



SUSTAINABILITY REPORT

2024

METHODOLOGY FOR THE SUSTAINABILITY REPORT

Reporting period	2024
Purpose of the report	Law on Sustainability Disclosures, Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, as regards corporate sustainability reporting and the European Sustainability Reporting Standards (ESRS), which set out the requirements for the publication of a sustainability report for large companies that meet at least two of three criteria: more than 250 employees, turnover of more than €50 million, balance sheet total of more than €25 million.
Linking the report to other DelfinGroup documents	The disclosures in the Sustainability Report's "Own workforce" and "Climate Change" sections are taken from the DelfinGroup Integrated Management System Report (ISO 50001 and ISO 9001). The disclosures in the "Governance" section are taken from the DelfinGroup Corporate Governance Report and the DelfinGroup Annual accounts and Consolidated Annual accounts for the year 2024 .
Report structure	The report has been prepared following the requirements of the Sustainability Reporting Standards , the Corporate Sustainability Reporting Directive (CSRD), and the Stakeholder Engagement Standard AA1000 in free form.
Data collection	For the accuracy and reliability of the sustainability report, data collection methods and tools from reliable data sources have been used. Stakeholder surveys, expert interviews, and data from DelfinGroup surveys and reports have been used. Data sources: Sources of climate change (ESRS E) data: the DelfinGroup Integrated Management System Report (ISO 50001 and ISO 9001) and accumulated energy consumption data. The Ministry of Climate and Energy's methodology for calculating greenhouse gas emissions is used to determine energy consumption and emissions. Sources of own workforce (ESRS S) data: DelfinGroup personnel record system and employee survey data. Governance (ESRS GOV) data sources: agendas and decisions taken at Management Board meetings, Supervisory Board meetings, and Supervisory Board committees. Internal documents and reports, third-party audit and evaluation reports.
Restrictions	The report is prepared for DelfinGroup AS, excluding data of subsidiaries. The full cycle of double materiality will be presented in the 2025 report.
Publication and communication	The report is published on the DelfinGroup website DelfinGroup Financial Services and Circular Economy .

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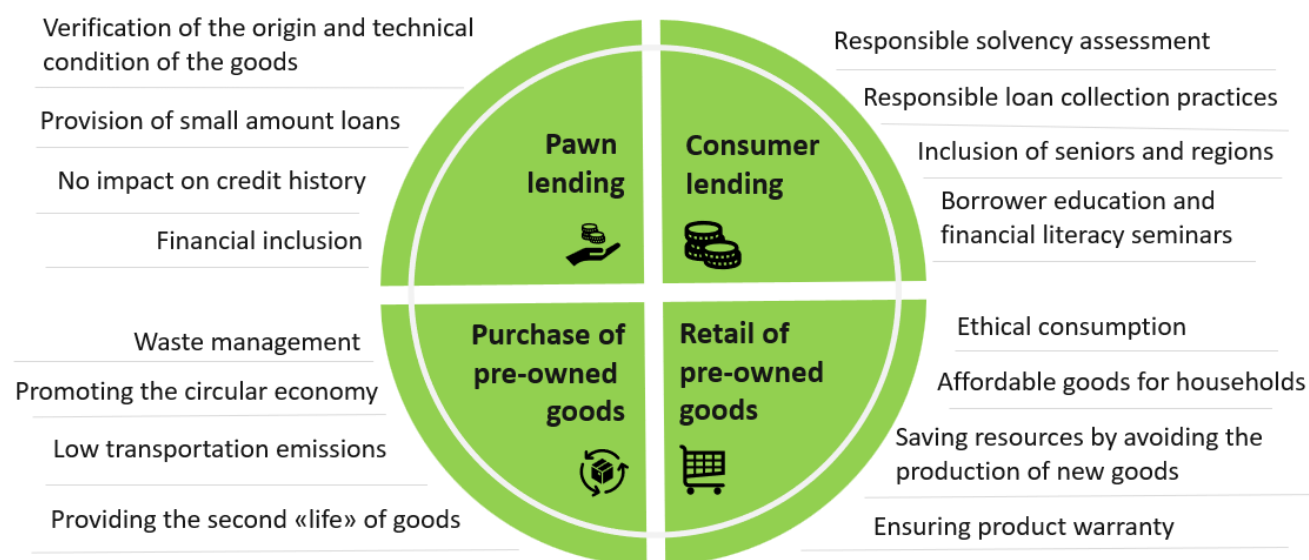
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DELFINGROUP AT A GLANCE

DelfinGroup is a licensed Latvian fintech company founded in 2009 and working under the Banknote and VIZIA brands. DelfinGroup continuously develops and offers affordable, simple, and consumer-oriented financial and pawnshop services. DelfinGroup's sustainability is based on a focus on responsible lending, financial inclusion, promoting the circular economy, fintech innovation, and corporate governance. DelfinGroup has a wide network of branches and robust online services that ensure accessibility for everyone. Customers can receive their services using a mobile application, website, online store, or at one of 89 branches across Latvia.

The results achieved by DelfinGroup in all segments are described in detail in the [Annual accounts and Consolidated Annual accounts for the year 2024](#). As part of the DelfinGroup Strategy 2023-2025, the strategic priorities for 2024 and 2025 have been updated for [DelfinGroup | Company](#).

DelfinGroup's main business segments and their sustainable impact:



2024 INDICATORS

Item	2024 result	2024 target	Growth in 2024	
Net loan portfolio, EUR million	113.5	105.0	Net loan portfolio growth	+ 39%
EBITDA, EUR million	21.9	21.8	EBITDA growth	+ 41%
Profit before tax, EUR million	9.2	9.4	Revenue growth	+ 32%
ROE	31.5%	>30%	Profit before tax growth	+ 14%
Cost-to-income ratio	46.3%	<45%	Consumer loan issuance growth	+ 13%
Equity ratio	26.7%	>20%	Pawn loan issuance growth	+ 20%
Dividend payout ratio	51.2%	>50%	Active customers	> 59 000

Operations as classified by NACE classification code system	NACE2 64.92 Other credit granting NACE2 47.91 Retail sale via mail order houses or via Internet NACE2 47.79 Retail sale of second-hand goods in stores NACE 47.77 retail sale of watches and jewellery in specialised stores
Shareholders	AS ALPPES Capital (18,24%), SIA EC finance (14,92%), SIA AE Consulting (8,20%), other (58,64%)
Subsidiary Companies	SIA ViziaFinance (AS DelfinGroup 100%, NACE 64.92 Other credit granting, 23.02.20215). SIA DealShoq (AS DelfinGroup 100%, NACE 47.79 Retail sale of second-hand goods in stores, 04.11.2024) UAB DelfinGroup LT (AS DelfinGroup 100%, NACE 64.92 Other credit granting, 28.06.2023)

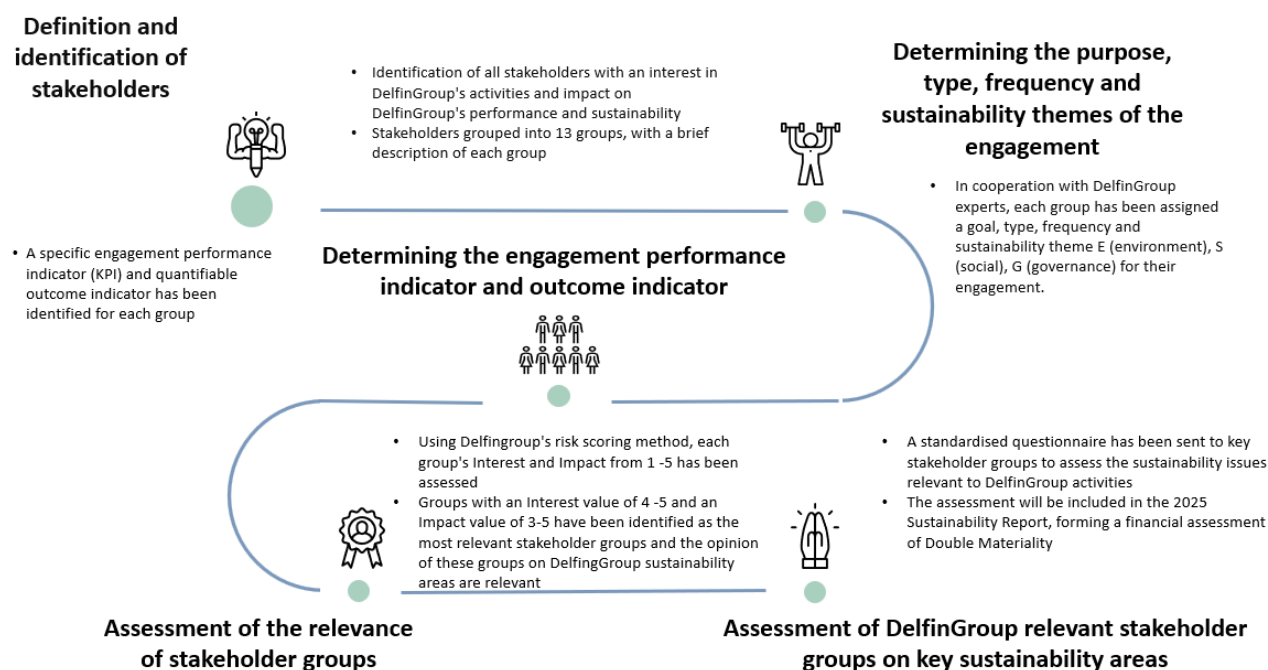
SUSTAINABILITY - PART OF DELFINGROUP GOVERNANCE AND GROWTH

As part of DelfinGroup integrated management system, we have identified climate neutrality efforts in accordance with ISO 9001:2015, Amendment 1, Requirement 4.1, which are analysed in detail in the Sustainability Report. The 6 essential efforts for climate neutrality have been integrated into the internal regulatory documents of the respective area.

1. Improving energy efficiency	2. Use of renewable energy	3. Supply of sustainable products	4. Reducing emissions	5. Education, training and cooperation	6. Publication of data and reports
Investments (EUR) in energy-efficient technologies and equipment	Increasing the share of green energy in branch operations	Selection of suppliers according to green public procurement principles in the circular economy supply chain	Targeted conversion of the car park to hybrid vehicles	Training on environmental issues Stakeholder involvement in DelfinGroup sustainable operations	Sustainability reports Corporate Governance Reports

STAKEHOLDER MANAGEMENT

An integrated approach to the requirements of the three standards GRI¹, ESRS² and AA1000SES³ has been used to define DelfinGroup stakeholders and assess their relevance. The roadmap illustrates the methodology used in the stakeholder assessment.



¹ GRI: Global Reporting Initiative [GRI - GRI Standards English Language](#)

² ESRS: European Sustainability Reporting Standards [European Sustainability Reporting Standards \(ESRS\) - United Nations Environment - Finance Initiative](#)

³ AA1000SES: [AA1000](#) Stakeholder Engagement Standard

STAKEHOLDER ENGAGEMENT IMPACT ASSESSMENT

Stakeholder group	Stakeholder	Materiality rating (Interest/Impact) (1=min.5=max.)	Type and frequency of engagement	Cooperation in sustainability areas material to the stakeholder (E, S, G)	Engagement in decision making DelfinGroup's areas of activity
1. EMPLOYEES	Own workforce (current and potential)	5/5	<ul style="list-style-type: none"> * Dialogue (heads of departments 1x per week, individual with employees 1x per week) * Frequency of Management Board information exchange (1x3 months) * Regional managers' meetings - 1x per month * Satisfaction level, information flow, engagement survey (1x per year, pulse surveys 1x every 3 months) * Whistleblowing (ongoing) * Performance review (1x per year) * Internal information flow and communication (ongoing) * Training, exchange of experience * Team building activities * Survey on DelfinGroup key sustainability areas (1x3 years - strategy period) 	<ul style="list-style-type: none"> * Occupational health and safety (S) * Labour law, human rights (S) * Ethics, corruption, conflict of interest (G) * Professional development, lifelong learning, and knowledge transfer (S) * Decision-making opportunities and engagement in DelfinGroup activities (S/G/E) * Innovation & Research for DelfinGroup (E/S/G) * Energy Management (E/G) * Information Security (S/G) * Digitisation (S/G) * Quality Management (E/S/G) * Risk Management (E/S/G) 	<ul style="list-style-type: none"> * Collaboration with the Occupational Safety Officer * Communication with line manager * Surveys - annual, pulse * Awareness of employee diversity * Regional manager meetings * Involvement of employees in strategy planning and execution * Reporting of suspicious events in the incident register * Each employee registers proposals for IT digitisation * Everyone has the right to initiate changes/develop new internal regulations * Everyone is obliged to report risks that may affect DelfinGroup's operations
2. MANAGEMENT	Supervisory Board	4/5	<ul style="list-style-type: none"> * Decent and diligent stewardship of DelfinGroup's strategy (Management Board KPIs met 1x per year) * Financial planning and execution for DelfinGroup (4x per year) * Ensuring employee well-being, professional growth, and competence * Demonstrated leadership in implementing responsible and fair commercial practices 	<ul style="list-style-type: none"> * Targeted implementation of strategy (E/S/G) * Financial stability, profitability (G) * Adequate and relevant business performance (S/G) * Fair and ethical business practices (G) 	<ul style="list-style-type: none"> * Reinforces DelfinGroup's strategy and monitors the execution of the strategy monthly through budgetary control * Sets strategic goals (Supervisory Board expectations) * Performance evaluation of Management Board members and monitoring the implementation of shareholders' decisions * Reinforces key policies * Approves internal audit policy, strategy, audit reports, and monitors implementation of recommendations * Approves risk management policies, provides recommendations for improving risk management
	Management Board	5/5	<ul style="list-style-type: none"> * Decent and diligent stewardship of DelfinGroup's strategy (Management Board KPIs met 1x per year) * Financial planning and execution for DelfinGroup * Ensuring employee well-being, professional growth and competence * Demonstrated leadership in implementing responsible and fair commercial practices 	<ul style="list-style-type: none"> * Targeted implementation of strategy (E/S/G) * Financial stability, profitability (G) * Adequate and relevant business performance (S/G) * Fair and ethical business practices (G) 	<ul style="list-style-type: none"> * Duties and responsibilities specified in the Management Board Regulations

Stakeholder group	Stakeholder	Materiality rating (Interest/Impact) (1=min.5=max.)	Type and frequency of engagement	Cooperation in sustainability areas material to the stakeholder (E, S, G)	Engagement in decision making DelfinGroup's areas of activity
3.INVESTORS	Shareholders holding more than 5% of shares	5/5	<ul style="list-style-type: none"> * Shareholders' meetings (5 x per year) * Dividends (5x per year) * Share option programme (2x per year) * Approval of quarterly (4x per year) and annual reports (1x per year) * Decision on the issue of securities (as required) * Selection, nomination, approval of the Supervisory Board 	<ul style="list-style-type: none"> * Capital gains from share changes (G) * Dividend income (G) * Stability & credibility - international recognition (G) 	<ul style="list-style-type: none"> * Financial contribution * Voting and decision-making * Consultation with the Supervisory Board and exchange of information
	Bondholders	4/4	<ul style="list-style-type: none"> * Receipt of interest income on the purchase of bonds (1x per month) * Long-term relationship (as required) 	<ul style="list-style-type: none"> * Interest income from bonds (G) * Stability & credibility - international recognition (G) 	<ul style="list-style-type: none"> * Regular reporting to investors * Publication of analysts' assessments to investors * Organisation of investor events * DelfinGroup participation in investor events
	Mintos Investors	2/3	<ul style="list-style-type: none"> * Receipt of interest income from the purchase of notes * Financial stability (as required) 	<ul style="list-style-type: none"> * Interest income on notes (G) * Stable source of funding and international recognition (G) 	<ul style="list-style-type: none"> * Type of investment by private investors * Diversification of investments
4.CONSUMERS AND END-USERS	Individuals (Pawn lending and Purchase of pre- owned goods)	3/3	<ul style="list-style-type: none"> * Customer base - service reception (daily) * Financial inclusion with assured access to financial resources (daily) * Feedback and recommendations - improvement of the company's performance (as required) * Use of digital solutions - e-Lombards (daily), pārdod.banknote.lv (daily) 	<ul style="list-style-type: none"> * Improvement of quality of life (S/E) * Responsible and smart consumption (S/E) * Product quality and safety (S/E/G) * Use of digital tools (S/E) 	<ul style="list-style-type: none"> * Feedback * Valid complaints
	Individuals (Consumer lending)	3/5	<ul style="list-style-type: none"> * Customer base - application submission (daily) * Financial inclusion with access to financial resources (daily) * Feedback and recommendations - improvement of the company's performance (as required) * Use of digital solutions - mobile application, online channel, telephone (daily) 	<ul style="list-style-type: none"> * Improvement of quality of life (S/E) * Responsible consumption (S/E) * Product quality and safety (S/E/G) * Use of digital tools (S/E) 	<ul style="list-style-type: none"> * Feedback * Valid complaints
	Individuals (Retail of pre-owned goods)	3/3	<ul style="list-style-type: none"> * Participation in the circular economy and sustainable consumption (daily) * Feedback and suggestions (as required) * An assortment of high-quality products alongside competitive prices (daily) * Geographical coverage, accessibility, convenience of location (daily) * Use of digital solutions - online shop (daily) 	<ul style="list-style-type: none"> * Improvement of quality of life (S/E) * Responsible consumption (S/E) * Climate change action (S/E) * Product quality and safety (S/E/G) * Use of digital tools (S/E) 	<ul style="list-style-type: none"> * Feedback * Valid complaints
	Seniors	3/3	<ul style="list-style-type: none"> * Customer base - consumer loan (daily) 	<ul style="list-style-type: none"> * Improvement of quality of life (S/E) * Responsible consumption (S/E) 	<ul style="list-style-type: none"> * Feedback * Valid complaints

Stakeholder group	Stakeholder	Materiality rating (Interest/Impact) (1=min.5=max.)	Type and frequency of engagement	Cooperation in sustainability areas material to the stakeholder (E, S, G)	Engagement in decision making DelfinGroup's areas of activity
			<ul style="list-style-type: none"> * Financial inclusion with quality of life and financial stability, micro-lending for a specific customer group up to 85 years (daily) * Social responsibility - reduced total cost of the loan (daily) * Education and financial literacy - educational events for seniors (at least 3x a year) * Feedback and recommendations (as required) 	<ul style="list-style-type: none"> * Social responsibility (S) * Financial literacy (S/G) * Product quality and safety (S/E/G) 	
5.SUPPLIERS	Upstream, downstream supply chain suppliers	2/4	<ul style="list-style-type: none"> * Technology and IT solutions (daily) * Supply of raw materials for core business (precious metal, accessories, B2B partners) * Finance and accounting services (at least 1x per year) 	<ul style="list-style-type: none"> * Reliability and stability (G) * Green public procurement (E/G) * Responsible supply chain (E/G) * Fair Commercial Practice (G) 	<ul style="list-style-type: none"> * IT solutions * Contract terms * Feedback * Complaints
	Suppliers in the supply chain of the commodity trade cycle	3/3	<ul style="list-style-type: none"> * Procurement contractual relationships (daily) * Tenant/landlord liaison (as required) 	<ul style="list-style-type: none"> * DelfinGroup service accessibility (S) * Good governance principles and responsible business practices (G) 	<ul style="list-style-type: none"> * Feedback * Complaints
6.REGULATOR	Consumer Rights Protection Centre (CRPC)	3/4	<ul style="list-style-type: none"> * Licensing of consumer lending service providers (one-off) * Supervision of consumer lending service providers (1x quarterly) * Consumer protection (ongoing) 	<ul style="list-style-type: none"> * Issuance of business licences and special permits (G) * Reliability and compliance of reports (G) * Compliance with consumer rights and fair commercial practices (G) 	<ul style="list-style-type: none"> * Guidelines for good commercial practice * Supervisory reports * CRPC requests to DelfinGroup * Discussions * CRPC decisions
	NASDAQ	2/2	<ul style="list-style-type: none"> * Public trading of DelfinGroup shares and bonds (ongoing) * Sustainability reporting (1x per year) * Investor relations quality assessment (1x per 2 years) NASDAQ Baltic Award 	<ul style="list-style-type: none"> * Equity markets with compliance to international standards (G) * NASDAQ sustainability reporting requirements (E/S/G) * Securities issuance (G) * Improving the quality of investor relations (G) 	<ul style="list-style-type: none"> * NASDAQ is not directly involved in DelfinGroup's day-to-day operational decisions. However, as a publicly listed company on NASDAQ, DelfinGroup is subject to certain rules and requirements
7.SUPERVISORS	Bureau Veritas	2/2	<ul style="list-style-type: none"> * Quality Management System ISO 9001 (QMS) certification, surveillance (1x per year) * Energy Management System ISO 50001 (EnMS) certification, surveillance (1x per year) * Information Security Management System ISO 27001 (ISMS) certification, surveillance (1x per year) 	<ul style="list-style-type: none"> * QMS certification, annual surveillance (E/S/G) * EnPS certification, annual surveillance (E/G) * IDPS certification, annual surveillance (S/G) 	<ul style="list-style-type: none"> * Certification/ surveillance audit reports
	KPMG	1/3	<ul style="list-style-type: none"> * Audit services (as required, at least once a year) 	<ul style="list-style-type: none"> * Financial statement audits and reviews (G) 	<ul style="list-style-type: none"> * Report on the Audit of the Financial Statements * Auditors' opinions
	State Revenue Service (SRS)	1/4	<ul style="list-style-type: none"> * DelfinGroup financial statements review (monthly) 	<ul style="list-style-type: none"> * Social responsibility and tax compliance (S/G) 	<ul style="list-style-type: none"> * EDS approvals

Stakeholder group	Stakeholder	Materiality rating (Interest/Impact) (1=min.5=max.)	Type and frequency of engagement	Cooperation in sustainability areas material to the stakeholder (E, S, G)	Engagement in decision making DelfinGroup's areas of activity
				* Financial transparency (G)	
8.COOPERATION PARTNERS	Signet Bank	4/3	* Arranging DelfinGroup bond issuance, raising necessary capital (ongoing)	* Bond issuance (G)	* Advisory * Expert opinion
	Stockholm School of Economics in Riga	1/1	* FinTech 3-module business education courses at bachelor's level (as required)	* Financial Management Competencies (G)	* FinTech industry skills, competencies and knowledge
9.SUBSIDIARIES	SIA ViziaFinance SIA DealShoq UAB DelfinGroup LT	5/3	* Shared strategy (with regular annual review of objectives) * Infrastructure (IT) (ongoing) * Human Resources (ongoing) * Standardised processes (ongoing)	* Customer specific approach and solution (S/G) * Responsible, accurate evaluation (S/E) * Product quality and safety (S/E/G) * Extending the life cycle of products (E/G) * Digital solutions (S/E) * New jobs and responsible tax policy in Lithuania (S/G)	* Reports to the Management Board * Management Team meetings * IT trouble tickets * Feedback * Valid complaints * "All hands" actions
10.CREDIT INSTITUTIONS	Citadele Multitude Signet Bank	4/4	* Financing for DelfinGroup development and capital structure diversification (ongoing) * Long-term reliable cooperation for development (ongoing)	* Financial support and growth (G) * Relationship building, loyalty and trust (G) * DelfinGroup economic development (G)	* Industry performance evaluation indexes * Reputation ratings
11.NON- GOVERNMENTAL ORGANISATIONS	Fintech Latvia Association	3/3	* Promoting innovation and effective regulation of the sector by bringing together fintech companies (ongoing) * Platform for cooperation and knowledge sharing and solving common problems (permanent)	* Fintech industry lobby (G) * Fintech industry image and reputation (S/E/G) * Collaboration and knowledge sharing (S/E/G)	* Decisions and results of expert groups
	Latvian Association of Senior Communities (LSKA)	3/1	* Financial literacy activities for seniors (ongoing) * Initiatives for the well-being and quality of life of senior citizens (ongoing) * Donations to help LSKA achieve its goals (ongoing)	* Financial literacy (S/E) * Social responsibility and inclusion (S/E/) * Quality of life (S)	* Meetings, joint events * Seminars, surveys
12.MEDIA	Mediāna	2/2	* Support for Mediāna's expansion in the Baltic region and website development (annual) * Publicity and recognition of DelfinGroup (as required)	* Raising public knowledge of the Baltic capital markets (G) * Financial literacy (S/E)	* Information flow * Communication to the public
13.COMPETITORS	All DelfinGroup business segments	4/3	* Promotes a culture of innovation within DelfinGroup, mobilising efforts to improve DelfinGroup products and services to maintain competitiveness * Competitors' social responsibility initiatives drive DelfinGroup (as appropriate)	* Promoting innovation (S/E/G) * Market dynamics (S/G) * Social Responsibility (S) * Environmental protection (E) - circular economy principles	* Competitor performance and results

DOUBLE MATERIALITY ASSESSMENT. MATERIAL MATTERS IN DELFINGROUP'S OPERATIONS

The average rating of the Management Board and Supervisory Board on environmental (E), social (S) and governance (G) matters (where 1 is not relevant, 5 is critical) indicates the most material sustainability areas in DelfinGroup's operations, which will be used to determine double materiality as a "baseline" in the 2025 report.

DelfinGroup material ENVIRONMENTAL matters	DelfinGroup material SOCIAL matters	DelfinGroup material GOVERNANCE matters
1. Assess how various environmental factors (e.g., climate, natural resources, etc.) affect DelfinGroup's operations 3.3 (moderately important)	1. Maintain a fair dialogue with employees, ensure social protection and pay fair wages 4.1 (very important)	1. Conduct responsible and ethical business practices – prevent corrupt and fraudulent activities 4.5 (very important)
2. Assess where in what way pollution may arise as a result of DelfinGroup's operations 3.5 (moderately important)	2. To ensure a safe and healthy working environment and the physical and emotional well-being of employees 4.1 (very important)	2. Follow the principles of fair competition 4.3 (very important)
3. Find opportunities to switch to more environmentally friendly energy sources 3.0 (moderately important)	3. Ensure equal treatment and non-discrimination 4.3 (very important)	3. Collaborate with regulatory authorities and ensure fair business practices 4.3 (very important)
4. Use water resources economically 3.5 (moderately important)	4. Enhance employee growth, skills, and competencies 4.3 (very important)	4. Be prepared for emergencies with a response plan for severe events 4.1 (very important)
5. Analyse the environmental impact of DelfinGroup's activities 3.5 (moderately important)	5. Recruit and retain qualified employees, measure satisfaction levels 4.3 (very important)	5. Identify and manage potential risks and mitigate the impact of incidents 4.1 (very important)
6. Collaborate with suppliers who source raw materials responsibly and in an environmentally friendly manner 3.6 (moderately important)	6. Urge suppliers to adhere to ethical and responsible business practices 4.0 (very important)	6. In relations with suppliers, observe the principles of fair and responsible cooperation with justified selection of suppliers 3.6 (moderately important)
	7. Ensure customer privacy and data security and take measures to protect customer data 4.1 (very important)	7. Be able to adapt to and manage risks and opportunities arising from social, environmental and political changes 4.1 (very important)
	8. Maintain regular and open communication with stakeholders 3.6 (moderately important)	8. Ensure a clear and transparent remuneration policy with adequate wages 3.8 (moderately important)
	9. Ensure that DelfinGroup services are available to the widest possible population across Latvia 3.1 (moderately important)	
	10. Be honest in sustainability communication – abstain from "greenwashing" 3.8 (moderately important)	

COMPLIANCE WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

DelfinGroup's senior management's assessment of key sustainability areas within the company directly influences the prioritisation and integration of the UN Sustainable Development Goals into DelfinGroup's strategy.

Management decisions and priorities determine the extent to which the company integrates sustainability principles into its operations, which in turn impact various environmental, social, and governance aspects, such as economic growth, social well-being, and environmental protection.

In addition, DelfinGroup has used the key areas highlighted in the Global Fintech Sector Sustainability Report 2023⁴ to set its sustainability goals.



Target 3.8
Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all



100%

Access to health insurance for employees



Mission "Zero"

0

Accidents at work



Target 4.4
Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
Target 4.7
Ensure that all learners acquire the knowledge and skills needed to promote sustainable development



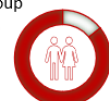
100%

Successfully passed DelfinGroup compulsory training modules



80%

Defined needs and acquired skills for promoting sustainability



80%

Introduced targeted qualification maintenance



Target 5.5
Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life



At least 40%

Gender balance in the Supervisory Board



At least 33%

Gender balance in the Management Board



Target 6.5
Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate



89 branches

Regular monitoring of water consumption and water losses



Target 7.1
Ensure universal access to affordable, reliable and modern energy services
Target 7.3b
Expand infrastructure and technology to deliver modern and sustainable energy services

85%

Share of green Electrum electricity in total electricity consumption

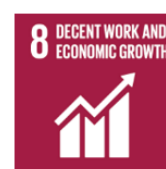


60%

Share of renewable energy in total energy consumption

By 15%

Increase in energy efficiency after branch reconstruction/ renovation



Target 8.5
Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
Target 8.8
Protect labour rights and promote safe and secure working environments for all workers



90%

Satisfaction with fair remuneration for equivalent job in the industry



100%

Job responsibilities reviewed against terms of Remuneration Policy

⁴ 2023 GLOBAL SUSTAINABILITY REPORT Unlocking financial technology to the world, [available online] [fis-2023esgreport-final.pdf](https://www.delfingroup.com/fis-2023esgreport-final.pdf)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Target 9.1

Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being

Target 9.4

Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and processes



80%

Improved working conditions as a result of branch refurbishment



75%

DelfinGroup services provided digitally



80%

Employee satisfaction with working conditions

10 REDUCED INEQUALITIES



Target 10.2

By 2030, promote the social, economic and political inclusion of all citizens, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status

Target 10.3

Ensure equal opportunities and reduce disparities in status, inter alia by eliminating discriminatory laws and practices and promoting appropriate action



By 10%

The increase of seniors included in economic life



By 10%

Increase in the share of operations up to EUR 100

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Target 12.2

Achieve the sustainable management and efficient use of natural resources

Target 12.6

Large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Target 12.7

Promote public procurement practices that are sustainable, in accordance with national policies and priorities



85%

Supplier contracts include sustainability conditions of green public procurement



100%

Continuously improved Energy Management system ISO 50001



80%

Supply Chain compliance monitoring 2 x per year



90%

ESRS Standard compliant Sustainability Report

13 CLIMATE ACTION



Target 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Target 13.2

Integrate climate change measures into national policies, strategies and planning

85%

Implementation of Climate change mitigation plan

70%

Emission reduction measures integrated into DelfinGroup planning and action documents

100%

Top-level oversight of the integration of climate-related objectives into strategy and monitoring of implementation

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Target 16.5

Substantially reduce corruption and bribery in all their forms

Target 16.6

Develop effective, accountable and transparent institutions at all levels

Target 16.7

Ensure responsive, inclusive, participatory and representative decision-making at all levels



90%

Development and implementation of a plan to prevent and combat corruption, fraud and conflicts of interest

4 x per year

DelfinGroup employees are informed about important decisions made by the Management Board and Supervisory Board that affect employees

THE ROLE AND ENGAGEMENT OF SHAREHOLDERS, THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD ON SUSTAINABILITY ISSUES

The role and engagement of shareholders, the Management Board, and the Supervisory Board on sustainability issues is essential to DelfinGroup's long-term success and compliance. Each of the corporate governance stakeholders influences the sustainability of DelfinGroup through its actions and decision-making:

Shareholders	Supervisory Board	Management Board
Voting rights: Shareholders use their voting rights to support sustainable policies that promote the long-term interests of DelfinGroup.	Oversight: The Supervisory Board monitors the Management Board's performance, ensuring that sustainability principles are integrated into DelfinGroup's relevant policies and that principles of the policies are effectively implemented in the company's operations and the achievement of its strategic objectives.	Strategic management: The Management Board members have the appropriate skills and capabilities in sustainability issues to ensure strategic leadership. The Management Board is responsible for developing and implementing a sustainable strategy.
Decision-making: Shareholders support decisions on investments supporting DelfinGroup's sustainable practices.	Decision-making: The Supervisory Board approves policies relevant to DelfinGroup's sustainable performance. The members of the Supervisory Board provide support and advice to the Management Board, thereby supporting the principles of sustainability in DelfinGroup's operations.	Decision-making: The Management Board members make decisions that promote sustainable development, such as investments in sustainable technologies and processes.

System	The purpose of the system	Scope of sustainability areas
Quality Management System ISO 9001 with amendment 1 of 2024⁵	To ensure continuous process improvement and customer satisfaction.	<ul style="list-style-type: none"> • Social (S): Workers in the value chain, Consumers and end-users, Accessibility, Product quality and safety • Environment (E): Energy types and consumption log - targets, performance indicators, results • Governance (G): Corporate Culture, Fair Competition, Supply Chain Management, Risk Management
Energy Management System ISO 50001	Improve DelfinGroup's use of energy, reduce energy consumption and promote sustainable energy management. Monitor and analyse energy costs, reduce carbon emissions and improve environmental performance.	<ul style="list-style-type: none"> • Social (S): Workers in the value chain, Consumers and end-users, Accessibility • Environmental (E): Monitoring of energy resource efficiency and return on investment, management of emission and waste reduction measures • Governance (G): Corporate Culture, Fair Competition, Supply Chain Management, Risk Management
Information Security Management System ISO 27001	Protect company and customer information, identify and manage security risks. In the context of sustainability, ISO 27001 promotes trust between the company and its customers and other stakeholders by ensuring that information is securely managed and protected.	<ul style="list-style-type: none"> • Social (S): Customer privacy, Data security, Secure and quality products, Accessibility • Governance (G): Fair Competition, Risk Management
Internal control system in line with COSO	A structured approach that helps DelfinGroup to ensure traceable and compliant governance through the implementation of the five components of the COSO model - control environment, risk assessment, control measures, information and communication, and monitoring.	<ul style="list-style-type: none"> • Social (S): Employee wellbeing and welfare, Stakeholder trust, Consumer and end-user satisfaction • Environment (E): Resource management • Governance (G): Corporate Culture and Ethics, Fair Competition, Risk Management, Regulatory Compliance
Complaints Management System ISO 10002	Ensure a systematic customer-centric approach to complaints and feedback management with an transparent and traceable complaint resolution process, feedback to the customer and continuous improvement of the company's ability to deliver quality products and services	<ul style="list-style-type: none"> • Social (S): Affected communities, Consumers and end-users, Accessibility, Product quality and safety • Governance (G): Fair competition

⁵ In accordance with ISO 9001:2015 Amendment 1, Requirement 4.1, the management report includes DelfinGroup's climate neutrality efforts

DelfinGroup's approved policies demonstrate the direct and active involvement of shareholders, the Supervisory Board, and the Management Board, and demonstrate that sustainability issues are an essential part of the company's operations for long-term success with a positive impact on society and the environment.

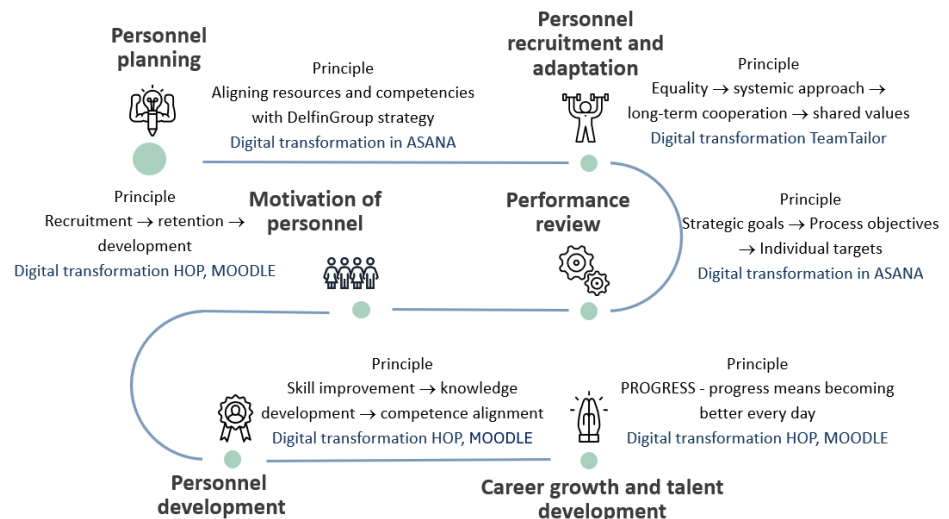
Document/Approval	Purpose of the document	Sustainability (ESG) scope
<u>CORPORATE GOVERNANCE POLICY</u> (Supervisory Board)	To set out principles of good corporate governance for the sustainable development of DelfinGroup, modern management, rational use of resources, in order to increase the long-term value of DelfinGroup through ethical, responsible and transparent business conduct	Corporate Governance
<u>PROCUREMENT POLICY</u> (Supervisory Board)	To set guidelines for an efficient and transparent procurement process and to ensure equal treatment of all tenderers and tenders	Climate change, Safe and quality products, Sustainable energy management, Accessibility, Fair competition, Supply chain management
<u>DIVIDEND POLICY</u> (Shareholders' Meeting)	To establish the principles of how the Management Board makes recommendations to the Shareholders' meeting regarding the distribution of profit	Stakeholder management, Fair competition, Sustainable finance
<u>RISK MANAGEMENT POLICY</u> (Supervisory Board)	To identify, assess, manage and control the risks of DelfinGroup operations, to identify the negative consequences of possible events, to reduce the probability and impact of their occurrence.	Corporate Governance, Strategy, Business Model and value chain
<u>INTERNAL AUDIT POLICY</u> (Supervisory Board)	To provide an independent and objective assessment of the effectiveness of risk management, internal control system and business processes with the aim of contributing to DelfinGroup's value maximisation and the achievement of its objectives	Corporate Governance, Strategy, Business Model and value chain
<u>EQUALITY, DIVERSITY AND INCLUSION POLICY</u> (Supervisory Board)	To set out common principles to ensure the implementation of equality, diversity and inclusion at DelfinGroup in relation to the working environment, the culture of the organisation, the employees, the customers	Strategy, Business model and value chain, Own employees, Employees in the value chain, Healthy and safe working environment
<u>WHISTLEBLOWING POLICY</u> <u>WHISTLEBLOWING CHANNEL</u> (Supervisory Board)	To establish a framework for the Whistleblowing process, thus creating a safe and trusting environment for employees to report any unfair practices or infringements they observe	Corporate Governance, Own employees, Employees in the value chain, Healthy and safe working environment, Fair competition
<u>REMUNERATION POLICY</u> (Shareholders' Meeting)	To promote the implementation of DelfinGroup strategy, sustainability, and transparency of the use of finances, as well as to retain, attract, motivate and develop professional and talented employees, Management Board and Supervisory Board members	Corporate Governance, Own employees, Employees in the value chain, Healthy and safe working environment, Fair competition
<u>MARKET ABUSE PREVENTION POLICY</u> (Supervisory Board)	To prevent the unlawful disclosure and/or use of inside information for transactions with DelfinGroup securities and/or market manipulation	Corporate governance, Fair competition, Stakeholder management
<u>CODE OF ETHICS</u> (Supervisory Board)	To establish common principles of professional ethics and the rights, duties, and responsibilities related to them. It is intended to encourage the Employees of DelfinGroup to act and make decisions, to encourage problem solving, to ask questions and to raise concerns openly	Corporate Governance, Own employees, Employees in the value chain, Safe and positive work environment, Fair competition
<u>GROUP POLICY ON AML/CTPF AND RISK MANAGEMENT</u> (Supervisory Board)	To establish a uniform procedure for implementing and maintaining an effective internal control system to enable DelfinGroup to comply with all applicable requirements of the laws and regulations of the Republic of Latvia and the European Union relating to the prevention of money laundering, terrorism and proliferation financing (AML/CFPT)	Corporate Governance, Fair competition, Stakeholder management, Customer privacy and data security, Consumers and end-users
<u>HUMAN RESOURCES POLICY</u> (Supervisory Board)	To establish fair, systematic and effective principles and guidelines for the management of human resources and to attract the best experts in their field, develop their talents and ensure high motivation	Own employees, Employees in the value chain, Healthy and safe working environment
<u>CUSTOMER SERVICE POLICY</u> (Supervisory Board)	To establish common principles in customer service, ensuring high customer satisfaction with services tailored to customer needs	Own employees, Affected communities, Stakeholder management, Customer privacy and data security, Consumers and end-users
<u>INFORMATION SECURITY POLICY</u> (Supervisory Board)	To protect DelfinGroup resources against external and internal threats	Corporate Governance, Own employees, Affected communities, Stakeholder management, Customer privacy and data security, Consumers and end-users, Secure products and services
<u>CONFLICT OF INTEREST PREVENTION AND MANAGEMENT POLICY</u> (Supervisory Board)	To define the nature of a Conflict of Interest and the principles that DelfinGroup shall follow to identify and manage or prevent a potential or existing Conflict of Interest in a timely manner	Corporate Governance, Own employees, Stakeholder management, Fair competition

PRINCIPLES OF HUMAN RESOURCES MANAGEMENT

Sustainable and inclusive human resources management is the DelfinGroup's development direction for 2025-2027. Fair and systematic principles for attracting and retaining specialists are set out in the [Human Resources Policy](#) approved by DelfinGroup's Supervisory Board.

The principles of remuneration of employees and the effectiveness of the Remuneration Policy are implemented by the [Remuneration and Nomination Committee](#).

Personnel management principles



EMPLOYEE RIGHTS AND WELFARE

Uniform principles for efficient work organization to ensure work discipline and promote optimal information flow are set out in the internal Workplace Regulations, which demonstrate DelfinGroup's commitment as an employer to provide:

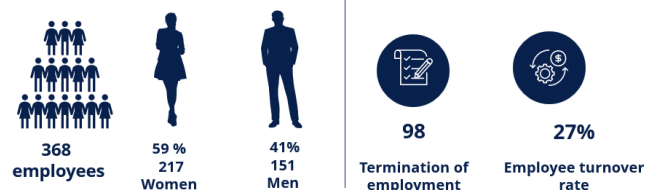
- Equal opportunities and equal treatment for all employees, including gender equality and equal pay for work of equal value, as set out in the Human Resources Policy, Equality, Diversity and Inclusion Policy, and Conflict of Interest Prevention and Management Policy.
- Continuous improvement of skills and knowledge, as set out in the Human Resources Policy.
- The employment and inclusion of people with disabilities, as set out in the Equality, Diversity and Inclusion Policy, and ethical behavior, as set out in the Code of Ethics.
- Measures against violence and harassment in the workplace and for employee diversity, as set out in the Equality, Diversity and Inclusion Policy and the Code of Ethics.
- An inclusive working environment with the opportunity to express concerns and raise alarms under the Whistleblowing Policy, respecting the anonymity of the Whistleblowing Channel and the security principles set out in the Information Security Policy.
- Healthy working conditions, including secure employment, working hours and fair remuneration, as set out in the Human Resources Policy, Remuneration Policy, and Procurement Policy.

COMPOSITION AND DIVERSITY OF EMPLOYEES

As of December 31, 2024, DelfinGroup employed a total of 368 persons. During the year, employment relationships with 98 employees were terminated.

The percentage distribution shows that women account for 59% and men for 41% of the total number of employees. The most represented employee group is aged between 31 and 50.

Personnel profile



Personnel diversity indicators



Female/male representation on the Management Board and the Supervisory Board:

Women/ Men	Number	%	Average age
Management Board	1/3	25/75	42/40
Supervisory Board	0/5	0/100	0/47

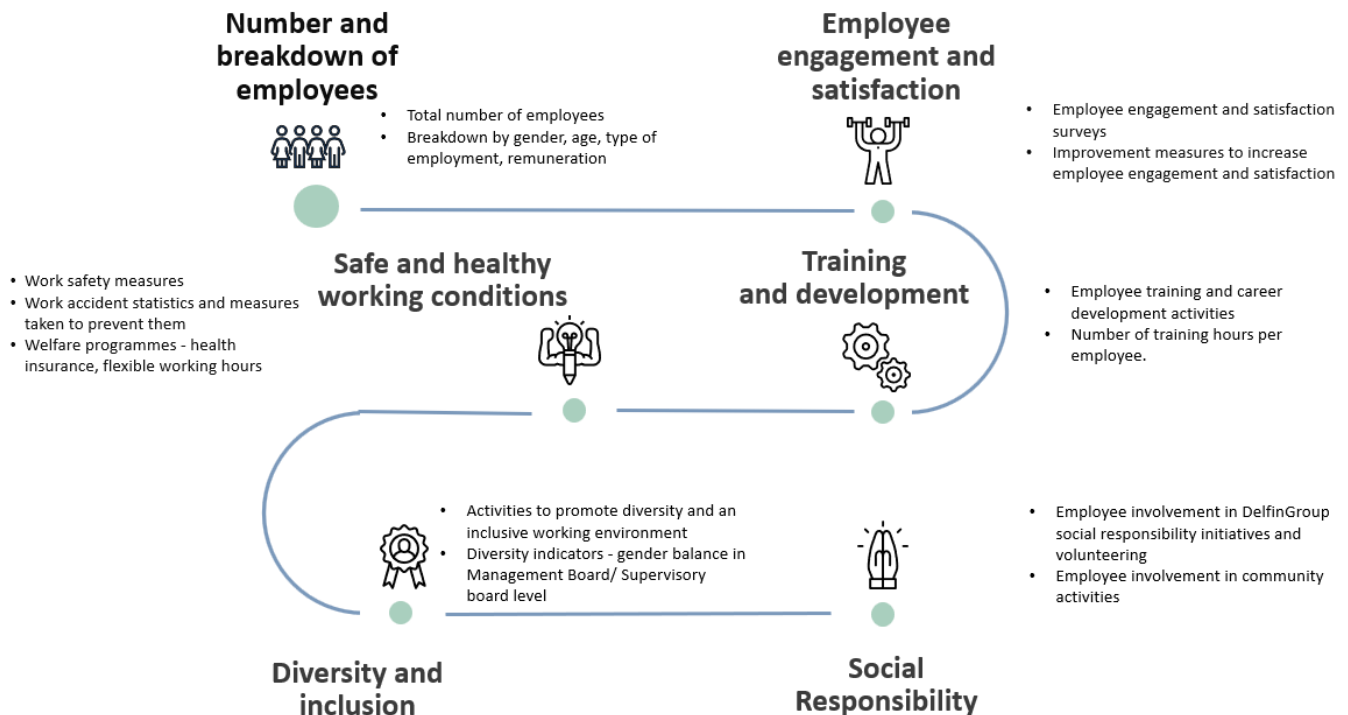
OWN WORKERS INDICATORS

In 2024, all DelfinGroup employees were permanent employees with guaranteed working hours and full-time employment. No temporary employees, freelance workers, or non-guaranteed hours employees were employed.

During 2024, employment was terminated with 98 employees, resulting in an employee turnover rate of 27%. Comparing globally similar industries such as retail, the employee turnover rate can be higher, reaching 30% or more. DelfinGroup's employee turnover rate of 27% is considered to be within the normal range.⁶

EMPLOYEES IN THE VALUE CHAIN

Improved decision-making and greater employee accountability are motivating factors for employee engagement and involvement in DelfinGroup's activities. The roadmap illustrates the key principles implemented in the employee value chain.



EMPLOYEE ENGAGEMENT AND SATISFACTION

Employee surveys are a targeted tool for DelfinGroup management to measure satisfaction levels of employees and satisfaction with the working environment. Employee surveys conducted in 2024:

- Satisfaction with the working environment – an Ex Index survey was conducted to gain an insight into how employees feel. In addition, an assessment was received on the fairness of remuneration, the well-being programme and career development opportunities.
- In addition to the annual Working environment satisfaction survey, a pulse survey is conducted four times a year to assess DelfinGroup's performance in 11 well-being dimensions, identifying the most significant positive and negative factors.
- Surveys are conducted on an ongoing basis, both during the onboarding process for new employees and during the offboarding process for departing employees. These surveys determine how employees feel, whether working conditions and remuneration meet their expectations, and whether management is professional. This helps the company to understand how to improve working conditions and the employee experience.
- Employee satisfaction survey regarding health insurance policies – annually, at least three months before the expiry of DelfinGroup health insurance policies, employees are asked to evaluate the coverage of their policies and experience with the existing insurance company.
- Employees have the opportunity to express their opinions and report issues via the [Whistleblowing Channel](#) under the [Whistleblowing Policy](#).

⁶ Explanation of the employee turnover rates in the 2024 Gallup study "State of the Global Workplace: 2022 Report" published by FranklinCovey

The surveys identified improvement measures in three areas: DelfinGroup's overall operations, human resources management, and the healthy work environment.

Improvement measures in DelfinGroup overall operations	Improvement measures in DelfinGroup's human resources management	Improvement measures for the well-being of DelfinGroup employees
<ul style="list-style-type: none"> Optimise work processes Introduce workload monitoring (working hour tracking, ASANA, resource planning) Review the company structure and clarify the allocation of responsibilities Introduce project planning principles with priority setting Ensure physical and mental security in the branches (funding has been approved in the 2025 budget to upgrade the CCTV system in all 89 branches) 	<ul style="list-style-type: none"> Conduct regular surveys to identify and mitigate stress factors Review remuneration principles for customer service professionals Review and reassess the effectiveness of human resources management principles - recruitment, quality of employee integration, succession planning 	<ul style="list-style-type: none"> Provide leadership training for managers Improve access to mental health counselling and workshops

TRAINING AND SKILLS DEVELOPMENT

- The training needs of DelfinGroup employees and regularity are specified in the Training Plan maintained by the Human Resources Department.
- A comprehensive mentoring program for training new client support specialists ensures high-quality training for new employees at the branch.
- During the training of new Customer Service Officers, 20 mentors have trained 75 client support specialists.
- All DelfinGroup employees are subject to a mandatory minimum training programme - centralised knowledge acquisition within an integrated management system. In 2024, 370 employees initially completed and repeatedly underwent the mandatory minimum training. DelfinGroup has specified eight mandatory training areas:

○ Safe working environment and fire safety	○ Information security
○ Whistleblowing	○ Protection of personal data
○ Ethics	○ Prevention of money laundering and financing of terrorism and proliferation
○ Quality management and energy management	○ Digital literacy tools and application of project management principles - ASANA training

TRAINING AND SKILLS DEVELOPMENT INDICATORS	Women, number	%	Average number of hours per employee	Men, number	%	Average number of hours per employee
Employees participating in regular training	223	64	76	127	36	76
Employees participated in career development activities	44	58	16	32	42	32

During the DelfinGroup strategy period (once every three years), training is planned for senior and middle management to develop and strengthen corporate governance knowledge:

- "Conflict of Interest" in accordance with the [Conflict of Interest Prevention and Management Policy](#).
- "Protection of personal data in the financial industry" in accordance with the [Information Security Policy](#).
- "Corruption risk assessment and development of an anti-corruption action plan" in accordance with the [Market Abuse Prevention Policy](#), the [Conflict of Interest Prevention and Management Policy](#) and the [Risk Management Policy](#).

The involvement of science in DelfinGroup's activities is implemented through the higher education internships and final thesis topics of our own employees::

- RTU Master of Professional Studies "Territorial Development Engineering of Cities and Regions (STEM science) with the internship "DelfinGroup Sustainable Energy Management" and the Master's thesis "Supply chain participants' sustainability double materiality factor model in fintech company's goods trading life cycle".
- Short cycle professional higher education study programme "Office Management and Professional Customer Service" at the College of Business Administration with two internships and a qualification thesis " Opportunities for improving document management efficiency at DelfinGroup".

SAFE AND HEALTHY WORKING ENVIRONMENT

The DelfinGroup Rules of Procedure state:

- Organisation of work: clearly defined organisation of work, duties and responsibilities of the parties involved.
- Safety and health: safe and healthy working conditions, which are an essential aspect of sustainability for the well-being and performance of employees.
- Accountability and transparency: clear rules on remuneration, leave and behavior, thereby supporting the sustainability initiative for a fair and equal working environment.
- Proactive conflict prevention: clearly defined employee rights and responsibilities promote a harmonious working environment and reduce the risk of potential conflicts, misunderstandings and discrimination.
- Sustainable development: employee engagement and satisfaction measurements, thereby promoting the achievement of DelfinGroup's sustainable development goals with satisfied and happy employees.

At DelfinGroup, five positions ensure a safe and secure working environment for the employees of 89 subsidiaries and administration, in accordance with the internal regulatory documents on health and safety:

Facility manager	Head of Security	Human Resources Administration and Wellbeing Lead	Occupational Safety Officer	Information Security Manager
Area of responsibility: Infrastructure security	Area of responsibility: Physical Security	Area of responsibility: Mental Safety	Area of responsibility: Safe working environment	Area of responsibility: Information Security

In 2024, the health and safety management system covered all DelfinGroup employees. There were no deaths due to work-related injuries and illnesses, and no work-related ill health.

In 2024, all DelfinGroup employees had SEESAM health insurance policies.

WORK-LIFE BALANCE INDICATORS	Women, Number	%	Men, number	%
Employees entitled to family-related leave	141	65	80	53
Employees entitled to family-related leave who took leave*	127	59	67	44

* maternity, paternity, parental leave

The gender pay gap in 2024 was: 14% at the management level, 19% at the specialist level. Compared to DelfinGroup's 2023 gender pay gap of 30% and the financial sector's 2024 gender pay gap of 29.5%⁷ DelfinGroup has achieved a significant improvement in gender pay equality.

OPTIMISATION AND EFFICIENCY OF THE HUMAN RESOURCES MANAGEMENT PROCESS

DelfinGroup optimizes Human Resources management by using the advantages of digital technology in the HOP self-service portal. The portal offers two important benefits: time savings and employee satisfaction due to the consolidation of personnel information in one place, ensuring the availability of daily support processes in a digitally standardized form and facilitating coordination and approval processes.

SOCIAL RESPONSIBILITY

DelfinGroup is actively involved in the promotion of the fintech industry and knowledge transfer:

- Fintech Latvia Association, Fintech Breakfast and Fintech Academy events.
- In April 2024, DelfinGroup, in cooperation with the Fintech Latvia Association, organised an international fintech hackathon "Open FinHack" for innovative and secure financial services. The hackathon was attended by 231 participants from 38 countries.

DelfinGroup representatives participate in expert groups organised by Fintech Latvia Association - Consumer Lending, Public Relations, Personal Data Protection, Prevention of Money Laundering and Financing of Terrorism and Proliferation, Finance and Tax.

As part of its social responsibility initiatives, DelfinGroup donates funds to the Latvian Association of Senior Communities and its employees participate in voluntary activities at social care centres. The long-term goal of the partnership is to improve the quality and conditions for seniors and to expand their opportunities in the long term.

⁷ Differences in average gross hourly earnings of women and men by type of activity in October (%) - Type of activity (NACE Rev. 2) and Time period. PxWeb

AFFECTED COMMUNITIES

Fintech Latvia Association

DelfinGroup cooperates with Fintech Latvia Association in the following sustainability areas - Fintech industry lobby and regulation (G), Fintech industry image and reputation (E, S, G) and Cooperation and knowledge sharing (E, S, G).

2024:

- DelfinGroup was one of 30 representatives of the industry ecosystem in Latvia that provided opinions and proposals for the development of the Latvian Fintech Strategy [BFC PUBLISHED A STUDY ON THE LATVIAN FINTECH STRATEGY - Finance](#).
- On January 25-26, 2024, at the first Fintech Leaders Academy "Empowering Excellence," we shared our experience in establishing compliance and internal control systems, creating effective management structures, and managing risk.

Riga School of Economics

DelfinGroup cooperates with Riga School of Economics in the area of sustainability Financial Management Competences - Fintech Business Models, Fintech Regulation and Fintech Business Idea Development (G).

Within the framework of an EU Recovery and Sustainability Mechanism funded project, DelfinGroup in cooperation with Riga School of Economics and the Baltic Finance Centre of RTU Riga Business School has developed a set of courses offering academic FinTech business education courses at Bachelor and Master level - [Education – Finance. Faculty Members Invited to Apply for New FinTech Business Education Program - Riga Business School](#). By the end of 2024, faculty members from 11 higher education institutions (29 lecturers) and 72 students have completed a 50-hour course and obtained qualifications in specialized thematic areas: "Formulation of Innovative FinTech Business Ideas," "FinTech regulation - understanding compliance requirements" and "Innovative and sustainable FinTech product development".

Latvian Association of Senior Communities

DelfinGroup cooperates with the Latvian Association of Senior Communities in the sustainability areas of Financial Literacy (E, S), Social Responsibility and Inclusion (E, S) and Quality of Life (S).

In 2024:

- 44 members of the Latvian Association of Senior Communities were educated [LASC launches a campaign to inform seniors about scammers](#).
- Organized DelfinGroup employee volunteer work at the Zemgale Social Care Center in Ozolnieki municipality.
- In 2024, DelfinGroup made a donation of EUR 45 000 to improve the environment in 50 day centres in Latvia and to purchase medical equipment for care centres and other institutions housing seniors. A greenhouse was donated to LSKA and various events promoting experience exchange and community strengthening throughout Latvia were supported.



Mediāna

DelfinGroup cooperates with the only regular TV programme in Latvia on economics, business and finance "Mediāna" in the following sustainability areas.

In June 2024, DelfinGroup became a [general sponsor of Mediāna](#).

Mediāna has 38 programmes in its repository with an average airtime of 60 minutes with five to six industry experts, 2020 followers with availability on Facebook, Instagram, Spotify and broadcast every Monday at 21.30 on TV4.

- Mediāna - S04E25 (03/03/2025) [36:37](#) - "Capital market development in Latvia" - interview with the Chairman of the Board of DelfinGroup. Reach - 859 views, 35 likes.
- Mediāna - S04E02 (23/09/2024) [02:02](#) - DelfinGroup successfully closes its bond listing. Reach - 12,374 views, 285 likes.
- Mediāna - S04E09 (11/11/2024) [17:42](#) - Report from the Baltic Capital Market Conference. A conversation with the Head of Investor Relations and Treasury at DelfinGroup. Reach - 18,123 views, 255 likes.



CONSUMERS AND END-USERS - CUSTOMERS

DelfinGroup's respectful attitude towards each customer is characterised by:

- Two of DelfinGroup's four values - Customer Focus and Respect [DelfinGroup | Company](#)
- Consistent daily actions and communication with customers under the customer service principles set out in the [Customer Service Policy](#)
- A range of financial services contributing to reducing social exclusion and discrimination ([Equality, Diversity and Inclusion Policy](#))
- On-site access to services in Latvia at 89 branches in all regions
- Access to services remotely - mobile application, [Home | Banknote.lv](#), telephone, i-pawnshop, [shop.banknote.lv](#)

DelfinGroup customer service principles:



Integrity - Respect - Tolerance - Confidentiality



Ease of access to services and positive attitude



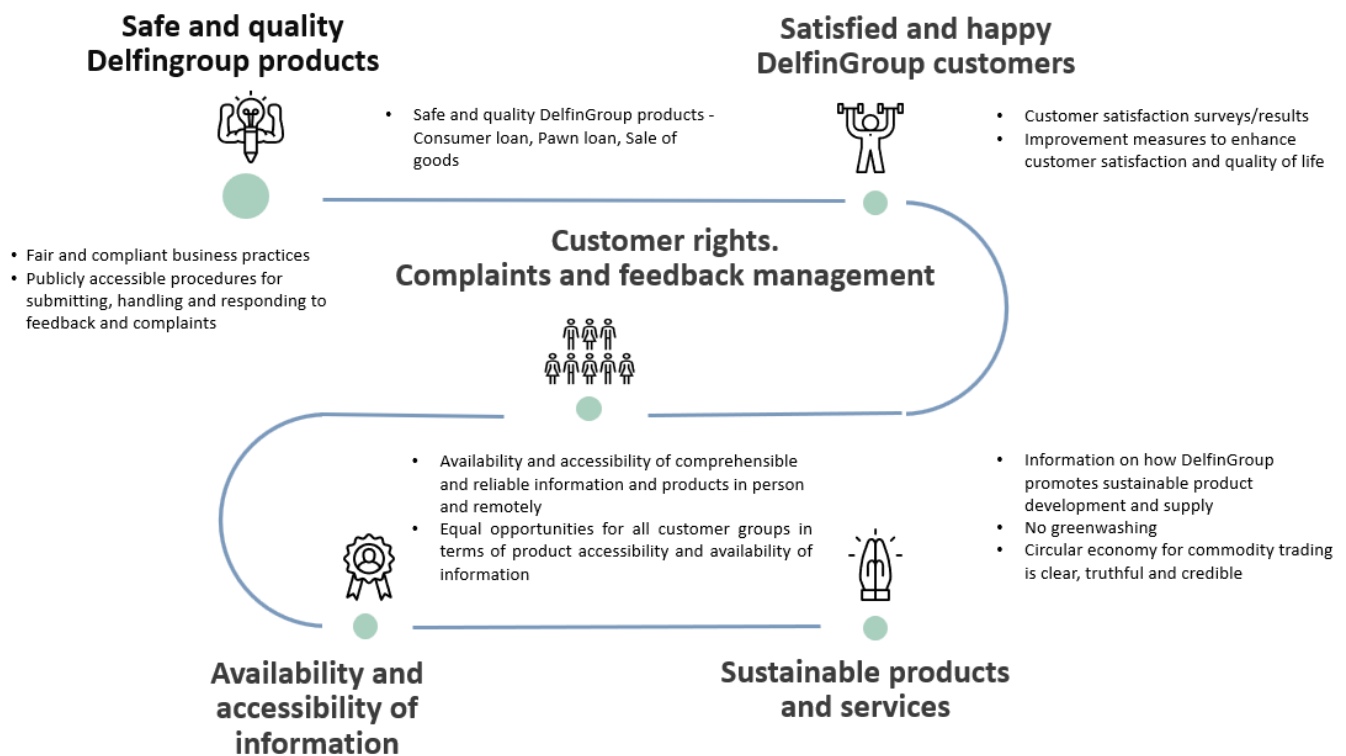
Care - Efficiency - Quality



Immediate response through communication and contact in cases where it is challenging to request/receive services

Commitment to "gaining and maintaining customer trust" and proof of practical action with a certified and maintained quality management system (ISO 9001), implementing a secure environment for our services with a certified information security management system (ISO 27001). Customer focus with clear and understandable principles set out in our Customer Service Policy and a consistently high level of service quality.

The Roadmap reflects a long-term, stable, and cooperative relationship with customers, building DelfinGroup's reputation and image as a responsible steward.



CUSTOMER ENGAGEMENT ASSESSMENT

According to the services provided by DelfinGroup, we have divided our customers into four groups: 1. Individuals (Pawn loan and purchase of goods), 2. Individuals (Consumer loan), 3. Individuals (Retail of pre-used goods), 4. Senior citizens.

Materiality criteria	Individuals (Pawn loan/ purchase of goods)	Individuals (Consumer loan)	Individuals, registered (Retail of pre-used goods)	Senior citizens
Type and frequency of engagement	<ul style="list-style-type: none"> customer base - service provision (daily) financial inclusion with access to financial resources (daily) feedback and recommendations (as required) use of digital solutions – i - pawnshop (daily), pardod.banknote.lv (daily) 	<ul style="list-style-type: none"> customer base - applications (daily) financial inclusion with access to financial resources (daily) Feedback and recommendations (as required) use of digital solutions - mobile app, online channel, telephone (daily) 	<ul style="list-style-type: none"> participation in the circular economy and sustainable consumption (daily) offering a range of quality products at competitive prices (daily) geographical coverage and accessibility - convenient and accessible location (daily) feedback and recommendations (as required) use of digital solutions - online shop (daily) 	<ul style="list-style-type: none"> customer base - application for consumer loans (daily) financial inclusion through quality of life and financial stability, microcredit for a specific group of customers up to 85 years of age social responsibility - reduced total cost of a loan education and financial literacy - feedback and recommendations (as required)
Areas of interest of cooperation in sustainability areas relevant to the stakeholders (E, S, G)	<ul style="list-style-type: none"> Improved quality of life (S/E) Responsible consumption (S/E) Product quality and safety (S/E/G) Use of digital tools (S/E) 	<ul style="list-style-type: none"> Improved quality of life (S/E) Responsible consumption (S/E) Product quality and safety (S/E/G) Use of digital tools (S/E) 	<ul style="list-style-type: none"> Improved quality of life (S/E) Responsible consumption (S/E) Action on climate change (S/E) Product quality and safety (S/E/G) Use of digital tools (S/E) 	<ul style="list-style-type: none"> Improved quality of life (S/E) Responsible consumption (S/E) Social responsibility (S) Financial literacy (S/G) Product quality and safety (S/E/G)
Collaboration/engagement performance indicator (KPI) and result indicator (RES)	<ul style="list-style-type: none"> KPI "Improved quality of life" RES Improved quality of life for 56580 customers - 220459 transactions concluded for 25.6 million EUR KPI "Number of valid complaints" RES 17 valid complaints about pawn loan KPI "Market dynamics over 3 years" RES Increase in pawn loan portfolio by 49.5% in 2024. 	<ul style="list-style-type: none"> KPI "Improved quality of life" RES Consumer loans issued in the amount of 79.1 million EUR KPI "Number of valid complaints" RES One Valid complaint on a consumer loan 	<ul style="list-style-type: none"> KPI "Improved quality of life with a second chance for goods" RES Best-selling product categories in EUR (including VAT): Gold products - EUR 5.2 million, Mobile phones - EUR 4.8 million, Laptops - EUR 1.1 million. RES Total number of items sold - 220 946 KPI "Number of valid complaints" RES 15 valid complaints about the shop/online shop KPI "Product offer in the online store" RES Proportion of the online shop's offer of goods to the total offer of goods - 80% KPI "Competitiveness of the online shop" RES Share of online shop purchases % of total retail portfolio - 20% 	<ul style="list-style-type: none"> KPI "Improved quality of life for seniors" RES Number of consumer loans issued to seniors 19.2 thousand consumer loans for EUR 9.2 million KPI "Financial literacy" RES Information and educational activities, 20.03.2024 Senior citizens awareness campaign on fraud for 44 participants
Involvement of the stakeholder in decision-making	<ul style="list-style-type: none"> Feedback Valid complaints 	<ul style="list-style-type: none"> Feedback Valid complaints 	<ul style="list-style-type: none"> Feedback Valid complaints 	<ul style="list-style-type: none"> Feedback Valid complaints

CUSTOMER PRIVACY. DATA SECURITY

CUSTOMER PRIVACY	DATA SECURITY
<p>DelfinGroup's policies and practices focus on the security of personal data. The basic requirements and principles are set out in the Privacy Policy, risks and threats are managed through internal controls:</p> <ul style="list-style-type: none"> • Project Management. Security and privacy are part of the life cycle of projects and products as defined in the Information Security Policy. • Internal Audit. General Data Protection Regulation (GDPR) process management audit carried out. • Professional expert. Personal data protection specialist engaged. • Data storage. DelfinGroup stores personal data in accordance with the requirements of regulatory requirements. 	<p>To protect resources from external, internal, deliberate, or accidental threats DelfinGroup:</p> <ul style="list-style-type: none"> • An information resource risk assessment has been carried out for 44 business-critical internal and external resources. • An internal audit of the information security management system has been conducted. • An information security management system compliant with ISO 27001 standard "Information technology. Security techniques. Information security management systems. Requirements" was implemented in 2024 and certified in early 2025. • Non-compliances related to the use of information technology are managed and analysed monthly. • A centralised risk assessment approach to manage the security of customer data is used under the Risk Management Policy.

CUSTOMER SATISFACTION SURVEYS

We have researched customer satisfaction with the services received using various methods to improve DelfinGroup's services and products.:

- banknote.lv customer satisfaction with consumer loans - application, repayment process, convenience, simplicity, availability in case of late payments, ease of use of website.
- Regular research of customer habits in the banknote.lv online environment, using anonymised recordings to detect problems in the speed of systems and the positioning of all graphical elements.
- Regular survey of online consumer loan customers, obtaining evaluations and comments on the service received.
- Survey of online shop customers to identify and improve the customer shopping experience.
- Evaluation of the online shop customer experience through regular and anonymous analysis of Microsoft Clarity customer records.
- DelfinGroup and Banknote recognition research (December and July).
- Purchase of pre-owned goods survey - [Survey: 24% would prefer buying pre-owned over new – Announcements – DelfinGroup](#).
- Survey on the use of warranty - [85% of residents of Latvia keep their receipts for warranty purposes – Announcements – DelfinGroup](#).

COMPLAINTS AND FEEDBACK MANAGEMENT

DelfinGroup has established a uniform procedure with a systematic customer-oriented approach for the management of complaints and feedback following the requirements of ISO standard 10002:2018. Centralised communication channel sudzibas@delfingroup.lv - complaints received from all channels (telephone, online, verbal, face-to-face) are collected in one place in a centralised logging and analysis tool. The time limit for investigating, resolving, and providing feedback to the customer shall not exceed 15 days.

DelfinGroup compiles monthly analytics on the timeliness of complaint resolution, regional analysis, and cumulative trends over the year. The results are communicated to the Management Board and the Regional Managers.

The procedure for the submission and handling of complaints and feedback is publicly available on the website, and any interested party has the opportunity to use the [Whistleblower channel](#).

In 2025, the area for improvement is "Customer service and quality", with 27 cases relating to the review of customer service principles and the value system.

Non-conformity management mechanisms are embedded in all core business processes, described in internal regulatory documents, ensuring that employees have good access to information on how to act in non-standard situations.



ACCESSIBILITY

In 2024, an in-depth study was carried out on the measures to be developed in line with the [Law on Accessibility of Goods and Services](#).

Ramps provide access for people with reduced mobility to premises where the first floor is raised: Gulbene, Rīgas iela 36; Limbaži, Rīgas iela 7; Balvi, Brīvības iela 57; Bauska, Salātu iela 29; Rīga, Jūrmalas gatve 30; Daugavpils, 18. novembra iela 11; Liepāja, Lielā iela 4.

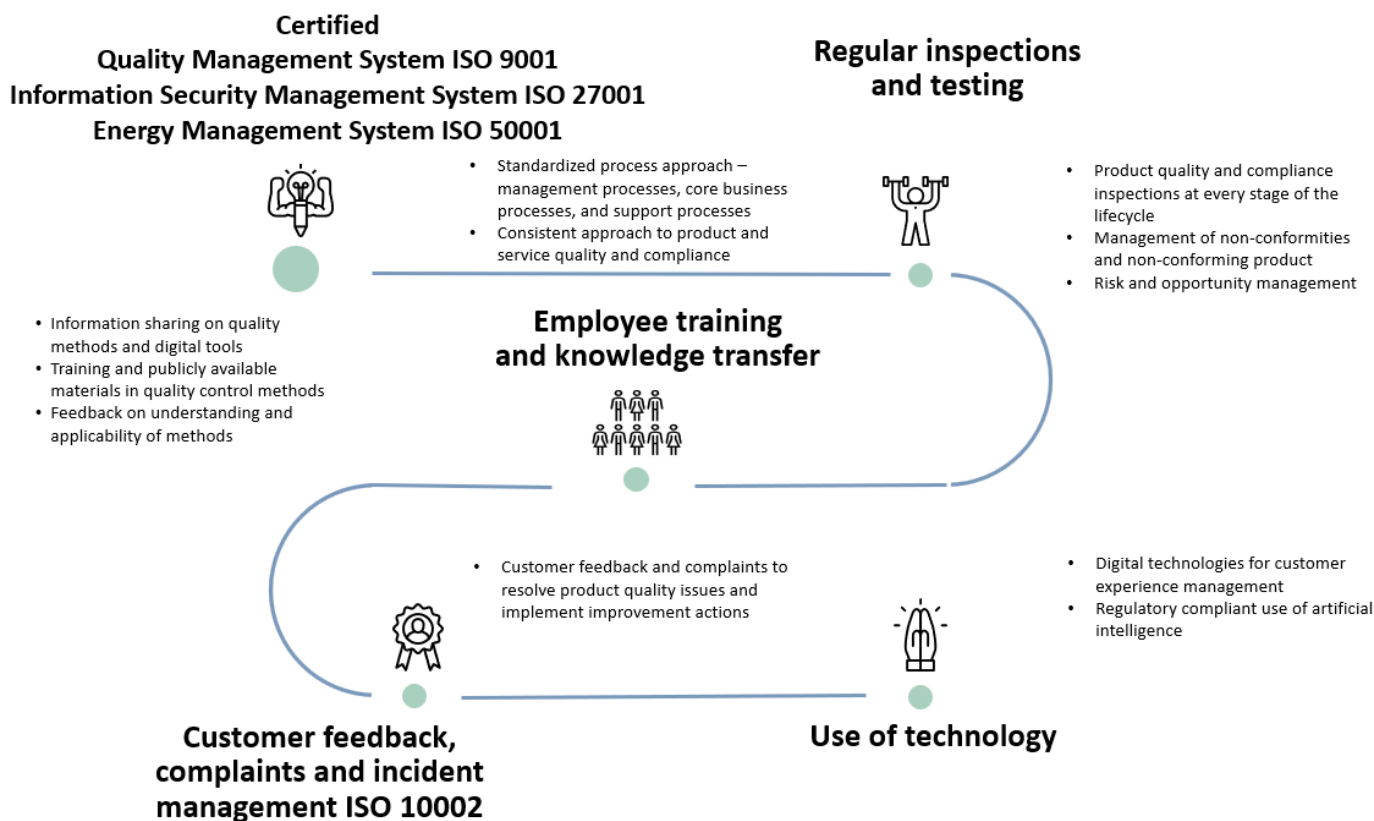
The 2025 budget plans to include infrastructure accessibility construction for branches in Cēsis, Dobele, and Kuldīga.

Digital access to information: In 2025, simultaneously with the implementation of the requirements of [the Law on Accessibility of Goods and Services](#), it is planned to ensure digital accessibility of DelfinGroup resources (website, mobile apps) for people with functional disabilities.



SAFE AND QUALITY PRODUCTS

The roadmap reflects the principles by which DelfinGroup, with its certified and maintained integrated management system and the internal regulatory documents, responsibilities, tools and methods defined within it, ensures safe and quality products.

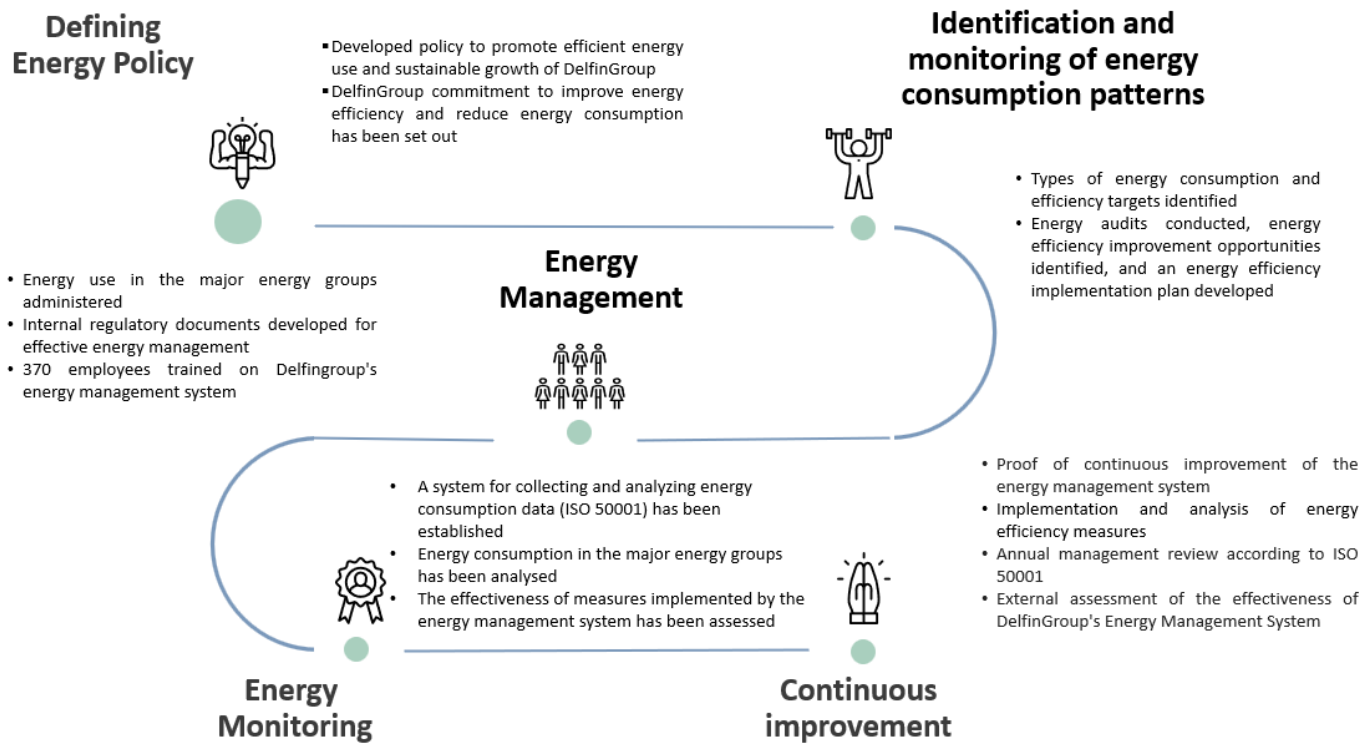


RISKS, OPPORTUNITIES, IMPACTS

RISK		IMPACT
OPPORTUNITY		
RISK	Inadequate accessibility of digital resources (website, mobile app) for people with functional disabilities	<ul style="list-style-type: none"> Human rights violation - inaccessibility can be considered a human rights violation as it limits the ability of people with disabilities to exercise their right to equal access. Violation of regulatory acts – potential customer complaints about the compliance of DelfinGroup's activities with the requirements of the Law on Accessibility of Goods and Services.
OPPORTUNITY	Ensuring accessibility requirements and compliance of websites	The Simplified Web Accessibility Assessment Guidelines will be used to meet the requirements.

SUSTAINABLE ENERGY MANAGEMENT

DelfinGroup's certified energy management system compliant with ISO 50001⁸ is a tool for rational and efficient energy use and increased competitiveness, as well as confirmation that the company's operations are based on the principles of sustainable development. The roadmap sets out the main principles of DelfinGroup's energy management system.



Cabinet Regulation No 660 of 18 October 2022 "Energy Efficiency Monitoring Regulations" requires DelfinGroup to collect information on energy efficiency improvement measures for large companies⁹, as well as the obligation to record the energy savings achieved to meet national energy efficiency targets.

The evidence for the maintenance and continuous improvement of the certified energy management system was provided by the surveillance audit conducted by Bureau Veritas Latvia Ltd. in October 2024 and the Sustainable DelfinGroup Integrated Management System Report 2024 [DelfinGroup | Company](#).

The DelfinGroup Energy Management System Climate Change Mitigation¹⁰ Transformation Plan or Action Plan sets out short and long-term energy efficiency measures for 2023-2025 to reduce or eliminate the causes and impacts of climate change.

2024 BEHAVIORAL CHANGE MEASURES (short-term)	2024-2025 TECHNOLOGY/ INFRASTRUCTURE IMPROVEMENT OR REPLACEMENT ACTIONS (long-term).
<ol style="list-style-type: none"> Lighting Air conditioning Use of heating appliances Office equipment Household appliances Branch welfare project, in which 43 branches were equipped with new energy-efficient kitchen equipment and appliances Efficient use of natural resources: reduction in water consumption compared to baseline was -0.01 m³per m² Employee training: Energy Management System training and testing in 2024 – 374 employees 	<ol style="list-style-type: none"> Maintenance and continuous improvement of the energy management system Control and reduction of energy consumption in buildings Use of renewable energy resources. In 2024, DelfinGroup consumed green electricity in 44 branches and at the DelfinGroup office at Skanstes iela 50A, which is one of the largest consumers of electrical energy. Educational activities for employees on energy efficiency and climate issues

⁸ LVS EN ISO 50001:2018 Energy management systems. Requirements and guidance for use (ISO 500001:2018).

⁹ A large enterprise is an enterprise which employs more than 249 persons or has an annual turnover in the accounting year exceeding EUR 50 million and an annual balance sheet total exceeding EUR 43 million. A company is included in the list of large companies if it meets the criteria of a large company for two consecutive accounting periods

¹⁰ Climate change mitigation is action taken to reduce or eliminate the causes and impacts of climate change. It includes a variety of strategies such as reducing greenhouse gas emissions, using renewable energy sources, improving energy efficiency

ENERGY CONSUMPTION

Energy consumption is monitored, measured and analysed in accordance with the provisions of the internal regulatory document "Energy use in the company's business units" for three energy groups: electricity, heat energy, fuel energy.

By assessing the 2024 results of the three groups of energy consumption indicators and comparing them with the 2023 data:

ENERGY TYPE	MWh 2023	2023 %	MWh 2024	2024 %
Electricity	641.05	38.16	780.53	44.00
Heat energy ¹¹	560.00	33.34	637.12	35.92
Fuel energy (DelfinGroup vehicles)	164.91	9.82	200.04	11.28
Fuel energy (vehicles in use)	313.59	18.68	156.13	8.80
Total	1679.50	100%	1773.82	100%

ELECTRICITY	HEAT ENERGY	FUEL ENERGY
<ul style="list-style-type: none"> In 2024, electricity consumption of 780.53 MWh increased by 139.48 MWh compared to 2023. The increase in consumption can be explained by the installation of additional lighting in branch shop windows and the switch from wood heating to electric heating in four branches. In 2024, 45 facilities were using green energy, which ensures that the electricity consumed is obtained from renewable energy sources. 	<ul style="list-style-type: none"> In 2024, heat energy consumption of 637.12 MWh increased by 77.12 MWh compared to 2023. The increase in consumption is explained by the temperature variation in 2024 and the increase in the property area managed by DelfinGroup. 	<ul style="list-style-type: none"> Fuel energy consumption for DelfinGroup vehicles in 2024 increased by 35.13 MWh compared to 2023, which is due to intensive use of vehicles for the opening of new branches and renovation of existing branches. Fuel energy consumption for vehicles in use decreased by 157.46 MWh compared to 2023.

GHG EMISSIONS

Latvia has developed a unified greenhouse gas (GHG) emission calculation methodology for assessing the impact of activities and projects on climate change, as stipulated by Cabinet Regulation No. 42 of 23 January 2018, "Methodology for Calculating Greenhouse Gas Emissions". DelfinGroup uses the GHG emissions calculator of the Climate Change Portal to calculate emissions from different types of energy.

EMISSIONS FOR HEAT ENERGY	EMISSIONS FOR ELECTRICITY	EMISSIONS FOR FUEL ENERGY
<ul style="list-style-type: none"> In 2024, total consumption 637.12 MWh. The GHG emissions are calculated using the emission factor method¹² and applies the 2023 emission factor for heat energy of 0.0721 tCO₂/MWh¹³ GHG emissions for heat 45.93 tCO₂. 	<ul style="list-style-type: none"> In 2024, total consumption 780.53 MWh The GHG emissions are calculated using the emission factor method¹³ and applies the 2023 emission factor for electricity of 0.0451 tCO₂per MWh. GHG emissions for electricity 35.20 tCO₂ 	<ul style="list-style-type: none"> For the calculation of GHG emissions, the Latvian fuel emission factor for 2023 is used¹⁴: In the Latvian energy balance for 2023, the fuel emission factor for diesel is 2.67 kg CO₂/l, for petrol 2.31 kg CO₂/l GHG emissions for petrol 8.21 tCO₂ GHG emissions for diesel 113.16 CO₂

In 2024, total GHG emissions have decreased to 202.5 t CO₂, which, compared to 2023 GHG emissions of 218 t CO₂, is 15.5 t CO₂ (7%) less, due to a significant reduction in diesel fuel consumption for vehicles in use.

¹¹ Thermal energy is accounted for separately for only a part of the facilities. The overall consumption data consists of a calculation of the average consumption of heat energy per 1m² accounted for, related to the total floor area of the installations.

¹² The emission factor method is one of the main methods used to calculate greenhouse gas (GHG) emissions. This method involves applying an emission factor to a specific activity, such as electricity consumption or fuel combustion [Methodology for calculating GHG emissions | Ministry of Climate and Energy](#)

¹³ Ministry of Climate and Energy CO₂emission factor for heat produced in Latvia in 2023 <https://www.kem.gov.lv/lv/siltumnieciska-gazu-emisiju-aprekina-metodika>

¹⁴ Latvian energy balance for 2023 with fuel emission factors available on the Central Statistical Bureau website (emission factors for 2024 not yet available) [Latvian energy balance 2023 | Official Statistics Portal](#)

RISKS, OPPORTUNITIES, IMPACTS

Significant climate-related risks may affect DelfinGroup's financial position, the implementation of its policies, the attraction of specific knowledge and its reputation.

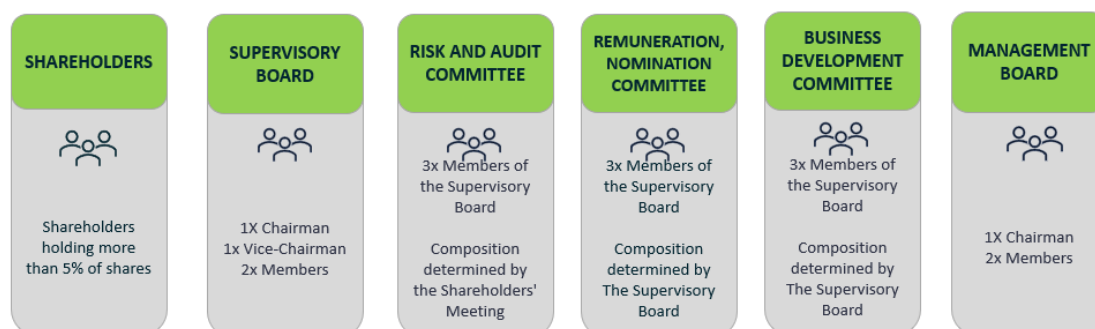
RISKS OPPORTUNITY		IMPACT
RISK	Participants in the supply chain of the product life cycle are not fully identified and analyzed	<ul style="list-style-type: none"> • Risk of disruption of supply operations and decreased delivery efficiency – insufficiently managed supplier selection may result in delivery delays, longer delivery times for goods/services, and additional burdens in the form of unforeseen costs. • Increased costs – additional costs related to delivery interruptions, quality issues and the necessary to search for alternative suppliers. • Reputation risk - disruptions in the supply chain may create reputation risks that affect DelfinGroup's market value and customer confidence..
RISK	Sustainability goals are not being met, and customer satisfaction and loyalty are declining	<ul style="list-style-type: none"> • If supplier selection is not based on sustainability and/or green public procurement criteria, this may affect DelfinGroup's ability to achieve its sustainability goals, such as reducing carbon emissions or using environmentally friendly materials. • Reduced income – if DelfinGroup receives substandard services from an unreliable supplier, it may fail to meet the customer's expectations regarding service quality and reliability, as a result of which the customer may choose an alternative service provider.
OPPORTUNITY	Improvement of the procurement process	<ul style="list-style-type: none"> • Improvement of the procurement process with transparent and traceable supplier selection and clearly defined green public procurement principles.
RISKS	Gaps in historical energy management data	<ul style="list-style-type: none"> • The electricity baseline indicator, which is used to assess and analyze energy consumption over time, has not been revised, thus creating a risk of inaccurate and incomparable information on energy consumption and emissions. • Reduced capability to validate data and make data-driven decisions
OPPORTUNITY	Development of methodology for centralized energy management data collection	<ul style="list-style-type: none"> • Use the indicators set by the Ministry of Climate and Energy to establish the baseline for a specific year.

CORPORATE GOVERNANCE

CORPORATE CULTURE AND GOVERNANCE MODEL

DelfinGroup's environment, which is built on trust, clear division of duties and responsibilities, financial stability and responsible business practices, supporting stronger growth and a more inclusive society, is defined by the [Corporate Governance Policy](#).

DelfinGroup's activities are carried out by the Shareholders' Meeting, the [Supervisory Board](#), the Supervisory Board Committees: [Risk and Audit Committee](#), [Remuneration and Nomination Committee](#), [Business Development Committee](#) and the Management Board.



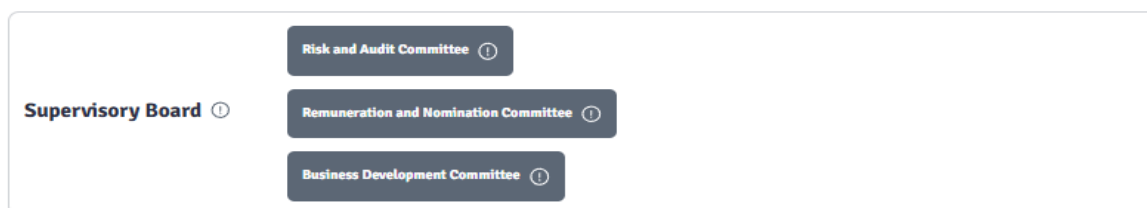
INSTITUTION	NUMBER OF MEETINGS	NUMBER OF DECISIONS
Shareholders' Meeting	5	15
Supervisory Board	13	141
Risk and Audit Committee	12	84
Remuneration and Nomination Committee	8	115
Business Development Committee	11	48
Management Board	37	233

ORGANISATIONAL STRUCTURE

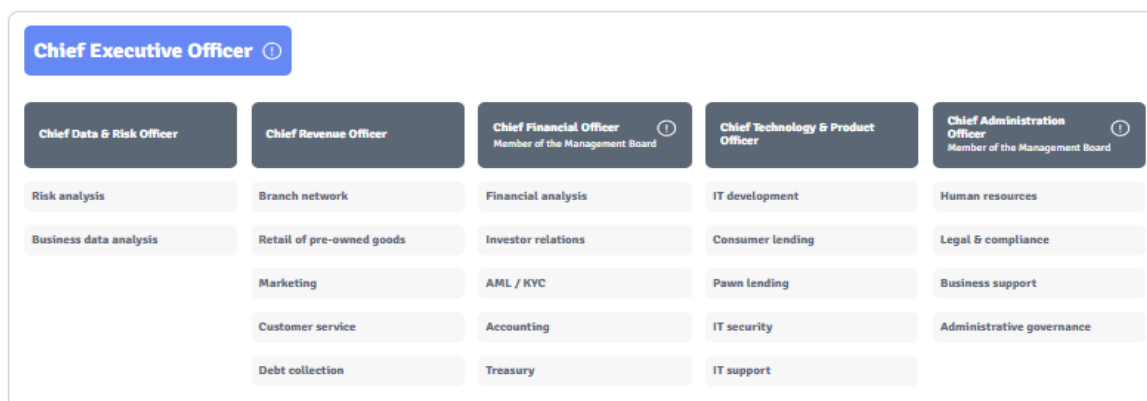
The organisational structure of DelfinGroup is tailored to the specific nature of its activities and the distribution of necessary knowledge and skills, including responsibilities and powers. The structure covers mutual relationships and establishes a hierarchy for delegation and supervision.

Based on a thorough analysis of processes and with the aim of helping to achieve the company's long-term strategic goals for 2023-2025, changes were made to the structure of DelfinGroup in the summer of 2024.

Shareholders



Management Team



SHAREHOLDERS

On December 31, 2024, DelfinGroup had 9,266 registered shareholders. The majority of shareholders are individuals from the Baltic States. DelfinGroup shares are listed on the Baltic Official List of Nasdaq Riga with ISIN code LV0000101806. Shareholders are entitled to one vote for each share they hold. As of December 31, 2024, a total of 45 406 435 shares had been issued. The agenda of the Shareholders' Meetings and the resolutions adopted are publicly available on [DelfinGroup | Shareholders' Meetings](#). A detailed shareholder structure is available on [DelfinGroup Annual accounts and Consolidated Annual accounts for the year 2024](#) on page 16.

5 shareholders' meetings were held in 2024.

SUPERVISORY BOARD

The agenda of the Supervisory Board is determined by [the Regulations of the Supervisory Board](#).

Candidates for independent Supervisory Board members are selected in an openly transparent process based on criteria of professionalism and competence. The selection of candidates for independent Supervisory Board members is carried out by the Remuneration and Nomination Committee with the assistance of an external consultant. Supervisory Board members are appointed and dismissed by the shareholders' meeting.

In compliance with the OECD Principles of Corporate Governance, the Supervisory Board must have a sufficient number of independent members to ensure objectivity and prevent conflicts of interest – two of the four members of the DelfinGroup Supervisory Board are independent.

The criteria for independence of the Supervisory Board members are established in accordance with the Latvian Corporate Governance Code ([Supervisory Board independence criteria](#)).

The term of office of the members of the Supervisory Board is until 30 March 2026.

In 2024, the composition of the Supervisory Board was changed from 5 to 4 members.

13 meetings of the Supervisory Board were held in 2024.

Main decisions of the Supervisory Board

- The Head of Internal Audit was appointed, who is functionally independent from the Management Board and reports directly to the Supervisory Board.
- 7 key DelfinGroup policies have been approved - National and International Sanctions Risk Management Policy, Policy for the evaluation of the member of the Management Board responsible for AML/CFT and responsible persons, Corporate Governance Policy, Dividend Policy, Market Abuse Prevention Policy, Code of Ethics and Whistleblowing Policy.
- Approved interim financial statements, annual report, corporate governance report and remuneration report.
- Approved individual and collective targets for members of the Management Board with regular quarterly monitoring of their implementation.
- Reviewed the principles for bonus payments to members of the Management Board.
- 2024 budget reviewed with regular quarterly monitoring.
- DelfinGroup strategy 2025-2027 approved.
- DelfinGroup budget for 2025 approved.

Name Surname	Position	Term of office	Representation on Supervisory Board committees
Agris Evertovskis	Chairman of the Supervisory Board	13.04.2021. - 30.03.2026.	
Gatis Kokins	Independent Member of the Supervisory Board	13.04.2021. - 30.03.2026.	Chairman of the Risk and Audit Committee
Mārtiņš Bičevskis	Independent Member of the Supervisory Board	13.04.2021. - 30.03.2026.	Chairman of the Remuneration and Nomination Committee
Jānis Pizičs	Member of the Supervisory Board	13.04.2021. - 30.03.2026.	Chairman of the Business Development Committee
Edgars Vojskis	Independent Member of the Supervisory Board	13.04.2021 - 22.05.2024	Chairman of the Risk and Audit Committee (until 22.05.2024)

The performance of the Supervisory Board in line with the principles of decent and diligent management is provided in the DelfinGroup [Corporate Governance Report](#), detailing the activities, decisions and achievements of the Supervisory Board in 2024. The report is based on the requirements of Section 56.²(2) of the Financial Instrument Market Law and the requirements of the Corporate Governance Code of the Corporate Governance Advisory Council of the Ministry of Justice of the Republic of Latvia for 2020.

RISK AND AUDIT COMMITTEE

The agenda of the Committee is determined by [the Charter of Risk and Audit Committee](#).

The Committee is responsible for protecting the interests of shareholders in relation to the preparation and audit of DelfinGroup's annual reports, the effectiveness of internal control, risk management and internal control systems, and sustainability.

On an annual basis, the Committee:

- conducts a self-assessment with the aim of reviewing and evaluating whether the Committee has performed all the functions set out in the Charter.
- Prepares a report to the Supervisory Board on the results of the annual self-assessment, as well as any identified concerns and recommendations, insofar as they relate to matters within the Committee's area of responsibility.

In 2024, 12 meetings were held and 84 decisions were adopted.

Main decisions of the Committee

- Agreed and supported the submission of key policies for approval by the Supervisory Board.
- Internal Audit Plan for 2025 approved, Internal Audit Policy agreed for submission to the Supervisory Board for approval.
- Proposals for risk mitigation in internal regulations by establishing a twice-yearly survey of high-risk partners.
- Reviewed internal and external audit reports for 2024.
- Monitoring the implementation of audit recommendations on a quarterly basis.
- Risk management reports reviewed twice a year.
- Proposals were submitted to the Management Board for optimising the costs of financial statement audit services.

REMUNERATION AND NOMINATION COMMITTEE OF THE SUPERVISORY BOARD

The agenda of the Committee is determined by the [Charter of Remuneration and Nomination Committee](#).

The Committee supports the Supervisory Board in its oversight role with regard to the selection, evaluation and motivation of members of the Management Board and the head of the audit function, the implementation of DelfinGroup's Human Resources and Remuneration Policy, and supports the Chairman of the Management Board in the recruitment process for managers reporting directly to him.

On an annual basis, the Committee:

- Evaluates the effectiveness of DelfinGroup's corporate governance structure.
- Quarterly, assesses the individual performance of the members of the Supervisory Board and Management Board and the results achieved against targets.

In 2024, 8 meetings were held and 115 decisions were adopted.

Main decisions of the Committee

- Reviewed the improved organisational structure of DelfinGroup.
- Reviewed the performance indicators (KPIs) of the members of the Management Board and the results to be achieved for the strategic goals.
- Support provided to the Supervisory Board in setting key performance indicators (KPIs) for the 2025 budget.
- Initiated discussions with the Supervisory Board and the Management Board on the assumptions, risks and opportunities for the 2025 budget.
- Reviewed the report on the effectiveness of the ethics and whistleblowing system in DelfinGroup.

BUSINESS AND DEVELOPMENT COMMITTEE OF THE SUPERVISORY BOARD

The agenda of the Committee is determined by the [Charter of Business and Development Committee](#).

The Committee supports the Supervisory Board in its oversight of the development of DelfinGroup's products and business lines and promotes the development and introduction of innovative and profitable new products and services. The Committee assesses significant changes in credit risk policy and processes. The committee approves business forecasts and budgets, monitors product profitability enhancements and new product development, evaluates product scaling strategies, and advises the Supervisory Board on business and product matters.

In 2024, 11 meetings were held and 48 decisions were adopted.

Key decisions of the Committee

- The 2024 budget was endorsed and submitted to the Supervisory Board for approval.
- Monthly budget performance monitoring was implemented.
- Provided advisory support to the DelfinGroup strategy 2025-2027.

MANAGEMENT BOARD

The organizational procedures of the Management Board, the competence, functions, and responsibilities of its members are determined by the Management Board Regulations. The Management Board is the executive body that manages the day-to-day commercial activities of DelfinGroup. Candidates for the Management Board are selected by the Supervisory Board based on criteria of professionalism and competence. Members of the Management Board are elected by the Supervisory Board for a term of five years.

The Management Board organizes its work according to a functional principle determined by the Supervisory Board: each member of the Management Board is responsible for a specific area of activity in according to their professional knowledge, experience and competence in the relevant area of responsibility.

Two members of the Management Board shall have joint representation rights and sign documents.

In 2024, changes were made to the composition of the Management Board.

In 2024, 37 Board meetings were held and 233 decisions were adopted.

Name Surname	Position	Term of office
Didzis Ādmīdiņš	Chairman of the Management Board	Appointed 19.01.2021
Andrejs Aleksandrovičs	Member of the Management Board, Chief Financial Officer	Appointed 18.12.2024
Laima Eižvertiņa	Member of the Management Board, Administrative Director	Appointed 01.04.2025
Nauris Bloks	Member of the Management Board, Head of Innovation	08.06.2023. - 01.04.2025.
Aldis Umblejs	Member of the Management Board, Chief Financial Officer	15.12.2021. - 18.12.2024.
Sanita Pudnika	Member of the Management Board	01.03.2022. - 28.06.2024.

PRINCIPLES FOR DETERMINING THE REMUNERATION OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

Clearly defined principles for the remuneration of the members of the Supervisory Board and the Management Board are set out in [the Remuneration Policy](#), which has been developed by the Management Board, agreed by the Supervisory Board, and approved by the Shareholders' Meeting.

The Supervisory Board sets financial and non-financial targets for the Management Board on an annual basis and reviews the remuneration framework quarterly, approving the variable component for quarterly performance.

The Management Board shall report annually [on the remuneration](#) granted to each current and former member of the Management Board and the Supervisory Board.

The purpose of the remuneration policy is to promote the implementation of DelfinGroup's strategy, sustainability, transparency of financial use, as well as to retain, attract, motivate and develop professional and talented employees, members of the Management Board and Supervisory Board.

PREVENTING CONFLICTS OF INTEREST IN THE ACTIVITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Preventing conflicts of interest in the activities of the Management Board and Supervisory Board ensures that decisions are made objectively and fairly, without the influence of personal or financial interests.

PRINCIPLES FOR THE PREVENTION OF CONFLICTS OF INTEREST	DELFINGROUP POLICY
Each member of the Management Board and Supervisory Board is obliged to prevent any potential or existing conflicts of interest from arising in their activities and to act solely in the interests of DelfinGroup when making decisions	Established principles of good corporate governance, in which DelfinGroup operates to ensure sustainable development, modern and effective management, rational use of company resources, maintenance and increase of value in the long term, ethical, responsible and transparent business practices (Corporate Governance Policy)
Members of the Management Board and Supervisory Board are clearly aware of the manifestations of conflicts of interest and are informed of the necessary actions to be taken in the event of a conflict of interest.	Clear professional ethics principles and related rights, obligations and responsibilities are set out in the Code of Ethics . Conflict of Interest Prevention and Management Policy Section 5 Prevention of conflicts of interest in the activities of the Management Board and Supervisory Board. The possibility to report conflicts of interest is set out in the Whistleblowing Policy
The Supervisory Board shall define the indications of a conflict of interest and establish procedures for the prevention and management of conflicts of interest	DelfinGroup has adopted a Conflict of Interest Prevention and Management Policy , approved by the Supervisory Board, which defines conflicts of interest, principles for their management and prevention, as well as responsibilities and control. The Management Board develops and the Supervisory Board approves a policy for identifying, assessing, managing and controlling risks (including conflicts of interest) associated with DelfinGroup's operations, identify the negative consequences of possible events, and reduce their likelihood and impact (Risk Management Policy).

PRINCIPLES FOR THE PREVENTION OF CONFLICTS OF INTEREST	DELFINGROUP POLICY
The decision-making process must be open and transparent to avoid any suspicion of conflict of interest	To avoid conflicts of interest, DelfinGroup ensures that no employee, member of the Management Board or member of the Supervisory Board participates in the determination of his/her own remuneration (unless the shareholder is a member of the Supervisory Board) – the principle is set out in section 1.2.7 of the Remuneration Policy . The principle of disclosure of information and transparency of operations is set out in paragraph 9 of the Corporate Governance Policy .
Members of the Management Board and Supervisory Board must be independent to ensure objective decision-making.	Members of the Management Board and Supervisory Board who are in a conflict of interest, including potential conflicts, shall not have the right to vote on the decision in question and shall be prohibited from influencing other members of the Supervisory Board or Management Board to adopt a decision favorable to themselves (independence criteria for Supervisory Board members). The assessment of the independence criterion is set out in a traceable and transparent process for the selection of members of the Management Board and Supervisory Board in Section 8 of the Corporate Governance Policy .
Members of the Management Board and Supervisory Board must be accountable for their decisions and be able to justify them in order to ensure trust and integrity.	The Management Board acts on behalf of DelfinGroup and makes all necessary decisions and takes actions in the interests of DelfinGroup to achieve its goals in accordance with the highest standards, including in compliance with the principles of a decent and diligent manager and the requirements of good corporate governance - paragraph 7.4 of the Corporate Governance Policy . The Supervisory Board is the supervisory body of DelfinGroup, which represents the interests of DelfinGroup and all shareholders between shareholders' meetings and oversees the activities of the Management Board within the framework established by the laws and regulations - Corporate Governance Policy 6.1.
Members of the Management Board and Supervisory Board regularly improve their knowledge of how to act in situations involving conflicts of interest.	Upon starting employment with DelfinGroup or another Group company, Employees (including members of the Management Board/Supervisory Board) are informed about the Conflict of Interest Prevention and Management Policy . At least once every three years or within the first year after the commencement of the employment, members of the Management Board and Supervisory Board update their knowledge of current issues relating to conflicts of interest and examples of good practice.

FAIR COMPETITION

INTERNAL CONTROL SYSTEM

The internal control system established by DelfinGroup is a structured approach to ensuring effective management and compliance with regulatory requirements. The internal control system is a tool that helps DelfinGroup conduct fair, transparent, and responsible business activities. The control environment defines each employee's role in the company's overall operations and the main policies for implementing responsible business practices, effective risk management, and control measures to proactively respond to corruption and fraud risks, while information exchange and monitoring ensure that DelfinGroup's activities are in line with ethical and legal requirements.

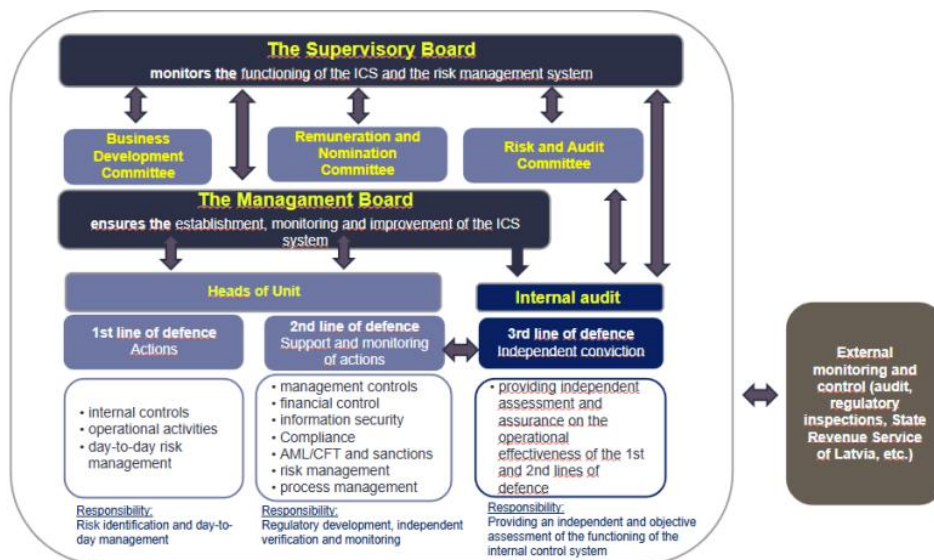
1. Control environment	2. Risk assessment	3. Control activities	4. Information & Communication	5. Monitoring
<ul style="list-style-type: none"> • DelfinGroup structure • Internal regulatory documents • Job descriptions • Human Resources Management Policy • Workplace Regulations • Corporate Social Responsibility Guidelines • Code of Ethics • Internal Audit • Sustainable Integrated Management System Policy • Information Security Policy • Customer Service Policy • Market Abuse Prevention Policy 	<ul style="list-style-type: none"> • Risk management policy • Risk appetite - the level of risk acceptable to the company • Corruption, fraud and conflict of interest risk management • Risk Register • Internal regulatory documents • Compliance, AML and sanctions management - clients, transactions, counterparties, client risk identification 	<ul style="list-style-type: none"> • Internal regulatory documents • Regular financial and management reports • Operational controls • Management of confidential information and information containing trade secrets • Separation of conflicting functions • Dual employment • Management of non-conformities • General information security controls • Compliance and sanctions monitoring • Complaints management 	<ul style="list-style-type: none"> • Internal communication • External communication • Information flows • Data quality - complete, timely and accurate data • Information storage format, channels and tools • Protection of confidential information and information containing trade secrets • Protection of personal data 	<ul style="list-style-type: none"> • Minutes of the meetings of the Management Board, Supervisory Board, and shareholder meetings • Quarterly financial and management reporting • Reports on the performance of risk management • Reporting on the execution of strategy • Risk and Audit Committee minutes • Remuneration and Nomination Committee minutes • Business Management Committee minutes • Internal audit reports • Assessments by external supervisory authorities

The effectiveness of the internal control system is assessed annually by the Head of Internal Audit, who prepares a report for submission to the Risk and Audit Committee and approval by the DelfinGroup Supervisory Board. Compliance and effectiveness assessments of the internal control system elements are integrated into the 2025 internal audit plan in the respective audited area.

RISK MANAGEMENT

The internal control system and risk management are closely linked, as both systems operate together to ensure that DelfiGroup achieves its objectives and operates sustainably. The objective of DelfinGroup's risk management is to identify, assess, manage and control the risks associated with DelfinGroup's operations, identify the potential negative consequences of events, and mitigate their likelihood and impact. The risk culture, management and risk category management are determined by the [Risk Management Policy](#) approved by the Supervisory Board.

The organisational framework for risk management is structured in accordance with the three lines of defence of the internal control system.



Twice a year, DelfinGroup's risk manager submits a report on risks, risk management measures implemented and the execution of risk management policies to the Risk and Audit Committee for review and subsequent approval by the Supervisory Board.

PROCESSING OF PERSONAL DATA

Compliance with the General Data Protection Regulation (GDPR) continued during the reporting period, with no significant changes in the processing of personal data identified. The role of the Personal Data Protection Officer at DelfinGroup is performed by the Head of Legal and Compliance.

A review of the General Data Protection Regulation process management and implementation of recommendations was carried out. In 2024, a Personal Data Protection Officer has been engaged for internal advice and to identify requirements to be included in contracts.

A dedicated focus on the highest quality of customer data security and service is demonstrated by the preparations made in 2024 to ensure compliance of the information security management system with the ISO 27001 standard and readiness to certify the system in 2025.

INTERNAL AUDIT AND EXTERNAL MONITORING

Internal audit is governed by three policies - the [Internal Audit Policy](#), the [Risk Management Policy](#) and the [Corporate Governance Policy](#). The five-year Strategic Plan for Internal Audit of DelfinGroup was approved at the December 2024 by Supervisory Board. Audits are conducted to assess and obtain assurance regarding the DelfinGroup's processes and services, their effectiveness and compliance with the requirements of the ISO 9001 standard and, in the field of energy management, compliance with the requirements of the ISO 50001 standard. In 2024, the approach to integrated audits (COSO & ISO) was changed, combining and streamlining quality inspections with the management of the internal control system.

SUPPLY CHAIN MANAGEMENT

In 2024, a supplier assessment was carried out, reviewing the quality of cooperation with 150 of the most important suppliers. The average rating is 8.05 points (out of 10). Where possible, cooperation with low-rated suppliers will be terminated after establishing cooperation with another alternative supplier.

Based on the assessment data, it can be concluded that mutually beneficial relationships and good cooperation have been established between DelfinGroup and its suppliers, which provides confidence in a well-organized procurement process, well-defined procurement requirements and effective monitoring of supplier performance.

RISKS, OPPORTUNITIES, IMPACTS

The material risks related with the supply chain may affect DelfinGroup's financial position, implementation of policies, leveraging of specific expertise and reputation.

RISK		IMPACT
OPPORTUNITY		
RISK	Procurement policy objectives and practical actions are not fully integrated into the company's supply chain management	<ul style="list-style-type: none">• Financial losses: without proper management of the procurement process, there is no assurance that the company's spending is rational and cost-effective.• Risk of fraud and corruption: insufficient controls may create opportunities for fraud and corruption.
OPORTUNITY	Improvement of the procurement process	Improving the procurement process by applying green public procurement principles would optimize resources and reduce costs, thus ensuring consistent requirements for procurement planning and implementation, transparency in the organization of procurement, and the economical and efficient use of financial resources.



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