controlled and communicated to relevant stakeholders.

6.4 Website disclosures are updated as required and monitored for consistency with internal documentation.

7. Recordkeeping

All ESG assessments, disclosures, and monitoring outputs are retained for a minimum of five years and are available for CySEC inspection. This includes:

7.1 ESG Risk Matrix

7.2 Strategy Provider Onboarding Questionnaire

7.3 MiCA ESG Annex

7.4 Website disclosure