

# **SUSTAIN- ABILITY REPORT**

Why we are committed to sustainability	198
Our understanding of sustainability	199
Materiality assessment	200
Stakeholder engagement	201
How we focus on customer centricity	202
Customer Experience	202
Credibility in the Market	203
Customer Data Security, Privacy and Protection	204
How we innovate to enhance our products	206
Product Focus	206
Innovation	207
How we create value and conduct business responsibly	208
Prudent Investment Approach	208
Compliance, Governance and Ethics	209
Business Continuity and IT Resilience	210
Financial Performance	211
What matters to us regarding social responsibility	213
Employee Engagement	213
Compensation and Benefits	216
Talent Development	217
Diversity	218
Social Impact	220
Why Environmental Responsibility is important to us	221
About this Report	223
GRI content index	224



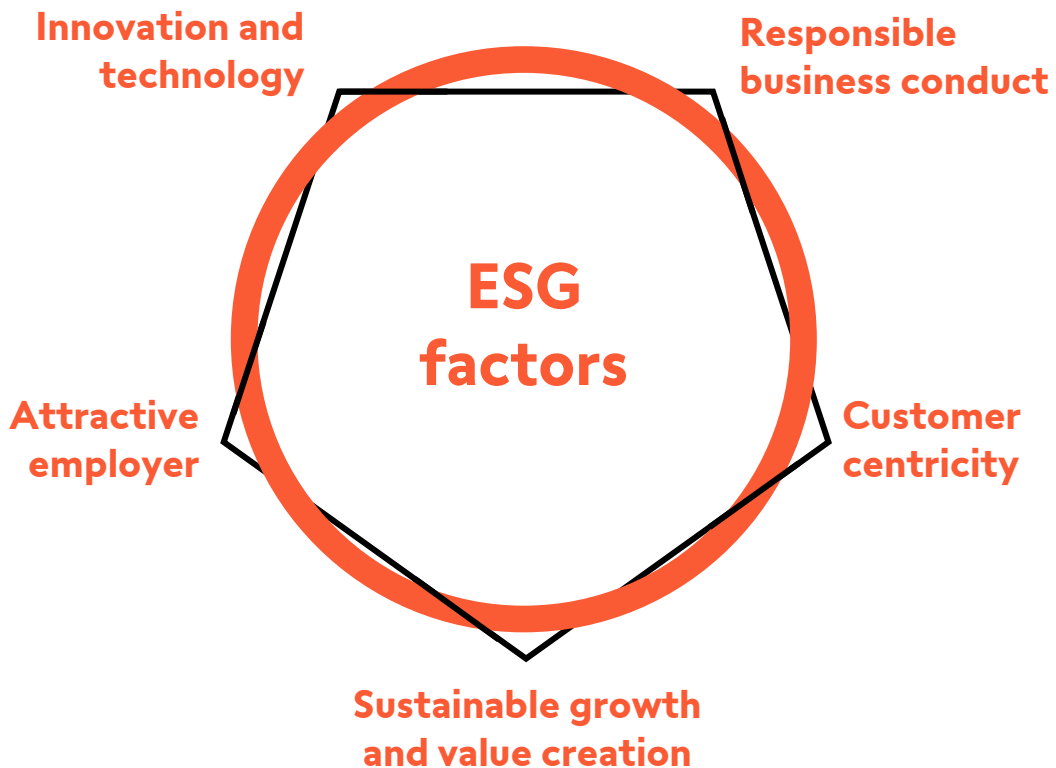
# Why we are committed to sustainability

The year 2020 marks the first year for Swissquote to disclose non-financial information, an important milestone for demonstrating our dedication to sustainability in addition to financial performance and corporate governance. While our customers, employees and other stakeholders have benefitted for some time from our commitment, we now publicly provide comprehensive insights into our sustainability approach and performance by employing the Standards of the Global Reporting Initiative (GRI). Along with our conviction of the importance of tracking and reporting environmental, social and governance (ESG) metrics, we embrace the patience and tenacity to persistently and continually seek improvement in our ESG performance and ratings.

## OUR UNDERSTANDING OF SUSTAINABILITY

We strive to deliver sustainable value to society, which is why we choose to be as exemplary as possible when it comes to applying environmental, social and governance (ESG) criteria in our strategic decisions and day-to-day activities.

For us, this means that we challenge convention on the delivery of innovation and technology, constantly pioneering new and better ways of banking. We build relationships based on trust, conducting our business responsibly and transparently. We champion our customers by delivering breath-taking products and services, creating a bespoke user experience that enhances and eases banking and investment decision making, and we obsessively and relentlessly learn about our clients' needs, motivations and aspirations. We cherish our employees and work hard to make Swissquote an attractive place to work. Finally, our understanding of sustainability drives us to deliver sustainable growth and create value for all our stakeholders, which includes striving to reduce our environmental footprint.



# Sustainability Report

## MATERIALITY ASSESSMENT

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 Standards of the Global Reporting Initiative (GRI), 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 such as MSCI ESG and Inrate, and our own established sustainability topics. To create a manageable basis for assessing materiality, we clustered the topics through categorising and grouping. In a second step, we evaluated and prioritised the topics in a workshop with our Chief Financial Officer and representatives from various

departments such as Finance, Reporting and Tax, Human Resources, Marketing, Legal and Compliance, and Investor Relations. A draft Materiality Matrix was discussed with a delegation of the Board of Directors. We assessed the materiality of the topics according to the following criteria: relevance for our long-term business success, relevance for our stakeholders' decision making and significance of the impact of our business activities. The materiality assessment was facilitated by an external corporate sustainability consultancy and discussed with an institutional investor specialising in sustainable development. **GRI 102-46<sup>1</sup>**

We identified 15 topics with high and very high relevance that form the basis of our sustainability management and reporting. We are also reporting on how we support communities and address our environmental impact.

### Our Materiality Matrix GRI 102-47

RELEVANCE FOR STAKEHOLDERS	VERY HIGH			<ul style="list-style-type: none"> <li>● Business Continuity, IT Resilience</li> <li>● Customer Data Security, Privacy and Protection</li> <li>● Financial Performance</li> </ul>	
	HIGH	<ul style="list-style-type: none"> <li>● Environmental Responsibility</li> <li>● Social Impact</li> </ul>	<ul style="list-style-type: none"> <li>● Customer Experience</li> <li>● Diversity</li> <li>● Employee Engagement</li> <li>● Product Focus</li> <li>● Talent Development</li> </ul>	<ul style="list-style-type: none"> <li>● Compliance, Governance and Ethics</li> <li>● Innovation</li> </ul>	
	MEDIUM		<ul style="list-style-type: none"> <li>● Compensation and Benefits</li> <li>● Credibility in the Market</li> <li>● Prudent Investment Approach</li> </ul>		
	LOW				
		LOW	MEDIUM	HIGH	VERY HIGH

RELEVANCE FOR LONG-TERM BUSINESS SUCCESS

<sup>1</sup> Swissquote employs the Standards of the Global Reporting Initiative (GRI) to report on its sustainability performance. References to selected GRI disclosures can be found throughout the report.



# Sustainability Report

## STAKEHOLDER ENGAGEMENT

We strive to integrate our stakeholders’ perspectives into the core of our business strategy. The materiality assessment helped us formalise our engagement with our most important stakeholders: those who either contribute to the successful business activity of Swissquote or are influenced by our business activity. **GRI 102-42**

### Our Approach to Stakeholder Engagement

Stakeholder Group GRI 102-40	Examples of Stakeholder Engagement GRI 102-43	Key Topics and Concerns Raised GRI 102-44
Clients	<ul style="list-style-type: none"> <li>– Annual global satisfaction survey</li> <li>– Biannual Net Promoter Score measurement</li> <li>– Additional targeted surveys</li> <li>– Direct point of contact for business and institutional customers</li> <li>– Focus groups</li> <li>– Personal and email communication</li> <li>– Physical and online events</li> </ul>	<ul style="list-style-type: none"> <li>– Safeguarding assets</li> <li>– Expertise of their broker/bank</li> <li>– Pricing</li> <li>– Platform usability and reliability</li> <li>– Time to analyse markets</li> <li>– Understanding market trends to trade successfully</li> <li>– Service/support</li> <li>– Ensuring data privacy and client confidentiality</li> <li>– Independence</li> </ul>
Investors	<ul style="list-style-type: none"> <li>– Biannual financial results presentation</li> <li>– Investor roadshows</li> <li>– Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>– Business growth / Financial performance</li> <li>– Transparent and long-term strategy</li> <li>– Anticipation and management of risks</li> <li>– Reliable, timely, high-quality information</li> </ul>
Employees	<ul style="list-style-type: none"> <li>– Annual engagement survey</li> <li>– Additional selected surveys</li> <li>– Q&amp;A sessions with Executive Management</li> <li>– Department-level discussions</li> <li>– Full Annual Management Meeting</li> </ul>	<ul style="list-style-type: none"> <li>– Fair remuneration</li> <li>– Enjoyable environment</li> <li>– Career planning</li> <li>– Recognition</li> <li>– Work-life balance</li> <li>– Safe workplace</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>– Regulatory reporting</li> <li>– Regular contacts</li> <li>– Engagement in industry associations such as CMTA</li> <li>– Involvement in consultation paper</li> </ul>	<ul style="list-style-type: none"> <li>– Full compliance with applicable laws and regulations</li> <li>– Following best practices</li> <li>– Proactive reporting</li> <li>– Absence of conflict of interests or irreproachable business conduct</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>– Sponsoring of local events</li> <li>– Participating in university and association committees</li> <li>– Giving to charitable organisations</li> </ul>	<ul style="list-style-type: none"> <li>– Paying taxes</li> <li>– Philanthropy</li> <li>– Attractive employer</li> </ul>

How we respond to the needs and concerns of our stakeholders is outlined in the following sections.

**CLIENTS** >> **Product Focus, Innovation, Customer Experience, Credibility in the Market, Customer Data Security, Privacy and Protection, Business Continuity / IT Resilience**

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

**EMPLOYEES** >> **Employee Engagement, Compensation and Benefits, Talent Development, Diversity**

**REGULATORS** >> **Compliance, Governance and Ethics**

**LOCAL COMMUNITIES** >> **Social Impact**

# How we focus on customer centricity

In a competitive and crowded industry, we constantly seek to differentiate and think “client first” to keep Swissquote as the top choice for our customers. At all times, we are our customers’ champions.

## CUSTOMER EXPERIENCE

**To hold our position as one of the leading online banks and keep up our pace of global expansion, we are relentless about understanding our customers’ desires, needs and ambitions. By knowing our customers and delivering breath-taking products and customer service, we are building enduring relationships.**

### The Value of the Customer Experience

How customers experience Swissquote will influence their relationship with us. Will they remain customers? Will they use our services more? Will they enthusiastically recommend us to their contacts? Or will they leave? Perfecting the customer experience is essential to retaining business and inspiring clients to be promoters.



#### WHERE WE HAVE SET OUR SIGHTS

- » **Maintain and increase our Net Promoter Score (NPS®)**
- » **Grow our global client satisfaction rating**
- » **Achieve a strong service level within our Customer Care department.**

### A Look at 2020

The market volatility caused by the COVID-19 pandemic proved to be a challenge to the stability of many trading platforms, including Swissquote, due to unprecedented surges in orders at various times during the year. Our biggest challenge in 2020 was maintaining a seamless operation and order flow through our platform. Despite the volatility of 2020, our customer total assets reached a record level of CHF 39.8 billion with CHF 5.3 billion in Net New Money and a 14.1% increase in new accounts.

We received positive appreciation from our clients in our most recent Net Promoter Score SM study in 2020 and confirmed high client satisfaction by scoring the mean value of 5.4 out of 7.0, as measured on a Likert scale through the annual International Client Satisfaction Survey. In our survey, over half of respondents gave us the scores of 6 and 7 meaning they were either very satisfied or extremely satisfied with Swissquote. Net Promoter Score (NPS®) is a standard indicator providing insights into customer loyalty. It measures the willingness of customers to recommend the brand to a friend or acquaintance, and it is calculated as a difference between brand promoters and detractors.

In 2020, most of our customers calling our Tradeline could reach one of our Customer Care agents in less than one minute despite the near doubling of the number of inbound calls compared to 2019.

# Sustainability Report

## How We Are Reaching Our Goals

We constantly release new products into the market. For example, we were the first online bank to offer trading on cryptocurrencies. And while we are quick to respond to customer needs with new products and services, we are committed to keeping our platform simple to use.

We truly believe that trading should be accessible to anyone. Swissquote offers a broad range of training tools to help customers join the trading universe more easily and successfully. We also publish the Swissquote Magazine six times a year which features ground-breaking stories to guide investors toward a successful personal investment strategy.

Knowing our customers is how we are perfecting the customer experience, and we invest heavily in user research as a component of product and service design. Our team includes a researcher dedicated to understanding customer needs and a specialist who works on the user journey throughout the design process. We systematically conduct usability testing, including testing by Swissquote employees with a wide range of 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 quality of interaction with Swissquote support teams.

We make sure we share the findings with all employees and expect them to respond to client needs and feedback. To build a common understanding of clients and their needs we have conducted special data-based research to create so-called "Personas" – archetypes of customers that represent key traits of a large segment of our audience. They help us understand our customers' needs, experiences, behaviour and goals.

To ensure that we meet our customers' expectations, we ask them how they feel about our services in client surveys and look at how our competitors are perceived through benchmarking. Since 2016, we have measured client satisfaction in cooperation with the global market research firm IPSOS. The level of client satisfaction has been relatively stable for the last four years. On a biannual basis, we measure customer experience with Net Promoter ScoreSM. We combine NPS® measurements with our customer experience and customer satisfaction research to continually increase customer delight and loyalty.

Client satisfaction targets are reflected in the dedicated Marketing Scorecard used by the Marketing team to set annual performance objectives.

## 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 and investor empowerment. Being known for reliability and flexibility is allowing us to progressively move from being considered by our customers as their "secondary" bank toward being their first and only bank. Swissquote is becoming a universal digital bank with a broad range of products and services.

### WHERE WE HAVE SET OUR SIGHTS

- » **Remain a profitable company and remain a trustworthy partner for customers**
- » **Maintain a strong equity capital ratio well above minimum requirements**
- » **Apply best practice standards in financial and non-financial reporting**
- » **Support meaningful regulation and appreciate being regulated by the most respectful regulators in the world**
- » **Provide transparency**
- » **Apply best practice corporate governance rules**

### A Look at 2020

When people started staying home during the COVID-19 pandemic, we experienced a significant inflow of new customers, trades and capital, which strengthened our position as the leading online bank in Switzerland. While traditional banks played catch-up to meet the technology and digitalisation demands of this growing market, Swissquote benefitted from having been there for more than 20 years.



# Sustainability Report

In 2020, we capitalised on our reputation and leveraged our digital edge to strengthen our credibility as a better, cheaper alternative to legacy banks. As the pioneer and leader of digital banking in Switzerland, the experience and standing we have earned over two decades has enabled us to quickly tailor, expand and improve our platform to stay ahead of our competition.

## How We Are Reaching Our Goals

On a fundamental level, we establish customer trust by being a regulated bank under the authority of the Swiss Financial Market Authority (FINMA) in Switzerland and a regulated bank under the authority 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, financial and regulatory audits are performed.

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

Our International Client Satisfaction survey that we conduct with international research institute IPSOS since 2016 consistently reveals that our clients highly appreciate our status as a regulated bank accountable to a reliable supervisory authority. Our clients confirm their trust in us and our ability to securely manage their data. In relation to regulatory status, trust and security, our clients give us a satisfaction score above 6 out of 7.

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 2020.

In addition to being a bank, the company also operates as a public media vector in the form of an online financial platform accessible by a large audience in Switzerland and abroad. The financial industry in Switzerland sets 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 early and close engagement of our Legal and Compliance department, the extensive use of ad hoc disclaimers as well as a cross-border policy. Regulatory audits are performed by external editors.

## 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 available.**

### The Value of Customer Data Security, Privacy and Protection

Customers expect their banks to keep their financial information safe and secure. Proactive IT management targeted on shielding our clients from financial harm and privacy is necessary to achieve a high level of trust, ensuring our customers' loyalty and reinforcing our credibility.

#### WHERE WE HAVE SET OUR SIGHTS

- » **Achieve zero incidents regarding customer data security, privacy and protection**
- » **Maintain and preserve the strong reputation of the bank**
- » **Remain a trusted bank and warrant all the discretion and security required by our customers**
- » **Obtain successful results at the annual penetration test audit performed by a third party**

### A Look at 2020

The COVID-19 outbreak has increased the risk of phishing as cyber-criminals have multiplied their attacks. In response, we have increased our efforts to prevent phishing by filtering emails and blocking fraudulent websites. We also have redoubled our attention on employee awareness and training, including a new IT newsletter spotlighting this topic.

The rapid move to work-from-home arrangements resulting from COVID-19 and the Internaxx transition into Swissquote Bank Europe presented challenges in terms of customer data security. We implemented additional

# Sustainability Report

information security measures to address the needs of our customers and enable contact sharing without compromising privacy.

We did not experience any major incidents regarding customer data security in 2020, and our employees' appropriate response to phishing emails helped us avoid and anticipate potential scammers targeting our customers.

**GRI 418-1**

## How We Are Reaching Our Goals

As a bank regulated by the Swiss Financial Market Authority (FINMA) and other regulators around the world, we abide by strict security measures to ensure that our customer data and privacy are safe. We are taking all the necessary actions to ensure the best privacy and security for our customers despite the abandonment of the E.U./U.S Privacy Shield and developments on the CH/U.S Privacy Shield.

Our security measures include securing our operating environments and limiting access on a need-to know basis, encrypting all sensitive information processed in transactions over our websites, and verifying 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 also our need to answer queries or resolve problems, provide improved and new services and

comply with legal requirements under applicable laws. When the personal data that we collect is no longer required in this way, we destroy or delete it in a secure manner.

We ensure compliance with the Swiss Federal Act on Data Protection and that the principles of European Union General Data Protection Regulation (GDPR) that apply to Swiss companies are implemented. We have a dedicated email address (privacy@swissquote.com), which our customers can use at any time to contact us to discuss any privacy or security concerns.

All matters of data security and privacy are managed by our IT Security team. Ultimate responsibility lies with top management, in particular our Chief Technology Officer, in close collaboration with our Chief Risk Officer. We are also training our employees on data security and privacy-related risks and procedures. As an example, all new collaborators need to complete an online course on the topic of GDPR.

We contract a third party to run certified IT audits and penetration tests to ensure our systems are complying with applicable rules and regulations.

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

# How we innovate to enhance our products

At Swissquote, we are never satisfied with upholding the status quo. We are continuously seeking new and unexpected ways of delivering value to our customers by developing, refining and modernising 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 focusing our efforts on developing the most innovative products possible, we 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 decade, Swissquote's business has evolved from offering stock trading to retail clients in Switzerland to offering various products to retail, corporate and institutional clients worldwide. To maintain this growth and improve our agility we have become a product-focused organisation.



#### WHERE WE HAVE SET OUR SIGHTS

- **Increase agility to speed up the pace of product delivery and keep a high level of stability in our systems**
- **Cut product delivery time in half over the next two years**

### A Look at 2020

After we established our product-focused organisation and created a business community that set visions and goals for each product in 2019, we concentrated on changing the way our technical teams collaborate in 2020. To accomplish this, we conducted multiple workshops with all stakeholders to define the new way we wanted to collaborate. Through these workshops, we decided to build small cross-functional teams – so-called squads – that have a clearly defined scope in which they can quickly understand the product and rapidly add value. During 2020, we rolled out this new approach across the organisation.

### How We Are Reaching Our Goals

For each product, there is now a product manager in charge of working toward the overall vision and achieving the set targets. The product managers lead the squads' efforts and coordinate with the relevant departments.

We are employing this squad model for both product improvement and new product development. We have a metric-based approach for product development, in which each squad receives a measurable objective and tracks KPIs relevant to their task, such as lead time, technical depth or team mood.

## INNOVATION

**As a pioneer in the online banking industry, innovation is central to our corporate identity and has become synonymous with our brand. We strive to generate value in new and unexpected ways that delight our customers and keep them using our services.**

### The Value of Innovating

Digital banking services and technology have become key elements of the banking industry. More and more customers expect to have a convenient, easy to use, flexible and on-demand method of managing their financial assets. Our competitive advantage and positive brand perception increase if we can provide newer and more desirable products than our competitors. By focusing on innovation, we can add value to the Swissquote platform and quickly act on changes in the market.



#### 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 2020

In 2020, we expanded our activities in the credit sector by launching a new online leasing offering in collaboration with an electric car manufacturer. With this entry in the leasing market, customers can benefit from an enhanced digital experience that enables a swift processing of their leasing requests.

We also built our own Contract for Differences (CFD) programme that allows clients to trade major stock indices

online in our FX platforms. This resulted in a significant growth in our CFD revenues and has led to CFDs being 27% of our leveraged forex revenues (2019: 20%) and 8% of our total operating income (2019: 7%).

In addition, Swissquote has intensified its long-standing collaboration with PostFinance, a leading financial service provider in Switzerland, by deciding to enter a joint venture to launch a joint mobile banking app scheduled for the first half of 2021.

### 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 and increase their trade volumes with us.

For more and more investors, ESG criteria are becoming an increasingly important aspect of stock selection. While Swissquote already offers a broad range of trading options focused on sectors that fight climate change in their regular operations, we are also evaluating how we can provide better ESG-related information to our customers in the future.

Our product management organisation is responsible for driving innovation. Ideas are discussed in think tanks, and squads are created around each innovation project once a budget is allocated. We also foster innovation among all our employees by running an annual internal competition called "BattleDev", where our employees form teams to flesh out innovative projects that are submitted to a jury formed by coaches and employees. In 2020, the competition could not be held due to the COVID-19 pandemic.

Objectives and KPIs are established to track the development of new products and innovations. We also collect feedback from our customers through qualitative and quantitative surveys.

- » **Further details can be found in the section on customer experience.**

# How we create value and conduct business responsibly

We are committed to conducting our business responsibly and transparently. Mutual respect is foundational 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 into the future.

## PRUDENT INVESTMENT APPROACH

**We work hard to safeguard our clients' financial interests. By including environmental, social and governance criteria into our investment decisions, we are limiting risk exposure while making a positive impact on the world in both the short and long term.**

### The Value of Prudent Investing

Swissquote does not provide investment advice or asset management services other than Roboadvisory services and our core business does typically not involve granting direct loans to corporations. However, as a publicly traded company with a Swiss banking license and more than 400,000 accounts, we must strictly follow rules and guidelines to safeguard our customers' assets and shareholders' equity. Swissquote fully complies with the Basel III framework.

For us, prudent investment means doing our best to ensure long-term returns by investing in responsibly operated companies and ventures. We aim to invest in high-quality issuers to mitigate yield deterioration while maintaining an appropriate risk level. Responsible and prudent investing is important to achieve a target yield and maintain a strong liquidity ratio.



### WHERE WE HAVE SET OUR SIGHTS

- » **Ensure the adequate and vigilant management of the various risks affecting our assets**
- » **Remain in compliance with regulations and our own rules**
- » **Apply best practice risk management policies**

### A Look at 2020

The unprecedented global reach of the COVID-19 pandemic was the dominant topic governing our investment decisions in 2020. So far, our prudent investment approach has proven

# Sustainability Report

effective as we have no defaults to report, and less than 0.1% of our investment portfolio has a witnessed significant degradation of its credit metrics. The full scale of the pandemic's consequences is not yet known, and as such, we have adopted a selective approach for credit risk appetite.

## 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 pertain to 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 as well as rules to ensure an appropriate duration of our assets and liabilities. Our diversification rules ensure we are minimising investments into less sustainable companies.

The Asset and Liability Management and Treasury Department, which oversees the balance sheet, is responsible for adherence to our risk management guidelines. Our Controlling and Risk department monitors compliance to these rules daily. In addition, adherence is audited by external auditors to prevent conflicts of interest.

## COMPLIANCE, GOVERNANCE AND ETHICS

**Since our foundation, Swissquote has built a reputation based on transparency and respect for our stakeholders. Integrity is in our DNA, and our partners have come to 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 upstanding reputation. As a regulated Swiss bank, compliance with all relevant laws and regulations, including their corresponding best practices, is important from both a regulatory and a business perspective, as reputation and trust are key elements to successful banking relationships.

We take great care in conducting our business in a responsible and ethical manner. We are fair, honest and respectful in every interaction with our customers, partners and colleagues. Everything we do is done according to the highest ethical and corporate governance standards. Employees are contractually required to comply with those standards, and breaches can result in termination. As an international financial services group based in Switzerland, 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. We inform our shareholders, prospective investors and the public on our corporate governance policies through our corporate governance report. Our Code of Conduct is available on our website.



### WHERE WE HAVE SET OUR SIGHTS



**Aim for zero events that could harm our reputation and set corresponding objectives for people in management positions.**

### A Look at 2020

In 2020, we created a new Code of Conduct that clearly states our values and corporate governance approach and guides the behaviour of all our employees. We made sure all employees were informed about the contents of the new Code of Conduct. Our core values are: **GRI 102-16:**

- Champion the customer
- Unite as one
- Dare to be different
- Do the right thing
- In pursuit of excellence
- Always say it how it is

Swissquote did not identify any non-compliance with applicable laws and regulations in the economic, social or environmental area and was not subject to any legal actions for anti-competitive behaviour, anti-trust or monopoly practices in 2020 **GRI 206-1 GRI 307-1 GRI 419-1.**

### How We Are Reaching Our Goals

Our stakeholders expect accountability from us – and our procedures and organisational structure are set up to respond to their reasonable 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. Among others, we have policies and rules in place to identify, mitigate, manage and prevent 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” policies outlined by FINMA.

We run an e-learning training programme to ensure our employees are well versed in all policies, applicable laws and regulations. All our employees are trained in anti-money-laundering procedures, insider trading and anti-corruption. **GRI 205-2**

We foster a culture of ethics and expect employees to abide by our Code of Conduct. The Code of Conduct is presented during our induction programme for new employees, which is a series of training modules aimed at onboarding and familiarising newcomers with our operations and company principles. Swissquote requires all new employees to review, understand and acknowledge they received and read our policies on banking secrecy, money laundering, insider trading and corruption **GRI 205-2**. Behavioural expectations are also outlined in our Core Manual and Standard Terms and Conditions that are part of the working contract.

If an employee suspects unethical or illegal behaviour, we have reporting procedures that guide a discussion of the suspicious activity with the manager and escalate any issues to the Human Resources or Legal and Compliance departments. **GRI 102-17**. In case of occurrence, each breach of ethics is fully investigated and appropriate corrective actions are taken. We employ external legal counsel and undergo external audits to confirm that we manage our regulatory and compliance risks effectively.

## BUSINESS CONTINUITY AND IT RESILIENCE

**Our Business Continuity and IT Resilience plans ensure that critical business processes can continue in the event of a major internal or external incident. It solidifies 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 eTrading and eForex services every single day, around the clock and across the globe, ensuring business continuity is of major importance. Any interruption of our operations could lead to litigation and reputational damage. It is therefore of paramount importance to have abundant measures in place to prevent and prepare for such events.



#### WHERE WE HAVE SET OUR SIGHTS

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

### A Look at 2020

During the peak of the pandemic, we expanded our working-from-home arrangement to full time for 92% of our workforce without any impact on operations. Our platform continued to operate normally without crashes or interruptions, despite a massive increase in trades. The pandemic fully tested our ability to conduct business as usual in an unexpected and rapidly developing crisis. Our response to the pandemic demonstrates the soundness of our business

# Sustainability Report

continuity strategy. In 2020 we started evaluating solutions to automate and centralise the Business Continuity Management (BCM) process.

## How We Are Reaching Our Goals

Business Continuity Management is an integral component of our entire corporate strategy. We have designed a thoughtful and detailed business continuity strategy that addresses a comprehensive range scenario, with our corresponding responses to events that threaten our operations with total or partial failure and, by extension, provide guarantees that our activity as a whole is preserved. As disruptive events can have multiple causes, our strategy focuses on consequences and impacts rather than the causes themselves.

Our strategy and related plans in particular enable us to cope with the following consequences and impacts of disastrous events:

1. Total or partial inaccessibility or loss of one of our buildings
2. Loss or unavailability of IT infrastructure, applications and/or communication system
3. Loss of key skills or staff members
4. Pandemic

Our strategy incorporates best practices and regulated mandates as they relate to business disruption. Swissquote business continuity plans are reviewed every year and certified by third-party audits and external consultants to continuously improve our business continuity processes.

## FINANCIAL PERFORMANCE

**Swissquote aspires to grow as a company and provide exceptional value to investors by pioneering new markets in the online banking industry. By reinvesting part of our profits into improving and innovating our operations and services, we are positioned to lead the Swiss online banking industry as one of the best capitalised banks.**

### The Value of Monitoring and Developing Cash Flow

Swissquote structures its business strategy around the long-term growth, profitability and capital efficiency of its

operations through innovative products, enhancing client experience and expanding to new markets. To achieve this, our strategy balances profitability and capital efficiency with a long-term view to create value by investing in our technology and services, improving cost-efficiency and generating sustainable growth.



### WHERE WE HAVE SET OUR SIGHTS

#### 2020

- » Acquire net new money in the amount of CHF 3 billion
- » Raise net revenues by 10%
- » Increase pre-tax profit by 10%

#### MEDIUM-TERM

- » Increase client assets
- » Improve our margin on assets at 90 basis points
- » Increase net revenues and pre-tax profit
- » Achieve a pre-tax margin of 30%

### A Look at 2020

The volatile market conditions caused by COVID-19 led to increased trading activities, and Swissquote posted record figures for organic customer acquisition, revenue and profitability, surpassing all expectations. This crisis accelerated the adoption of digital services and highlighted the benefits of online banking that offers quick and direct access to one's own investments.

Swissquote was well positioned to capitalise on these new consumer behaviours, with more than 50,600 new accounts opening in 2020. These new customers drove organic growth, generating CHF 5.3 billion of net new money, leading to revenue increasing by nearly 50% since last year. Net profit more than doubled at CHF 91 million, with a net profit margin of 29%. This success has led to us holding a record number of client assets valued at CHF 39.8 billion, with a strong Basel III core capital ratio of 23.0%.

# Sustainability Report

## How We Are Reaching Our Goals

We adopt a holistic approach to financial performance, with the objective of sharing the value we create among our different stakeholder groups. While we share profits with our shareholders in the form of dividends and other pay-outs, we also retain some revenue to reinvest in innovative services and products that disrupt markets and make financial trading accessible to everyone. We also incentivise our employees with short-term and long-term equity-based compensation plans to improve operations and profitability.

As a company listed on the Swiss stock exchange and regulated by FINMA, we are subject to stringent and comprehensive financial market regulations. Our financial performance is audited by an external party on a semi-annual basis. We compare our financial results against the goals we set and take corrective measures to stay on track. 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.**

# What matters to us regarding social responsibility

Swissquote is every person who works here, and every person who works here is Swissquote. Our people are our most important investment, and they are why we succeed. We challenge them, trust them, support them, compensate them and protect them. And as a result, they deliver an exceptional and refreshing banking experience to 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 our presence is beneficial.

## EMPLOYEE ENGAGEMENT

**With the blessing of leadership, our employees challenge everything that makes traditional banking irrelevant. The dress code? The sluggish innovation? The inaccessible managers? Everything is on the table. We value personality, initiative and above all, team spirit. Our employees are empowered with a common goal: making trading opportunities accessible to everyone.**

### A brief look at our workforce

Swissquote's workforce includes 720 full-time equivalents (FTE) in Switzerland and Luxembourg, 700 of which are employees and 20 of which fulfil the roles of apprentice, intern, trainee or external position. This represents an increase in FTEs of 13.4% compared to 2019. Among our 700 employee FTEs, 12% are part-time, of which 64% are women. 4% of FTEs have a fixed-term contract, of which 47% are women. Across all FTEs, 31% are women and 69% are men.

# Sustainability Report

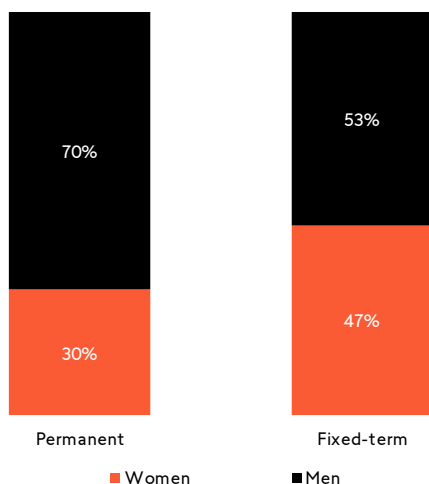
## Composition of the workforce

GRI 102-8

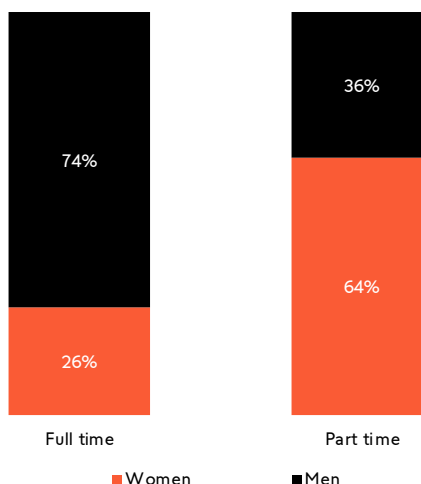
in FTE	2020	share	2019	share
<b>Employees*</b>	<b>700</b>	<b>–</b>	<b>617</b>	
Apprentices, interns, trainees, externals	20	–	18	
<b>Employees by employment contract*</b>				
Permanent	672	96%	603	98%
Fixed-term	28	4%	14	2%
<b>Employees by employment type*</b>				
Full time	619	88%	542	88%
Part time	81	12%	75	12%
Employees in locations not in scope of the sustainability report	85		87	
<b>Total employees at Group level</b>	<b>805</b>		<b>722</b>	

\* excluding apprentices, interns, trainees, externals

### BY EMPLOYMENT CONTRACT



### BY EMPLOYMENT TYPE



# Sustainability Report

## The Value of Employee Engagement

Swissquote is a bank that does not feel like one, and we believe this is a big part of what makes us an attractive employer. We have intentionally created an environment that appeals to employees who would not otherwise choose the banking sector, and we take care of them in ways that encourage them to stay. Employees are encouraged to challenge themselves and each other, so that together we are stronger, faster and smarter.



### WHERE WE HAVE SET OUR SIGHTS

- » **Attract and retain talent to increase overall performance and capacity for innovation**
- » **Decrease turnover to maximise institutional knowledge and reduce talent acquisition costs**
- » **Emphasise well-being for the health, happiness and productivity of employees**
- » **Increase engagement and commitment to maximise job satisfaction**
- » **Improve reputation as a best place to work**
- » **Encourage current employees to recruit candidates from their network**

## A Look at 2020

We developed a full-time remote working arrangement during COVID-19, which required navigating the complexities of the local regulatory environment and risks related to remote working in the banking sector. For example, we validated our security system for cross-border remote working and to ensure compliance with Swiss banking secrecy law.

Throughout the year, we enabled and encouraged actively connecting with each other through social activities on our videocall platform, dedicated pages on the intranet and online events held by Executive Management representatives to keep employee motivation high. We also set up “share and learn” pages to help managers lead their teams through a difficult year by providing training sessions and enabling the

exchange of experiences and best practices. Our regularly conducted Pulse Surveys showed that motivation among employees remained high throughout the pandemic with close to 80% of our employees feeling motivated.

As the yearly Christmas party could not take place, Swissquote granted an extra day of vacation and a special gift to each employee. In place of the cancelled Swissquote Kids party, each parent received a voucher from a toy shop per child.

In 2020, we were recognised as one of the most attractive employers in Switzerland by Universum, with a rank of #43 for Tech Talents. This is particularly important to us as it shows that our efforts to raise awareness of Swissquote as a technology leader are panning out. Over the last few years, we have started to reach out directly to potential job candidates and conducted online and social media campaigns to attract top engineering talent. For 2021, we plan to update our employer branding strategy.

## How We Are Reaching Our Goals

We are a highly motivated, agile, youthful and spirited organisation. Unlike every other bank, we prioritise work-life balance, a start-up approach to work and a relaxed environment. Our values as a company are what 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 built our reputation as an employer of choice. We cannot be competitive on all employer aspects, but we can create an inspiring working environment where norms are challenged and ideas are brought to life.

Among the perks that differentiate us are: no dress code, an exceptional work-life balance that even before the pandemic accommodated part-time and remote working, and a highly deliberate social atmosphere and active social calendar (that has, unfortunately, needed to be put on hold since the pandemic outbreak). Normally we offer free coffee, tea, biscuits and fresh fruit, as well as free breakfast several times a week, monthly events at our company headquarters pub and several larger social events per year. Our employees also enjoy free training in sports such as tennis, golf and football.

» **Further details can be found in the section on compensation and benefits.**



# Sustainability Report

We place a high value on open and continual communication, and we have continued our practice of holding at least two staff meetings a year to present the company's status and offer a Q&A session with our Chief Executive Officer. We regularly invite employees to present and explain the projects they are working on to the rest of the company during lunch talks.

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, during the pandemic, weekly surveys to check on employees' overall welfare. Our employees can also provide feedback on food and events via special surveys. Finally, in our European Division, we established an annual benchmarking process to compare our initiatives with those of local banks using the Luxembourg Bankers Association (ABBL) survey.

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

A software system recording each employee's working hours is designed to ensure that work time rules and regulations are respected and that overtime is monitored and fairly compensated when appropriate. In addition, the system closely monitors absenteeism. These elements are part of a broader set of measures adopted to preserve employees' well-being and work-life balance.

To maintain a safe workplace in case of emergency, selected employees are trained as volunteer fire fighters and emergency first responders. Every year, all employees take part in an evacuation drill. In each open office space of the building an 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.

## 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, a priority on 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 intentionally designed our remuneration policy to attract talent, retain valuable employees and knowledge, and maximise employee engagement.



#### WHERE WE HAVE SET OUR SIGHTS

- » Confirm fair and competitive compensation with regular benchmarks
- » Foster non-monetary compensation
- » Align pay with performance
- » Encourage a healthy work-life balance
- » Promote remote working

### A Look at 2020

Despite a challenging year for the organisation, we were able to conduct pay reviews, pay out Profit Awards and offer shares or options to employees according to our Employee Share and Option Plan, as planned. We decided to maintain salaries for all employees even in situations where people had to work part-time due to family obligations. We did not request short-time working compensation from the Swiss government.

Before the pandemic, 15% of our employees took advantage of our remote working policy allowing employees to work 20% of the week from home. By April 2020, more

# Sustainability Report

than 90% of our staff had shifted to working from home due to the initial pandemic lockdowns.

## 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, our overall performance and individual performance. Our policy is aligned with best practices and designed not to create incentives for risk taking outside Swissquote's risk appetite. We 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 position within the company. All employees with at least one year of service are entitled to participate in our Employee Share and Option Plan, which awards free shares and options based on position. Our seniority recognition programme includes additional days of vacation and cash bonuses.

Employees are more productive and satisfied when they do not have to choose between family and career. This is why we are serious about work-life balance: flexible working hours, part-time positions (even at senior levels of management) and sabbatical leave options. Even before the pandemic, our normal workweek permitted working remotely one day a week.

We keep our thumb on the pulse of compensation trends to ensure that our employees are fairly, equitably and competitively paid. Each year, we benchmark the compensation of several positions to remain competitive for those positions. In our European Division we conduct a biannual compensation and benefit review where we 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 full-time, part-time and temporary employees **GRI 401-2**. While in Luxembourg 70% of our employees were part of a collective bargaining agreement in 2020, there is no such agreement in place that could apply to our employees in Switzerland. **GRI 102-41**.

Swissquote goes beyond minimum legal requirements for pensions. We pay 60% of the total contributions to the occupational pension fund. Our contributions also exceed the recommended saving rates by age group. We provide complementary plans to cover salaries above the legal maximum, and we offer additional savings opportunities. Employee representatives are involved in the decision-making process. **GRI 201-3**.

## TALENT DEVELOPMENT

**Developing the talent we want to keep is the foundation of our talent management efforts. Compensation and benefits are important, but they are only the first step toward cultivating team members who are skilled and inspired to do their best work.**

### The Value of Talent Development

Helping employees on all career levels develop their talents and become masters of their craft are key to 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 skill development and ongoing education, we help our employees grow their careers while staying at Swissquote. When employees stay, we reduce talent acquisition costs for new employees, and we 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 talented employees
- » Promote internally
- » Support professional growth

### A Look at 2020

The main challenge in 2020 was dealing with the COVID-19 pandemic. Despite lockdowns in all of our offices, we worked hard to continue providing training and education. While some external conferences and seminars were held virtually, others were cancelled. We were able to digitise our own courses for managers and newcomers as well as the language courses for our employees that are managed by an external provider. But overall, fewer training sessions were conducted in 2020.

In 2020, we continued to map career paths within the company to highlight the possibilities of horizontal mobility and create awareness around its benefits among managers. We improved internal mobility with better internal

# Sustainability Report

advertising of open positions and a more confidential internal transfer process. The rate of internal transfer saw an increase to 24%, up from 22% in 2019 and 15% in 2018.

We decreased our turnover rate to 10% in 2020 from 15% in 2018. We promoted 11% of employees to management positions in our European Division.

For skill improvement, Swissquote funded 29 certified training programmes such as university degrees or industry-specific professional training courses, 53 language courses and 77 conference registrations held throughout Europe. Regardless of the seniority level of the employee, Swissquote provides up to 100% of financial support for training, depending on the degree of alignment with company priorities.

## How We Are Reaching Our Goals

Excessive turnover happens when there is not a good company/employee fit or when an employee feels that there is no place to grow in the company. We reduce turnover in two ways: first, through more thoughtful hiring informed by exit interviews conducted to understand why people leave; and second, by offering a variety of options for growth, both vertically and horizontally. This includes competence building, formal appraisal and feedback, and providing employees with career development opportunities across different functions and different locations.

Swissquote maintains five training areas for employees: general, compliance, IT security, IT development and management. For example, for managers, investing in their management skills helps them become more highly engaged employees themselves and better at fostering engagement among their team members. For every new manager, we offer Management Toolbox Training that introduces our expectations to managers and includes courses on setting smart objectives, giving constructive feedback, labour law and recruitment.

All newcomers experience our introduction programme that includes four modules: learning about the company, our internal tools, the world of finance and forex.

Every employee has a performance appraisal at least once every year to discuss performance, career perspectives and objectives **GRI 404-3**. Managers and human resource specialists analyse employee records to detect opportunities for improvement or advancement in every department. In our European Division, the appraisal process is a year-long 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 immediate manager. Objectives are consistent with the employee's job description and level and take into account the organisational strategy and

priorities for the period to be reviewed. Objectives are reviewed informally along the year. A formal yearly review is conducted by the manager who assesses employees on their performance against their responsibilities and objectives.

## DIVERSITY

**We embrace diversity along every line: gender, age, origin, culture, language, sexual orientation, religion, thinking and working style, experience, skill and marital status. The more perspectives we have, the better decisions we make for our diverse base of customers around the globe.**

### The Value of Diversity

The 820 employees (805 FTEs) of Swissquote Group work in nine cities, represent approximately 50 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 at Swissquote because it helps us evolve, innovate, problem-solve and be more efficient. More perspectives mean fewer missed opportunities, and we are keenly aware of the value of a diverse workforce as we expand into other areas of the world.



### WHERE WE HAVE SET OUR SIGHTS

- » Offer equal opportunities to all our employees
- » Achieve Fair-ON-Pay re-certification
- » Promote diversity in the organisation



# Sustainability Report

## A Look at 2020

In 2020, we obtained the Fair-ON-Pay certification, a voluntary certification that demonstrates conformity with the requirements of the Federal Office for Gender Equality and ensures that women and men in similar jobs are compensated equally. The certification process confirmed that we have been ensuring equal pay all along, although prior to 2020 we had never had it reviewed by an external party.

One of our challenges with diversity is to balance the gender mix in our technological departments, which represent about 40% of our workforce in Switzerland. In 2020 we adapted our application tracking system so that we can now identify applications from women, which helps us consider more women candidates for open positions. We also participated in a few events targeted at women in tech to raise awareness of Swissquote as a potential employer.

On the Group Board of Directors, 20% of our members are women while, among the Group Executive Management, 100% are men. At other management levels, 18% are women and, of our workforce, 32% are women. Regarding age diversity, 58% of our employees are between the ages of 30 and 50, with 38% younger than 30 and 4% older than 50. Among executive managers and board directors, 51% and 20% respectively are younger than 50. Regarding other management levels, 83% are younger than 50.

## How We Are Reaching Our Goals

We care and commit to have an unbiased recruiting process that does not discriminate and promotes diversity throughout our company. For example, our recruiting is conducted fully in English to welcome candidates of any nationality, and we advertise our job openings on European and global platforms.

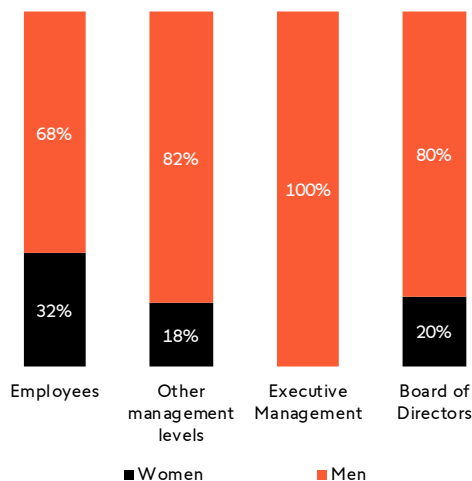
The Swissquote culture ensures a respectful workplace free from discrimination and harassment and supports equal opportunities, compensation and treatment. We have included corresponding rules in our terms and conditions and established a reporting and escalation process to immediately address instances of intolerance, discrimination and harassment.

Salaries are audited by an external party to ensure we abide by the Fair-ON-Pay certification and have no gender discrimination. We promote remote working and offer part-time working contracts for men and women, even in management. The Swissquote culture is inclusive, non-discriminatory and makes room for all perspectives.

» **Further details can be found in the section on Employee Engagement.**

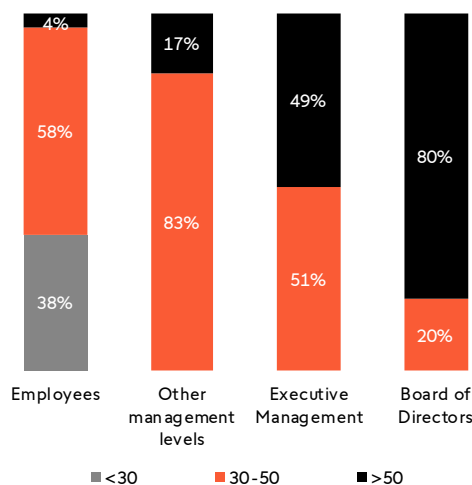
### DIVERSITY BY GENDER, 2020

GRI 405-1



### DIVERSITY BY AGE GROUP, 2020

GRI 405-1



# Sustainability Report

## SOCIAL IMPACT

**In 2020, the strength of communities was more important than ever. We are committed to contributing and supporting the local and regional communities in which we do business.**

### The Value of Supporting Communities

Being a good corporate citizen creates a positive feedback loop that starts with sharing success with others and comes back to the company in the form of positive reputation, supportive neighbours, loyal customers and motivated employees.



#### WHERE WE HAVE SET OUR SIGHTS



**Foster education and innovation**



**Improve livelihood of citizens in our communities**

### A Look at 2020

In light of the raging pandemic, we participated as a sponsor of VersusVirus, an online hackathon designed to explore innovations for fighting COVID-19, and encouraged employee participation in the event.

Together with the non-profit organisation Caritas Switzerland, we launched the Trade for Good initiative, which collected 1 Swiss franc per trade during a three-week period and resulted in the raising of CHF 236,087 for Caritas Switzerland in 2020.

In addition, more than 40 per cent of our employees decided to make a donation as part of their 2020 company Christmas gift, and Swissquote subsequently doubled their contributions. As a result, CHF 12,300 were donated to Caritas Switzerland and CHF 9,700 to Médecins Sans Frontières.

In 2020, we formed a partnership with Clic, the computer science student association of École polytechnique fédérale de Lausanne (EPFL). To help students

refine their job interview presentations, we provided 15 free Zoom sessions with Swissquote recruiters.

### How We Are Reaching Our Goals

Our corporate citizenship initiatives focus on fostering education and innovation, but also include local cultural enrichment, ecologically responsible transportation and poverty alleviation.

We make substantial financial contributions to innovation and higher education in finance, aiming to adequately prepare the next generation of financial professionals to manage and anticipate risk in the financial industry and reduce the impact of economic crises on communities. Since 2009, we have given the Swissquote Chair in Quantitative Finance at EPFL in Lausanne CHF 400,000 per year in support of this effort. We also provide ongoing support to the Fondation pour l'Innovation Technologique (FIT), which provides grants to start-ups that are creating breakthrough innovations. For the 9th year running we again donated CHF 100,000. We are a main partner of the Montreux Comedy Festival and a partner of the Servette Football and Hockey Club. In 2020 we have financially supported local cultural institutions and sport clubs with more than CHF 300,000. In addition, we donated CHF 17,500 to fund a Publibike electric bike station in Gland and paid an additional CHF 4,500 for ten Publibike Business subscriptions to offer a subscription to all interested employees in our headquarters. We also purchased CHF 2,300 worth of vouchers for theatre events in Gland for our employees and donated CHF 3,000 to the G4 foundation, an association offering severely ill children the chance to realise their most cherished dreams. **GRI 203-1.**

We also formed a partnership with Caritas Switzerland, a charitable foundation that assists Switzerland's most vulnerable and disadvantaged people.



# Why Environmental Responsibility is important to us

Every business can take actions to reduce greenhouse gas emissions and cut back on waste. In 2020, there are zero reasons to continue the wasteful habits of the past and every reason to achieve efficiency across the company – for and with our stakeholders. By committing to environmental responsibility, we are doing our part to fight climate change.

### The Value of Environmental Responsibility

As a corporate world citizen, Swissquote has a responsibility to respect the environment and counteract the effect our business has on the ecosystem. We strive to minimise our environmental impact and prioritise a strong environmental performance, which strengthens our relationships with stakeholders.



#### 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 2020

Before COVID-19, we had eliminated all single-use paper and plastic cups, replacing them with one reusable mug and water bottle for each employee. We installed electric hand dryers in all bathrooms to reduce the use of paper towels. In the age of the pandemic, however, we have had to return to disposable cups and greater use of paper products to adhere to best practices for inhibiting viral spread. We will reinstate our eco-friendly initiatives as soon as it is safe to do so.

We have fully enabled the ability of customers to open accounts completely digitally, which has decreased paper consumption. More than 75% of new accounts were opened digitally in 2020.

### Environmental indicators

Overall consumption of energy in 2020 was approximately 1% less than 2019 consumption, despite a 13.4% increase in FTEs. Taking the increase in FTEs into account, our 2020 consumption was a stark 11% decrease in kWh of energy consumed per FTE. Overall natural gas consumption decreased by 12%, mainly due to the installation of new sensors and an adjustment of the set-point temperature at our facility in Gland, as well as milder climatic conditions. Greenhouse gas emissions were down 2% overall and 13% per FTE compared with 2019.

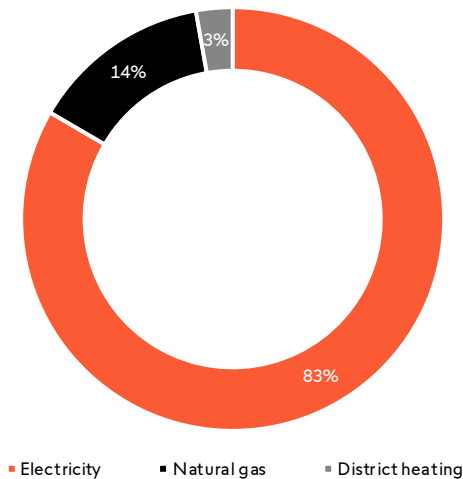


# Sustainability Report

	2020	2019	Delta
<b>Total energy consumption in MWh</b>	<b>3,018</b>	<b>3,034</b>	<b>-1%</b>
Electricity	2,517	2,469	2%
Natural gas	417	472	-12%
District heating	84	93	-9%
<b>Energy consumption in kWh per FTE</b>	<b>4,192</b>	<b>4,778</b>	<b>-12%</b>
<b>Greenhouse gas emissions in tCO<sub>2</sub> e</b>	<b>349</b>	<b>356</b>	<b>-2%</b>
Scope 1: Natural gas	77	87	-12%
Scope 2: Electricity & District heating	272	269	1%
<b>Greenhouse gas emissions in kgCO<sub>2</sub> e per FTE</b>	<b>485</b>	<b>560</b>	<b>-13%</b>

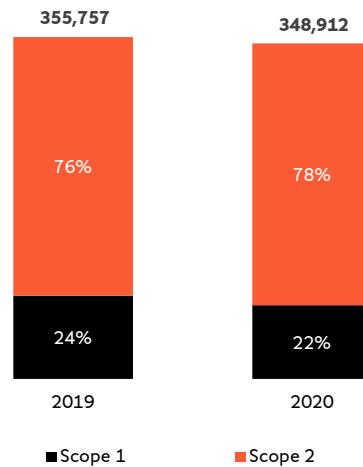
Data in the above table is based on locations in Gland and Luxembourg. Greenhouse gas inventory calculated in accordance with the Greenhouse Gas Protocol. Emission factors from DEFRA and IEA.

## SHARE OF ENERGY CARRIERS 2020



## GREENHOUSE GAS EMISSIONS BY SCOPE

t CO<sub>2</sub>e



## How We Are Reaching Our Goals

We track our energy consumption and constantly seek ways to increase energy efficiency. We officially agreed on energy efficiency objectives for our headquarters buildings with the canton of Vaud in Switzerland in 2016. In the first three years following this agreement, we improved by 9% and are close to meet our objective well ahead of the set target of 2026. We were able to reduce our energy consumption and our CO<sub>2</sub> consumption by 7 tons per year compared to 2016 despite employing more people and growing our IT infrastructure.

In 2013 we installed solar thermal collectors on our new headquarters building to shift more of our energy consumption to renewable energy. In 2020, it produced nearly 15MWh of energy that was used to heat up domestic

water. For our future third building, we have concrete plans to install photovoltaic panels. We also optimised our server locations to reduce cooling needs and are updating our lighting system to reduce electricity use.

To confirm that we are making regular progress on shrinking our environmental footprint, our facilities are audited by an external party annually according to our agreement with the Vaud Canton on building energy efficiency.

We have a recycling guideline in place to promote recycling within the organisation. Our Swiss offices are located no further than a five-minute walk from a railway station to promote the use of public transportation. We also built electric vehicle parking lots with charging stations at our offices, offering electricity to employees at discounted rates.

# 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 for the first time **GRI 102-48 GRI 102-51**. The reporting scope comprises headquarters in Gland in Switzerland and our office in Luxembourg. We will gradually include our offices in Zurich, Bern, London, Dubai, Hong Kong, Malta and Singapore in the reporting scope over the coming years. Reference is made to page 32 regarding the list of consolidated subsidiaries in the consolidated financial statements **GRI 102-45 GRI 102-9**. Swissquote engages with a variety of business partners to successfully create value. Among others these include: financial counterparties such as banks, stock exchanges, brokers, prime brokers and liquidity providers; datafeed providers; software engineering firms, software and IT infrastructure providers; and other professional service providers such as advertising, sponsoring, consulting and legal firms. In the reporting period, there were neither significant changes to the organisation and its supply chain nor to the list of material topics **GRI 102-49 GRI 102-10**.

The report has been prepared in accordance with the GRI Standards: Core option **GRI 102-54**. The reporting period comprises the calendar year 2020 **GRI 102-50**. Swissquote commits to an annual reporting process **GRI 102-52**. The reporting principles for defining report content and quality have been applied throughout the information collection and report development process. The contents of the sustainability report have not been externally assured **GRI 102-56**.

The contact point for questions regarding the report is Nadja Keller, CEO Assistant / Media Relations, Swissquote, E-mail: [nadja.keller@swissquote.ch](mailto:nadja.keller@swissquote.ch) **GRI 102-53**.

### Memberships and Associations and Commitments to External Initiatives **GRI 102-12 GRI 102-13**

- Swiss Bankers Association (SBA)
- Association des Banques et Banquiers Luxembourg (ABBL)
- Swiss Funds and Asset Management Association (SFAMA)
- Capital Markets and Technology Association (CMTA)
- Foundation for Technological Innovation (FIT)
- Commission vaudoise pour la formation bancaire (CVFB)

We are committed to the standards, self-regulations or code of conduct of those associations.

# GRI Content Index

For the Materiality Disclosures Service, the GRI Services team reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The GRI Materiality Disclosures Service was performed on the English version of the report.



## Universal Standards

		Page
<b>GRI 101: 2016</b>	<b>Foundation</b>	
<b>GRI 102: 2016</b>	<b>General Disclosures</b>	
<b>ORGANIZATIONAL PROFILE</b>		
102-1	Name of the organization	198, 223
102-2	Activities, brands, products, and services	206
102-3	Location of headquarters	223
102-4	Location of operations	223
102-5	Ownership and legal form	212
102-6	Markets served	206
102-7	Scale of the organization	211
102-8	Information on employees and other workers	213-219
102-9	Supply chain	223
102-10	Significant changes to the organization and its supply chain	223
102-11	Precautionary Principle or approach	223
102-12	External initiatives	223
102-13	Membership of associations	223
<b>STRATEGY</b>		
102-14	Statement from senior decision-maker	14
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behaviour	209
102-17	Mechanisms for advice and concerns about ethics	210
<b>GOVERNANCE</b>		
102-18	Governance structure	133-139
102-22	Composition of the highest governance body and its committees	140-152
102-24	Nominating and selecting the highest governance body	140-152
102-27	Collective knowledge of highest governance body	140-152
102-35	Remuneration policies	170
102-36	Process for determining remuneration	170-171

# Sustainability Report

102-37	Stakeholders' involvement in remuneration	170–171
--------	---	---------

## STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	201
102-41	Collective bargaining agreements	217
102-42	Identifying and selecting stakeholders	201
102-43	Approach to stakeholder engagement	201
102-44	Key topics and concerns raised	201

## REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	223
102-46	Defining report content and topic Boundaries	200
102-47	List of material topics	200
102-48	Restatements of information	223
102-49	Changes in reporting	223
102-50	Reporting period	223
102-51	Date of most recent report	223
102-52	Reporting cycle	223
102-53	Contact point for questions regarding the report	223
102-54	Claims of reporting in accordance with the Standards	223
102-55	GRI content index	224
102-56	External assurance	223

## Topic-specific Standards

GRI Standard	Title	Page	Reason for Omission
<b>GRI 200</b>	<b>ECONOMIC STANDARDS</b>		
<b>GRI 201:2016</b>	<b>Economic Performance</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	211	
201-1	Direct economic value generated	20–22	
201-3	Defined benefit plan obligations and other retirement plans	217	
<b>GRI 203:2016</b>	<b>Indirect Economic Impacts</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	220	
203-1	Infrastructure investments and services supported	220	
<b>GRI 205:2016</b>	<b>Anti-Corruption</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	209	
205-2	Communication and training about anti-corruption policies and procedures	210	
<b>GRI 206:2016</b>	<b>Anti-Competitive Behavior</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	209	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	209	
<b>GRI 300</b>	<b>ENVIRONMENTAL STANDARDS</b>		
<b>GRI 302:2016</b>	<b>Energy</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	221	
302-1	Energy consumption within the organization	222	
<b>GRI 305:2016</b>	<b>Emissions</b>		

# Sustainability Report

GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	221	
305-1	Direct (Scope 1) GHG emissions	222	
305-2	Energy indirect (Scope 2) GHG emissions	222	
<b>GRI 307:2016</b>	<b>Environmental Compliance</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	209	
307-1	Non-compliance with environmental laws and regulations	209	
<b>GRI 400</b>	<b>SOCIAL STANDARDS</b>		
<b>GRI 401:2016</b>	<b>Employment</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	213	
401-1	New employee hires and employee turnover	218	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	217	
<b>GRI 404:2016</b>	<b>Training and Education</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	218	
404-2	Programs for upgrading employee skills and transition assistance programs	218	
404-3	Percentage of employees receiving regular performance and career development reviews	218	
<b>GRI 405:2016</b>	<b>Diversity and Equal Opportunity</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	218	
405-1	Diversity of governance bodies and employees	219	
405-2	Ratio of basic salary and remuneration of women to men	219	
<b>GRI 418:2016</b>	<b>Customer Privacy</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	204	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	205	
<b>GRI 419:2016</b>	<b>Socioeconomic Compliance</b>		
GRI 103:2016 103-1 / 103-2 / 103-3	Management Approach	209	
419-1	Non-compliance with laws and regulations in the social and economic area	209	

# Global offices

## Switzerland

### Swissquote Group Holding Ltd

#### Swissquote Bank Ltd

Chemin de la Crétaux 33  
Case postale 319  
CH-1196 Gland

Telephone: +41 22 999 94 11

Fax: +41 22 999 94 12

[www.swissquote.ch](http://www.swissquote.ch)

### Branches and other offices

Löwenstrasse 62  
Postfach 2017  
CH-8021 Zurich

Schauplatzgasse 9  
CH-3011 Bern

Telephone: 0848 25 88 88

Fax: +41 44 825 88 89

Tel. from abroad: +41 44 825 88 88

[www.swissquote.com](http://www.swissquote.com)

## Asia

### Swissquote Asia Ltd

Suites 3202–04, Level 32/F  
ICBC Tower, 3 Garden Road  
Central, Hong Kong

Telephone: +852 3902 0000

Fax: +852 3902 0099

[www.swissquoteasia.com](http://www.swissquoteasia.com)

### Swissquote Pte. Ltd

Unit 34-01A, North Tower  
One Raffles Quay  
Singapore, 048583

Telephone: +65 6622 5688

[www.swissquote.sg](http://www.swissquote.sg)

## Middle East

### Swissquote MEA Ltd

Al Fattan Currency House  
Level 9, Office 903  
Tower 2, DIFC  
P.O. Box 121364  
Dubai, United Arab Emirates

Telephone: +971 4 450 1777

Fax: +971 4 450 1771

[www.swissquote.ae](http://www.swissquote.ae)

## Europe

### Swissquote Bank Europe SA

2 Rue Edward Steichen  
2958 Luxembourg  
Luxembourg

Telephone: +352 26 03 20 03

[www.swissquote.lu](http://www.swissquote.lu)

### Swissquote Financial Services (Malta) Ltd

Palazzo Spinola  
46 St. Christopher's Street  
Valletta, VLT1464  
Malta

Telephone: +356 222 65 100

[www.swissquote.mt](http://www.swissquote.mt)

### Swissquote Ltd

Boston House, 63–64 New Broad Street  
EC2M 1JJ London  
United Kingdom

Telephone: +44 20 7186 2600

Fax: +44 20 7186 2601

[www.swissquote.co.uk](http://www.swissquote.co.uk)