

Corporate Sustainability Report

This sustainability report informs interested parties about our progress in generating positive impacts for our business and stakeholders, while mitigating risks related to sustainability issues.

The report has been prepared in compliance with chapter 6, sections 10-14 of the *Swedish Annual Accounts Act* and references the *Ten Principles of the United Nations Global Compact*.

Headquartered in Stockholm, Sweden, Cinnober Financial Technology AB (publ) is the parent company of the Cinnober Group (“**Cinnober**” or “**the Group**”), a leader in the digitalization of the finance industry. Alongside our London-based subsidiaries, Simplitium and Minium, we offer solutions for the entire financial transaction chain, from trade reporting, risk management and post-trade processing to clearing and trading technology. The Cinnober Group also includes holdings within the growing segment of Market Surveillance.

Cinnober’s business model

Cinnober is a leading provider of trading and clearing technology, serving exchanges and clearinghouses globally. Our solutions are used by some of the world’s most demanding financial marketplaces to deliver mission-critical business processes.

The Group’s solutions are based on a proprietary technical platform that we, in close cooperation with our customers, adapt to create a unique solution that meets their high demands for reliability, security, and performance.

From a sustainability perspective, Cinnober’s solutions and the business model that supports their development are intrinsically significant from a sustainability standpoint: a stable, fair, and sustainable global financial ecosystem cannot exist without such solutions.

The following are examples of how our solutions contribute to sustainability in financial markets:

Effective markets

Through functions that enable low latency and high throughput, Cinnober solutions contribute to the efficiency and effectiveness of the market. The solutions process all incoming orders equally and with integrity according to the regulations in force.

Cinnober’s agile development method, which features multiple testable deliverables throughout a delivery project, ensures high quality and delivers 100% uptime. This level of performance is essential to avoid disruptive exchange and financial system outages that erode public confidence in the financial sector and cause vast losses in financial markets.

Equal access to markets

Fair, open, and accessible markets are essential to the development and sustainability of communities throughout the world. Therefore, Cinnober developed the Adaptive Micro Auction, which enables investors to participate in the market, even if they lack modern internet connections.

For more information, see the whitepaper *Using Adaptive Micro Auctions to provide efficient price discovery when access in terms of latency is differentiated among market participants*, available at <https://www.cinnober.com/white-papers/using-adaptive-micro-auctions-to-provide-efficient-price-discovery>

Regulatory compliance, detection of illegal behavior, transparency

The Group's solutions enable our customers to comply with rules such as the European Market Infrastructure Regulation (EMIR), the Markets in financial Instruments framework (MiFID II and MiFIR) and to detect illegal and erroneous behavior in their marketplaces.

In addition, Cinnober's risk management solution provides risk managers with full transparency into all calculations, enabling them to provide data to stakeholders, including regulatory agencies, that discloses all aspects of how risk results were achieved.

Default risk minimized

Cinnober's real-time clearing and risk management solutions feature sophisticated risk algorithms and tools that enable clearinghouses to constantly have an accurate risk exposure and to calculate the collateral required to minimize the risk for default by its members. Setting collateral requirements more accurately minimizes default risks while freeing up collateral resources for use elsewhere in the market.

Sustainability strategy

In addition to providing solutions that contribute to the sustainability of the world's financial ecosystem, Cinnober has developed a strategy to ensure the Group is sustainable in the long-term.

Compliance to regulations and standards

The foundation of the Group's sustainability strategy is our compliance with all relevant regulations, norms, and best practices regarding sustainability in our industry, including the OECD Guidelines for Multinational Enterprises, ILO conventions, and the UN's Universal Declaration of Human Rights. In this report, we present the actions we take to uphold the *Ten Principles of the United Nations Global Compact*.

Chief Compliance Officer

In 2018, Cinnober appointed a Chief Compliance Officer (CCO), who ensures that internal policies, including those related to sustainability, as well as external regulations such as the General Data Protection Regulation (GDPR) and the Market Abuse Regulation (MAR), are followed within the Group.

Policies

For all areas of sustainability addressed in this report, we develop, maintain, and promulgate corporate policies to ensure that we conduct our business in such a way that we fulfill our responsibilities towards our stakeholders and our place in society.

We ensure that staff is aware of and complies with our policies by conducting information meetings and informing staff immediately when policies are introduced or revised.

Culture and values

Culture- and value-driven mechanisms support the business model and sustainability strategy, guiding us as we nurture our relationships with customers and colleagues and reminding us of our commitment to efficient development methods. Cinnober staff is introduced to our culture and values during the interview process and later during orientation activities. All Cinnober staff is expected to embrace and protect our culture and values.

Sustainability According to UN Global Compact Principles

In this section, the term **Cinnober's sustainability risks** refer to risks that arise from the actions of the Group's management and staff during its daily business activities.

People

Businesses should: uphold the freedom of association and the effective recognition of the right to collective bargaining; uphold the elimination of discrimination in respect of employment and occupation. –UN Global Compact Principles 3 & 6

Cinnober shall work in a focused way to promote actions to achieve equal rights and opportunities in the workplace regardless of sex, gender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation, or age. –Cinnober Anti-Discrimination Policy

Our systematic work includes all physical and psychosocial conditions that are important to the work environment. We monitor our work conditions annually to verify and follow up our systematic work environment work. –Cinnober Work Environment Policy

The Group's sustainability risks are related to the fair and equal treatment of staff in terms of salary and opportunities, and the physical and mental well-being of staff. These risks are addressed in this section.

Our most important asset is our employees. While we comply fully with all applicable regulations and norms in all aspects of its labor practices, we always strive to perform to a higher standard than what is required.

Pro-diversity, anti-discrimination

Cinnober has zero tolerance for discrimination. This is clearly stated in our Anti-Discrimination Policy.

We value diversity and cultures from around the world. Employees with different backgrounds and experiences contribute to making the Group a more innovative, profitable, and productive organization. We work continuously to further define aspects of diversity and to identify challenges and enablers.

Cinnober works to reduce the gender gap in our industry through initiatives to increase the number of women both in total and in management. Examples of our initiatives include female representation at university and career fairs and office activities aimed to encourage female representation in the industry.

The Group provides equal pay for equal work.

Employee well-being and health

The Group practices a systematic work environment approach that assesses and works with both the physical and psychosocial factors that affect employees. Our aim is to create and maintain a healthy and pleasant everyday working life, while increasing positive factors such as collaboration and sound leadership. This involves maintaining a dialog with employees about work environment factors through direct engagement and anonymous surveys, examining and assessing risks in the work environment, and planning and carrying out improvement measures.

A variety of group exercise opportunities and corporate health services are provided on a regular basis.

Internships and master's thesis work

A strong, sustainable economy requires an educated workforce and meaningful employment opportunities.

Cinnober offers university students an opportunity to work in a Cinnober delivery project as an intern or to develop a master's thesis at one of our offices. An experienced mentor guides the student's work. Cinnober also works with Umeå University (Sweden) to create an education and business cluster for financial IT. This initiative has resulted in the Umeå University Master's Degree Program within Financial IT.

Freedom to organize

All employees of the Group are free to join the labor organizations of their choice.

Anti-corruption

Businesses should work against corruption in all its forms, including extortion and bribery. –UN Global Compact Principle 10

In some respects, this Insider Policy imposes requirements more stringent than those imposed under applicable legislation. It is the responsibility of the individual to be aware of, and to adhere to, not only the Company's internal Insider Policy, but also to the laws in effect at any given time. –Cinnober Insider Policy

The Company shall provide accurate, relevant and reliable information simultaneously to all shareholders, the capital market, society and the media. –Cinnober Information Policy

If you receive information about unethical action on the part of a co-worker, the first person to contact is the CEO, and if he/she is not available, the crisis team and the relevant manager. –Cinnober Crisis Management Policy

Cinnober's sustainability risks are related to oversight and accountability. These risks are addressed in this section.

The Group has zero tolerance for corruption. The CCO works with the board of directors, management, and employees to ensure norms and principles for integrity and ethical behavior are adhered to. The CCO oversees and monitors Cinnober's business practices to ensure that all governance mechanisms mandated for a listed company, including a detailed Insider Policy, are in place to ensure accountability and transparency. To aid employees in avoiding possible inadvertent violations, regular notifications and reminders are sent to employees, for example, before trading blackout periods.

In regions that traditionally have an endemic risk for unethical practices such as bribery, the CCO ensures that we comply with all regulations where we have offices and customers. In addition, bribery is categorized as an unethical action in our Crisis Management Policy, and employees are obligated to report any instance they become aware of.

Environment

Businesses should: support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; encourage the development and diffusion of environmentally friendly technologies. –UN Global Compact Principles 7, 8, & 9

To protect the environment, Cinnober shall operate as lean and energy efficient as possible. –Cinnober Environmental Policy

Cinnober's sustainability risks are related to business travel and resource usage. In our supply chain, risks are related to IT and other purchased products that could be produced in an environmentally unsustainable manner. These risks are addressed in this section.

Preventing pollution

Minimizing business travel—The Group reduces the impact of business travel by using video conferencing equipment whenever possible and by contracting only with energy-efficient taxi firms.

Careful resource usage—in our urban office setting, careful resource usage includes decreasing the use of, for example, paper, disposable articles, and electricity. In addition, we use low-energy light bulbs and pens and other articles made from recycled plastic or paper whenever possible.

Recycling—Cinnober offices in Sweden recycle everything that can be recycled at our locations. Cinnober contracts with a recycling firm that uses hybrid-fueled transport trucks.

Using sustainable resources

Purchased products and services—our Environmental Policy specifies that all purchased products are to be eco-friendly labeled whenever possible. Cinnober works only with suppliers that meet high standards for sustainability.

Cinnober premises in Stockholm—the office building has been certified as an Environmental Building by the Sweden Green Building Council. The certification was granted based on the low environmental impact of the energy, the indoor environment, and the materials used in the building. Our fossil-free electricity provider further enhances the sustainability of the Stockholm office.

Reducing supply chain risks—operations in our supply chain related to IT manufacturing, such as the sourcing of minerals, may take place in environmentally unsustainable regions. We therefore reduce electronic waste by offering outdated computer assets for sale to employees, who pay with donations. Through such purchases, Cinnober employees have donated to charities such as Médecins Sans Frontières (Doctors Without Borders), the Cancer Foundation, and Amnesty International.

Human rights

Businesses should: support and respect the protection of internationally proclaimed human rights; make sure that they are not complicit in human rights abuses; uphold the elimination of all forms of forced and compulsory labor; uphold the effective abolition of child labor. —UN Global Compact Principles 1, 2, 4, & 5

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. —Cinnober Modern Slavery Act Transparency Statement

In the Group, the risk of forced labor is negligible, and the risk of exploitation of conflict mineral areas is nil. Risks in our supply chain may exist because we use IT equipment, which entails the mining of raw materials in possible conflict areas, which carries a risk of forced labor. These risks are addressed in this section.

Combating modern slavery and human trafficking

In accordance with the UK Modern Slavery Act 2015, we will further our efforts to combat slavery and human trafficking in our supply chains by creating an Anti-Slavery Policy. This policy, which will be approved by the board, will implement and enforce effective systems and controls to ensure slavery and human trafficking are not occurring anywhere in our supply chains.

In addition, we will strengthen our due diligence activities by implementing a Code of Conduct that explicitly addresses slavery and human trafficking, which our suppliers will be required to sign. Our efforts to mitigate environmental risks in our supply chain concerning conflict mineral areas also has the benefit of mitigating risks of forced labor.