

**MFEX**<sup>TM</sup>

MUTUAL FUNDS EXCHANGE

**2021**

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**SUSTAINABILITY  
REPORT**

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# LETTER FROM THE CEO

Welcome to our very first sustainability report. ESG (environment, social, governance) has really moved into the spotlight in 2021 and MFEX is committed to playing its part in ensuring a more sustainable future for all. In September 2021, MFEX was acquired by Euroclear, which, as an FMI, also has a strong ESG approach, and we are in the process of aligning our recently approved ESG strategy with that of Euroclear's, building on the strengths of both our companies.

I had the honour to be appointed CEO at that time and am personally committed to accelerating the agenda on these topics.

We take the UN Sustainable Development Goals as our starting point. These goals define the pathway towards achieving a prosperous and equitable planet for all and help us shape our ESG agenda.

We defined an ESG strategy that aligns with our stakeholders' expectations. We will be focusing on four main elements, Planet, People, Territories and Market, for which we will define KPIs and align with Euroclear's model.

Responsible investment is a top priority for our industry and in 2021, we were very proud to be able to contribute towards this goal with the launch of a new ESG module on our "Global Fund Watch" platform. This module allows clients to evaluate how their

counterparties incorporate ESG into their business models, giving them invaluable insights in order to be able to make investment decisions. To date more than 1350 Companies centralise their KYC information and documents across 50 countries on this platform.

We intend to review our product roadmap to identify any other ESG opportunities. In 2022 we will continue the implementation of our ESG strategy and assess how we can further contribute to the SDGs.

We have a strong focus on Diversity & Inclusion, which is particularly close to my heart, which you can read about on page 17.

2022 will see us focus on a range of top down and bottom-up initiatives which will strengthen our ESG approach and ensure that we are aligned with the overall Euroclear corporate strategy and compliant with all ESG regulation.

Thank you for being a part of this journey.

Brigitte Daurelle  
CEO - MFEX

A handwritten signature in dark ink, appearing to read 'Brigitte Daurelle'.

**«We have a unique business model, characterized by excellent customer service and tailor-made solutions»**



# ABOUT MFEX

Created in 1999 in Sweden, MFEX has grown to become a leading global fund platform, offering a complete and state of the art solution for fund trading, fund distribution services, data solutions, and compliance & due diligence. MFEX by Euroclear has operations in 10 countries.

MFEX has global market coverage and a total of 320 billion EUR of Assets Under Administration. With trading, custody, fund distribution services and data solutions for more than 80,000 funds and 960 asset management companies, MFEX's solution covers the whole fund universe. This year, MFEX was rated the best institutional platform in Europe and Asia, according to the 2021 Platform Report.

In September 2021, MFEX became a part of the Euroclear Group, one of the world's largest providers of domestic and cross-border settlement and related services for bond, equity, ETF and mutual fund transactions, creating new funds market utility.

Together we aim to give Fund Management Companies and Distributors a single point of access to tap into a full, unrivaled end-to-end suite of digital solutions for their funds business.



Rating AA & Highly capitalized group with solid financials



Customer-centric with solution-oriented offerings



Neutral with a focus on transparency



Ranked Best B2B fund platform\*

**Platform**



« ESG Compliant » providers and infrastructure

\*According to Platform 2021 survey from fund management companies

## MFEX by Euroclear combined figures:

**€37.6 trillion**

Of assets managed on behalf of clients

**€3.1 trillion**

In funds under administration

**All asset types**

From 52 domiciles including Hedge Funds & ETFs

**+2,000**  
Distributors

- Entrepreneurial with innovative and flexible solutions
- A Fundtech partner for funds

- Stable and trusted
- Massive scale and negotiating power with multi-asset capabilities

**+2,500**  
Fund companies and 960 distribution agreements

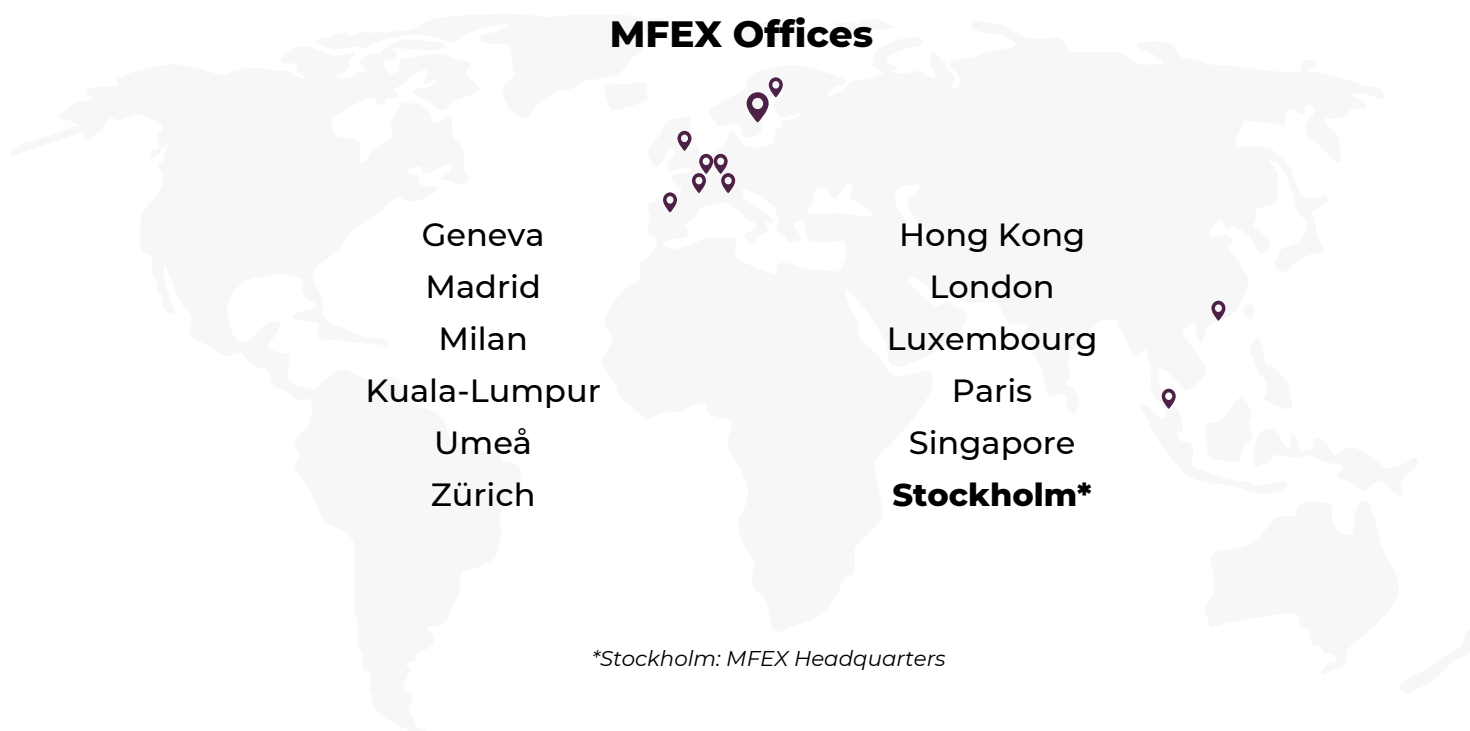
**57,115 KEUR**  
Net sales

**299,944 KEUR**  
Total liabilities

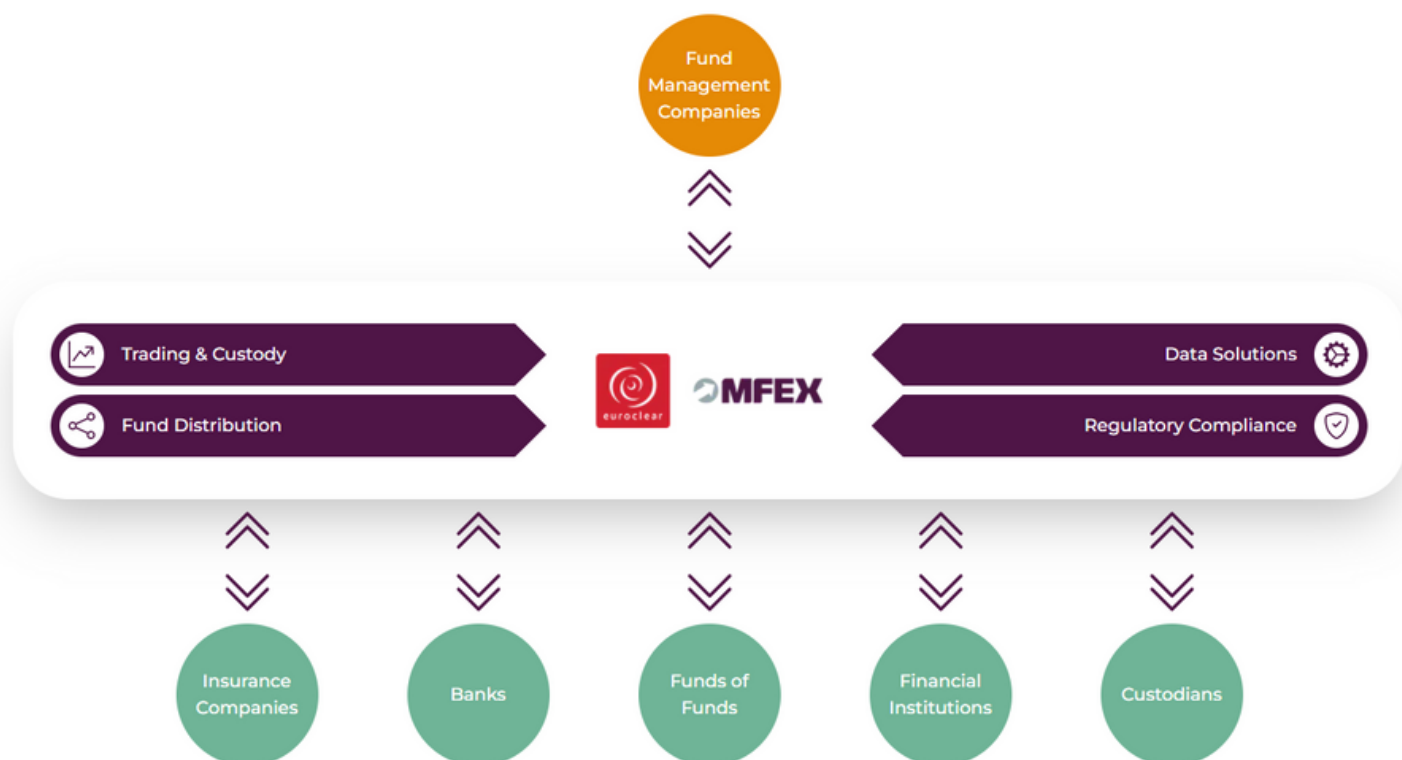
**242,655 KEUR**  
Equity



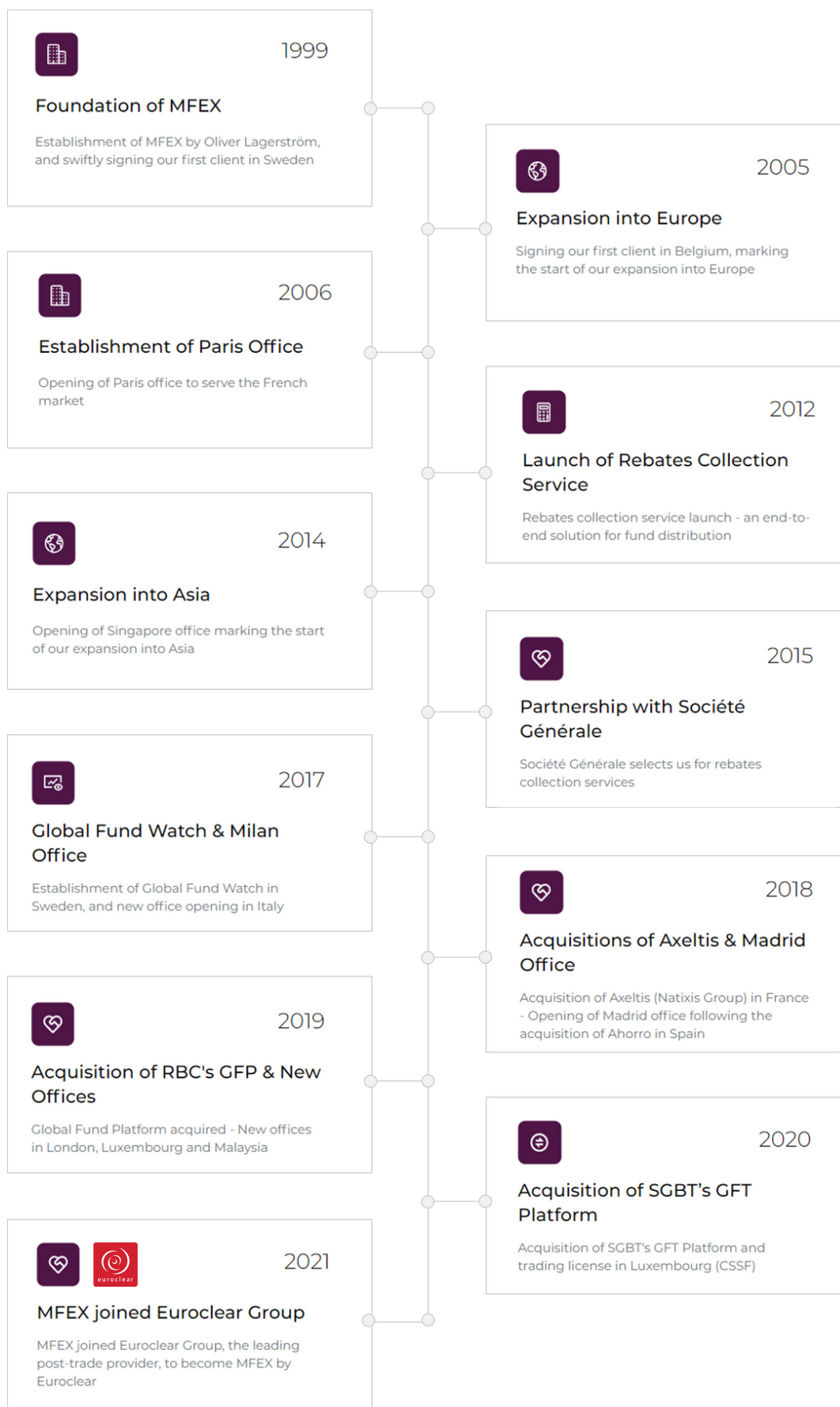
# OUR GLOBAL FOOTPRINT



## OUR BUSINESS MODEL



# KEY MILESTONES OVER THE YEARS





# BUILDING OUR SUSTAINABILITY FOUNDATION

## Materiality analysis

In order to step up our efforts on sustainability, in 2021 MFEX decided to revisit and review our materiality assessment in collaboration with an expert sustainability consultancy. Building on the previous material aspects, a consolidation of material aspects was made, taking into account the sustainability risk assessment, as well as current and emerging sustainability trends. The revision of the materiality assessment resulted in 10 material sustainability topics, which can be viewed in the list below.

- 01. Increase employee diversity and strengthen inclusion
- 02. Strengthen employee skills, capacity and well-being
- 03. Uphold high information security
- 04. Uphold data privacy
- 05. Integrate ESG into product offering
- 06. Counteract all forms of corruption and bribery
- 07. Reduce energy consumption
- 08. Responsible handling of e-waste
- 09. Sustainability in the supply chain
- 10. Reduce greenhouse gas emissions

List of stakeholder groups:

Executive Management Team  
Key functions  
Customers

The assessment reflects our ongoing commitment towards the environment, our employees as well as the communities in which we operate. Compliance to both anti-corruption legislations and legislations on cyber security and information security was also highlighted, which is an area that MFEX takes very seriously and have strengthened in recent years.

The assessment also highlighted the need to ensure sustainability in the supply chain as well as integrating ESG into product development, areas where we recognize that we need to strengthen our efforts in the coming years. In 2021, MFEX therefore initiated the work with ensuring sustainable procurement of goods and services, as well as efforts to strengthen the ESG service offerings.

Further, an impact assessment was carried out on the material aspects, applying the dual materiality perspective. The dual materiality perspective means that each material sustainability aspect is analyzed based on the impact that it will have on the company, as well as the impact that the company will have on the aspect. Following the assessment, the aspects were ranked in an order of prioritization, giving us guidance on which aspects to focus primarily on in the coming years. We also aim to complement the impact assessment with stakeholder mapping and dialogues, as well as to set new goals and targets.

We are constantly engaging with internal and external stakeholders, fostering our customer relationships. We have not conducted stakeholder dialogues for this sustainability report specifically, but will address this in the upcoming year.





# GOVERNANCE

The responsibility for sustainability currently lies with the central HR function, who reports directly to the CEO. In the upcoming year we will strengthen our sustainability governance framework through collaboration with Euroclear and by identifying functions in each country of operation that can support the implantation of our ESG strategy. Sustainability is a topic of the Executive Management Team's meetings, and the Board of Directors holds the highest responsibility for the sustainability report. The primary steering document regarding sustainability is our Code of Conduct. As we move ahead with the implementation of our ESG strategy we will assess the need for more supplementing steering documents, in addition to those disclosed in this report.

## UNDERSTANDING MFEX'S SUSTAINABILITY RISK UNIVERSE

Understanding the sustainability risks facing our industry is fundamental for the success of our company, as well as to prevent any potential negative impacts on people and the environment. Therefore, during 2021, MFEX conducted a sustainability risk assessment with support from a sustainability consultancy. The assessment complemented the already existing company risk analysis by focusing on environmental, social and governance (ESG) risks that are prominent in the sector, markets, and countries in which we operate. The assessment was conducted applying an impact - likelihood model and resulted in 17 critical, focus and monitor risks.

The assessment uncovered that the most critical risks relate to data and information breaches, working conditions as well as the ability to attract skilled labor considering developments in working preferences in recent years. Data and information breaches could be harmful for the company since they could result in fines or sanctions, as well as harm the trust from clients. Since the employees are essential for MFEX business model and service offerings, ensuring that skilled talents want to join and remain at the company is of high importance. Corruption, financial crime, and compliance to emerging ESG regulations were some of the risks in the focus category. These risks are viewed as potentially having high impact, but since the governance structures managing these risks are already quite advanced at MFEX, the likelihoods of these risks are lower.

Further, MFEX recognizes that climate change poses a threat both on a societal level as well as on a company level. For MFEX the most important risks related to climate change are energy dependency and extreme weather events. Energy dependency could lead to increased prices, lack in access to clean energy as well as potential disruptions. Extreme weather events could cause disruptions in the supply of certain goods, lead to instability and unpredictability in the financial market, but also have a negative impact on the health of employees. Considering the impact these risks could have on MFEX as well as society at gives further justification to our ambitions to lower our greenhouse gas emissions and integrate sustainability into our products and services.



# DEFINING AN ESG STRATEGY

In 2021 we took important steps to create an ESG strategy to guide our work with sustainability in the coming years. The strategy was made in close connection with the existing material aspects and focuses around four dimensions: our territories, our planet, our people, and our markets.

## OUR TERRITORIES

Contributing to sustainability in the communities and regions in which we operate.

## OUR PLANET

Minimizing our negative impact on the environment and climate.

## OUR MARKETS

Contributing to an ethical and sustainable market through increased compliance efforts, alignment with sustainable finance as well as increased supply chain management.

## OUR PEOPLE

Ensuring the well-being, growth, and fulfilment of our employees.

The strategy is grounded in the 2030 Agenda for Sustainable Development, which was adopted by world leaders in 2015 in order to unite the efforts to eradicate extreme poverty, fight inequalities, stop climate change and, promote peace and justice. By looking at which Sustainable Development Goals (SDGs) that we have an impact on, as well as which goals that are most aligned with our priorities, we have chosen six goals to focus on. These goals are: good health and well-being; quality education; gender equality; responsible consumption and production; climate action; and, peace, justice and strong institutions. In 2022 we are planning to align the ESG strategy with the newly adopted material aspects as well as the strategy and material aspects of Euroclear. As this is done, we are also planning to identify possible actions and targets to contribute further to the 2030 Agenda.



# COUNTERACTING CORRUPTION

Counteracting all forms of corruption and bribery is crucial for MFEX credibility as a provider of financial services, but also for operating in an open and transparent way, which is fundamental to MFEX values. The Head of Compliance is responsible for the anti-corruption work at group level, and reports directly to the CEO. The day-to-day compliance work is carried out by the compliance department located in Stockholm, the compliance officers at the offices in France and Luxemburg, as well as local consultants in the other MFEX locations when necessary.

The anti-corruption work at MFEX is governed through our Group Policy for Anti-Bribery and Corruption, a set of Employee Guidelines as well as a whistle-blowing function. The conduct of our employees as stipulated in our Employee Guidelines, must primarily be governed by four principles:

- ▶ Providing services to clients with thoroughness and fairness
- ▶ Respecting the integrity of the market
- ▶ Acting fairly concerning MFEX and its best interests
- ▶ Comply with all applicable laws, rules, and regulations

The Employee Guidelines contain instructions on how MFEX works with Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF). All policies are communicated to employees through internal communication channels such as Teams and email. In addition, MFEX holds annual compliance trainings for employees, where the policies and the whistle-blowing function are integrated. During the past year MFEX has initiated a process to improve the compliance training, to ensure that it is managed in a more structured way and that the content is corresponding throughout MFEX operations. Continuously improving staff knowledge about corruption issues is key to ensure that employees are aware of relevant laws and knows how to detect compliance risks in their field of operations. During 2021 there have been no (0) confirmed incidents of corruption. Furthermore, our Group Policy for handling ethical issues stipulates the rules on how to handle issues such as conflict of interest and confidentiality, to name some.





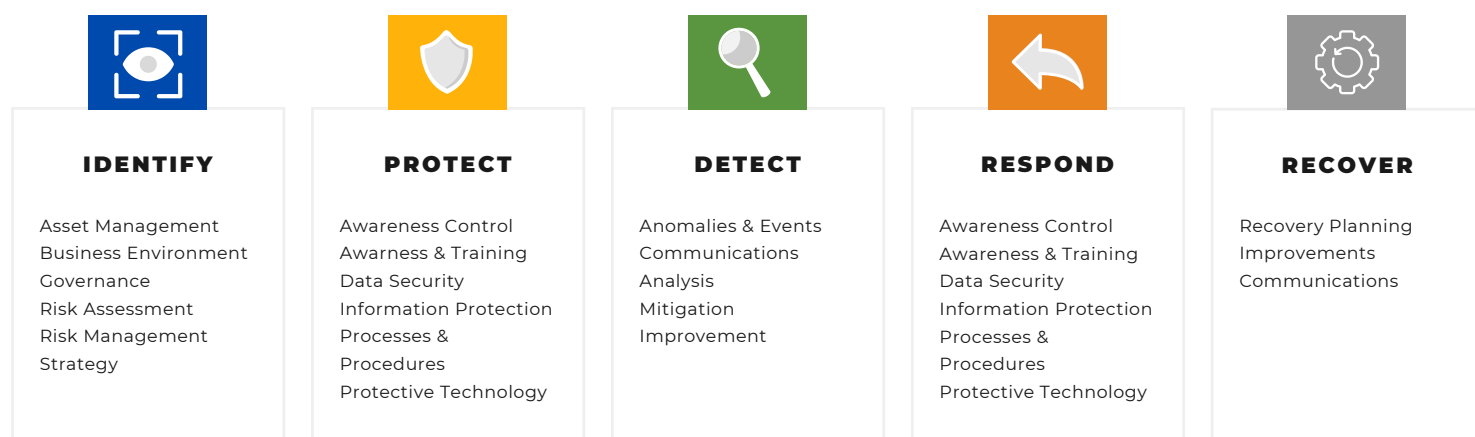
# INFORMATION & DATA SECURITY

**MFEX must be a trusted partner when it comes to data and information security. Working with these issues in a structured way and constantly looking at ways to improve, is therefore key to the organization.**

At MFEX, upholding data and information security is seen as fundamental for being able to operate in a safe and successful way, as well as being a trusted and preferred business partner. As an actor in the financial industry, we rely on time-sensitive financial information and pricing in order to operate, and avoiding disruptions to our digital system is therefore key to our success. Failing to adhere to any data regulations or being subject of external cyber threats such as ransomware attacks, are therefore seen as critical risks within MFEX.

MFEX comply with all national legislations in the countries in which we operate, as well as with the EU General Data Protection Regulation (GDPR). In order to ensure compliance, we follow industry best practices such as the NIST Cyber Security Framework, ISO/IEC 27002 as well as the SWIFT Customer Security Control Framework. EBA Guidelines on ICT and security risk management and MAS Technology Risk Management Guidelines. MFEX have a GDPR Policy in place and any complaints or incidents can be reported through our whistleblowing function or directly to the Data Protection Officer. During 2021, MFEX have not identified any substantiated complaints concerning breaches of customer privacy.

Data and information security at MFEX is governed through the Chief Security Officer (CSO), who is located at the Headquarter in Stockholm and oversees the company-wide work with security. The CSO reports to the Chief Technical Officer (CTO) but is also in close dialogue with the Chief Risk Officer (CRO), who reports directly to the Board of Directors (BoD). The daily security operations are carried out through information security officers in Luxembourg, as well as through the Security Operations Centre that detects and responds to incidents. MFEX applies a 5-step approach for working with Information security incidents, which can be seen in the figure below.



National Institute of Standards and Technology (NIST) Cybersecurity Framework

Since the cyber security landscape constantly evolve, we continuously oversee our routines and practices to ensure that we evolve and can detect and prevent any new types of threats. One way that we assess the success of our management approach is simply by measuring the number of confirmed breaches or losses of customer data. During the past year, a process has been initiated to improve the security awareness among employees, to prevent potential data breaches due to human errors. The goal is to launch security awareness trainings that are customized towards the employees' existing knowledge.

# INTEGRATING ESG INTO OUR PRODUCT OFFERING

During recent years there has been a positive development in the financial sector, where sustainable investments, and the ability to assess environmental, social and governance (ESG) criteria of funds and fund platforms have become increasingly important. To act on this development, actors in the financial industry will require relevant and recent data on ESG criteria, which is an area where MFEX believe we have something to offer. We have therefore started a process to further strengthen our ESG product offering, which we will hope can benefit not only our clients but also society at large.

Currently, we offer ESG products as part of our data solutions as well as our compliance and operational due diligence services. On our platform, we have gathered data related to the Sustainable Finance Disclosure Regulation (SFDR) compliance of funds, which can be accessed as an additional service. In 2022 we will supplement this data with new data related to Principle Adverse Impact (PAI) statements of funds, as well as with additional ESG data that we will gather through a customized questionnaire. Through Global Fund Watch, MFEX clients can upload their data to an ESG module and access ESG data of other funds and financial actors. Global Fund Watch also offers an Operational Due Diligence Service (ODDS), where they assess the ESG maturity of asset managers. These services and product offerings allow MFEX to facilitate our clients' informed decision-making processes based on accessible ESG data.

In the coming year, we are looking into how we can further strengthen our ESG product offering in collaboration with Euroclear, pooling our skills and resources to create an even greater data universe regarding asset management and ESG data, to create benefits for our clients.

# OUR PEOPLE MAKE US THRIVE

## Great place to work

Our people are of strategic importance to the development and growth of the company. We operate in a niche market where talents are of the essence of the company's success. One of the pillars of our ESG strategy centers around our employees, in order to create a "great place to work" where all employees will have a possibility to thrive and to contribute, to learn and to grow and to give back to our communities.

## Streamlining HR strategies across the group

With more than 350 employees in ten different countries, it is important that we use the same approach to human resources in all countries of operations, and treat our people fairly and consistently, regardless of their location. For this reason, our focus this past year has been to develop and implement consistent HR strategies across the group on a wide range of topics, such as remuneration, recruitment, professional development, diversity & inclusion, and trainings.

In 2021 a group wide HR system has been implemented to act as the HR golden source of data.

It offers to managers, employees and HR a simple, user friendly interface to manage time off, and the key HR processes (performance review, compensation, onboarding, ...)

The work was preceded by a group wide assessment of our legal compliance with national legislation on human resources. Based on the outcome, we implemented group wide policies for areas such as remuneration and recruitment. To ensure efficient and consistent implementation, local HR managers have been trained on new group policies and assisted in the implementation of HR tools such as performance reviews and group wide recruitment processes. These initiatives will continue to be developed and implemented in 2022.

Number of employees (FTES) by Gender, type of Employment Contract and whether Full-time or Part-time" - Year 2021

Employment Type	Women	Men	Total
Permanent Contract	117	192	309
Temporary Contract	19	24	43
<b>Total</b>	<b>136</b>	<b>216</b>	<b>352</b>
Full-time	124	213	337
Part-time	12	3	15
<b>Total</b>	<b>136</b>	<b>216</b>	<b>352</b>

Number of employees (FTES) by Region - Year 2021

Country	Women	Men	Total
Sweden	22	54	76
Sweden (Fondab)	10	13	23
Luxembourg	40	39	79
United Kingdom	0	3	3
France	36	48	84
Spain	2	2	4
Switzerland	1	4	5
Italy	0	2	2
Singapore	1	5	6
Malaysia	23	45	68
Hong Kong	1	1	2
<b>Total</b>	<b>136</b>	<b>216</b>	<b>352</b>

33% of our employees are covered by collective bargaining agreements.

**350+**  
Employees



## Diversity and inclusion strengthen the MFEX brand

At MFEX, we believe that diversity strengthens our brand and our teams. In our daily work we strive to be an inclusive place of work where employees' individualities are valued and respected. Our Code of Conduct and Diversity and Inclusion Policy prohibits harassment, sexual harassment and bullying, as well as all forms of discrimination or disadvantageous treatment based on gender, ethnicity, religion, disability, sexual orientation, transgender identity or expression, and age. In 2021, there were 0 incidents of discrimination.

The aim is for our workforce to be truly representative of all sections of society, and for each employee to feel respected and able to develop their full potential whilst working at MFEX. MFEX works actively to nurture a work environment where all barriers to equal opportunities are removed. One area of focus will be to increase gender diversity and equality at the workplace, for example by continuing to monitor and close any gaps in remuneration package and create the appropriate conditions to allow diversity at all levels of the Company, including training and upskilling opportunities. Earlier in 2021, the first female group CEO was appointed. The company is also working on diversity at Board level.

### Diversity by Gender - Year 2021

Employment Category	Women	Men
Board of Directors	17%	83%
Exec. Management Team	25%	75%
Managers	29%	71%
Employees	41%	59%

### Diversity by Age - Year 2021 *\*Interns excluded*

Employment Category	Age <30	Age 30-50	Age >50
Board of Directors	0%	33%	67%
Exec. Management Team	0%	75%	25%
Managers	13%	82%	5%
Employees	35%	57%	8%

### Percentage of employees who received a performance and career development review during the year, broken down by employee category and gender - Year 2021

Employment Category	Male	Female
Executive management team	75%	25%
Managers	71%	29%
Employees	59%	41%
<b>Total</b>	<b>61%</b>	<b>39%</b>

## Our employees' work environment and well-being are a priority

We want our employees to feel appreciated and challenged at work, and strive to create an environment that promotes individual and collective development. During 2021, MFEX developed a Learning and Development Policy with the purpose of providing each employee with an individual development plan. This will be followed up and reinforced in 2022. Other initiatives will be rolled out such as offering occupational health services to our employees, in all countries of operation.

Mid 2021, we initiated for the first time an employee survey. Participation is anonymous and provides an opportunity for employees to raise issues and give feedback. In addition to the employee survey, employees take part in performance reviews twice a year. During the performance review, employee specific issues are raised and discussed together with a manager, such as performance and work life balance.

MFEX has also implemented a whistleblowing channel where employees can report on violation of the code of conduct, illegal activities, breach of compliance or risk procedure. Reports are directed to the Chairman of the Board, who is responsible of handling the report appropriately. In addition, there is a process in place where issues can be escalated to HR.

During 2021, MFEX continued to adapt operations to be in line with national regulations and recommendations for the ongoing global pandemic COVID-19, which was initiated during 2020. Since Q3 2021 employees are coming back to the office in accordance with the local regulations. MFEX implemented a Working From Home Group Policy to help ensure employee well-being at the home office and support them in the organization of individual work patterns.

Employee hires and turnover				
	New hires	Employee turnover	New hires (%)	Employee turnover (%)
<b>Total</b>	<b>93</b>	<b>70</b>	<b>26%</b>	<b>20%</b>
Women	36	26	10%	7%
Men	57	44	16%	13%
Age <30 years	52	34	15%	10%
Age 30-50 years	36	29	10%	8%
Age >50 years	5	7	1%	2%
Sweden	10	9	2,8%	2,6%
Sweden (Fondab)	7	0	1,9%	0%
Luxembourg	21	27	5,9%	7,7%
United Kingdom	0	0	0%	0%
France	28	20	7,9%	5,7%
Spain	0	1	0%	0,3%
Switzerland	2	0	0,5%	0%
Italy	0	0	0%	0%
Singapore	1	0	0,3%	0%
Malaysia	23	13	6,5%	3,7%
Hong Kong	1	0	0,3%	0%



## Community engagement is part of our ESG strategy

One of four domains of our ESG strategy is “community”, to give back to the communities and people where we work, and we are proud of our community engagement initiatives. The first event, a clean-up day event, took place during 2021. Participants from four of our ten countries took part, in France, Luxembourg, the UK and Sweden.

*MFEX and Euroclear teams participated in the world cleanup day*





# MANAGING OUR ENVIRONMENTAL IMPACT

MFEX acknowledges that climate change is one of the greatest challenges facing the planet and humankind today, and that we have a part to play to reduce and limit the emissions of greenhouse gases. This motivation comes both from a will to have a positive impact on society, as well as an understanding that this is key for maintaining trust from our stakeholders who increasingly expect high environmental ambitions.

Our environmental sustainability is governed through an Environmental Policy and a Travel Policy, which lies at the responsibility of the CEO and applies to all MFEX business functions and subsidiaries. The policy sets out MFEX environmental objectives, which are: reducing MFEX environmental footprint, promoting and acting to protect the environment, and, promoting a sustainable lifestyle and consumption. This policy will be revised to consider the new focus areas identified in the materiality assessment as well as to align it with the sustainability priorities of Euroclear.

The materiality assessment conducted in 2021 highlighted our commitment to reducing our energy consumption as well as e-waste. We aim to limit our energy consumption and promote energy efficiency both in our offices as well as beyond our operations, mainly in regards to the IT services we depend on, including cloud storage and IT software. When it comes to e-waste, we have started to look at ways to limit the amount of waste, for example through new procurement practices that would ensure that digital devices are used longer. This initiative will be further developed in 2022 which will be further elaborated in the next chapter.

## Energy consumption - 2021

	Total (MWh)
Fuel	0
Electricity	246,5
Heating	19,8
<b>Total energy consumption (MWh)</b>	<b>266</b>

Energy consumption includes electricity and heating from our offices, except from our offices in Hongkong and the United Kingdom. Please refer to "About this report" for more information. We do not have any stationary combustion of fuel.

## CO2e emissions in metric tons - 2021

	Total CO2e (metric tons)
Scope 1 (Direct GHG emissions)	0
Scope 2 (Energy indirect GHG emissions)	37,7
Scope 3 (Other indirect GHG emissions)*	68
<b>Total</b>	<b>105,7</b>

GHG emissions have been calculated using emission factors from IEA 2018.

\*Scope 3 emissions include our business travels by air and emissions from the purchase of IT services (emissions provided by our supplier). We will work to expand the data coverage of our scope 3 emissions.

# SUSTAINABILITY THROUGHOUT THE VALUE CHAIN

To ensure credibility and effectiveness of MFEX sustainability work, it is necessary to ensure sustainability throughout the entire value chain, including with products and services going in to the company as well as waste and products going out.

MFEX has over 650 suppliers, providing services and products such as electronics, IT services, office supplies and consultancy services. For most of the products and services, there is currently no centralized procurement department, instead each department and/or office manager is responsible for choosing appropriate suppliers and products for their team. One exception is for IT services, including both electronical devices such as phones and computers, as well as the software including cloud storage and cyber security programs, which are all centrally procured through the IT department in Stockholm using a frame agreement. This is done in order to ensure the quality of the products, provide structure and an oversight of the procurement process. Our current supplier questionnaire contains some ESG questions, which we will review in the upcoming year to facilitate our capacity to follow-up on sustainability performance of our suppliers. We will also address the need for a comprehensive Supplier Code of Conduct, incorporating sustainability requirements.

MFEX recognizes the importance of adequate waste management, including the management of e-waste, which is particularly sensitive since there are known human rights and environmental risks related to e-waste.

Upholding human rights is fundamental to our business, in our operations and in our value chain.

In order to minimize our e-waste, MFEX has routines in place for reusing electronical devices once employees leave, as well as for recycling and reselling the devices through a supplier. There is a need to develop how we work with monitoring and evaluation of the effectiveness and quality of these processes, which will be addressed moving forward.

During 2021, MFEX initiated a process to develop a structure for incorporating sustainability into purchasing processes. The aim is to start with smaller initiatives that can be implemented easily, and then move towards developing a more encompassing structure to place sustainability requirements on suppliers. The merger with Euroclear creates new opportunities for restructuring and streamlining both the supply chain and waste management practices to ensure that sustainability requirements are implemented in agreements and evaluated on a continuous basis, work that will follow in 2022.



# GRI CONTENT INDEX

Disclosure	Page number	Comment
GRI Standards General Disclosure - GRI 101: Foundation		
Organizational profile		
102-1 Name of the organization	5	<ul style="list-style-type: none"><li>MFEX by Euroclear</li></ul>
102-2 Activities, brands, products, and services	5-6	
102-3 Location of headquarters	6	
102-4 Location of operations	6	
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102-9 Supply chain	20	
102-10 Significant changes to the organization and its supply chain	5, 21	
102-11 Precautionary Principle or approach		
102-12 External initiatives	2	<ul style="list-style-type: none"><li>In 2021, MFEX was aquired by the Euroclear Group.</li><li>The precautionary principle is applied in accordance with the national legislations of the countries where we operate. Given our business model, MFEX by Euroclear has a marginal exposure to situations where the precautionary principle is applicable.</li></ul>
102-13 Membership of associations	2	
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102-16 Values, principles, standards, and norms of behavior	10-11, 17-18	
Governance		
102-18 Governance structure	10-11	
Stakeholder engagement		
102-40 List of stakeholder groups	8	<ul style="list-style-type: none"><li>Stakeholders have been identified based on their influence on and by MFEX. As we update our impact assessment and stakeholder dialogues in the upcoming year we will conduct a new stakeholder mapping, in accordance with standardized methods such as the AA1000SES.</li></ul>
102-41 Collective bargaining agreements	16	
102-42 Identifying and selecting stakeholders	22	
102-43 Approach to stakeholder engagement	8	
102-44 Key topics and concerns raised	8	
Reporting practice		
102-45 Entities included in the consolidated financial statements		<ul style="list-style-type: none"><li>MFEX Holding AB, MFEX Mutual Funds Exchange AB, Fondab AB, MFEX Suisse SA, MFEX Singapore Pte. Ltd., Global Fund Watch GFW AB, MFEX France SA, MFEX Malaysia SDN. BHD., MFEX Hong Kong Limited, MFEX Luxembourg SA</li><li>Report content has been defined by the identification of material topics, and applying the 4 principles for defining report content. As we advance our sustainability work and include more stakeholders we will revise the structure of the report in accordance with the reporting principles.</li></ul>
102-46 Defining report content and topic Boundaries	8	
102-47 List of material topics	8	<ul style="list-style-type: none"><li>This is our first sustainability report, and thus do not have any restatements of information.</li><li>2</li><li>2021.01.01 - 2021.12.31</li><li>This is our first sustainability report.</li><li>Annual</li><li>For questions regarding the report please contact gaelle.allin@mfex.com</li></ul>
102-48 Restatements of information	22	
102-49 Changes in reporting	22	
102-50 Reporting period	22	
102-51 Date of most recent report	22	
102-52 Reporting cycle	22	
102-53 Contact point for questions regarding the report	22-23	
102-54 Claims of reporting in accordance with the GRI Standards	23	
102-55 GRI content index	22-27	
102-56 External assurance	22	
		<ul style="list-style-type: none"><li>This report has not been externally assured.</li></ul>

## ABOUT THIS REPORT

This is MFEX Holding AB's (registration number 559097-5735) first sustainability report, covering the financial year of 2021 (2021.01.01-2021.12.31). This sustainability report is created as a separate report added to the management report of the annual report in accordance with the Swedish Annual Accounts Act (Årsredovisningslagen). This report has been prepared in accordance with the GRI Standards: Core option.

The HR data in this report is extracted from our centralized HR system, and is presented as FTEs (Full-time employees). The HR figures cover all our operations in Sweden, France, Luxembourg, United Kingdom, Spain, Switzerland, Italy, Singapore, Malaysia, Hong Kong, as well as Fondab, which is based in Stockholm. The emissions data have been calculated using emissions factors from EIA 2018, and based on our electricity consumption as stated in our invoices, and our business travel. Environmental data from our offices in Hongkong (2 employees) and the United Kingdom (3 employees) have not been included due to inaccessibility.

If you have any questions about this report or how we work with sustainability, please contact: Gaëlle Allin: [gaelle.allin@mfex.com](mailto:gaelle.allin@mfex.com)



# GRI CONTENT INDEX

		Page number	Comment
GRI 200 Economic standards			
Anti-corruption (2016)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	13 13 13	
GRI 206: Anti-Corruption	205-3 Confirmed incidents of corruption and actions taken	13	
GRI 300 Environmental Standards			
Energy (2016)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	19 19 19	
GRI 302: Energy	302-1 Energy consumption within the organization	19	<ul style="list-style-type: none"><li>Energy data does not include our offices in Hongkong (2 employees) or in the United Kingdom (3 employees), due to inaccessibility of data. We will work to include these offices in the upcoming years.</li></ul>
Emissions (2016)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	19 19 19	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions	19 19 19	<ul style="list-style-type: none"><li>Scope 3 data includes emissions from business travels and from the purchase of IT services. We will work to include more scope 3 categories in the upcoming years.</li></ul>
Waste (2020)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	19-20 19-20 24	<ul style="list-style-type: none"><li>Omission: In 2021 we did not have a systematic process for management approach evaluation and follow-up, this will be addressed in the upcoming year.</li></ul>
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Waste generated	19-20 19-20 24	<ul style="list-style-type: none"><li>Omission: we do not have access to data on generated waste since it has been included in leasing agreements, which will be addressed in the upcoming year.</li></ul>
Supplier Environmental Assessment			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	19-20 19-20 24	Omission: In 2021 we did not have a systematic process for management approach evaluation and follow-up, this will be addressed in the upcoming year.
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	24-25	<ul style="list-style-type: none"><li>Omission: The disclosure is non applicable in 2021, since we have recently initiated a process for sustainability in the supply chain, and will report on this indicator in the upcoming years.</li></ul>

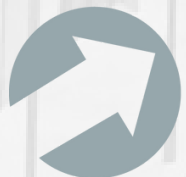
# GRI CONTENT INDEX

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Training and Education (2016)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	16-18 16-18 16-18	
GRI 404: Training and Education	404-3 Percentage of employees receiving regular performance and career development reviews	17	
Diversity and Equal Opportunity (2016)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	17 17 17	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	17	
Non-discrimination (2016)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	16-18 16-18 16-18	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	17	
Supplier Social Assessment (2016)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	21 21 21	
414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	26-27	<ul style="list-style-type: none"><li>Omission: The disclosure is non applicable in 2021, since we have recently initiated a process for sustainability in the supply chain, and will report on this indicator in the upcoming years.</li></ul>
Customer Privacy (2016)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	14 14 14	
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	14	

# SUSTAINABILITY REPORT

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## 2021



**MFEX**<sup>TM</sup>

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