SUSTAINABLE FINANCE DISCLOSURES REGULATION (SFDR)

eToro Disclosures

Revised: December 2025

1. GENERAL BACKGROUND

The Sustainable Finance Disclosure Regulation ("SFDR") introduces disclosure obligations for manufacturers of financial products toward end-investors. The SFDR requires relevant firms to disclose how it integrates sustainability into investment processes and how it considers the adverse impacts of investments on sustainability factors.

SFDR applies to financial market participants who provide portfolio management.

“Sustainability risk” under SFDR means, “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”.

eToro provides CopyPortfolio services which amount to portfolio management under MiFID and therefore eToro is required under SFDR to make certain disclosures which are set out in this document.

However in each of the following disclosures eToro makes it clear how the SFDR obligations apply, if at all, to both the CopyTrading and CopyPortfolio services.

2. ENTITY LEVEL DISCLOSURES

A) **As per SFDR Article 3**: Financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process.

Disclosure:eToro has assessed the integration of sustainability risks within its investment decision-making processes.

For the purpose of **CopyTrading services** eToro does not have discretion over the investment decisions made by Copy Accounts and therefore does not integrate sustainability risk into investment decisions.

For the purpose of **CopyPortfolio services** eToro does not integrate sustainability risk into its decisions regarding the composition of its copy portfolios although it will monitor this position in light of any increase in demand for green or sustainable portfolios.

Accordingly, sustainability risks are not systematically integrated into investment decision-making processes.This approach reflects eToro's execution-driven and client-directed business model.

B) **As per SFDR Article 4**: Financial market participants shall publish and maintain on their websites:
(a) where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available;
or
(b) where they do not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts.

Disclosure: eToro does not consider principal adverse impacts of investment decisions on sustainability factors beyond the scope described above. This is due to:

- the non-discretionary nature of CopyTrading services;
- the absence of ESG-driven investment strategies in CopyPortfolio products;
- the current design of products, which do not pursue environmental or social characteristics.

Specifically,

For the purpose of **CopyTrading services** eToro does not have discretion over the investment decisions made by Copy Accounts and therefore does not consider principal adverse impacts.

For the purpose of **CopyPortfolio services** we do not consider principal adverse impacts regarding the composition of any portfolio. T.

Nevertheless, eToro does consider the general impact that our investment activities have on the environment and society (as explained further below and in our disclosure on the integration of sustainability risk above) and our position with respect to SFDR disclosure will be kept under review.

eToro will periodically reassess this position in light of regulatory developments and any changes to its product offering.

C) **As per SFDR Article 5**: Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites.

Disclosure: eToro's remuneration policy is consistent with, and promotes, sound and effective risk management. It does not promote risk taking which is inconsistent with the risk profile of the products or services that eToro provides. eToro's remuneration policy does not include specific incentives linked to sustainability risks. Given that sustainability risks are not systematically integrated into investment decision-making, remuneration structures are not aligned with sustainability-related performance criteria. However, the policy applies the principle of effective risk management to sustainability risk in the same way that it does to other forms of risk.

3. PRODUCT LEVEL DISCLOSURES

A) **As per SFDR Article 6:** Financial market participants shall include descriptions of the following in pre-contractual disclosures:
(a) the manner in which sustainability risks are integrated into their investment decisions; and
(b) the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available. Where financial market participants deem sustainability risks not to be relevant, the descriptions referred to in the first subparagraph shall include a clear and concise explanation of the reasons therefore.

Disclosure:

For **CopyTrader products** eToro does not have discretion over the investment decisions made by Copy Accounts and therefore does not integrate sustainability risks into investment decisions. eToro therefore cannot make an assessment as to the likely impacts of sustainability risks on the returns of the product because it does not have discretion over the investment decisions of the Copy Accounts.

For **CopyPortfolio products** eToro does not integrate sustainability risks into its decisions regarding the composition of any portfolio. Sustainability risks are not considered a determining factor in the construction of CopyPortfolio products. Accordingly, the likely impact of sustainability risks on returns is not systematically assessed.

To the extent such risks materialise, they may impact the value of underlying assets in a manner consistent with general market risks.into the likely impacts of sustainability risks on the returns of the copy portfolio.

As described above, these products:
- do not promote environmental or social characteristics within the meaning of Article 8 SFDR; and
- do not have sustainable investment as their objective within the meaning of Article 9 SFDR.

For SFDR Article 8: Where a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, the information to be disclosed pursuant to Article 6(1) and (3) shall include the following:
(a) information on how those characteristics are met;
(b) if an index has been designated as a reference benchmark, information on whether and how this index is consistent with those characteristics.

Disclosure: eToro's CopyTrader and CopyPortfolio products are classified as Article 6 financial products under SFDR. They do not fall within the scope of Article 8 or Article 9 SFDR.

B) **For SFDR Article 9**: Where a financial product has sustainable investment as its objective and an index has been designated as a reference benchmark, the information to be disclosed pursuant to Article 6(1) and (3) shall be accompanied by the following:
(a) information on how the designated index is aligned with that objective;
(b) an explanation as to why and how the designated index aligned with that objective differs from a broad market index.

Disclosure: eToro's CopyTrader and CopyPortfolio products are classified as Article 6 financial products under SFDR. They do not fall within the scope of Article 8 or Article 9 SFDR..