

Disclosure according to SFDR

1. Introduction

SB1 Markets ("SB1M" or "the Company") shall, in accordance with the Sustainable Finance Disclosure Regulation ("SFDR")¹, publish sustainability-related disclosures on its website. This information describes how SB1M integrates sustainability risks in investment advice and how principal adverse impacts on sustainability factors are considered.

2. Transparency regarding integration of sustainability risks in investment advice

SB1M shall describe how, and to what extent, the Company integrates sustainability risks into its investment advice. Sustainability risks refer to environmental, social or governance events or conditions that, if they occur, could have material negative impact on the value of an investment.

When providing investment advice, SB1M collects information about the client's financial situation and preferences, including risk tolerance, investment horizon, return objectives and any stated sustainability preferences. Where a client expresses sustainability preferences, these shall be taken into account in the investment advice provided.

SB1M does not apply a separate or systematic methodology specifically dedicated to the integration of sustainability risks. Instead, sustainability-related factors are considered where they are deemed financially material to the assessment of financial instruments. Investment advice is provided by SB1M's brokers based on analyses of issuers and financial instruments, focusing on factors such as business model, capital structure, market position and growth prospects etc. Sustainability risks are considered insofar as they are relevant to the financial risk profile or potential value of the investment. The development of a specific and systematic methodology for SB1M's integration of sustainability risks will take place progressively over time. No fixed implementation timeline has been established, as the methodology must remain sufficiently flexible to reflect ongoing regulatory developments, evolving market practices, and improvements in the availability, quality, and reliability of relevant data.

SB1M's policy on the integration of sustainability risks in investment advice is available on SB1M's website under "Terms & Disclaimers".

3. No consideration of adverse impacts of investment advice on sustainability factors

Sustainability factors refer to environmental, social and employee-related matters, respect for human rights, anti-corruption and anti-bribery matters, as defined in SFDR. Adverse impacts on sustainability factors refer to negative effects that may be detrimental to sustainable development.

At present, SB1M has decided not to consider the principal adverse impacts of investment advice on sustainability factors. This decision has been taken with consideration of the size of the Company, the nature and scale of its investment advisory activities, and the types of financial instrument on which SB1M provides investment advice. In particular, SB1M has assessed that, at present, the availability of data relating to principal adverse impacts on sustainability factors is limited for the types of financial instrument on which the firm provides investment advice. Therefore, SB1M considers that the inclusion or use of such data at this stage could risk leading to misleading assessments or investment advice.

SB1M continuously monitors regulatory developments and market practices in this area. The Company may consider taking principal adverse impacts on sustainability factors into account in its

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector ("SFDR").

investment advice in the future if the availability, quality and comparability of relevant data improve to a level that enables meaningful and reliable assessment. At present, no specific timeline has been established for such consideration.

4. Consistency of the remuneration policy with the integration of sustainability risks

SB1M has adopted a remuneration policy in accordance with applicable regulations and that is consistent with the Company's overall objectives, risk tolerance and long-term interests. The remuneration framework is designed to promote sound management and effective control of SB1M's risks, counteract excessive risk-taking and help prevent conflicts of interest.

The remuneration policy supports the integration of sustainability risks by ensuring that remuneration arrangements do not encourage behaviour that could lead to unacceptable risk-taking, including risks related to sustainability. In particular, variable remuneration is structured so as to be aligned with SB1M's overall risk profile and to promote prudent decision-making in the provision of investment advice.

