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Why we are committed to Sustainability

The 2022 report marks the third year of non-financial disclosures for Swissquote, provided in addition to information on financial performance, corporate governance and remuneration. As part of our commitment to transparency towards our customers, employees and other stakeholders, this report includes comprehensive insights about our approach to sustainability and key performance data in accordance with GRI Standards. Selected quantitative data have been externally assured for the first time in 2022.

This report’s scope covers Swissquote’s business activities in Switzerland and Luxembourg.
OUR UNDERSTANDING OF SUSTAINABILITY

Swissquote (we) strive to deliver sustainable value to society and exemplify how to apply sustainability criteria in our strategic decisions and operations.

For us, this means challenging convention via innovation and technology and constantly pioneering new and intuitive ways of banking to democratise financial markets and make financial opportunities more accessible to all. We build relationships based on trust and conduct our business responsibly and transparently. We champion our customers by delivering exceptional products and services. We create customised user experiences that enhance and ease banking and investment decision-making, and we seek our clients’ opinions to better understand their needs, motivations and aspirations. We cherish our employees and work hard to nurture a culture that is inclusive and worthy of their talent. Finally, our commitment to sustainability considers the environment and drives sustainable growth that creates value for all our stakeholders.
GENERAL INFORMATION

Swissquote’s Board of Directors is ultimately responsible for all environmental, social and governance (ESG) decisions and supervises performance related to annual objectives of the Executive Management for sustainability. The Board consists of seven members and has two board committees that make recommendations to the Board on specific matters. An overview of the Board and its committees, including their functions and responsibilities, can be found in the Corporate Governance Report on page 158 and following. None of the Board members undertakes activities, holds mandates or has vested interests other than described in Section 3.1 on page 145 and following. For more information on activities and vested interests of the Board, see Corporate Governance Report, page 153, GRI 2-15.

To further enhance collective knowledge on sustainability, a dedicated ESG training is planned for our Board members in early 2023, GRI 2-17. The Board delegates the duties of implementing the business strategy, including sustainability matters, to the Executive Management, which reports back to the Board of Directors during the Board meetings as appropriate, GRI 2-13.

The Chair ensures that all relevant matters are part of the Board meeting agenda and subject to an appropriate follow-up. Relevant matters include, among others, strategy, business, financial risks, risk management, compliance matters as well as sustainability (including environmental risks). ESG-related topics and risks are presented to the Board during the Annual Risk Conference as well as during other Board meetings when relevant. GRI 2-9. Depending on the topic of concern, the corresponding department will prepare dedicated reporting to the Board including negative impacts and remediation measures, if applicable. For example, employee-related topics are part of the reporting from the Human Resources department to the Board of Directors, GRI 2-25. For more information on the governance structure and composition, nomination and selection processes, together with details on the Chair of the Board, see Corporate Governance Report, page 134-178, GRI 2-9, 2-10, 2-11, 2-12.

The purpose of Swissquote’s remuneration policy is to encourage the delivery of sustainable growth and performance to shareholders, promote our vision and strategy and foster the achievement of our sustainability goals. The policy is designed to attract and retain qualified employees and reward achievements as well as long-term performance. It is also elaborated with due care to the Group’s success and stage of development and align the interests of the Board and the Executive Management with those of shareholders.

Starting from 2022, the objectives set to the Executive Management are classified in three categories: financial objectives, growth objectives and ESG objectives (15% weight). The non-financial objectives set by the Board of Directors to the Executive Management are derived from the materiality assessment. For more information on the remuneration policy and how it is determined, see Remuneration Report pages 180–210, GRI 2-19, 2-20.
MATERIALITY ASSESSMENT

Swissquote has determined the most critical priority topics based on the relevance of the impacts of its business activities on sustainable development and on the long-term success of Swissquote in the marketplace. These two pillars lay the foundation for our sustainability strategy as well as reporting and inform the concept of “double materiality” that serves as the basis for the 2022 Sustainability Report.

In 2020, we conducted a materiality assessment to sharpen and prioritise the sustainability topics important to Swissquote and our stakeholders. As a first step, we compiled a list of potentially relevant topics. This was based on the GRI Standards, the Investment Banking and Brokerage Sustainability Accounting Standards of the Sustainability Accounting Standards Board (SASB), topics of importance to our peers, topics observed by ESG rating agencies and our own established sustainability topics. We then clustered the topics through categorising and grouping. Next, we evaluated and prioritised the topics in a workshop with our Chief Financial Officer and representatives from various departments such as Finance, Human Resources, Marketing, Legal, Compliance and Investor Relations. We assessed the materiality of the topics according to the following criteria: relevance for our long-term business success and significance of the impact of our business activities.

Considering the update of the GRI Standards as well as the introduction of the Responsible Business Initiative (RBI) counterproposal, we updated our materiality matrix in 2022. For each material topic, we analysed their associated impacts and assessed whether we needed to consider further material topics and their impacts. We then assigned the material topics and their associated impacts to the sustainability matters (i.e., environmental matters, employee matters, human rights, other social matters, governance as well as economic matters), which large Swiss-based companies must report in light of the RBI counterproposal. The core project group then re-evaluated the relevance of each topic concerning the impacts of Swissquote’s activities on the economy, environment and people (x-axis), as well as the impact on Swissquote’s long-term business success (y-axis). The materiality update was facilitated by an external corporate sustainability consultancy. The outcome of the materiality analysis was submitted to the Board of Directors and the Executive Management and is reviewed on a yearly basis. Additionally, the Board of Directors approves the sustainability report as part of the entire Annual Report before it is published, GRI 2-14, 3-1.

The 15 identified topics with medium, high and very high relevance in one or both dimensions form the basis of our sustainability management and reporting. They are presented herein in our materiality matrix, GRI 3-2.
## Our Materiality Matrix GRI 3-2

<table>
<thead>
<tr>
<th>Low</th>
<th>Medium</th>
<th>High</th>
<th>Very High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>MEDIUM</td>
<td>HIGH</td>
<td>VERY HIGH</td>
</tr>
</tbody>
</table>

- **Low Impact, Low Relevance**
  - Environmental Responsibility
  - Social Impact

- **Medium Impact, Low Relevance**
  - Compliance, Governance and Ethics
  - Financial Performance

- **High Impact, Medium Relevance**
  - Talent Development
  - Prudent Investment Approach
  - Credibility in the Market
  - Employee Engagement
  - Diversity
  - Compensation and Benefits

- **Very High Impact, High Relevance**
  - Customer Data Security, Privacy and Protection
  - Business Continuity, IT Resilience
  - Customer Experience
  - Innovation
  - Product Focus
  - Compensation and Benefits

**IMPACT RELEVANCE**
STAKEHOLDER ENGAGEMENT

We prioritise our stakeholders’ perspectives and strive to integrate them across our business strategy. In the context of the materiality assessment, we identified our most important stakeholder groups and how we engage with them. They are defined as those who either contribute to the successful business activity of Swissquote or are influenced by our business activity, GRI 2-29.

Our Approach to Stakeholder Engagement

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Examples of Stakeholder Engagement</th>
<th>Key Topics and Concerns Raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients</td>
<td>- Annual global satisfaction survey</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Biannual Net Promoter Score® measurement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Additional targeted surveys</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Direct point of contact for business and institutional customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Focus groups</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Personal and email communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Physical and online events</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Social media</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Swissquote Trading Day</td>
<td></td>
</tr>
<tr>
<td>Investors</td>
<td>- Biannual financial results presentation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Investor roadshows</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Annual General Meeting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Engagement programme</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>- Annual engagement survey</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Additional selected surveys</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Q&amp;A sessions with Executive Management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Department-level discussions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Full Annual Management Meeting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Staff Meetings</td>
<td></td>
</tr>
<tr>
<td>Regulators</td>
<td>- Regulatory reporting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Regular contacts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Engagement in industry associations such as CMTA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Involvement in consultation papers</td>
<td></td>
</tr>
<tr>
<td>Local communities</td>
<td>- Sponsoring of local events</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Participating in university and association committees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Giving to charitable organisations</td>
<td></td>
</tr>
</tbody>
</table>

Swissquote engages with a variety of business partners to successfully create value, including financial counterparties such as banks, stock and crypto exchanges, brokers, introducing brokers, prime brokers, liquidity providers and market makers, data feed providers, software engineering firms, software and IT infrastructure providers, landlords of office spaces and other professional service providers such as advertising, sponsoring, consulting and law firms. For a comprehensive overview of Swissquote’s value chain, reference is made to Section I and II of the consolidated financial statements on page 26 and following GRI 2-6.
How we respond to the needs and concerns of our stakeholders is outlined in the following sections.

**CLIENTS**  

**INVESTORS**  
Financial Performance, Compliance, Governance and Ethics, Prudent Investment Approach, Environment Responsibility

**EMPLOYEES**  
Employee Engagement, Compensation and Benefits, Talent Development, Diversity, Environment Responsibility

**REGULATORS**  
Compliance, Governance and Ethics, Environment Responsibility

**LOCAL COMMUNITIES**  
Social Impact, Environment Responsibility

**Memberships, Associations and Commitments to External Initiatives**
Swissquote actively participates in various memberships, associations and commits to external initiatives, including:

- Swiss Bankers Association (SBA);
- Association des Banques et Banquiers Luxembourg (ABBL);
- Asset Management Association Switzerland (AMAS);
- Capital Markets and Technology Association (CMTA);
- Commission Vaudoise pour la Formation Bancaire (CVFB);
- Association Vaudoise des Banques (AVB);
- OpenWealth Association;
- Swiss Structured Products Association (SSPA);
- Groupement des Compliance Officers de suisse romande et du Tessin (GCO).

We are committed to the standards, self-regulations or codes of conduct of those associations, GRI 2-28.
How we focus on customer centricity

In a competitive and mature industry, we seek to differentiate and always put the “client first” to keep Swissquote as the bank of choice for our customers. We are our customers’ champions at all times.

CUSTOMER EXPERIENCE

To maintain our leadership position as a Swiss online bank and continue expanding globally, we are relentless about understanding our customers’ desires, needs and aspirations. We believe in building enduring relationships by getting to know our customers and delivering outstanding products and customer service.

The Value of the Customer Experience

One of the Company’s core values is to champion the customer. We strongly believe that by understanding our customers and creating innovative products and services that meet their needs, we create lasting partnerships. Our ambition is to democratise financial markets and make information, technology and products accessible to all so that every investor can make informed online investments. Opening the opportunity to invest in multi-asset classes to small-scale private investors and providing access to a broad range of information, products and services online thus create value for society at large. That is why customer experiences are a crucial element of Swissquote’s value proposition. We are dedicated to perfecting the customer experience so that we are inspiring our clients, building Swissquote ambassadors and establishing long term, trusted relationships.
WHERE WE HAVE SET OUR SIGHTS

- Maintain our Net Promoter Score (NPS®)
- Grow our global client satisfaction rating
- Achieve a strong service level within our Customer Care department
- Be top of mind for trading in customer surveys (IPSOS)

A Look at 2022

One of the ways we measure customer satisfaction is through our Net Promoter Score (NPS®), an international standard indicator of customer loyalty that is calculated as the difference between brand promoters and detractors. In 2022, we received a positive NPS®, confirming that we have more promoters willing to recommend Swissquote to their acquaintances than detractors. In particular, customers reported receiving high-quality products and services with Swissquote Bank Europe whom achieved its highest historical levels in NPS® in 2022.

This progress was also reflected in our IPSOS score, which measures our position in terms of the objective to be top of mind for trading and for total awareness (i.e., proportion of people who are aware of our brand). Swissquote remains the top-of-mind online trading bank in Switzerland alike last year and is ranked second in the study for brand awareness. Despite a challenging macro-environment, we remained a trustworthy partner for our customers. Our International Client Satisfaction survey conducted with IPSOS since 2016 consistently reveals that our clients highly appreciate our status as a regulated bank accountable to a reliable supervisory authority. We improved our positions compared to 2021 with clients reaffirming their trust in us and our ability to securely manage their data. In relation to the regulatory status, trust and security, our clients give us a satisfaction score of 6.0 out of 7.0 (+0.1 points compared to last year). Our customer care service also improved its service level and response time significantly compared to last year.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
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<tbody>
<tr>
<td>Total number of inbound calls</td>
<td>303,406</td>
<td>370,011</td>
</tr>
<tr>
<td>Average percentage of total inbound calls answered within the first 120 seconds</td>
<td>91%</td>
<td>80%</td>
</tr>
<tr>
<td>Average percentage of tradeline inbound calls answered within the first 120 seconds</td>
<td>96%</td>
<td>88%</td>
</tr>
</tbody>
</table>

In 2022, we became a new member of the OpenWealth Association, which connects financial institutions through an open Application Programming Interface (API) standard, thereby enabling us to continue improving our services for institutional and private clients. Swissquote followed this up by launching our own TWINT app as a payment solution for clients, expanding our capabilities and now becoming accessible to all eTrading account holders for free.

Customer retention is key in a competitive market, and customer experience is crucial. Swissquote is dedicated to continuing to perfect the customer experience as we maintain our focus on retention and client service. In 2022, more than 50,000 new accounts were opened.

We continue our effort to provide free education and knowledge sharing through different media platforms such as our YouTube channels and our education blog on the “Medium” platform. We also offer new guidebooks helping our customers to develop their trading skills, and we provide free webinars accessible via our website. By offering these tools in up to six languages, we were able to reach tens of thousands of people (e.g., approximately 60,000 followers on our YouTube channels). In June 2022, we organised the Swissquote Trading Day which was hosted in Lausanne and live-streamed on our YouTube channels. Around 3,000 people gathered to talk about financial markets and the latest news with a range of experts, making this event the number one retail finance event in Switzerland.

Moreover, Swissquote launched its own crypto exchange called SQX. This centralised trading platform for cryptocurrencies provides a more competitive and secure trading environment. SQX provides a significantly enhanced customer experience for trading, execution and liquidity and is available at any time.

Finally, in December 2022 we launched a new securities lending service in Luxembourg in order to provide customers with a new source of passive income. Customers can now elect to lend their securities to institutions looking to borrow them.
How We Are Reaching Our Goals
In response to customer needs, we release new products and services on a regular basis while remaining committed to keeping our platform simple to use. We truly believe that trading should be accessible to everyone and provide customers with a broad range of training tools to help them join the trading universe easily and successfully. We also publish the Swissquote Magazine six times a year to deliver stories that can guide investors’ personal investment strategies.

Our efforts to perfect the customer experience begin by knowing our customer and investing heavily in user research as a component of product and service design. Our team includes people in charge of understanding customer needs and designing the user journey. We systematically conduct usability testing (including testing by Swissquote employees with different trading level competencies), organise small group events with customers and regularly survey clients to collect qualitative feedback. Our “mystery trader” practice gives insight into the customer experience regarding the quality of interaction with Swissquote’s support teams. We have also magnified our attention on social media and use these channels to engage with current and potential customers, including collecting feedback and responding to interests and concerns. Additionally, we carefully monitor customer ratings and feedback provided through the Yuh app and the Swissquote mobile trading app to ensure our products remain aligned with customer needs.

We share findings with employees regularly and expect them to respond to client needs and feedback. To build a common understanding of clients and their needs, we conducted data-based research to create “personas” – customer archetypes that represent key traits of a large segment of our audience. They help us to understand our customers’ desires, experiences, behaviour and goals.

Finally, we solicit customer opinions through client surveys and regular benchmarking (e.g., client satisfaction survey with IPSOS). On a biannual basis, we measure customer experience with the Net Promoter Score®, combining NPS® measurements with customer experience and satisfaction research to continually increase customer loyalty. This data as well as client satisfaction targets are reflected in a dedicated Marketing Scorecard used by the Marketing team to set annual performance objectives.

Further details can be found in the section on innovation

CREDIBILITY IN THE MARKET

Credibility is everything in banking. Without credibility, there is no bank.

The Value of Market Credibility
Swissquote is not a typical Swiss bank. We are forging our own unique market position based on creativity, software development, customer service and investor empowerment. Being known for reliability and flexibility allows us to progressively transition from being considered a “secondary” bank by customers to becoming their first and only bank. With our attention on customer service and customers’ unique needs, Swissquote is on the path to becoming a universal digital bank with a broad range of products and services.

Transparency is critical as we make our way forward. By ensuring reliable, credible and competitive products and solutions accessible to all, Swissquote increases quality and transparency for its stakeholders while raising the bar for security and trust in the financial, fintech and banking sectors.

At Swissquote, credibility is captured by one of the four founding principles of our value proposition:

– Swiss pedigree and top customer experience;
– Extensive and unique multi-asset offer;
– Trust and security;
– Tech leadership and innovation.
WHERE WE HAVE SET OUR SIGHTS

» Remain a profitable company and trustworthy partner for customers
» Maintain a strong equity capital ratio well above minimum requirements
» Propose continuity in the payout per share
» Apply best practice standards in financial and non-financial reporting
» Support meaningful regulation and appreciate being regulated by respectful regulators worldwide
» Provide transparency
» Apply best practice remuneration and corporate governance rules
» Improve ESG rating scores

A Look at 2022
We remained profitable and maintained a strong equity capital ratio well above minimum requirements despite the fluid conditions this year. Further information is available in the financial risk management section of our Financial Report. Despite the year 2022 being challenging, we are still in a position to propose continuity in the dividend per share payment as well as a strong Basel III core capital ratio.

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital ratio in %</td>
<td>24.8%</td>
</tr>
<tr>
<td>Net profit in CHFm</td>
<td>157.4</td>
</tr>
<tr>
<td>Payout per share in CHF</td>
<td>2.20</td>
</tr>
</tbody>
</table>

As part of our commitment to transparency and best practice standards in financial and non-financial reporting, we continue to report voluntarily in compliance with GRI Standards and have enhanced our disclosures this year to fulfil the requirements of the updated GRI Standards 2021. In addition, key indicators of this report have been independently reviewed by a third party.

How We Are Reaching Our Goals
On a fundamental level, we establish customer trust by being a regulated bank under the supervision of the Swiss Financial Market Authority (FINMA) in Switzerland and a regulated bank under the supervision of the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg, with all the guarantees and capital requirements that come with the status. On a yearly basis, extensive financial and regulatory audits are performed by external auditors.

Beyond that, we know that transparency is the foundation of enduring and trusted relationships. Relevant aspects of our business activities are openly communicated to our customers, partners and all other stakeholders. We ensure that our language is clear and unambiguous.

We are diligent in respecting all compliance and cross-border policies and fiercely protective of our strong brand reputation at the highest possible level. There were no incidents of non-compliance concerning product and service information and labelling or marketing communications in 2022, GRI 417-2 & -3.

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2 The use by Swissquote Group Holding SA of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein do not constitute a sponsorship, endorsement, recommendation or promotion of Swissquote Group Holding SA by MSCI. MSCI services and data are in the property of MSCI or its information providers and are provided “as is” and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
In addition to being a bank, Swissquote also operates as a public media vector with our online financial platform, which is accessible globally. We therefore ensure compliance with restrictions and information publication obligations applicable to the advertising of specific groups of products and services, particularly in the field of the investment fund business. Our response to these requirements is the engagement of our Legal and Compliance departments, the extensive use of ad hoc disclaimers and a cross-border policy. Our Executive Management and the Board of Directors receive a daily briefing of media coverage. This measure allows leadership to evaluate how the Company’s credibility is reflected in the media and to immediately react if the Company’s reputation is at risk.

Further details can be found in the section on employee engagement

CUSTOMER DATA SECURITY, PRIVACY AND PROTECTION

Protecting personal data, maintaining confidentiality and safeguarding privacy are among our most sacred duties. We protect our clients’ data with the highest level of information security.

The Value of Customer Data Security, Privacy and Protection

Customers expect banks to keep their financial and personal information safe and secure. Proactive IT management to ensure our clients are protected from financial harm and invasion of privacy is necessary to achieve a high level of trust and customer loyalty and to reinforce our credibility.

A Look at 2022

As Swissquote grows and expands to additional marketplaces and product lines, we have made several improvements in how we keep customer data secure. For example:

- We have defined new rules and responsibilities related to infrastructure and technology security standards.
- We implemented new standards to further ensure that customer data is processed and stored in accordance with state-of-the-art market practices.
- We developed a sophisticated risk identification process using a recognised industry framework to better identify threats scenarios related to customer data security.
- We improved our data leakage prevention system by ensuring that all data flows comply with defined security standards, especially those from mobile devices.

The Bank organises a penetration test audit on an annual basis concerning its websites, web and mobile applications by calling on trusted and reputable external third-party auditors. A rotation is carried out concerning the suppliers in order to ensure independence and non-collusion in the results and conclusions of the audit. The inspection in 2022 revealed that our platforms are robust and meet the highest security standards.

Moreover, in 2022, an external IT service provider conducted an audit on the Company’s technical capacity to handle potential security incidents. No significant deficiencies were identified on this occasion. The adoption of new technologies and increasing IT complexity should not come at the expense of data security.
Phishing attacks remain the number one threat for the financial industry as they become more sophisticated and targeted. We must ensure that our people are engaged and well-informed about these types of attacks and know how to detect and deflect them. In 2022, in addition to dedicated trainings, we published an IT Security Newsletter to promote best practices and IT hygiene as well as conducting phishing exercises to train customers and increase awareness.

Beyond that, cyber-attacks remain a big area of concern for our sector. We believe that to achieve cyber resilience, security must be embedded in business processes while we use agile methodologies to prepare, prevent, respond and successfully recover from attacks. In 2022, we did not experience any major incident regarding customer data security, GRI 418-1.

**How We Are Reaching Our Goals**

As a bank regulated by FINMA and other regulators around the world, we abide by strict security measures to keep our customer data and privacy safe. Swissquote has also established a framework to manage IT risks, particularly regarding intentional or unintentional threats to its IT systems. Additionally, internal guidelines ensure that adequate dedicated controls, procedures and processes are in place, particularly with respect to:

- Confidentiality of data processed by the Company;
- Integrity of the Company’s IT systems;
- Availability of the Company’s IT systems;
- Compliance with relevant laws and regulations.

We work in secure operating environments and limit access to customer identifying data (CID) on a need-to-know basis, encrypt sensitive information processed in transactions over our websites and verify customer identity before granting access. In addition, we retain customers’ personal data for only as long as it is necessary for the stated purpose, taking into account our need to answer queries or resolve problems, provide improved and new services and comply with relevant legal requirements. When the collected personal data is no longer required, we destroy or delete it in a secure manner.

We also maintain a web page with dedicated information on data protection, so that customers can review our policies, procedures and their rights on data protection at any time. We comply with the Swiss Federal Act on Data Protection (FADP) and ensure that principles of European Union General Data Protection Regulation (GDPR) that apply to Swiss companies are implemented. Customers can use a dedicated email address (privacy@swissquote.com) to discuss any privacy or security concerns. We track the number of received complaints and every potential CID breach is analysed using a matrix that classifies events according to severity and indicates appropriate responses. In addition, high-severity cases are escalated to the supervisory authorities.

The Company designs its employee security information strategy around three axes:

1. Online training;
2. Internal newsletters;

We train our employees on data security and privacy-related risks and procedures upon hiring and then on at least a yearly basis. All employees are required to undergo training on client data security in accordance with FINMA’s requirements and expectations (such as those expressed in FINMA Circular 2008/21 “Operational Risks – Banks”). While all matters of data security, privacy and cyber security are managed by our IT Security team, ultimate responsibility lies with top management, in particular our Chief Operating Officer and Chief Risk Officer. In addition, the oversight of these topics is performed by the Board of Directors, which includes several members with specific skills and experience in Technology/IT/Cybersecurity.

We have mandated an external third party to perform an ISAE 3402 review on the description of our systems and controls in conjunction with our function as an IT service provider organisation as well as the suitability of the design and operating effectiveness. This helps us to communicate about the controls we have in place to achieve specified control objectives and ultimately enables us to build trust. Apart from this and in addition to annual external penetration test audits, our external auditors conducts regulatory required annual regulatory audits. From time to time, our internal auditors run internal audits on data security, privacy and protection.

**Further details can be found in the section on compliance, governance and ethics**

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3 International Standard on Assurance Engagements 3402 (ISAE 3402) provides assurance concerning adequate internal controls. For more information, see https://www.iaasb.org/
How we innovate to enhance our products

At Swissquote, we are never satisfied with the status quo. We continuously seek new and unexpected ways of delivering value to our customers by developing, refining and evolving our products and services. This dedication to innovation is something our customers have come to expect from us and has become a defining characteristic for the Company.

**PRODUCT FOCUS**

Swissquote continually develops new products to better serve our customers and provide value to stakeholders. By creating the most intuitive and innovative products possible, we empower investors and provide our clients with industry-leading value while directly reinforcing the Company’s reputation for excellence.

**The Value of Focusing on Products**

Over the past two decades, Swissquote’s business has evolved from offering stock trading to retail clients in Switzerland to providing a wide array of products to retail, corporate and institutional clients worldwide. To maintain this growth and continually improve our agility, we have become a product-focused organisation.

To consolidate our unique offerings, reinforce our value proposition and advance towards our vision, we have an ambitious roadmap that puts client wants and needs in the driver’s seat. Customer satisfaction is both our distinction and our galvanising force.
Where We Have Set Our Sights

» Deliver an ambitious project roadmap on a yearly basis
» Increase agility to speed up the pace of product delivery and keep a high level of stability in our systems
» Implement client-oriented KPIs

A Look at 2022

In 2022, we developed a sophisticated internal communication framework to regularly share insights about product performance, client feedback, market trends and product deliveries. Our employees are our strongest assets. Through steady knowledge building, they can better design products and serve our customers. The communication framework includes different communication channels and support mechanisms including product scorecards, newsletters, quarterly product reports and expert talks. Our goal is ensure that all Swissquote employees are aligned with our product strategy and have the tools and the knowledge to serve as trusted leaders in client needs and market insights.

Along with this, we have further developed how and how often we engage with our clients to better understand their needs, challenges and expectations. We have introduced multiple qualitative and quantitative channels, including focus groups, surveys, micro-surveys on specific products or new services, as well as dedicated sessions with clients.

As we continue to operate in a dynamic marketplace and stay focused on customer-led growth, we remain committed to delivering the best products and services and being market-responsive with our expansion.

Our product focus is captured by the following indicators:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTEs dedicated to technology</td>
<td>372</td>
<td>332</td>
</tr>
<tr>
<td>Average rating of the Swissquote Trading App in the App Store</td>
<td>4.4/5</td>
<td>4.4/5</td>
</tr>
<tr>
<td>Average rating of the Swissquote Trading App in the Play Store</td>
<td>4.1/5</td>
<td>2.9/5</td>
</tr>
</tbody>
</table>

In addition to the above-mentioned headcount, we also work with external software engineers (151 headcounts as of 31.12.2022) GRI 2-8. Our software development department monitors its progress towards the project roadmap delivery using various key performance indicators (KPIs) such as stakeholder satisfaction.

How We Are Reaching Our Goals

Every product has a product manager who sets the overall vision and leads with target setting. They guide team squads and coordinate with relevant departments with three goals:

– Define the best products for our clients;
– Provide visibility of short/medium/long-term goals;
– Provide product “cockpits” to pilot products and measure results.

This organisation helps to support both product improvement and new product development. The model is complemented with a metric-based approach, in which each product team defines measurable objectives and tracks KPIs relevant to their task. Technical teams are also following important metrics to their daily job such as lead-time, technical depth, stakeholder satisfaction and team mood.

We offer a wide range of services, which are organised into nine different product categories, to different types of clients, along with Yuh, which is offered through our joint venture with PostFinance. The products support our four-pillar business model that is centred on eTrading, Forex, Crypto-Assets and Banking Services. We structure product management and development teams around the products to continue extending and improving the services we offer to our clients. This approach is aligned with our client-first culture and prioritises our value proposition during the whole process of iteration from focus groups to UX research, UI/UX testing and post-delivery feedback collection.

» Further details can be found in the section on innovation and employee engagement
INNOVATION

As a pioneer in the online banking industry, innovation is central to our corporate identity and synonymous with our brand. We strive to challenge conventions via innovation and technology to democratise financial markets and make financial opportunities more accessible to all.

The Value of Innovating

Digital banking services and technology have become key elements of the banking industry. More and more customers expect a convenient, easy-to-use, flexible and on-demand platform to manage their financial assets. Our competitive advantage and positive brand perception increase if we can provide newer and more accessible products than our competitors. As a bank focused on innovation throughout our 25-year plus history, we are proud of our reputation as a proven innovator. It is a large contributor to our brand awareness and fundamental to our goal of retaining tech talent, which comprises 40% of our workforce. By focusing on innovation, we add value to the Swissquote platform and enhance our ability to act quickly in response to marketplace changes.

This cultural emphasis on innovation across Swissquote also helps drive forward new ideas, products and services that can meet changing customer needs with speed and convenience. Furthermore, innovation has an impact on the health of the financial sector and can lead to better client and stakeholder experiences overall — a key driver for us.

WHERE WE HAVE SET OUR SIGHTS

» Bring new, disruptive products to the market and differentiate ourselves through innovation
» Reinforce reputation as a pioneering organisation

A Look at 2022

Sustainability is an important factor in how we assess and respond to our customers’ investment decisions. Our Theme Trading offering includes a Sustainability & Impact Investing focus, with ten certificates, each having a theme related to various elements of sustainability: vegetarianism, recycling, gender equality, social responsibility, rainbow rights, green energy, sustainable energy, decarbonisation, eMobility and hydrogen. Additionally, as more investors prioritise ESG criteria in their trading decisions, we continue to empower them by developing new tools and functionalities in our trading platform to guide them, such as:

- Display of ESG scores for every company whose shares are available for trading on our trading platform⁴;
- Detailed performance of stocks on selected values such as gender equality, human rights, greenhouse gas (GHG) emissions, etc.;
- ESG-inspired stock-picking;
- Filtering capabilities to avoid controversial industries such as fossil fuel, animal testing, weapons, tobacco and alcohol;
- Filtering capabilities to select stock aligned with values;
- Client portfolios’ ESG score and how it matches with the customers chosen values.

Those features were released at the end of 2022 and the Company plans to further expand their scope in the coming years (as the functionality is currently web only and available only for stocks).

In 2022, we also evolved our strategic pillars to:

- Be mobile-first by offering a complete one-stop shop for our traders/investors aligned with our client needs;
- Become a universal digital bank by developing an innovative suite of daily banking services available through a multi-channel customer experience;
- Make wealth-building easier and less time-consuming by offering simple and easy investment solutions for midterm and passive investors;
- Level up sustainable investing by offering a disruptive solution to explore sustainable investment and a dedicated sustainable investment strategy;
- Provide better guidance through a simplified offer by greatly improving and unifying our trading platform with new customer experience and design;

⁴ ESG scores are provided using data from Refinitiv. We supply available information to our clients who remain free to choose whether to consider the information for investment decisions. Minimum requirements concerning ESG scores are applicable for our responsible investment policy which concerns our own investments.
– Enhance our crypto offering by building the first crypto exchange (SQX) offered by a Swiss bank and offering staking services for crypto holders.

In 2022, Swissquote began issuing structured products in cooperation with Leonteq to redefine and innovate the yield enhancement segment of the structured products market. Through Leonteq’s white-label platform, Swissquote now issues its own structured products under the label “Yield Booster”. With an initial emphasis on yield enhancement, we aim to focus on developing additional products that offer private investors greater transparency as well as cost-efficient and easy-to-execute tactical trading strategies for all market expectations.

Swissquote is proud to have been named the number one bank/insurance in the Most Innovative Companies ranking in Switzerland by Bilanz, PME and Statista.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of online tradable securities</td>
<td>3,470,202</td>
<td>3,178,448</td>
</tr>
<tr>
<td>Percentage of total theme trading AuM invested in “Sustainability &amp; Impact Investing focus” certificates</td>
<td>26.3%</td>
<td>27.6%</td>
</tr>
</tbody>
</table>

**How We Are Reaching Our Goals**

Swissquote develops innovative solutions by continually scouting the market for new technologies and by understanding the needs and behaviours of our customers to anticipate what could improve their experience.

Our product management division is responsible for driving innovation. We have set up think tanks for ideation and squads to implement each innovation project once a budget is allocated. We recognise that the success of such a people-centric approach to innovation relies on our ability to hire and retain the best technology talent in the marketplace, and we remain committed to our employees’ well-being and professional journey as we pursue a strategy of constant innovation.

Our product management framework, accordingly, is built to:

– Measure client satisfaction on a recurring basis and on demand as we roll out new services or key features;
– Perform deep analysis and recurring reporting on product KPIs;
– Align our offer with key competitors by performing recurring market screenings focused on value proposition and pricing;
– Conduct ongoing market research with focus groups including clients to better evaluate the need for and effectiveness of new services and innovations.

Swissquote strives to continue being a highly innovative company and taking into consideration available technologies, including artificial intelligence, to serve client needs.

» Further details can be found in the sections on customer experience, product focus and talent development
How we create value and conduct business responsibly

We are committed to conducting our business responsibly and transparently. Mutual respect is core to our identity and defines everything we do. At Swissquote, we consider this both a moral obligation and a differentiator; by building relationships based on trust and understanding, we are better positioned to serve our customers, now and in the future.

PRUDENT INVESTMENT APPROACH

We work hard to safeguard our clients’ financial interests. That includes the integration of ESG criteria in our investment decisions to limit risk exposure while influencing positive short- and long-term impact on society and our environment.

The Value of Prudent Investing

For us, prudent investment implies that we do our best to ensure long-term returns by investing in responsibly operated organisations. We invest in high-quality issuers to mitigate credit deterioration while maintaining an appropriate risk level. We believe that by incorporating ESG criteria into our own investment decisions, we can impact the economy and environment in a responsible manner.

In line with our mission of democratising finance and empowering investors, Swissquote does not provide investment advice or asset management services other than Robo-Advisory services and the Investment inspiration tool.
(a widget offering a personalised selection of stocks on a daily basis). In addition, our core activity typically does not include granting direct loans to corporations. As a publicly traded company with a Swiss banking licence and more than 530,000 accounts, we follow all applicable rules and guidelines to safeguard our customer assets and shareholder equity, including full compliance with the Basel III framework.

WHERE WE HAVE SET OUR SIGHTS

» Adequately and vigilantly manage the various risks affecting our assets
» Comply with regulations and our own rules
» Apply best practice risk management policies
» Integrate ESG criteria in our own investment process

A Look at 2022

In 2022, we implemented a new Responsible Investment Policy for own assets that formalises how Swissquote integrates ESG factors in making its own investment decisions. In particular, we use the following criteria in selecting products for Swissquote’s investment securities portfolio:

– Select investment securities with a minimum Refinitiv ESG score of C+ (higher range of satisfactory relative ESG performance) or BBB from MSCI (average ESG performance) when available. The ESG score coverage shall be at least 80% (relative to the size of the investment securities portfolio);
– Exclude companies generating more than 5% of their revenues in controversial sectors (adult entertainment, armaments, gambling, genetic engineering, coal, oil sands and tobacco);
– Exclude companies listed on the exclusion list of the Swiss Association for Responsible Investments (SVVK).

Since the Asset and Liability Management and Treasury department is ultimately responsible for ensuring that the ESG strategy set by the Board of Directors is properly implemented in the Company’s own investment decisions, we have introduced mandatory training on responsible investment for all Asset and Liability Management and Treasury employees. We have also set control procedures to ensure the respect of this policy.

Looking ahead, we will continue to focus on climate and environmental risks that could affect our assets.

INVESTMENT SECURITIES PORTFOLIO AS OF 31.12.22

How We Are Reaching Our Goals

In addition to the Swiss regulations for licensed banks that ensure proper capital and liquidity buffers as well as risk diversification, our Board of Directors has set internal risk management guidelines that define our investment approach. These guidelines cover:

– Approved investment products that Swissquote can purchase on its balance sheet;
– Maxima and minima by credit rating and type of investment product;
– Diversification rules by country and industry;
– Liquidity buffers; and
– Rules to ensure an appropriate duration of our assets and liabilities.

Our Responsible Investment Policy and diversification rules ensure we are minimising investments in less sustainable companies. Swissquote is convinced that the integration of ESG criteria into the investment process can reduce sustainability risks which may have a financial impact. Our
Asset and Liability Management and Treasury department, which oversees Swissquote’s balance sheet, is responsible for compliance with our responsible investment policy and risk management guidelines. On the one hand, our Finance department monitors compliance with the responsible investment policy. On the other hand, our Controlling and Risk department monitors compliance with risk management guidelines daily and adherence is audited by external auditors.

Further details can be found in the section on innovation

COMPLIANCE, GOVERNANCE AND ETHICS

Since our founding, we have built a reputation based on transparency and respect for our stakeholders. Integrity is in our DNA, and our partners, customers and employees expect this in everything we do.

The Value of Compliance, Good Governance and Strong Ethics

Conducting our business with integrity is vital to avoid regulatory risks and preserve our reputation. As a financial services group comprising a regulated bank in Switzerland and a regulated bank in Luxembourg, compliance with all relevant laws and regulations, including corresponding best practices, is important from both a regulatory and a business perspective, as reputation and trust are key elements of successful banking relationships. We take great care in conducting our business in a responsible and ethical manner.

We are fair, honest and respectful with our customers, partners and colleagues. We follow the highest ethical and corporate governance standards, with every Swissquote employee contractually required to comply with those standards. Breaches can result in disciplinary actions.

Swissquote is committed to respecting, protecting and promoting human rights in all its activities. To this end, our engagement focuses on three main stakeholder groups: our employees, our suppliers and our clients. In particular, through our Code of Conduct for employees, we strive to be exemplary when it comes to applying ESG criteria in our strategic decisions and day-to-day activities. Moreover, our publicly available Supplier Code of Conduct sets forth similar rules and principles that are applicable to our suppliers. In particular, suppliers must prohibit forced or compulsory labour in all its forms as well as the work by children below the minimum age specified by applicable laws. Finally, we have provided our customers with ESG tools that allow them to assess their investments from a social perspective and select stocks aligned with the human rights value.

As an international financial services group headquartered in Switzerland and listed on the SIX Swiss Exchange, we are in full compliance with the SIX Swiss Exchange Directive on Information Relating to Corporate Governance as well as all national and regional requirements where we do business. Swissquote is furthermore committed to respect, protect and promote human rights, which are embodied in the Swiss Federal Constitution as well as the European Convention on Human Rights, in all its activities. We communicate our corporate governance approach and policies to our shareholders, prospective investors and the public through our Corporate Governance Report. Our Code of Conduct, Supplier Code of Conduct as well as our Whistleblowing Policy are available on our website.

Good corporate governance and integrity-based business conduct are points of pride for Swissquote, including our efforts to comply with socioeconomic and environmental regulations as well as anti-corruption and anti-competitive behaviour. This holistic approach ensures sound business practices, promotes fairness, transparency and accountability and protects the best interests of our stakeholders.

A Look at 2022

In 2022, all employees were required to complete training on client identification data, general data protection regulations, cybersecurity, anti-money laundering, cross-border, anti-bribery and corruption, market conduct and whistleblowing. For selected employees, additional mandatory training in specified fields of expertise was introduced as well.
During the reporting period, Swissquote established a Supplier Code of Conduct that requires our suppliers to comply with principles in the areas of sustainability, law, regulations, best practices, integrity, transparency and personal data. We also established a Whistleblowing Policy in early 2022 to help maintain high standards of conduct, honesty and integrity by encouraging Board members, employees and contractors to “blow the whistle” and report established or suspected occurrences of criminal, illegal, unethical or otherwise irregular activities, behaviour or practices to the line manager, the Group Head Human Resources, Group Chief Risk Officer, or Group Chief Legal Officer as well as to the Chair of Swissquote Audit & Risk Committee. While anonymous reporting is permitted, confidentiality measures and a no-retaliation policy are also in place. Unless the circumstances require an immediate report to the Group Board of Directors, the Executive Management provides information on the whistleblowing reports received as part of its quarterly reporting to the Group Board of Directors. Every alleged breach of ethics is fully investigated and followed by appropriate corrective actions GRI 2-16, GRI 2-26. Employees were required to follow a mandatory whistleblowing training in 2022, GRI 2-24.

In 2022, Swissquote did not identify any material non-compliance with applicable laws or regulations in its ESG efforts and was not subject to any significant fines or non-monetary sanctions. However, due to a technical issue, a press release in June 2021 was emailed to the persons registered on the Swissquote portal with a short delay. This prompted SIX Exchange Regulation AG to impose on Swissquote a fine of CHF 75,000 for non-compliance with the rules on ad hoc publicity; all the details were provided via press releases on 6 January 2023. Furthermore, Swissquote was not subject to any legal action for anti-competitive behaviour, anti-trust or monopoly practices in 2022 GRI 206-1, GRI 2-27.

With growing and more complex regulatory and legal sustainability-related requirements, we recognise that ensuring compliance with all relevant regulations is a challenge the Company will have to tackle in the coming years. Our stakeholders expect accountability from us at all times – and our procedures and organisational structure are set up to respond to all concerns and anticipate any issues that may arise.

As a matter of course, we comply with both the letter and spirit of the laws and regulations and identify and adopt best practices to ensure compliance throughout our operations. We have policies and rules in place to identify, mitigate, manage and prevent, inter alia, conflicts of interest, money laundering, terrorism financing, corruption and market abuse. For example, for digital account openings, we follow the procedure for video and online identification that respects anti-money laundering and “know-your-customer” requirements issued by FINMA. Various internal and external policies and directives underpin our engagement for sustainable development:

- Code of Conduct;
- Supplier Code of Conduct;
- Whistleblowing Policy;
- Corporate Governance Report. GRI 2-23.

The Company has an Anti-Bribery and Corruption policy applicable to all the entities of the Group. The Executive Management approves the risk assessment on bribery and corruption. It codifies the Group’s principles against bribery and corruption, ensures that the organisation and responsibilities with respect to preventing, detecting and reporting potential bribery and corruption are duly set forth and promote business in an honest and ethical manner. The Controlling & Risk Department is responsible for conducting checks for the purposes of ensuring compliance with this policy. Such checks must be performed taking into consideration that the outcome of the risk assessment and any relevant findings must be shared with the Human Resources and Legal departments.

For external stakeholders seeking advice on particular directives or policies, we offer a platform (https://en.swissquote.com/support/contact) with email contacts (e.g., investorrelations@swissquote.ch). Our employees can find relevant information via our “Inside Swissquote” intranet as well as a dedicated section on our Rules & Tools, which includes details on all relevant regulations, GRI 2-26.

We also provide e-learning training programmes to ensure all employees are well versed in relevant laws and regulations and internal policies. Cadence, frequency and requirements are defined by Swissquote’s training schedule. Compliance-related trainings, which are a high priority across Swissquote, comprise 57% of all mandatory trainings.
We foster a culture of ethics and expect employees to abide by our Code of Conduct. The Code of Conduct and other key documents are presented during our induction programme for new employees, which includes a series of training modules aimed at onboarding and familiarising newcomers with our operations and Company principles. Behavioural expectations are outlined in our internal regulations along with Standard Terms and Conditions that are a mandatory part of every employee’s contract. Furthermore, Swissquote requires all employees to review, understand and acknowledge receiving our policies on banking secrecy, money laundering, anti-bribery and corruption and insider trading. In 2022, there were no identified incidents of corruption, GRI 205-3. All employees are required to confirm their understanding and acceptance of the regulations relating to own-account transactions and insider trading every year GRI 2-24, GRI 205-2.

Our Board of Directors is ultimately responsible for all ESG decisions and supervise performance related to annual objectives for sustainability, gender diversity and wage fairness, GRI 2-12.

Further details can be found in the section on customer data security, privacy and protection.

**BUSINESS CONTINUITY AND IT RESILIENCE**

Our Business Continuity and IT Resilience plans ensure uninterrupted continuation of Swissquote’s critical business processes in the event of a major internal or external incident. They help to build our reputation as a reliable bank that can maintain complete operations even during times of crisis.

The Value of Business Continuity and IT Resilience

As an online bank offering a full set of services every day, around the clock and across the globe, business continuity and IT resilience are key expectations of our customers and are thus core elements of our value proposition. Any operational interruption could lead to litigation and reputational damage, not to mention inconvenience to customers. That is why we have a variety of risk-mitigation measures in place to prepare for and prevent such events, including investing in seamless processes, platforms and systems at all times for our clients.

WHERE WE HAVE SET OUR SIGHTS

- Always remain resilient and operational
- Apply Business Continuity Management best practices
- Comply with applicable regulations from FINMA, Swiss Bankers Association and other authorities
- Keep operating and limit losses in the event of an operational disruption, IT disaster or national emergency

A Look at 2022

In 2022, we focused on improving the quality and frequency of load tests by testing front-end and back-end applications. New middleware components were tested during our Business Continuity Plan and a new set of KPIs were
The key elements of the annual Business Continuity Management (BCM) are approved by Swissquote’s Executive Management. We apply a comprehensive risk assessment to assure adherence to the implementation plan and make changes to keep our business impact analysis up to date at all times. The BCM framework is also regularly audited by external auditors in accordance with an audit plan approved by FINMA.

How We Are Reaching Our Goals

Business continuity management is an integral component of our corporate strategy. Our business continuity strategy addresses a comprehensive range of scenarios, with corresponding responses to events that could threaten our operations with total or partial failure. The objective of the strategy is to ensure that essential functions in each department are maintained and that the impact on our company is able to cope with the causes themselves. Our strategy focuses on consequences and impacts rather than disaster. Disruptive events can have multiple causes and our strategy is structured around the long-term view that allows us to anticipate future needs as we grow our portfolios and customer base.

We conducted a tabletop exercise on the topic of ransomware readiness. The exercise is designed to simulate an emergency situation, internally discuss the roles and responsibilities of the stakeholders, and how the Company will react should the event occur. The exercise reached its goal of reinforcing awareness within the organisation and initiating a discussion among the concerned parties on a topic particularly relevant for the Company.

We are aware that in this age of nimble technologies and mid-endure programs can evolve quickly, requiring us to have contingency and proactive plans in place at all times. At the same time, we must account for our employees’ mobility needs, while working both at home and in the office.

FINANCIAL PERFORMANCE

Swissquote aspires to grow as a company and to provide exceptional value to investors by pioneering new markets in the Swiss online banking industry, by reinvesting in innovation and services, and as one of the best capitalised banks in Switzerland, we are well-positioned to lead the Swiss online banking industry and achieve our ambitions.
create value for our bank and for our stakeholders through sustainable growth.

As a qualitative, mid-capitalised company, our investors expect significant growth potential. Therefore, we plan carefully and thoughtfully to meet their expectations while ensuring financial stability for our clients, employees and other stakeholder groups.

As an online trading bank, Swissquote is vulnerable to macro trends such as geopolitical unrest and economic upheavals as these events may influence trading activities of our customers. In order to mitigate their impact, we maintain a balanced and diversified product portfolio across revenue lines and focus on increasing the asset-based portion of net revenues year over year. Net new monies growth is key for Swissquote to be able to reach its mid-term outlook 2025 and growth objectives.

**WHERE WE HAVE SET OUR SIGHTS**

**2022**

- Acquire net new money in the amount of CHF 7 billion
- Maintain net revenues and pre-tax profit above pre-pandemic levels

**MEDIUM-TERM**

- Increase client assets
- Reach a margin on assets of approximately 90 bps
- Increase net revenues and pre-tax profit
- Achieve a pre-tax margin above 45%

**How We Are Reaching Our Goals**

We are here for the long haul and adopt a holistic approach to financial performance. Our objective is to share the value we create with our various stakeholder groups. While we share profits with our shareholders through dividends, we retain a portion of the revenues to reinvest in innovative services and products that disrupt markets and make financial trading accessible to everyone. We also incentivise our employees with equity-based compensation plans to improve operations and profitability as well as attract and retain talent.

Our financial performance is audited by external auditors every six months. In addition, we compare our financial results against our goals and take corrective measures to stay on track when necessary. Remaining a strongly capitalised bank according to Basel III is key to our success. Hence, the distribution of value created takes into account regulatory capital constraints by considering the reference capital.

**Further details can be found in the Remuneration Report and in the Financial Report**

**A Look at 2022**

In 2022, Swissquote navigated safely in a difficult environment. Customer interest remained strong, with 51,099 new customer accounts and CHF 7.7 billion net new monies (of which CHF 1.7 billion was non-organic). Our numbers remained consistently high and demonstrated the high quality of our customers’ accounts. In addition, our strong asset class diversification allowed Swissquote to reach net revenues of CHF 408 million, while interest income progressed by 243% compared to 2021.
What matters to us regarding social responsibility

Our people are our most important investment and the reason behind our success. We trust, support, challenge, compensate and protect them. In return, they innovate and deliver exceptional as well as refreshing banking experiences for our customers. Similarly, we recognise the value of supporting the communities in which we do business and partnering with people and organisations in those communities to ensure that we pay it forward.

EMPLOYEE ENGAGEMENT

Our employees are driven by a common goal: making trading opportunities accessible to everyone. We are a bank that makes employees feel at home, where we value personality, initiative and, above all, team spirit. Our team members reflect a diversity of backgrounds, cultures, nationalities and skills, and it is these differences that make us powerful innovators.
Composition of the workforce
Data covers locations in Switzerland and Luxembourg
GRI 2-7

<table>
<thead>
<tr>
<th>in FTE</th>
<th>2022</th>
<th>share</th>
<th>2021</th>
<th>share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employees in scope of the sustainability report</td>
<td>957</td>
<td></td>
<td>863</td>
<td></td>
</tr>
<tr>
<td>Employees*</td>
<td>939</td>
<td></td>
<td>840</td>
<td></td>
</tr>
<tr>
<td>Apprentices, interns, trainees, externals</td>
<td>18</td>
<td></td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Employees by employment contract*</td>
<td>939</td>
<td>100%</td>
<td>840</td>
<td>100%</td>
</tr>
<tr>
<td>Permanent</td>
<td>908</td>
<td>97%</td>
<td>808</td>
<td>96%</td>
</tr>
<tr>
<td>Fixed-term</td>
<td>31</td>
<td>3%</td>
<td>32</td>
<td>4%</td>
</tr>
<tr>
<td>Employees by employment type*</td>
<td>939</td>
<td>100%</td>
<td>840</td>
<td>100%</td>
</tr>
<tr>
<td>Full time</td>
<td>850</td>
<td>91%</td>
<td>755</td>
<td>90%</td>
</tr>
<tr>
<td>Part time</td>
<td>89</td>
<td>9%</td>
<td>85</td>
<td>10%</td>
</tr>
<tr>
<td>Employees in locations not in scope of the sustainability report</td>
<td>99</td>
<td></td>
<td>89</td>
<td></td>
</tr>
<tr>
<td>Total employees at Group level</td>
<td>1,056</td>
<td></td>
<td>952</td>
<td></td>
</tr>
</tbody>
</table>

* excluding apprentices, interns, trainees, externals

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**BY EMPLOYMENT CONTRACT, 2022**

- **Permanent**: 70% (30% Women, 41% Men)
- **Fixed-term**: 59% (41% Women, 30% Men)

**BY EMPLOYMENT TYPE, 2022**

- **Full time**: 72% (28% Women, 59% Men)
- **Part time**: 41% (59% Women, 41% Men)

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5 Subject to PwC assurance engagement.
The Value of Employee Engagement
We have intentionally created a work environment that appeals to people who might not otherwise choose the banking sector. We know that inclusion drives innovation and we work hard to attract people to Swissquote who want to be challenged, so that together we are stronger, smarter and can go faster than our competitors. Engaged employees provide better client service, are natural ambassadors for our Company and nurture a service mindset. By promoting employee engagement and well-being, we recognise our role in building an inclusive and caring work culture.

WHERE WE HAVE SET OUR SIGHTS

» Attract and retain talents to enhance performance and capacity for innovation
» Closely monitor turnover for a healthy balance between institutional knowledge and external best practice
» Emphasise well-being for the health, happiness and engagement of employees
» Increase engagement and commitment to maximise job satisfaction
» Maintain reputation as a competitive and attractive workplace and online reputation as an attractive employer
» Define an Employer Value Proposition (EVP) which people can identify and that improves employees’ engagement

A Look at 2022
To support our employees in their journey with us, we invested in a human resource information system (HRIS) tool in 2022. As a result, employees can now use Workday as a unique tool to access their personal and professional data and manage their time and absences. This tool harmonises our processes and improves our employees’ experience. An employee survey was conducted in late 2022 to collect employees’ feedback on the new tool. Results will be available in 2023. New modules will be gradually added to our HRIS over time. For example, starting next year, employees will be able to access their performance in real time and formalise feedback helping them better evaluate and improve their work.

We extended the option to work remotely after receiving positive feedback from senior leadership and growing multi-fold, expanding into two new offices in Switzerland (Stettbach in Zürich and Ellipse in Gland).

As we continue to grow, we remain vigilant and focused on the need to continue integrating our international teams into our culture. We know a cohesive, inclusive culture is a work in progress and we remain committed to respecting local traditions while enabling one global work culture across our markets and remote employees through internal campaigns, messaging and our value proposition.

To ensure our employees have ownership in our cultural evolution and business growth, we regularly collect their feedback and include most common recommendations in finalising various elements of our work experience such as seating arrangements, food preferences or commuting choices. We also created an “employees committee” dedicated to helping to redefine our Employer Value Proposition (EVP) to keep up with our values and growth culture. The EVP design process, conducted together with external consultants, included internal data collection and analysis, focus group workshops and benchmarking. It resulted in the launch of a new motto for the Company: “We are all in”. This new EVP was communicated to all employees in early 2023, together with the launch of a visual campaign on social media.

We also rolled out a global employee survey, hosted focus group workshops and conducted individual interviews to help inform the next phase of our strategy and adapt it to our employees’ needs. Moreover, we have worked on several other projects in order to improve our external reputation and internal awareness:

– An “eReputation” campaign to encourage employees to express and communicate their advice (positive or negative) about their work experience;
– Enhanced onboarding processes and introductions for our international offices;
– Expanded Lunch talks to all offices by filming them and sharing them live internally, allowing us to share global information, projects, and the latest progress with all employees, along with networking opportunities for people to connect with each other.

In order to provide the most secure environment for our employees while behaving responsibly and ethically, we
launched a revised Whistleblowing Policy in 2022, which applies to all entities of the Group. For more information, see page 239.

Swissquote was named one of the best employers in Switzerland in 2022 by Le Temps & Handelszeitung for the second year in a row. The turnover slightly decreased to 10% in 2022 (2021: 11%), GRI 401-1.

How We Are Reaching Our Goals
We are a highly motivated, agile, youthful and spirited organisation. Unlike other banks, we prioritise work-life balance, a start-up approach to work and a relaxed environment. Our Company values make Swissquote unique in the industry and keep our focus on our team members: Unite as one, Dare to be different, Do the right thing, In pursuit of excellence, Always say it how it is, Champion the customer.

We celebrate curiosity and debate, which has strengthened our reputation as an employer of choice. It is challenging to be competitive on all employer aspects given our size, but we can create an inspiring working environment where norms are challenged and ideas are brought to life. Among the perks that differentiate us: no dress code, an exceptional work-life balance that even before the pandemic accommodated part-time and remote working, and a deliberately high social atmosphere and active social calendar.

We prioritise open and constant communication and have continued our practice of holding at least two staff meetings a year to present the Company’s financial performance and status and offer a Q&A session with our Chief Executive Officer.

We routinely ask for feedback through engagement surveys to monitor employee satisfaction. These include regular management surveys to understand how we can better support employees and surveys to check on their overall welfare (e.g., employee satisfaction survey). Our employees can also provide feedback via special surveys. For example, in our bank in Luxembourg, we conduct annual benchmarking to compare our initiatives with those of local banks using the Luxembourg Bankers Association (ABBL) survey. Globally, we conduct a number of surveys to gather employee feedback on specific issues such as food, company changes and special events, allowing us to adapt our services and giving our employees ownership in defining the company culture.

To prioritise health and safety, each employee is required to follow an e-learning training module on health and safety measures that covers topics such as preventing accidents, behaviour in case of emergency, appropriate workstation ergonomics, health awareness, work-life balance and emergency contacts. These measures aim to prevent professional risk, promote and implement a healthy environment and reduce workplace accidents and injuries.

To maintain a safe workplace in case of emergency, employees can volunteer to train as firefighters and emergency first responders. Every year, all employees take part in an evacuation drill. In each open office space in the building, one employee is in charge of ensuring a safe and quick evacuation without incident. Those employees receive appropriate training for this role. The drill evacuation is always followed by feedback on the success of the operation to ensure that the organisation learns and grows from it.

Finally, we use the software system Workday to record each employee’s working hours, ensuring that work time rules and regulations are respected and that overtime is monitored and compensated when appropriate. In addition, the system helps Human Resource to closely monitor absenteeism. All of these elements are important as part of our efforts to preserve employees’ well-being and ensure work-life balance.

Further details can be found in the section on compensation and benefits
COMPENSATION AND BENEFITS

We expect our employees to work hard and we strive to make working hard easy. This includes fair and competitive compensation, generous benefits, an enjoyable work environment, prioritising work-life balance and a focus on health and well-being.

The Value of Thoughtful Compensation and Benefits

An attractive compensation, rewards and benefits package is a critical competitive tool, especially in the financial industry. We have designed our remuneration policy to attract diverse talent, retain valuable employees and maximise employee engagement – all critical elements of employee satisfaction, motivation, health and well-being.

WHERE WE HAVE SET OUR SIGHTS

» Confirm fair and competitive compensation with regular benchmarks
» Foster monetary as well as non-monetary benefits
» Ensure alignment of pay with performance
» Encourage a healthy work-life balance
» Support remote working through home office policy

A Look at 2022

In response to feedback from shareholders and proxy advisors, we modified the conditions associated with our employee stock options plan by harmonising the vesting period to three years, thus reinforcing its long-term component.

Given how competitive the talent marketplace remains and the pace of the labour market, especially for technical expertise, we will continue regular benchmarking to ensure alignment with market demands for all positions.

How We Are Reaching Our Goals

Our Pay for Performance policy unambiguously communicates the relationship between compensation and work. Remuneration is linked to the achievement of our strategic business objectives as well as our overall and individual performance. Our policy is aligned with best practices and designed to avoid creating incentives for risk-taking outside Swissquote’s risk appetite. We also apply salary grids to guarantee equal and fair treatment and prevent compensation disparity.

In addition to fair and competitive compensation, every employee receives a yearly bonus (“Profit Award”), the amount of which varies according to their hierarchical level and the achievement of collective objectives. Additionally, all employees with at least one year of service are entitled to participate in our Employee Share or Option Plan, which awards free shares or options based on position. Our seniority recognition programme includes additional days of vacation and cash bonuses.

We believe employees are more engaged when they do not have to choose between their private life and career. This is why we prioritise work-life balance: flexible working hours when possible as well as the possibility to work part-time (also at senior levels of management) and to take sabbatical leaves. Even before the pandemic, we allowed all employees to work remotely at least one day a week during a normal workweek. Since then this option was extended to two days a week.

We regularly monitor compensation trends to ensure that our employees are competitively, fairly and equitably paid. Each year, we benchmark compensation levels. For example, in our bank in Luxembourg, we conduct a biannual compensation and benefit review (ABBL survey) to compare our approach to that of the local market. With the exception of the Profit Award and Employee Share and Option Plan, we provide all benefits to permanent and temporary employees. Part-time employees enjoy the same benefits as full-time employees, GRI 401-2.

While in Luxembourg 75% of our employees were part of a collective bargaining agreement in 2022, our employees in Switzerland are not held to that or a similar policy, GRI 2-30. Finally, Swissquote goes beyond minimum legal requirements for pensions in Switzerland. We pay 60% of the total contributions to the occupational pension fund, exceeding recommended saving rates by age group. We also provide complementary plans to cover salaries above the legal maximum and offer additional savings opportunities, all
organised in close consultation with our employee representatives, GRI 201-3.

Beyond financial compensation, we offer employees numerous programmes and benefits, making Swissquote an attractive employer. These include subscriptions to fitness, multiple sport activities and bike-sharing, vouchers for goods and services, cooking facilities and food services, a designated area for employees of any faith for praying, charging stations for electric cars, an internal pub and various social events.

Further details can be found in the sections on employee engagement and diversity

TALENT DEVELOPMENT

Developing great talent is the foundation of our people management efforts. Compensation and benefits are important, as they are the first steps towards cultivating skilled team members who are inspired to do their best work.

The Value of Talent Development
Helping employees at all career levels develop their talents and become masters of their craft is important for building and retaining a fully engaged and productive workforce. We aim to ignite employees’ curiosity, ensure continuous learning and secure the skill sets needed for long-term business success. By funding skills development and ongoing education, we help employees grow their careers while staying at Swissquote. When employees stay, we reduce talent acquisition costs and experience higher morale. A healthy internal promotion programme strengthens company culture, institutional knowledge and long-term leadership.

WHERE WE HAVE SET OUR SIGHTS

» Attract and retain our talents
» Promote current employees
» Encourage current employees to refer candidates from their network
» Support professional growth and internal mobility

A Look at 2022

Career pathways can often look non-linear, and good managers are invaluable in supporting employees’ journeys. Besides mentoring and providing all Swissquote employees with professional development opportunities, we created and launched a Tech Talent Academy to provide interested young graduates with the know-how and training to pursue careers in software engineering. Our initial cohort included 12 junior software engineers working through a three-month training programme.

We formalised, in a collaborative way with a sample of managers, our management career paths in the Software Engineering department and expect to extend it to other departments over the coming years. We also improved our manager training programmes by working with external providers and adding new modules to their training, such as personality tests. The goal of these career paths is to train, develop and retain the best talent in the Company.

Our talent development efforts continue to evolve as we grow and expand our talent footprint. In 2023, we expect to integrate talent and learning into Workday, which will help to further improve our programmes and allow us to better identify high potential talent and take actions to retain them. The other focus will remain squarely on developing and implementing career paths for an increased number of departments as well as maintaining one global culture.

Referral is a key indicator of employees’ satisfaction and we were delighted that this recruitment channel remained the third largest and has increased in proportion compared to the previous year (2021: 16%).
How We Are Reaching Our Goals

Excessive turnover is mainly believed to be a direct result of lack of alignment between a company and employees or when employees feel that there is no room for them to grow professionally. We have reduced our turnover to a reasonable level in three specific ways: first, through thoughtful hiring informed by various feedback analyses. Second, based on those analyses, we take actions when required and finally, we offer numerous pathways for growth, both vertically and horizontally. This includes competence building, formal appraisals and feedback, as well as providing employees with career development opportunities across different functions and locations.

Accordingly, we maintain five training areas for employees:

1. General (on Swissquote, its history, values and global information);
2. Compliance;
3. IT security;
4. IT development;
5. Management.

In 2022, the average annual training hours per full-time employee (FTE) for employees with management function was 36.15 hours, while the average annual training hours per FTE for employees without management function was 11.16 hours, GRI 404-1. Every new manager receives Management Toolbox Training that introduces them to our expectations and includes courses on setting smart objectives, giving constructive feedback, labour law and recruitment.

All newcomers participate in our induction programme that includes four modules: learning about the Company, our internal tools, the world of finance and Forex. Every year, we address specific themes in addition to the annual mandatory training. For example, in 2022, we included a campaign related to our Whistleblowing Policy in the trainings, GRI 404-2.

Every employee also has a performance appraisal at least once every year to discuss performance, career perspectives and objectives, GRI 404-3. Human resources specialists analyse employee records to identify opportunities for improvement or advancement in every department as well as internal mobility. In our bank in Luxembourg, for example, the appraisal process is an ongoing and continuous process that culminates in a year-end review for all employees.

Individual and team objectives are set every year through discussions with the employee and their direct supervisor. Managers ensure that individual objectives are consistent with the employee’s job description and hierarchical position as well as aligned with organisational strategy to allow everyone to contribute to the overall success of the Company. Objectives are reviewed throughout the year, culminating with a formal yearly review by the manager assessing employees on performance related to their responsibilities and objectives.
DIVERSITY

We embrace diversity along every line: gender, age, (social) origin, culture, race, language, sexual orientation, religion, marital status, thinking and working style, experience, skills and disabilities. The more perspectives we have, the better decisions we make for our diverse customers around the globe.

The Value of Diversity

By supporting diversity, Swissquote enables equal opportunities and fair conditions for all employees and contributes to reducing discrimination.

The 1,108 employees (1,056 FTEs) of Swissquote Group work in eleven cities, represent approximately 65 nationalities and speak 35 different languages. Our unique identity is defined by our diversity of backgrounds, cultures, nationalities and skills. Greater diversity makes it easier for people to fit in. Without a Swissquote employee stereotype, people can more quickly become active contributors. Inclusivity is the foundation of our close-knit community. We value inclusion and diversity because it helps us to evolve, innovate, problem-solve and be more efficient. More perspectives mean fewer missed opportunities, more ownership and a tremendously valuable workforce, a keen asset for us as we expand into other countries.

A Look at 2022

Our focus on diverse talent recruitment is often challenged by the scarcity of qualified women engineers in the marketplace. Swissquote’s Tech Talent Academy gives us the opportunity to empower women in technology and pursue an objective of hiring at least 40% women in the Academy. We have also developed a new two-year partnership with EDGE, which is specialised in helping companies promote and support gender equity. The partnership will help us:

- Review the organisation and its processes to reduce biases and ensure equitable career flows (remuneration, recruitment, promotion, training and culture);
- Conduct benchmarking across our industry to understand where we stand;
- Get inspired by leading companies to help define an action plan and implement best practices;
- Achieve the Edge Certification that is recognised for its high standards in gender equity and its independency, thus validating our commitment and credibility in the employment market.

Alongside partnerships like these, we continue to work on raising awareness as a women-friendly employer by participating in women contact days. The women contact days are dedicated to female students and young graduates and brings together approximately 400 participants from STEM (Science, Technology, Engineering and Mathematics), economic sciences, law and other fields of study at universities and colleges from the French-speaking area of Switzerland. During such events, the purpose for Swissquote is to attract young female talent. Swissquote also creates, on a regular basis inspirational content targeting female professionals, the purpose of which is to inspire women with personal employee stories. We also evolved our technology recruitment process by tightening our direct sourcing efforts as well as our candidate evaluation and interview processes to help attract and hire more women.

Swissquote has been certified by Fair-On-Pay since 2020, which helps demonstrate our voluntary compliance with the requirements of the Swiss Federal Office for Gender Equality that ensure that women and men in similar jobs are compensated equally. Managed by an auditor, the certification process confirmed that we continue to ensure equal pay. Since 2020, the residual gap observed has been below 5%. Swissquote has conducted all the required steps mandatory by law, including conducting the analyses, reviewing the analyses by auditors and communicating to its employees and, as such, fully
complies with the Swiss Federal Act on Gender Equality, GRI 405-2.

Fair compensation and diverse recruitment remain important elements of workforce management and ensure our employees’ and our organisation’s success. As we raise awareness internally and externally about the benefits of pursuing technical roles, we believe proactive recruiting of more women, specifically for technology roles, can help us ensure gender equity and set us on a more inclusive and equitable path for future success.

**How We Are Reaching Our Goals**

We make a strong effort to reduce biases in the recruiting process that promotes diversity throughout the Company. For example, by advertising our job openings on European and global platforms and paying attention to the composition of diverse recruiting teams to ensure equal opportunities. As per our Standard Terms and Conditions and Code of Conduct, Swissquote stands for a respectful workplace free from discrimination and harassment and supports equal opportunities, compensation and treatment. We have included corresponding rules in our Terms and Conditions as well as our Whistleblowing Policy and established a reporting and escalation process to immediately address any instance of intolerance, discrimination and harassment.

Furthermore, last year, salaries were audited by an external party to ensure that we abide by the Fair-ON-Pay certification and confirm that the residual gender gap observed is below 5%. We support remote working and offer part-time working contracts for men and women, even in management. The Swissquote culture is inclusive and non-discriminatory and makes room for all perspectives.

Further details can be found in the section on employee engagement and compensation and benefits.

### DIVERSITY BY GENDER, 2022

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>31%</td>
<td>69%</td>
</tr>
<tr>
<td>Other management levels</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>Executive Management</td>
<td>29%</td>
<td>71%</td>
</tr>
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</table>

### DIVERSITY BY AGE GROUP, 2022

<table>
<thead>
<tr>
<th></th>
<th>&lt;30</th>
<th>30-50</th>
<th>&gt;50</th>
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</thead>
<tbody>
<tr>
<td>Employees</td>
<td>37%</td>
<td>58%</td>
<td>5%</td>
</tr>
<tr>
<td>Other management levels</td>
<td>1%</td>
<td>88%</td>
<td>29%</td>
</tr>
<tr>
<td>Executive Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Directors</td>
<td></td>
<td></td>
<td></td>
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</table>

6 Subject to PwC assurance engagement.
**SOCIAL IMPACT**

Positive social impact is a hallmark of businesses built with purpose and sustainability. We are committed to contributing and supporting the communities where we do business.

**The Value of Supporting Communities**

Being a good corporate citizen creates a positive feedback loop that starts with creating shared success and comes back to the Company through positive reputation, supportive communities, loyal customers and motivated employees. We contribute regularly to local and regional communities for multiple issues, including education, innovation, local cultural enrichment, poverty alleviation or ecologically responsible transportation. Through our giving and our people’s time, Swissquote helps to promote a rich cultural life and foster talent development which, in turn, helps to contribute to sustainable development.

**WHERE WE HAVE SET OUR SIGHTS**

» Foster education and innovation
» Improve livelihood of citizens in our communities and support local NGOs

**A Look at 2022**

With the continued turmoil in Ukraine, our Company supported many of our Ukrainian-based colleagues’ families to leave the country and join them in Switzerland. Swissquote also donated CHF 100,000 to the Swiss Red Cross, which has been providing immediate aid to the affected populations. Additionally, we used our communication channels to facilitate client donations, collecting CHF 17,905 as part of our “Together for Ukraine” campaign.

As for building a talent pipeline, given our role as a technology leader, we want to support programmes that help train young professionals in technology as well as maintaining a healthy ratio of apprentice positions. In 2022, we offered 12 trainee positions to young graduates in our Tech Talent Academy as well as 7 new apprentice positions in 2022.

<table>
<thead>
<tr>
<th>Tech Talent Academy conversion rate to fix hire</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80%</td>
<td>NA</td>
</tr>
</tbody>
</table>

**How We Are Reaching Our Goals**

Our corporate citizenship initiatives focus on fostering education and innovation, as well as causes our employees care about such as local cultural enrichment, ecologically responsible transportation and poverty alleviation.

Our community engagement began in 2009 with a focus on education and innovation along with an annual donation of CHF 400,000 to the Swissquote Chair in Quantitative Finance at the École polytechnique fédérale de Lausanne (EPFL) and the Centre for Digital Trust (C4DT). The Swissquote Chair in Quantitative Finance is dedicated to advancing research, teaching and knowledge transfer in the field of quantitative finance and aspires to enhance knowledge and understanding of financial engineering between the academic community, the financial industry and policymakers. Housed at EPFL, the C4DT brings together 20 partners, 37 laboratories, civil society, and policy actors to collaborate, share insight, and gain early access to trust-building technologies, building on state-of-the-art research at EPFL and beyond. Swissquote also supported the EPFL racing team for an amount of CHF 20,000. This team is exclusively composed of students from various educational background aiming to develop autonomous electric cars that are increasingly efficient while remaining environmentally sustainable to take part in the Formula Student competition.

In line with our commitment to our local community in Gland, we donated CHF 18,848 to fund a Publibike electric bike station in Gland and an additional CHF 6,731 to gift annual Publibike Business subscriptions to 250 employees at our headquarters7. We also continued to support various local initiatives throughout the year in Gland and region, donating a total of CHF 21,250, GRI 203-1.

Finally, in 2022, we continued to support local sports clubs with more than CHF 400,000 in grants to local groups, such as the Zurich Lions Hockey Club, the Servette Football and Hockey Club and the Future Servette Geneva Hockey Club.

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7 Annual subscription for Swissquote employees (01/06/2021–15/06/2022)
In Luxembourg, we created a Corporate Social Responsibility Committee, which takes an active part in organising various activities to support local communities, enhance the workplace and employee well-being as well as have a positive impact on the environment.

The committee concentrates its actions on four pillars:

1. Health and education: in September 2022, five employees participated in the charity run “Lëtz Go Gold” to raise money to fight childhood cancer. They raised EUR 2,975.

2. Environment: a team participated in the initiative “Cycling to work” from May to July 2022. They cycled a total of 863.70 kilometers, reducing CO₂ emissions by 192.38 kilogrammes.

3. Community support: Swissquote Bank Europe donated EUR 2,000 to Caritas Luxembourg to support their actions.

4. Fair economy: Swissquote Bank Europe orders fair trade ingredients for the kitchen and try to reduce plastic where possible.

Further details can be found in the section on employee engagement and compensation and benefits.
Why Environmental Responsibility is important to us

Every business can help address climate change by reducing greenhouse gas emissions and waste. The continued environmental disruptions of 2022 made it clear that taking care of the environment must be a high priority for every business and organisation – for and with our stakeholders. We want to do our part to fight climate change.

The Value of Environmental Responsibility
We believe it is our responsibility to respect the environment and respond to the growing climate crisis. We strive to minimise our environmental impact and prioritise energy efficiency and other environmental efforts, which in turn, strengthens our relationships with stakeholders.

Our primary actions to address climate change include reducing our direct and energy-use-related greenhouse gas emissions while emphasising technologies and behaviours that help reduce waste. By strengthening energy efficiency and switching to renewable energy where possible, we are reducing our reliance on fossil fuel-powered energy consumption every year. By identifying ways to use more recyclable materials where possible and reducing use of single use plastic and other initiatives, we are reducing waste going to landfill that ultimately contributes to a suffering environment on land and water.
WHERE WE HAVE SET OUR SIGHTS

- Increase the energy efficiency of our headquarters buildings by 10% over 10 years
- Increase our CO₂ savings by approximately 7 tons per year over 10 years
- Reduce paper consumption by promoting digital initiatives
- Promote recycling within the organisation

A Look at 2022

In 2022, we continued our efforts to reduce our energy consumption by further optimising our heating and cooling systems in Gland. In particular, we invested in a new cooling system for chilled water production for the data centre. We have also been replacing conventional lighting with LED lighting, which is more sustainable and uses less energy. Currently, over 20% of our overall lighting is provided with LED in our headquarters of Gland and we aim to increase that proportion over the coming years. Starting 2023, we will also be sourcing 100% of the electricity we consume at our headquarters in Gland from a Swiss hydraulic source.

During the reporting period, we started to collect data in order to calculate our Scope 3 emissions. In the current report, we are disclosing for the first time our Scope 3 emissions for the categories of paper use (category 1), business travel (category 6) and employee commuting (category 7).

As for our commitment to reducing waste, we no longer print brochures for our events, instead opting to print a few A5 flyers with a QR code for attendees to download electronically the full brochures.

Moreover, in late 2022, the Company launched a formalised digitalisation initiative, which will be implemented over the next few years. This initiative aims to identify paper intensive tasks and processes and implement changes to reduce paper consumption to the lowest possible level. In addition to reducing paper consumption, this initiative should help us to decrease the carbon footprint associated with archive storage and document sending and destruction, as well as improving the general efficiency of internal processes. With the initiative commencing in 2022, we focused on several internal processes such as payment activities. These different initiatives resulted in a decrease of 28% of our greenhouse gas emissions related to paper consumption in operations compared to 2021.

| Percentage of digital workflow in client onboarding | 87% | 85% |

Finally, for the branded merchandise we use to incentivise employees and/or client appreciation, we are working to produce all of it locally in Europe and use recycled material as much as possible.

Environmental indicators

Overall consumption of energy in 2022 was rather stable compared to 2021, despite a 11% increase in FTEs. Taking the increase in FTEs into account, our 2022 consumption was a stark 11% decrease in kWh of energy consumed per FTE. Greenhouse gas emissions were up 19% overall but only increased by 7% per FTE compared with 2021. This increase is mainly due to the Scope 3, in particular business travel and commuting emissions, which are linked to the post-pandemic upturn and the increase of headcount, GRI 302-1 / GRI 305-1 & -2 & -3.
Total energy consumption in MWh

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total energy consumption</td>
<td>3,436</td>
<td>3,481</td>
<td>-1%</td>
</tr>
<tr>
<td>Electricity</td>
<td>2,944</td>
<td>2,774</td>
<td>6%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>454</td>
<td>615</td>
<td>-26%</td>
</tr>
<tr>
<td>District heating</td>
<td>38</td>
<td>92</td>
<td>-59%</td>
</tr>
</tbody>
</table>

Energy consumption in kWh per FTE

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption</td>
<td>3,590</td>
<td>4,034</td>
<td>-11%</td>
</tr>
</tbody>
</table>

Greenhouse gas emissions in tCO\(_2\)e

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse gas emissions</td>
<td>1,252</td>
<td>1,051</td>
<td>19%</td>
</tr>
<tr>
<td>Scope 1: Natural gas</td>
<td>92</td>
<td>125</td>
<td>-26%</td>
</tr>
<tr>
<td>Scope 2: Electricity &amp; District heating</td>
<td>17</td>
<td>21</td>
<td>-19%</td>
</tr>
<tr>
<td>Scope 3: Category 1 – Purchased goods and services (paper used in operations)</td>
<td>13</td>
<td>18</td>
<td>-28%</td>
</tr>
<tr>
<td>Scope 3: Category 1 – Purchased goods and services (paper used for magazine)</td>
<td>187</td>
<td>178</td>
<td>5%</td>
</tr>
<tr>
<td>Scope 3: Category 6 – Business Travel</td>
<td>275</td>
<td>106</td>
<td>159%</td>
</tr>
<tr>
<td>Scope 3: Category 7 – Employee Commuting</td>
<td>668</td>
<td>603</td>
<td>11%</td>
</tr>
<tr>
<td>Greenhouse gas emissions per FTE</td>
<td>1,308</td>
<td>1,218</td>
<td>7%</td>
</tr>
</tbody>
</table>

Data in the above table is based on locations in Gland, Zurich, Bern and Luxembourg. Greenhouse gas inventory calculated in accordance with the Greenhouse Gas Protocol. Comparative data have been restated to take into account the extended scope and the calculation of emission is done according to the market-based method where information is available as it is the preferred option of the GHG Protocol. Emission factors come from GHG, DEFRA, IEA and the publication Treibhausgasemissionen der Strom- und Fernwärmenixe Schweiz gemäss GHG Protocol of Alig, M., Tschümperlin, L., Frischknecht, R. 2017. Reference is made to the Basis for preparation.

SHARE OF ENERGY CARRIERS, 2022

<table>
<thead>
<tr>
<th>Energy Carrier</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>86%</td>
<td>92%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>District heating</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

GREENHOUSE GAS EMISSIONS BY SCOPE

<table>
<thead>
<tr>
<th>Scope</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>86%</td>
<td>92%</td>
</tr>
<tr>
<td>Scope 2</td>
<td>12%</td>
<td>2%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>7%</td>
<td>1%</td>
</tr>
</tbody>
</table>

How We Are Reaching Our Goals

We track our energy consumption and constantly look for ways to increase efficiency. We have set energy efficiency objectives for our headquarters buildings with the canton of Vaud in Switzerland since 2016. In the first six years since then, we improved significantly and met our objective well ahead of our 2026 target: increasing the energy efficiency of our headquarters buildings by 10% and reducing our CO\(_2\) consumption by 7 tons every year compared to 2016, despite employing more people and growing our IT

Subject to PwC assurance engagement
infrastructure. In 2022, the solar thermal collectors installed in 2013 produced nearly 15 MWh of energy that was used to heat domestic water at our headquarters. We also optimised our server locations to reduce cooling needs and are updating our lighting system to reduce electricity use.

Meanwhile, our recycling guidelines are designed to promote recycling across our offices, while our Banking Applications team deployed a tool in 2022 to digitise paper flows. The tool helps to remove printing requirements related to legal tracking flow as well as allow users to work from different offices (including home office) without having to print documents. We also send for recycling all old and broken computers, devices and electrical components to SWICO, while old servers are sold to a broker to be reused for spare parts or by other companies. Finally, most packaging materials, including plastic, cardboard and expanded polystyrene are sorted and collected every week for recycling.

As for transportation, our Swiss offices are located within a five-minute walk from a railway station and one of the Company’s short-term objectives is to promote soft mobility that helps optimise employee access to the Gland site. Finally, our electric vehicle parking lots provide charging stations and offer electricity to employees at discounted rates.

To validate our environmental progress, our facilities are audited by an external party annually in accordance with our agreement with the canton of Vaud. For 2022 as well, our environmental efforts are audited by external environmental engineering specialists at the end of our fiscal year.
About this Report

The Global Reporting Initiative (GRI) provides the world’s most widely used standards for sustainability reporting, offering a structured format to coherently and comprehensively share information about material issues and related performance metrics. We use the GRI Standards to transparently disclose our sustainability efforts.

This report has been published on 16 March 2023 and comprises the calendar year 2022 (same as financial report). Swissquote commits to an annual reporting process, GRI 2-3. There are no restatements of information made from previous reporting periods except for environmental indicators presented on page 257 as we extended the scope of our disclosures, GRI 2-4. The reporting scope comprises our offices in Switzerland and our office in Luxembourg. We will gradually include our offices in Dubai, London, Valetta, Bucharest, Hong Kong, Singapore and Limassol in the reporting scope over the coming year as relevant. Reference is made to page 33 regarding the list of consolidated subsidiaries in the consolidated financial statements, GRI 2-1, GRI 2-2.

This report includes for the first time independent practitioner’s limited assurance report on key indicators such as “Composition of the workforce” (on page 245), “Diversity by gender”, “Diversity by age group” (on page 252), “Energy consumption” and “Greenhouse gas emissions” (on page 257) provided by PricewaterhouseCoopers AG. The rest of the content of the sustainability report has not been externally assured. Reference is made to the external third-party report on page 264, GRI 2-5.

The contact point for questions regarding the report is Nadja Keller, CEO Assistant/Media Relations, Swissquote, Email: nadja.keller@swissquote.ch, GRI 2-3.
Swissquote has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. This service was carried out on the English version of the report.

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<td></td>
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<table>
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<td></td>
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</tr>
<tr>
<td></td>
<td>305-3 Other indirect (Scope 3) GHG emissions</td>
<td>256, 257</td>
</tr>
</tbody>
</table>
Independent practitioner’s limited assurance report on Selected Indicators 2022 in the Sustainability Report 2022 to the Board of Directors

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on the Selected Indicators 2022 in the Sustainability Report 2022 (including the GHG statement) of Swissquote Group Holding Ltd’s Annual Report 2022 for the period ended 31 December 2022.

The following Selected Indicators 2022 in the Sustainability Report 2022 were in focus of our limited assurance procedures:
- “Composition of the workforce” on page 245
- “Diversity by gender” and “Diversity by age group” on page 252
- “Energy consumption” and “Greenhouse gas emissions” on page 257

We do not comment on, nor conclude on any prospective information nor did we perform any assurance procedures on the information other than those stated above for the reporting period 2022.

The Selected Indicators 2022 in the Sustainability Report 2022 (including the GHG statement) were prepared by the Board of Directors of Swissquote Group Holding Ltd (the ‘Company’) based on the Company’s sustainability reporting guidelines with reference to the ‘GRI Standards’ published in 2021 by the Global Reporting Initiative as well as on the Greenhouse Gas Protocol Initiative Corporate Standards (Revised Edition). These reporting guidelines together with assumptions and estimates made are available in the “Basis for preparation” section of the Sustainability Report 2022” (hereafter referred to as the ‘suitable Criteria’) on the Swissquote’s Group website for the intended reader of the Sustainability Report 2022.

Inherent limitations
The accuracy and completeness of the Selected Indicators in the Sustainability Report 2022 (including the GHG statement) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the Selected Indicators in the Sustainability Report 2022 (including the GHG statement) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the Selected Indicators in the Sustainability Report 2022 and the values needed to combine emissions of different gases. Our assurance report will therefore have to be read in connection with the suitable Criteria used by Swissquote Group Holding Ltd, its definitions and procedures published in the document “Basis for preparation” section of the Sustainability Report 2022”.

Board of Directors’ responsibility
The Board of Directors of Swissquote Group Holding Ltd is responsible for preparing and presenting the Selected Indicators in the Sustainability Report 2022 (including the GHG statements) in accordance with the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the Selected Indicators in the Sustainability Report 2022 (including the GHG statements) that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the reporting guidelines, estimates and the suitable Criteria.

Independence and quality management
We are independent of the Swissquote Group Holding Ltd in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
PricewaterhouseCoopers SA applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Practitioner’s responsibility**

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the Selected Indicators 2022 in the Sustainability Report 2022 (including the GHG statement). We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) ‘Assurance engagements other than audits or reviews of historical financial information’ and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (‘ISAE 3410’), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the Selected Indicators 2022 in the Sustainability Report 2022 (including the GHG statement) were not prepared, in all material aspects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner’s judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures, among others:

- Assessing the suitability in the circumstances of the Company’s use of the suitable Criteria, applied as explained in “Basis for preparation” section of the Sustainability Report 2022, from page 267 to 268;
- Inspecting relevant documentation related to the preparation of the Selected Indicators 2022;
- Interviewing representatives at Group level responsible for the data collection and reporting as well as other relevant stakeholders in the reporting process;
- Performing tests on a sample basis of evidence supporting the Selected Indicators 2022 concerning completeness, accuracy, adequacy and consistency;
- Reperformance of relevant calculations;
- Analytical procedures;
- Reconciliation of data sources with financial reporting data and other underlying records.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**Conclusion**

Based on the work we performed, nothing has come to our attention that causes us to believe that the Selected Indicators 2022 in the Sustainability Report 2022 (including the GHG statement) of Swissquote Group Holding Ltd for the period ended 31 December 2022 are not prepared, in all material respects, in accordance with the “Basis for preparation” section on the pages 267 and 268 of the Sustainability Report 2022.

**Intended users and purpose of the report**

This report is prepared for, and only for, the Board of Directors of Swissquote Group Holding Ltd, and solely for the purpose of reporting to them on Selected Indicators 2022 in the Sustainability Report 2022 (including the GHG statement) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.
We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the Selected Indicators 2022 in the Sustainability Report 2022, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Swissquote Group Holding Ltd for our work or this report.

PricewaterhouseCoopers SA

[Signatures]
Christophe Kratzer  Erol Baruh
Audit expert  Auditor in charge

Lausanne, 15 March 2023

The maintenance and integrity of Swissquote Group Holding Ltd’s website and its content are the responsibility of the Board of Directors; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the Swissquote Group Holding Ltd's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Selected Indicators in the Sustainability Report 2022 (including the GHG statement) or suitable Criteria since they were initially presented on the website.
Basis for preparation

Introduction
The 2022 Sustainability Report marks the third year of non-financial disclosures for Swissquote, in addition to information on financial performance, remuneration and corporate governance. As part of our commitment to transparency towards our customers, employees and other stakeholders, this report includes comprehensive insights about our approach to sustainability and key performance data in accordance with GRI Standards.

Reporting scope
The reporting scope comprises our offices in Switzerland and our office in Luxembourg. We will gradually include our offices in Dubai, London, Valetta, Bucharest, Hong Kong, Singapore and Limassol in the reporting scope over the coming years as relevant. Reference is made to page 33 regarding the list of consolidated subsidiaries in the consolidated financial statements.

Data Collection Process
Key quantitative indicators disclosed in our Sustainability reporting include the composition of our workforce and environmental indicators.

For our human resources data, we use the Workday software, a specialised human resource information system (HRIS) tool. In particular, Workday enables us to gather core data from our colleagues, their working hours and performance.

Regarding environmental data, our carbon footprint calculation is determined by using the Greenhouse Gas (GHG) Protocol standards. We currently report Scope 1, Scope 2 and some elements of Scope 3 emissions. Data are collected by the Group Finance department, including data from our Luxembourg office. Once controls have been performed to ensure quality and robustness, the data are transmitted to Sustainserv GmbH, a specialised global management consulting firm that assists Swissquote in Sustainability reporting and calculating our carbon footprint since 2020.

The perimeter of the carbon footprint includes data from heating, district heating and electricity (energy), paper consumption, business travels (air and rail), and employee commuting.

For Scope 1 emissions we used DEFRA conversion factors for specific fuels (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020). Starting from 2022, the emissions from Scope 2 are reported according to the market-based approach when available and location-based method when not. More than 94% of our electrical consumption is reported according to the market-based method, in combination with the use of emission factors from:


For Scope 3:

- Category 1 – Purchased goods and services (paper only): This value covers CO₂ emissions associated with paper use at all Swissquote offices under the reporting scope. As the bulk of paper consumption and hence emissions is associated with magazine production, which is not related to our core business activity, it is accounted for separately. Source for emissions from GHG: https://ghgprotocol.org/sites/default/files/Quantitative%20Uncertainty%20Guidance.pdf;
- Category 6 – Business travel: These CO₂ emissions are calculated using the distance-based method for flights. They cover emissions associated with hotel accommodation during business travel and are recorded for the period the travels occur. Quantis output is used for flights and hotel nights while rail emission reports provided by Swiss Federal Railways (SBB) for rail travel was considered;
- Category 7 – Employee commuting: These CO₂ emissions are calculated individually for all Swissquote offices in Switzerland and abroad using respective city-
specific typical commuting patterns and CO₂ emission factors (from mobitool v2.0.2). The data take into account a detailed survey carried out about Swissquote’s workforce in Switzerland to identify the exact commuting patterns to the head office in Gland (VD).

**Reporting period**
This report covers the period between 1 January 2022, and 31 December 2022.

**Independent practitioner’s limited assurance report provided by PricewaterhouseCoopers AG**
Please see PwC’s limited assurance report included in the 2022 Sustainability Report for details on the limited assurance provided.