

# Sustainability Report TriOptima

March 2024



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## About this Report

Welcome to TriOptima's 2023 sustainability report.

TriOptima is now part of OSTTRA Group ("OSTTRA"), which is jointly owned by S&P Global and CME Group.

Due to transitional service agreements between our shareholders, legacy colleagues continued following their legacy shareholder policies until Q2 2023.

This sustainability report forms the Group's and the company's statutory sustainability report and is a part of the administration report for TriOptima AB 556584-9758 ("TriOptima"). This year's sustainability report covers the reporting period from January 1, 2023 to December 31, 2023.

This 2023 report is subject to limited assurance.

## A Message from Guy Rowcliffe, CEO, TriOptima AB

For us, 2023 proved an exciting year. We celebrated 2 years as part of OSTTRA, launched new products and services and welcomed new colleagues into the firm.

Although OSTTRA is a relatively new organisation, our founding businesses including TriOptima have been making an impact on the world for two decades. They brought stability and security to the financial industry. Today, OSTTRA's global network is at the heart of post-trade, delivering innovative new solutions that draw on the combined strengths of our heritage companies.

Our key achievements in 2023 include the following:

- Integrating triResolve with MarkitWire (a product of MarkitServ) improving the exception management workflow - used by 100+ clients
- Expanding the triResolve Margin custodian/triparty network
- Processing record volumes across triResolve/triResolve Margin networks
- Migrating credit positions from ICE Clear Europe to other clearing houses, via triBalance
- Compressing large volumes of USD LIBOR via triReduce to support the industry leading up to the cessation of the USD-LIBOR, a major interest rate benchmark
- Extending triResolve's reconciliation services to Exchange Traded Derivatives

## **Sustainability**

As a recently formed group, our focus is defining a tailored OSTTRA approach to sustainability, whilst aligning to the policies of our shareholders, S&P Global and CME Group.

In terms of sustainability headlines, our emissions for 2023 have decreased within scope 1 and scope 2 but have increased under scope 3. This increase was due to a short-term increase in travel as well as the inclusion of estimated emissions for hardware purchases, which had not been included in prior years. Travel increased in order to facilitate better integration between all functions within OSTTRA and to promote and increase the development of a unique OSTTRA culture from individual legacy business cultures. Any additional future increases within scope 3 will be due to reporting on the supply chain emissions.

To ensure the voice of our colleagues is heard, we undertook a staff survey to which 70% of our employees responded in 2023. The survey results and feedback help TriOptima to respond to our employees needs and serve as a measure of accountability for the OSTTRA Executive Management Committee (EMC).

We also rolled out the S&P Impact Program in Q4 providing all employees with a platform to log their volunteer hours. All employees are provided with 40 hours paid leave annually for volunteer service with organisations of their choice. In addition, all personal charitable donations are eligible to be matched by the firm.

Sincerely,

Guy



# TriOptima Highlights

## Key Facts about TriOptima

Based in Stockholm, TriOptima builds and manages the post trade workflow, which financial institutions rely on to process and reconcile their trades, manage exceptions and enable timely settlement for all OTC and exchange-traded derivative markets.

TriOptima has subsidiaries in Tokyo, Singapore, London and New York. TriOptima employees are located within 10 OSTTRA locations globally.

**€168M**  
2023 Annual  
Revenue

**10**  
Global Office  
Locations

**308**  
Global  
Employees

**\$252T**  
Notional trades  
compressed

**90%**  
Of all bilateral OTC  
derivatives reconciled

**10**  
Trillion Risk  
calculations/sec

**145**  
Banking group  
customers

**68**  
Countries with  
TriOptima customers

**21M**  
trades processed  
daily

## Our Control and Governance Framework

	TriOptima Board of Directors	TriOptima Management Risk Committee	TriOptima Board Risk Committee	Management Team
Purpose	Strategic direction and business performance	Independent controls review and integrated assurance	Advisor to the Board of Directors of TriOptima AB on its current and future risk appetite and risk strategy	Operational management
Attendees	TriOptima CEO  Other attendees as required by the Board	TriOptima CEO  Business owners  CISO, TriOptima  FLOD (First Line of Defence Risk Officer)  Risk & Compliance	Two Board Directors	TriOptima CEO  Head of Business Development  Head of triResolve  Head of triResolve Margin / triCalculate  Head of triReduce / triBalance / RESET
Chair	Chairman of the Board	Head of Risk	Chairman of the Board	TriOptima CEO
Frequency	At least four times each year	Bi-monthly	At least four times each year	Weekly
Documentation	Agenda, minutes, papers	Agenda, minutes, papers	Agenda, minutes, papers	Agenda, papers, management reports

## Board of Directors

Our board provides us with strategic and commercial direction in respect of TriOptima's businesses within the constraints of Group policies and Group strategy. They also oversee the performance of the TriOptima business and are responsible for the oversight of our strategy. They also ensure that the necessary resources are in place to achieve our strategic and tactical objectives.

The board includes representatives from across OSTTRA.

## Risk Committees

The TriOptima Board risk committee meets quarterly. The TriOptima management risk committee meets bi-monthly. The risk committees are responsible for the oversight of TriOptima's risk management framework, risk appetite, risk strategy, controls, systems and policies, as appropriate to the activities of TriOptima.

The management risk committee includes representatives from the business units and the control functions.

The Board risk committee includes board members, representatives from the business units and the control functions.

## **The management Team**

The management team meets weekly and oversees matters relating to TriOptima's operations.

# Our Commitment to the Environment

TriOptima is committed to a more environmentally sustainable future. We do not currently have an independent TriOptima sustainability policy, as we follow the policies of our shareholders, S&P Global and CME Group. We expect to adopt a tailored OSTTRA sustainability policy in future periods.

Our commitment to the environment follows our attestation of the OSTTRA Group code of conduct, which states:

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*‘Our strong commitment to driving progress begins with our own operations and value chain. We fulfil our environmental, social, and corporate governance (ESG) responsibilities as a company by creating a diverse and inclusive workplace, reducing our environmental footprint, upholding the highest standards of corporate governance, and actively engaging our suppliers to embrace our sustainability ambitions.’*

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## Our Carbon footprint

Our commitment to a more environmentally sustainable future helps us to strive to reduce our carbon footprint. We do this by sourcing renewable electricity and by applying a waste management process including recycling of glass, paper, plastics, metal and electronics. Our largest office and our external data centres are all located in Sweden. We have a smaller office footprint in London, New York, India and Singapore, which OSTTRA leases from its shareholder, CME Group. Our Tokyo office is a managed space, provided by WeWork.

TriOptima’s carbon emissions during 2023 from our own operations and some upstream and downstream emissions have been assessed according to the Greenhouse Gas (GHG) protocol. Emission factors were sourced from IEA, resulting in reduced emissions for some of the locations, e.g. Stockholm.

The reported carbon emissions (total scope 1-3) for 2023 have increased compared to 2022. The primary reason for this was an increase in scope 3 due to air travel as well as the inclusion of hardware purchases, which had not been estimated in prior periods.

There was an overall reduction in scope 1 & 2 emissions.

- The reduction of emissions within certain office locations (Stockholm and Tokyo) was due to the reduction of office space as well as emission factor updates
- At the Vesey Street office in New York, we sublet a portion of the floor from August 2023. Power consumption was reduced, however due to the increase of the emission factor, the carbon footprint increased slightly

Scope 3 emissions outlined in this summary includes supply chain emissions from electricity and cooling (as provided by the landlords), air travel and hardware.

For 2023, our estimated emissions were:

- 390.51 metric tonnes CO2e location based
- 385.18 metric tonnes CO2e market based

		2023		2022	
Scope 1		Location Based	Market Based	Location Based	Market Based
	<b>Gas</b>	MTCO2e	MTCO2e	MTCO2e	MTCO2e
	London Fruit & Wool Exchange	8.26	8.26	4.4	4.4
Scope 2					
	<b>Electricity</b>	MTCO2e	MTCO2e	MTCO2e	MTCO2e
	Stockholm	2.23	2.19	17.14	3.93
	London Fruit & Wool Exchange	5.43	0.30	8.12	-
	Singapore Marina Bay	16.72	16.72	24.32	24.32
	Tokyo	0.39	0.39	3.78	3.78
	Gurgaon, India	0.87	0.87		
	Datacenter IX North Stockholm	4.49	4.40	23.47	5.39
	Datacenter TC South Stockholm	3.92	3.85	25.86	5.93
	Datacenter Third	0.22	0.22		
	Cloud Datacenters	0.50	0.50		
Scope 3					
	<b>Electricity</b>	MTCO2e	MTCO2e	MTCO2e	MTCO2e
	NY Vesey Street	8.50	8.50	8.06	8.03
	<b>Chilled Water</b>				
	NY Vesey Street	1.42	1.42	1.31	1.3
	<b>Air Travel</b>				
	Flights	238.30	238.30	78.2	78.2
	<b>Hardware</b>				
	Laptops, Monitors, Mobiles	99.25	99.25		
		MTCO2e	MTCO2e	MTCO2e	MTCO2e
	<b>Total Location Based Emissions</b>	390.51		194.66	
	<b>Total Market Based Emissions</b>		385.18		135.28

Both our London and Stockholm offices have been certified as green.

Emissions for employee commuting to our offices have not been included, and may be considered for future reports.

Decommissioned hardware has been identified as possibly representing an environmental risk.

## Our Commitment to our Employees

We believe that TriOptima's success will depend on the people we bring into our firm - from our developers who build the best products to our operations team who ensure our customers have the best experience.

For this we need a culture that is collaborative, respectful and inclusive to all. We strive to ensure our colleagues connect to strengthen our specialisms and champion our uniqueness, so everyone is confident, comfortable and proud to join in and stand out.

### Code of Conduct

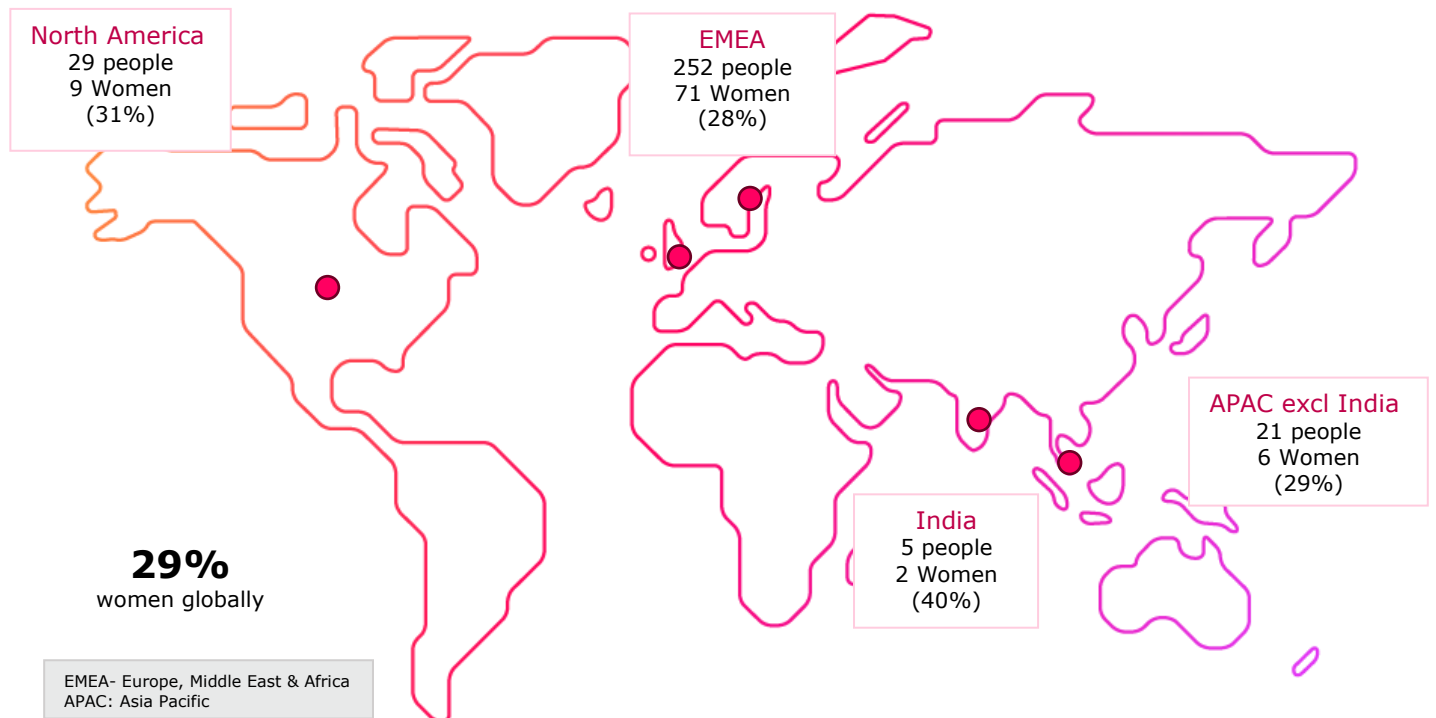
At TriOptima all colleagues should feel safe, respected and treated fairly when working with us.

We attest and comply with our OSTTRA Group Code of Conduct that ensures there is a culture of integrity across the firm. The Code of Conduct includes a number of tools and policies that support our employees in a fair and ethical way. One key tool is our process whereby employees can escalate and report issues or wrongdoing either in their name or anonymously for themselves or others. We also have zero tolerance for retaliation. Anyone who seeks advice, raises a concern, reports suspected misconduct or participates in an investigation in "good faith" is doing the right thing. This promotes a safe environment for our colleagues and the culture of the firm.

During 2023, all TriOptima colleagues were required to read and attest to the OSTTRA Group Code of Conduct that includes the principles of anti-corruption.

### Gender Breakdown

- 29% of 308 employees are female
- 21 promotions during the year of which 33% were female
- 55 new hires
- 26 leavers
- More males than females started and left



## Recruitment

We are guided by a set of behaviours that are designed to help us deliver against our strategic goals and drive forward our culture of ethics and integrity.

We have policies and processes in place to ensure we are an equal opportunity employer. This means our processes ensure equal employment opportunities without regard to race, colour, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, pregnancy, veteran status, genetic information, citizenship status or any other basis prohibited by applicable law. We are committed to equal opportunities at all levels of our organisation.

This applies to all employment practices, including but not limited to, recruitment, hiring, employment, assignment, training, compensation, benefits, demotion or transfer, promotions, disciplinary actions and terminations.

Diversity is reflected in our commitment to an inclusive workspace that values each individual and their unique contributions.

Our people are our most valuable asset. Their diverse characteristics, perspective, ideas and backgrounds give us a vital competitive edge.

## Training

To enable TriOptima employees to continually grow and develop, employees have access to the S&P Learning Xchange platform, making learning accessible to all.

We also hosted the Manager essential training for all people managers during 2023. It included the SDI tool (personality test) and topics such as having difficult conversations, change management and career planning.

Several members of the OSTTRA Executive Committee (ExCo), together with approx. 50 of our early careers colleagues, including TriOptima, met in India for the launch our of Early Careers Network (ECN). They spent the next week building connections, deepening understanding and creating a community.



## Employee Experience

The Employee Experience (EX) team's focus is to look for ways to ensure people feel engaged and connected. Their four pillars include:

- Charity
- DEI (Diversity, Equity, Inclusion)
- Social
- Sustainability

Each of these pillars have a group of colleagues representing each office location. EX provides a safe space and community for OSTTRA colleagues across diverse business and cultural backgrounds, geography, departments and levels.

## Charity

Our corporate philanthropy policy aims to empower our people to make a positive impact on their community and to work for the causes they are passionate about. Our core focus areas are:

- Education
- Environmental support
- Health
- Humanitarian causes

We aim to partner with not-for-profit charities and causes through financial and in-kind donations and volunteering efforts. All eligible employees are now entitled to 40 hours or 5 days of paid volunteer time off ("Give Back Days") per calendar year.

From the last quarter of 2023 onwards, employees were able to leverage S&P Global's wide range of programs to support them in making a difference within their communities:

- Through the Matching Gift Program, employees can donate to eligible non-profit organizations and request a dollar-for-dollar match for their personal contributions up to \$5,000 per employee per calendar year
- The Individual Volunteer Grants program awards \$500 per calendar year to any eligible organisation with which an employee volunteers a minimum of 25 hours



In 2023 TriOptima donated approx. \$10,000 to the Swedish Childhood Cancer Foundation (Barncancerfonden). In total, OSTTRA donated approx. \$150,000 to various charities. The majority of both TriOptima and OSTTRA donations were chosen and decided by our local charity teams.

The choice of charities was in accordance with OSTTRA's Philanthropy Policy, which also considers factors such as legitimacy to ensure we are not supporting fraudulent charities, or those who represent unethical values.

## Diversity, equity and inclusion

During 2023 our CommUNITY groups actively engaged with employees with a wide range of activities.

- **GROW**
  - Provides employees at all stages of their career the opportunity to engage in and influence employee development, knowledge sharing, networking and career mobility across OSTTRA
  - 2023 was the first year of a global, virtual mentorship scheme that had over 160 participants, and included 6 sessions on core competencies with various members of the ExCo
- **RISE**
  - Focusses on wellness and are dedicated to supporting the physical, mental and emotional health of colleagues  
ENERGETICALLY  
FINANCIALLY  
SOCIALLY  
EMOTIONALLY
  - Regular workshops and webinars were run on topics such as stress management, mindfulness and healthy lifestyle habits, including free yoga classes and talks on menopause
- **CLIMB**
  - Is aimed at furthering OSTTRA's commitment to the strategic retention and advancement of women. We provide a forum for our colleagues to discuss issues and share information in a safe and inclusive environment
- **Parents**
  - This CommUNITY was setup to give parents across OSTTRA a voice, providing an environment to have open and honest discussions around parenting
  - In 2023, the parents' community hosted an event for Global Parent Day (13<sup>th</sup> June), as well as the children's Christmas party

## Social

Throughout 2023 we allocated budgets to each office to provide opportunities for our teams to connect and celebrate together. These have included end of year parties, quiz nights, a summer boat trip, cricket etc.

## **Sustain**

In 2023 we re-launched SUSTAIN, a cross functional team of employees who are passionate about sustainability. The group aims to increase awareness of sustainability issues and practices within OSTTRA.

## Our Commitment to Governance

A key part of our culture is to act with integrity and to build trust between our customers, vendors and with our colleagues. We adhere to this through our shareholder policies and Code of Conduct.

This means we act lawfully, honestly, ethically and in the best interests of the company and our customers, while creating an environment of respect and inclusion. It means conducting our business fairly, with the highest professional standards and in strict adherence to local legal and regulatory obligations in all the countries where we operate.

### Respect for human rights

TriOptima respects human rights and believes its employees have a safe and healthy work environment that is free from discrimination and harassment, threats or acts of violence or intimidation. We are committed to comply with ethical standards and mandates as well as the laws and regulations in the jurisdictions where we operate and respect the human rights of others.

Given the nature of our business, we believe there is minimal risk of practices that support, facilitate or are complicit with modern slavery, within either OSTTRA or our supply chain.

Generally, we procure computer equipment as well as office supplies, equipment and services for the daily running of our businesses. In addition, from time to time, we use third party vendors and contractors for technology support and development, and for various advisory services. TriOptima does not manufacture or sell any physical goods and, therefore, we have no supply chain relating to such activities.

Nevertheless, we require that all vendors with whom we have a master services agreement, agree to perform at the highest level of business and professional ethics, and ensures that they and their subcontractors comply with all applicable anti-slavery and human trafficking laws, including but not limited to the UK Modern Slavery Act. We have also embedded these expectations in our purchase order forms and new vendor onboarding forms.

### Slavery and human trafficking

OSTTRA, S&P Global and CME Group have a zero-tolerance approach to modern slavery and human trafficking, which is confirmed in many of the corporate policies and procedures, including third party and vendor codes of conduct, and human rights and labour practices policy. They include our approach and commitment to respecting and promoting fundamental human rights, which we view as a key component of responsible corporate citizenship. In addition to supporting the

fundamental principles contained in the United Nations Universal Declaration of Human Rights, we are committed to working with suppliers to help uphold ethical human rights standards.

We have determined that the majority of our suppliers operate in areas considered to be at a low risk of supporting or being complicit in forced labour or human trafficking. We have implemented procedures to assess the risk of new vendors at onboarding and we require suppliers to affirm their commitment to eradicating modern slavery and human trafficking. We plan to continue to monitor our business for potential risks related to slavery and human trafficking and other best practices adopted in our industry.

The OSTTRA modern slavery and human trafficking statement for November 2023 can be found [here](#).

## Work against corruption

The services offered by TriOptima are not considered high risk for bribery or corruption. TriOptima services offer clients the ability to reduce their risks or improve their operational efficiency. They do not construct anything or take large sums of money up front. Fees are paid for the services used – either pay as you go, or regular invoicing. Cash is not used, and TriOptima does not hold or control client money. Interaction with government bodies is mainly financial regulators, and occasional government owned financial entities.

Despite the low-risk nature of the bribery and corruption risks, TriOptima has systems and controls in place to manage any potential risks. This includes financial crime, gifts and entertainment, conflicts of interest and personal account dealing controls and monitoring. These are designed to promote an ethical business culture that drives company results and mitigates risks of misconduct and legal violations.

During 2023, our colleagues completed the following training programmes and attested to have read and understood all the Compliance policies referenced above.

- Anti-money laundering (AML) training
- Mandatory compliance training which included Market Abuse, AML, speak up and escalation, gifts and entertainment, personal account dealing, complaints and conflicts of interest.
- Training on the information security programme and phishing risks
- Education for all employees on business continuity management and physical security programmes
- Senior Managers & Certifications Regime (SMCR) Conduct Rule Training and certifications for relevant staff
- S&P Global's Code of Business Ethics Training 2023

## **Anti-financial crime programme**

OSTTRA adheres to the S&P Global anti-financial crime programme, including a written anti-financial crime policy which is complemented by a comprehensive set of anti-financial crime systems and controls in OSTTRA. During 2023 all TriOptima staff received training on risks related to money laundering and terrorist financing.

We take all reasonable and appropriate steps to prevent persons engaged in money laundering, fraud, or other financial crime, including the financing of terrorists or terrorist operations, from utilising TriOptima products and services. We have established risk-based processes and procedures designed to ensure that the company does not transact or facilitate prohibited business, with individuals or entities who are the target of applicable sanctions. The programme includes a risk-based process to conduct client due diligence based upon the nature of the business relationship and the background of the client.

We generate our business based on merit and have controls in place to prevent us from providing or receiving improper or corrupt payments. It is our intention to comply with applicable anticorruption laws without exception, regardless of local business culture or practice. We also aim to compete fairly and in accordance with all applicable antitrust and competition laws. In dealing with our clients, vendors, public officials, business partners and others, we will not seek to influence them, either directly or indirectly, by providing something of value to improperly influence their decision making.

## **Gifts and entertainment policy**

In accordance with current policies on gifts and entertainment, TriOptima employees must report and seek pre-approval from their manager when established thresholds are exceeded.

We are pleased to share that no significant issues were identified in 2023. To the extent there are failures to follow the policy, as identified by Compliance, there are a range of sanctions that OSTTRA can take starting with reminding staff of their obligations, re-training, warnings, and finally, in exceptional circumstances, termination.

## **Conflicts of interest**

OSTTRA has a conflicts of interest policy, which sets forth the process for identifying, monitoring and managing actual and potential conflicts of interest.

TriOptima seeks to ensure that a conflict of interest does not adversely affect the interests of its organisation, its clients, its shareholders or other stakeholders. We are required to disclose potential conflicts of interest, including but not limited to, those relating to personal relationships, outside business activities, financial

interests and opportunities.

Employee disclosures are reviewed by an individual's manager followed by a review by compliance. Additional controls will be implemented to address the actual, potential or perceived conflict, if required, based on the nature of the disclosure, such as those involving a personal relationship with a colleague, a vendor or customer.

No significant conflicts of interest issues were identified during 2023.

## **Risks within sustainability**

TriOptima has a very thorough risk framework where all aspects including sustainability are reviewed and assessed annually, which include.

- Ergonomic support for the physical workplace
- Training managers to support staff
- Annual reviews and follow up
- Employee training and development such as diversity training
- Compensation and benefits schemes
- Benchmarking surveys in regard of compensation and benefits

We have not identified any environmental risks in regard of the services we provide to our customers.

We will always choose a more sustainable option within our facilities including office space and data centres.

We continue to work with our HR team to deliver on our DEI agenda and we comply with all laws and regulations. We have processes in place to address any discrimination. We have processes to report harassment in the workplace and if anyone feels they are harassed they can speak up to report in a fair and ethical way.

## ISO 27001 information security certification

OSTTRA has an information security management system certified according to ISO 27001:2022. ISO 27001 is an international standard for managing information security. It outlines a systematic approach to identifying, assessing, and managing risks to information assets. Key elements include risk assessment, policies, management commitment, continuous improvement, and compliance. Certification demonstrates an organisation's commitment to protecting information assets.

## Internal audit

During 2023 TriOptima received internal audit provision via CME Group, a 50% shareholder of OSTTRA Group, for Q1. Internal Audit carries out an annual anti money laundering and sanctions audit on TriOptima AB, as required by the regulations that TriOptima is subject to. In Q2 2023, full responsibility for internal audit transferred to S&P Global, OSTTRA's other 50% shareholder.

Internal Audit will conduct audits of other elements of the business including the compliance programme as needed and provides an annual audit plan setting out of the focus for the coming 12 months.