

# SUSTAIN- ABILITY REPORT

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# Why we are committed to Sustainability

The 2023 report marks the fourth year of non-financial disclosures for Swissquote, provided as an integral part of our Annual Report. In line with our commitment to transparency towards all our stakeholders, this report includes comprehensive insights about our approach to sustainability and information prepared in accordance with GRI Standards. It also contains disclosures in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The limited assurance report scope has also been extended in 2023 to cover Selected Non-Financial disclosures and Indicators. This Sustainability Report serves as the report on non-financial matters newly required by Articles 964a-c of the Swiss Code of Obligations.

"Because Swissquote is committed to delivering long term sustainable performance, it is increasingly important to consider ESG factors. I expect more and more our stakeholders to assess the success and relevance of our strategy in a more holistic approach. This means taking into consideration both financial and non-financial information not only to evaluate our performance, but also to assess our risk profile and evaluate the opportunities available to Swissquote. "

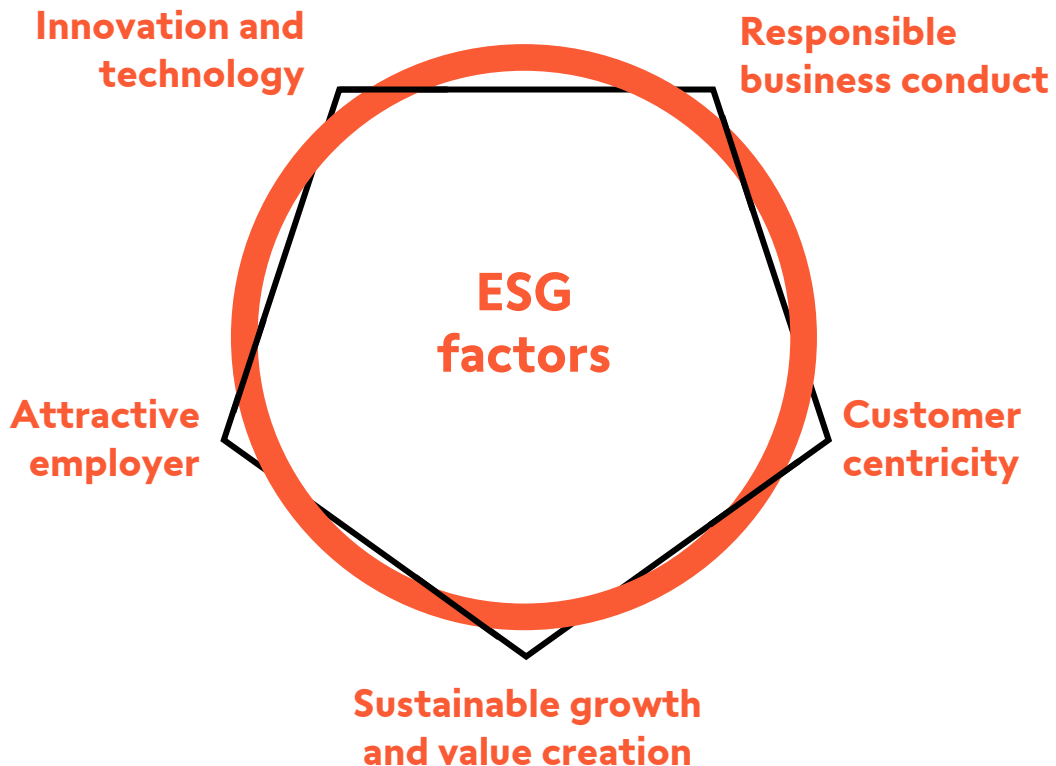


**YVAN CARDENAS**  
CFO

## OUR UNDERSTANDING

We strive to deliver long-term risk-adjusted sustainable value and exemplify how to apply sustainability criteria in our strategic decisions and operations.

To us, this signifies challenging convention through innovation and technological advancement, ceaselessly pioneering new and intuitive banking solutions to democratise financial markets and offer equitable access to financial opportunities to all. We establish and maintain relationships based on trust and conduct our business responsibly and transparently. We champion our customers, providing them with innovative products and services. We tailor user experiences to enhance and facilitate banking and investment decision-making. We actively engage with our clients to better understand their needs, motivations and aspirations. We value our employees highly and work hard to cultivate an inclusive culture that reflects their talent. In our journey towards sustainability, we are mindful of the environment and pursue sustainable growth that creates value for all our stakeholders.



## GENERAL INFORMATION

Sustainability is an integral part of Swissquote's strategy. Swissquote's Board of Directors is ultimately responsible for all environmental, social and governance (ESG) decisions and supervises the achievement of the objectives set to the Executive Management and indirectly employees eligible for cash bonuses, which include ESG-related objectives. The Board consists of eight members and has two board committees that make recommendations to the Board on specific matters. While there is no dedicated ESG committee, it is worth noting that:

- As part of its activities, the Audit & Risk Committee follows climate-related risks, in particular with respect to disclosures in the Sustainability Report.
- The Nomination & Remuneration Committee follows up on the achievement of annual objectives set to the Executive Management and indirectly employees eligible for cash bonus. These objectives comprise ESG-related objectives.

An overview of the Board and its committees, including their functions and responsibilities, can be found in the Corporate Governance Report on page 146 and following. None of the Board members undertakes activities, holds mandates or has vested interests other than described in Section 3.1 on page 147 and following. For more information on activities and vested interests of the Board, see Corporate Governance Report, page 155, **GRI 2-15**.

In early 2023, all members of the Board of Directors attended a training session on ESG, which also included a refresher on the double materiality assessment. This training session also covered topics such as ESG demand drivers, the role and responsibilities of the Board of Directors with regard to ESG, discussions on Swissquote's sustainability journey and a look at the practices of peers, **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 or otherwise as appropriate, **GRI 2-13**. A cross-departmental working group overseen by the Executive Management is in charge of assisting with the implementation of the strategy and meets at least annually. It comprises members of the management and employees from various departments such as Finance, Human Resources, Legal, Controlling and Risk, Asset and Liability Management and Treasury, Marketing, Product Strategy, IT & Security, Software engineering, Data Management, Building & Support, and Investor Relations. The Executive

Management oversees the progress made on the sustainability strategy.

The Chair of the Board ensures that all relevant matters are part of the Board meeting agenda and subject to an appropriate follow-up (at least annually). 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 mainly during the Annual Conference on Risks (unless otherwise commended by the circumstances) and the Strategy Board meeting, **GRI 2-12**. 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, pages 163-164, **GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12**.

The purpose of Swissquote's remuneration policy is to encourage the delivery of long-term 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.

The objectives set by the Board of Directors to the Executive Management as well as indirectly employees eligible for cash bonus are classified in three categories: financial objectives, growth objectives and ESG objectives (15% weight). These objectives are derived from the materiality assessment, which is a cornerstone of the Group's sustainability strategy. For more information on the remuneration policy and how it is determined, see Remuneration Report pages 184-216, **GRI 2-19, GRI 2-20**.

In line with our commitment to transparency, our Code of Conduct, Supplier Code of Conduct, Whistleblowing policy as well as some key Sustainability policies are publicly available in our website, under the Corporate documents section.

## 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 and reporting and inform the concept of “double materiality” that serves as the basis for the 2023 Sustainability Report.

In 2023, we conducted a comprehensive materiality assessment to sharpen and prioritise the sustainability topics important to Swissquote and our stakeholders. As a first step, we conducted a context analysis that involved reviewing our company structure, governance, strategy, and business model to map out our value chain and upstream/downstream supply chains as well as identifying the most important stakeholder groups along these chains.

Our next step was to compile a list of potentially relevant topics with respect to which Swissquote could have positive as well as negative impacts. Relevant sources included the GRI Standards, the Investment Banking and Brokerage Sustainability Accounting Standard of the Sustainability Accounting Standards Board (SASB), topics of importance to our peers, topics monitored by ESG rating agencies and our own established sustainability topics. The list also considered relevant matters as per regulatory requirements under the Swiss law (Code of Obligations Art.964a and following), including environmental, social and employee matters, human rights, as well as anti-corruption. We then clustered the topics through categorising and grouping.

In a third step, we identified, described, and prioritised the potential impacts of each topic, examining them from the outside-in (relevance on long-term success) and inside-out (impacts on sustainable development) perspectives. This

enabled us to consider potential and actual, as well as positive and negative impacts along the value chain. We decided to involve our employees for this year’s materiality assessment. Specifically, we took a two-way approach to assessing the potentially material topics. On the one side, we asked a sample of our employees to rank the impacts of each topic. On the other side, Swissquote’s management was tasked with assessing the potentially material topics from both a financial materiality (outside-in) and impact materiality (inside-out) perspective. The results were displayed in a matrix with four levels of relevance, and the threshold was set to include levels two to four in the materiality scope, while level one was determined not to be material enough.

Next, we discussed and validated the draft materiality matrix in a workshop with representatives from various departments of Swissquote (including the CFO and representatives from Finance, Legal, Human Resources, Marketing, Investor Relations and Building & Support). As part of the workshop, representatives took the respective perspectives of external stakeholders to consider their views and to evaluate the matrix from various angles. The changes were incorporated and used to fine-tune the materiality matrix. The final materiality matrix was reviewed by the Executive Management and approved by the Board of Directors on 10 November 2023. Additionally, the Board of Directors approves the Sustainability Report as part of the entire Annual Report before it is published, **GRI 2-14, GRI 3-1**.

The materiality assessment is reviewed on a yearly basis.

The 15 identified material topics form the basis of our sustainability management and reporting. They are presented herein in our materiality matrix, **GRI 3-2**.

# Sustainability Report

## Our Materiality Matrix GRI 3-2

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">OUTSIDE-IN</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">↑ RELEVANCE FOR LONG-TERM BUSINESS SUCCESS</p>	VERY HIGH	<ul style="list-style-type: none"> <li>● Customer experience</li> <li>● Financial performance</li> <li>● Talent recruitment, development and retention</li> </ul>	<ul style="list-style-type: none"> <li>● Business continuity and IT resilience</li> <li>● Compliance, governance and ethics</li> <li>● Data privacy and security</li> </ul>	<ul style="list-style-type: none"> <li>● Innovation and access to finance</li> </ul>	
	HIGH	<ul style="list-style-type: none"> <li>● Compensation and benefits</li> <li>● Transparency and credibility in the market</li> </ul>	<ul style="list-style-type: none"> <li>● Diversity, equity and inclusion</li> <li>● Product governance</li> <li>● Prudent investment approach</li> </ul>		
	MEDIUM	<ul style="list-style-type: none"> <li>● Energy use and climate resilience</li> <li>● Protection of human rights</li> <li>● Social engagements</li> </ul>			
	LOW				
		LOW	MEDIUM	HIGH	VERY HIGH
		<p>INSIDE-OUT → IMPACT RELEVANCE OF OUR BUSINESS ACTIVITIES ON PEOPLE, PLANET AND ECONOMY</p>			

# Sustainability Report

## STAKEHOLDER ENGAGEMENT

We prioritise our stakeholders' perspectives and strive to integrate them across our business strategy. 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

Stakeholder Group	Examples of Stakeholder Engagement	Key Topics and Concerns Raised
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> <li>- Social media</li> <li>- Swissquote Trading Day and marketing events</li> <li>- Webinars and educational contents</li> </ul>	<ul style="list-style-type: none"> <li>- Data privacy and client confidentiality</li> <li>- Platform usability and reliability</li> <li>- Safeguarding of assets</li> <li>- Pricing</li> <li>- Time to analyse markets</li> <li>- Understanding market trends to trade successfully</li> <li>- Service/support</li> <li>- Independence</li> <li>- Expertise of their broker/bank</li> </ul>
Investors	<ul style="list-style-type: none"> <li>- Biannual financial results presentation</li> <li>- Investor roadshows (monitor dialogue)</li> <li>- Annual General Meeting</li> <li>- Engagement programme</li> </ul>	<ul style="list-style-type: none"> <li>- Business growth/financial performance</li> <li>- Transparent and long-term strategy</li> <li>- Management of risks</li> <li>- Reliable, timely, high-quality information</li> <li>- Sustainability criteria</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Quarterly 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> <li>- Staff Meetings</li> <li>- Annual performance appraisal</li> </ul>	<ul style="list-style-type: none"> <li>- Fair remuneration</li> <li>- Enjoyable environment</li> <li>- Career planning and development</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 consultations</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with applicable laws and regulations</li> <li>- Proper business conduct</li> <li>- Application best practices</li> <li>- Management of conflict of interests</li> <li>- Proactive reporting</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>- Sponsoring of local events</li> <li>- Participation 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>

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**. The

influence of Swissquote on its stakeholders in the value chain is limited mainly due to the relative size of our operations. On the upstream side, we have identified only a limited impact on our main business partners. On the downstream side, we have identified two main customer groups we are serving: retail and institutional. Reference is made to the following chapters (especially the section on Product Governance) for details on how we provide the customer groups with innovative solutions to integrate ESG criteria in their investment decisions (e.g., ESG bonuses on Lombard loans, Swissquote's ESG tools).



# Sustainability Report

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

**CLIENTS** >> **Product Governance, Innovation and Access to Finance, Customer Experience, Transparency and Credibility in the Market, Data Privacy and Security, Business Continuity and IT Resilience**

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

**EMPLOYEES** >> **Compensation and Benefits, Talent Recruitment, Development, and Retention, Diversity, Equity, and Inclusion**

**REGULATORS** >> **Compliance, Governance and Ethics, Energy Use and Climate Resilience, Protection of Human Rights**

**LOCAL COMMUNITIES** >> **Social Engagements, Energy Use and Climate Resilience**

## **Memberships, Associations and Commitments to External Initiatives**

Swissquote actively participates in various associations and other organisations and commits to external initiatives, including:

- Swiss Bankers Association (SBA);
- Association des Banques et Banquiers Luxembourg (ABBL);
- Asset Management Association Switzerland (AMAS);
- Swiss Structured Products Association (SSPA);
- Capital Markets and Technology Association (CMTA);
- Commission Vaudoise pour la Formation Bancaire (CVFB);
- Association Vaudoise des Banques (AVB);
- OpenWealth Association;
- Groupement des Compliance Officers de suisse romande et du Tessin (GCO) ;
- Swiss Risk Association (SRA) ;
- Partnership for Carbon Accounting Financials (PCAF);
- Institutional Investors Group on Climate Change (IIGCC).

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 seek to champion our customers 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. Relevance of Customer Experience (impacts, risks, opportunities)**

Swissquote focuses on a client-first approach, placing the client’s needs, challenges and ambitions at the core of our agenda. By deeply understanding our clients and delivering superior products coupled with exceptional service, we not

only inspire our clients but also nurture a network of Swissquote ambassadors, establishing enduring, trusted relationships.

With this firm commitment to client satisfaction and continuous striving to democratise financial markets we ensure that information, technology, and products are accessible to all and that every investor is empowered to make educated online investment decisions. Swissquote offers multi-asset class opportunities to all our customers including small-scale private investors as well as a wide range of online information, products, and services and thus aims to create value for society. A lack of services offered by Swissquote could result in inaccessibility to information, technology, and products and services.

# Sustainability Report

The strategic emphasis on customer centricity underscored by a dedication to meeting clients' needs and providing high-quality services, positions Swissquote as a dependable partner in the financial sector. These strong customer relationships, essential in competitive markets, ensure our resilience and profitability. Moreover, satisfied and inspired clients are likely to become enthusiastic promoters of Swissquote, contributing to our positive brand reputation and fostering continued business growth. On the contrary, a negative customer experience could undermine Swissquote's brand reputation and impact customer relationships, resilience and profitability. Unsatisfied customers might also file claims, which in turn can entail a financial risk for the company.



## GOALS

- » **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)**

## Measures in 2023

One of the means of measuring customer satisfaction is the Net Promoter Score (NPS®), an international standard indicator of customer loyalty, which is calculated as the difference between brand promoters and detractors. In 2023, we received our highest ever NPS® score, confirming that we have increasingly more promoters who are willing to recommend Swissquote. In particular, customers reported receiving high-quality products and services.

This progress was also reflected in the IPSOS brand study score, measuring our performance in correspondence with the objective to be top-of-mind for trading and for total awareness (i.e., proportion of people who are aware of our brand). As in 2022, Swissquote remains the top-of-mind online trading bank in Switzerland. Customers use our services because we build trust, stability, and security (rated 6.0 out of 7.0). They also commended our improved customer care service level and response time, which improved their scores significantly as compared to last year, especially for the Luxembourg branch.

Our website [swissquote.ch](https://www.swissquote.ch) is perceived as the leading online source of financial information in Switzerland since 2016 and Swissquote ranked as the 2<sup>nd</sup> brand by closeness and 1<sup>st</sup> in matching expectations.

Customer retention is key in a competitive market, and customer experience is crucial. In 2023, we continued to focus on enhancing clients' experience by offering them a wider range of financial solutions at competitive pricing coupled with efficient, secure and easy-to-use platforms. For example, in 2023, we launched a new multi-currency debit card including crypto payments, an investments and savings solution (Invest Easy) as well as a pension solution for Swiss clients designed as a formula for long-term saving and investment with tax advantage (3A Easy).

The new look and feel of both our web and mobile trading platforms released in 2023 was designed to increase customer satisfaction and engagement with more intuitive and user-friendly interface. We wanted to offer our customers a smooth and enjoyable experience as they navigate through our platforms. As this was a significant and complex project, we rolled it out in phases to ensure a smooth transition and gather actionable feedback for continuous improvement. A key challenge was to minimise disruption with each batch release, while striving to ensure that all customers retain full access to essential trading features. We reorganised the app into distinct tabs in order to simplify navigation while still offering in-depth features for more seasoned traders. During the transition phase, we collected and integrated customer feedback, which was crucial to promptly addressing any potential issues and to ensuring the new design met our clients' expectations. We succeeded in overcoming these complexities by our dedicated efforts and thus proved once more our commitment to enhancing customer experience and ensuring our platforms remain intuitive, accessible, and responsive to our clients' needs.

Our focus and client service was reflected in an increase of more than 35,000 opened accounts at the end of 2023 compared with the end of 2022.

## How We Manage Customer Experience

In an effort to champion the customer and in response to our customers' needs, we release new products and services on a regular basis while remaining committed to keeping our platform simple to use. In line with our ambition to democratise financial markets, we strive to 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.

# Sustainability Report

We are dedicated to perfecting the customer experience. The efforts 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 regularly involve our customers in usability testing to measure efficiency, effectiveness, and user satisfaction levels. We include our employees into the research activities as well. Organising small group events, where our actual users directly interact with our products, is another valuable source of feedback as are various surveys we perform regularly. 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 Swissquote app and the Yuh app to ensure our products remain aligned with customer needs.

Our employees regularly receive these forms of feedback, and thus are able to respond to clients' needs and expectations.

We developed user personas or customer archetypes, which represent key traits of a large segment of our actual target audience as close to reality as possible. By continuously adjusting them, they remain relevant and we understand who our customers are and how they interact with and use our products, operating with context-specific behaviours and goals. We avoid biases by only including information that affect behaviour or thinking, from a user persona perspective.

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 goals.

## Performance Indicators

	2023	2022
Total number of inbound calls	446,703	303,406
Average percentage of total inbound calls answered within the first 120 seconds	79%	91%
Average percentage of tradeline inbound calls answered within the first 120 seconds	94%	96%
NPS®	37	28

The decrease in service level observed in 2023 is mainly attributable to the sharp increase in incoming calls (+47% compared to 2022), which has put a strain on our customer care service at times. We have been working relentlessly on finding solutions to return to previous service level.

» **Further details can be found in the section on Innovation and Access to Finance**

# Sustainability Report

## DATA PRIVACY AND SECURITY

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

### Relevance of Data Privacy and Security (impacts, risks, opportunities)

The focus on safe and responsible management of sensitive data protects the privacy of stakeholders and ensures compliance with legal and regulatory requirements. It is an ongoing process, requiring continuous monitoring and adaptation to evolving threats. Data privacy protects from unauthorised access or disclosure and prevents data breaches or damage via encryption, access controls and data minimisation.

As an online financial group, Swissquote offers convenience, efficiency, and financial inclusion, but we also need to consider potential vulnerability as regards cyber security or mishandling of data, which may lead to societal and economic issues. The online banking model may motivate to riskier investment behaviour and reduced face-to-face contact can have psychological and societal consequences. Automation of banking services endangers traditional banking roles, while running of large data centres inevitably affects the environment.

Within the fintech industry, online banks often collaborate with other fintech companies or security firms. While these collaborations frequently lead to innovative solutions, we need to ensure that other firms' data security practices are compliant with our standards and that we operate on secured data transfer mechanisms and within strict contractual agreements to maintain privacy.

Proper data handling and analytics can enable us to gain insight into customer behaviour and preferences to improve customers' experience as well as personalise our services to increase customer engagement and satisfaction. However, we must ensure that data analysis is conducted with respect for customer privacy and regulatory requirements to avoid reputational and legal risks.

Ensuring compliant behaviour regarding data security and privacy protection enables us to protect the business, reputation, trust, customer loyalty, and credibility, thus supporting the long-term success of Swissquote as leading online financial provider. Robust data privacy and security measures can increase Swissquote's attractiveness to

customers, gaining their trust and loyalty while data breaches or privacy violations can severely damage our online financial provider's reputation and can lead to decrease in customer numbers as well as revenue.

Continuous investment into technology, manpower, staff training and compliance efforts as well as cyber security features of products and services can increase our operational costs. However, efficient management of data privacy and security can, at the same time, reduce or avoid costs associated with data breaches or regulatory fines.



### GOALS

- » **Achieve zero incident regarding customer data security, privacy and protection**
- » **Maintain and preserve our strong reputation**
- » **Remain a trusted financial partner and warrant all the discretion and security required by our customers**
- » **Obtain convincing results at the annual penetration tests audit performed by a third party**

### Measures in 2023

To preserve our customers' rights regarding the control of their data, we developed and implemented a project focused on customer-oriented consent management to allow customers to choose their preferences regarding cookies and tracking capabilities with respect to their privacy. Customers can (especially in the General Data Protection Regulation context) demand that their electronic data are erased from our production environment.

Since artificial Intelligence (AI) is increasingly affecting the global economy including the banking industry, Swissquote released internal guidelines on generative AI to utilise its potential while maintaining our commitment to data protection and privacy.

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Another concern of our sector lies in cyber attack threats, from both criminal organisations and state-sponsored hackers. We believe that to achieve cyber resilience, security must be embedded in business processes. We use agile methodologies to prepare, prevent, respond, and potentially successfully recover from attacks. We update, strengthen, and extend our cyber security playbooks and cyber resilience incident response plans related to phishing and fraud. Finally, we rolled out new tools (SoCRadar and NetGuardians) to maintain our state-of-the-art customers' data privacy and security protection.

We understand that phishing attacks are becoming increasingly sophisticated, and it can be challenging to identify malicious e-mails. To streamline and ease the process of reporting suspicious messages to the IT Security team, we have introduced a new "Report Phishing" button in the employees' mailbox.

At our Swiss entity, we reviewed and aligned our standards and procedures on data privacy with the new Swiss Federal Act on Data Protection (FADP). The aim of the act is to modernise and strengthen personal data protection for individuals, aligning with technological advancements.

We carried out our penetration tests in 2023, one from the outside and one from Swissquote's internal network.

Finally, the Company updated its IT security strategy objectives the were approved by the Board of Directors.

## How We Manage Data Privacy and Security

As a financial group regulated by the Swiss Financial Market Supervisory Authority (FINMA) and other global regulators, we adhere to strict security measures to safeguard our customers' data and privacy. Upholding these compliance standards is vital to our banking operations. At Swissquote, we have developed a robust framework to manage IT risks, addressing both intentional and unintentional threats to our IT systems. Moreover, our internal guidelines ensure the implementation of dedicated controls, procedures, and processes concerning:

- confidentiality of data processed by Swissquote;
- integrity of our IT systems;
- availability of our IT systems;
- compliance with applicable laws and regulations.

We operate in secure environments and restrict access to customer identifying data (CID) based on "need to know" concept, encrypt sensitive data during transactions processed over our websites, and verify customer identity before providing access. Furthermore, we retain personal data only as long as necessary for the intended purpose, which includes responding to queries, resolving issues,

enhancing and introducing new services, and meeting legal obligations. Once personal data is no longer needed, we securely dispose of or delete it as outlined by our data retention policy.

We comply with all applicable local laws and regulations on data protection (e.g., the Swiss FADP, the European Union General Data Protection Regulation (GDPR)). For privacy or security concerns, customers can contact us at [privacy@swissquote.com](mailto:privacy@swissquote.com). We monitor the number of received complaints and each potential CID breach is analysed using a matrix that classifies events according to severity and indicates appropriate responses. High-severity cases would be escalated to the supervisory authorities.

In order to strengthen our management of data privacy and security risks we recruited additional IT security resources, created an internal fraud management team, mandated third party to perform annual penetration tests and external auditors carry out regulatory audit.

Our dedicated web page on data protection allows customers to understand our policies, procedures, and their data protection rights at any time. We release information on security warnings both on our website and on our social networks to inform and warn customers about potential fraud or phishing attempts. Such alerts, which may concern phishing or fraud, are also published in internal IT Security bulletin.

At Swissquote, we design our employee security information strategy around five axes:

1. Online training;
2. Internal newsletters;
3. Security bulletins;
4. Simulated phishing campaigns;
5. Web and social media communications.

We provide our employees with training on data security and privacy risks and procedures when they join and then at least every year. All employees undergo training on client data security that aligns with the requirements and expectations set out by FINMA (such as those detailed in FINMA Circular 2023/1 "Operational risks and resilience - banks"). While our IT Security team deals with all matters of data security, privacy, and cyber security, the Chief Operating Officer and Chief Risk Officer bear the ultimate responsibility for this area. Additionally, the Board of Directors, comprising several members with specialised skills and experience in Technology/IT/Cybersecurity, supervises these topics.

# Sustainability Report

An external third party performs an ISAE 3402 review on the description of our systems and controls related to our role as an IT service provider organisation as well as examining the suitability of the design and operating effectiveness. This is essential for communicating about the controls we have in place to meet specific objectives and ultimately for helping to foster trust. Alongside annual external penetration test audits, our external auditors perform annual regulatory audits. Our internal auditors also conduct periodic audits on data security, privacy, and protection.

As an online financial group operating 24/7, we serve customers worldwide, which means we must comply with data protection laws and regulations from various regions. We navigate legal and regulatory complexities when conducting cross-border transactions and data transfers while striving to ensure our data privacy efforts.

## Performance Indicators

In 2023, we did not experience any major incident regarding customer data security **GRI 418-1**.

»» Further details can be found in the section on Compliance, Governance and Ethics

## 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 financial group that can maintain complete operations even during times of crisis.**

### Relevance of Business Continuity and IT Resilience (impacts, risks, opportunities)

Ensuring business continuity, for example in the event of cyber attacks and system or power failures, is vital to Swissquote's value proposition. We have prioritised the strengthening of the resilience of our IT infrastructure to guarantee uninterrupted operations and provide our clients with a secure and reliable service. A stable and resilient banking industry is also key to sustain growth in economies.

This commitment to business continuity and IT resilience fosters trust in financial transactions and reliable customer support and allows for product innovations and economic growth. Disruptions or loss of services can impact individuals and businesses, causing social and economic distress through financial losses.

Our business continuity and IT resilience measures, by fostering trust and loyalty among our customers and other stakeholders, positively impact our revenue and profitability as well as reputation. Such measures need to be ensured also with our third-party service providers. Seamless customer experience reinforces our position as a reliable and innovative financial institution, potentially expanding to a broader customer base. Reputed IT resilience and cyber security expertise can even lead to additional revenue streams, despite its associated costs related to technology, staff and training. Failure to plan for business continuity and IT resilience can also result in reputational, financial and legal damage.

### GOALS

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

### Measures in 2023

In 2023, we carried out a review of our Business Continuity Management System (BCMS) strategy, documents governing the Swissquote's business continuity, as well as our annual tests.

Additionally, Swissquote Bank started to work on complying with the new FINMA regulation (circular 2023/1 "Operational risks and resilience - banks"), which includes operational resilience as a major theme. This included identifying the company's critical functions.

### How We Manage Business Continuity and IT Resilience

# Sustainability Report

As an online financial service provider offering a full set of services every day, 24/7 and across the globe, we deal with highly sensitive financial and personal data. Business continuity and IT resilience help safeguard these data as well as fulfil expectations of our customers, thus forming core elements of our value proposition. We employ a variety of risk-mitigating measures to prevent such events, including investing in seamless processes, platforms and systems. Robust IT resilience strategies help in thwarting and recovering from cyber attacks.

Business continuity management (BCM) is an integral part of our corporate strategy at Swissquote. Our business continuity strategy covers a wide range of scenarios, with corresponding responses for events that could lead to a total or partial disruption of our operations. The aim is to maintain critical departmental functions and minimise the impact on our activities during incidents, crises, or disasters. Disruptive events can have multiple causes and our strategy prioritises managing the consequences and impacts rather than the causes themselves. We ensure to be ready for:

- Total or partial inaccessibility or loss of one of our buildings;
- Disruption or loss of IT infrastructure, applications, and/or communication systems;
- Loss of key personnel or essential skills.

Swissquote's Executive Management approves and oversees the key components of the annual BCM process. We conduct thorough risk assessments to ensure adherence to the implementation plan and update regularly our business impact analyses. External auditors, following a FINMA-approved audit plan, regularly review our BCM framework.

Our governance structure defines the roles and responsibilities for those involved in the Business Continuity Plan, from the Executive Management down to the staff level.

We perform multiple tests annually to guarantee training efficacy and the Company's capability to meet its objectives, even during a disaster. Moreover, Swissquote's Business Continuity Plans undergo annual reviews and are certified by third-party audit.

In addition to these measures, we integrate stakeholder feedback from existing channels during our testing procedures. These tests help us identify and examine issues and potential capability gaps that Swissquote could face in implementing BCM concepts, including the Disaster Recovery Plan (DRP). They enable Swissquote to improve general recovery, crisis action plan, communication, and decision-making processes. Tests vary based on the criticality and the impact of a potential unavailability of resources or affected IT systems. A yearly schedule ensures that tests of critical processes are performed on a regular basis. We also carry out "tabletop" exercises to ensure that managers can appropriately handle simulated events reflecting real-life occurrences.

As a regulated Swiss financial institution, Swissquote is benefiting from a Business Continuity Management System. It is reviewed, tested and approved annually so as it reflects our business structure and expansion.

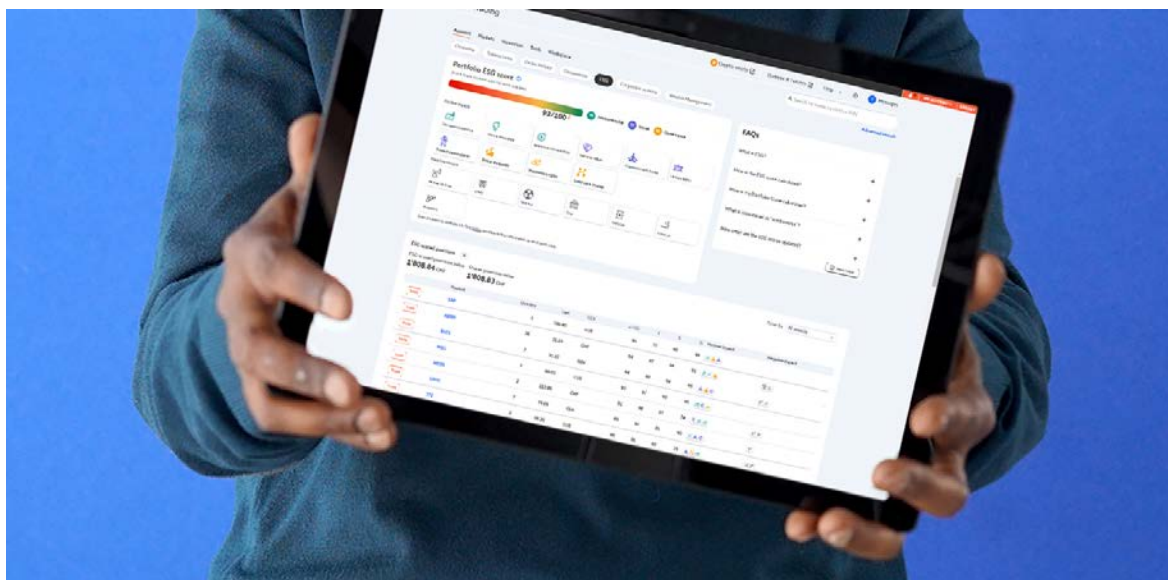
## Performance Indicators

	2023	2022
Availability of the e-trading application	99.7%	99.6%

We did not face any material operating loss linked to an event of an operational disruption, IT disaster or national emergency in 2023.

Additionally, KPIs related to business continuity and IT resilience are monitored at Risk Committee level.





# How we innovate to enhance our products

At Swissquote, we are never satisfied with the status quo. We continuously seek new 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 us.

## PRODUCT GOVERNANCE

**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 technology and value while directly reinforcing our reputation for excellence.**

### Relevance of Product Governance (impacts, risks, opportunities)

Swissquote strives to create the most intuitive and innovative products and services possible, while integrating ESG considerations and safeguarding clients' best interests by inspiring them, providing high accessibility to financial markets and distributing different financial products. This includes alignment with requirements of MiFID II – the European markets in financial instruments directive – on product governance vis-à-vis identified target markets and clients' needs and financial capabilities.

# Sustainability Report

We provide our clients with industry-leading value, while employing strong product oversight and governance to protect them and contribute to well-functioning financial markets that operate safely and responsibly. By integrating ESG considerations into our product offering, Swissquote also contributes to the availability of funds for companies effectively managing environmental, social and governance risks. Thanks to our ESG tool available on our trading platform, clients are able to invest based on their ESG values and ESG scores are displayed, thus further enhancing Swissquote's ESG positive impact. The negligence of a robust product governance could negatively contribute to the reputation of financial institutions and to the trust in ESG product declarations.

By embracing ESG integration, responsible lending, and robust product oversight and governance, Swissquote fosters a reputation as a reliable and conscientious financial institution. This approach appeals to socially conscious investors and clients, particularly those prioritising sustainability. This gives us a competitive edge that generates value for clients and shareholders alike. The absence of ESG integration could negatively affect our reputation as a responsible bank.



## GOALS

- »» **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**
- »» **Integrate ESG factors in our products and services offering**

### Measures in 2023

The Executive Management annually defines the project roadmap delivery goals. In 2023, we achieved the top three product goals (i.e., implementation of a new CRM, new mobile onboarding solution, and new digital wealth management solution). The newly created operation product team enabled us to cover needs from the front end to the back end of our organisation.

In an effort to advancing responsible investment and lending practices, Swissquote launched a Lombard loan

programme that rewards securities with high ESG scores with enhanced pledge value. This initiative forms part of our broader challenge to weave ESG considerations more deeply into our risk policies and procedures, especially in the area of credit lending.

In 2023, we continued to develop a sophisticated internal communication framework to increase relevant internal product communication across departments and keep our employees and product stakeholders always informed and motivated about what we are building. The communication framework includes different communication channels and support mechanisms including product scorecards, client feedback, project status, market trends, newsletters, quarterly product reports, product talks and expert talks. It also serves for sharing success cases on how our teams collaborate on launching innovative and challenging projects. Our goal is to 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. Swissquote is growing fast in terms of teams and employees. Therefore, we need to make sure that all our teams, from operations to product teams and business stakeholders, have the most important updates about the current products and projects and that they understand reasons and purpose of these projects. By implementing the above-mentioned internal communication channels, we saw an increase of motivation and interest of employees around our products.

Moreover, we have worked on 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, participation in an industry event for client interviews, as well as dedicated sessions with clients.

In 2023, we continued to offer 10 theme trading certificates 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).

Alignment across teams in a swiftly evolving environment is essential. We have concentrated on this aspect by strategically reorganising parts of our internal framework. To better align product strategy and business and improve agility and empowerment in our software development, we have created a new department – Product Strategy – reporting directly to the Chief Sales and Marketing Officer (CSO). This new department will focus on fostering innovation, supporting our business growth, and providing drive, clarity and direction for our software development.

# Sustainability Report

We have also integrated product analysts, project managers and certain UX designers under the leadership of the Chief Technology Officer (CTO) to support communication fluidity, full software engineering lifecycle ownership and a better implementation alignment.

We created a department dedicated to Yuh, our finance and investment app offered through a joint venture with PostFinance, reporting directly to the CTO and staying in close contact with the Yuh leadership team.

## How We Manage Product Governance

Over the last twenty years, Swissquote has grown from a Swiss stock-trading provider for retail clients to offering a broad range of products to retail, corporate, and institutional clients globally. To sustain this growth and enhance our agility, we have transformed into a product-focused organisation. By consolidating our unique offerings and strengthening our value proposition, we are pursuing an ambitious roadmap centred on client aspirations and requirements. Customer satisfaction remains our hallmark and driving force.

Swissquote's business comprises three product lines: Trade (including trading of securities, Forex & CFDs and crypto assets), Bank (including our banking services, client management and onboarding) and Invest (including wealth & institutional business). Within these product lines we offer a wide range of services to different types of clients, along with Yuh, our joint venture with PostFinance aiming to provide suitable financial services for each type of customer given their risk appetite and financial capabilities.

We structure product strategy teams and development teams around our products as we prioritise our client-first culture and our value proposition during the whole product development process, focusing on making financial markets more accessible to clients. Thereby, we follow client-centric goals:

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

While enabling investors on their journey in financial markets, we strive to protect them and match the right tools to the corresponding level of knowledge. Our control systems make clients aware of risks that may arise (for example, before trading options clients pass a test to understand their knowledge of this more advanced and risky asset type).

Every year we build, together with all the operational internal stakeholders of Swissquote, a dedicated business operation roadmap which contains evolutions and

maintenance planned for the coming year. In a rapidly changing economy and market conditions, the roadmap is regularly updated during the year to align with business needs and remain compliant with regulations.

Swissquote operates dual product organisation 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 product (e.g., product adoption rate, trading activity and client's growing needs). Lead-time, technical depth and yearly projects completions are some of the metrics relevant from the software standpoint. First phase of the product organisation is the product strategy department, aiming at building a long-term vision and development objectives to best match market, clients and stakeholders' expectations and needs. Product managers oversee every product of the three product lines and together with product designers and UX product researchers determine the long-term vision and goals as well as identify and prioritise short-term product evolutions. Their plan is presented to and validated by the Executive Management and the Board of Directors. Second phase consists of the software engineering platforms department, which is tasked to design, analyse, implement and maintain client-facing applications of the exhaustive products landscape of Swissquote. The department cooperates closely with the product strategy team to ensure high quality of products. Cooperation with other internal stakeholders ensures that also operating and policy constraints are considered.

Since 2023, we have introduced a new product section named "operational product", which focuses on helping to solve the operational issues and streamline the business process to gain efficiency in all the business departments. The most important topics, collected during a deep-dive interview process, will be directly integrated in the planning of the concerned development team in 2024.

The design and implementation phases of the product organisation are based on the Disciplined Agile Hybrid and at Scale framework approach driven by an internal methodology team who became experts on the matter. Disciplined Agile was acquired from Project Management Institute in 2019 and offers a unique and unparalleled value proposition to improving personal, team, and enterprise agility. Client-centric and operational goals are determined on a yearly basis by the software engineering department in cooperation with other internal stakeholders (e.g., from finance, business operation, controlling, legal, trading, asset and liability management). By adopting Disciplined Agile and incorporating sustainability principles into their software development processes, organisations can contribute to achieving a competitive

# Sustainability Report

advantage. The methodology team has been working on actions since 2023 to improve operational and product efficiency, accelerate innovation for sustainability, reduce risk in delivery, and achieve long-term success. A dedicated roadmap built on these goals clarifies priorities for business as well as development departments and provides visibility on the coming automation and improvements.

Within a due diligence process, we select suppliers and partners who are comfortable with our innovation philosophy and agile enough to adapt to our pioneering way of working. Product effectiveness relies on many internal stakeholders – business, technology and operational stakeholders as well as the Executive Management. For business, technology and operational stakeholders, the strategy teams give quarterly updates within regular “product talks”, thus enhancing stakeholder engagement by making various teams more informed and motivated.

## Performance Indicators

While developing software solutions, we monitor the progress towards project roadmap delivery using various key performance indicators (KPIs) such as stakeholder satisfaction.

	2023	2022
FTEs dedicated to technology	401	372
Average rating of the Swissquote Trading App in the App Store	4.4/5	4.4/5
Average rating of the Swissquote Trading App in the Play Store	3.4/5	4.1/5
Percentage of total theme trading AuM invested in “Sustainability & Impact Investing focus” certificates	15.6%	26.3%

The decrease in AuM invested in “Sustainability & Impact Investing focus” certificates is mainly due to a net cash outflow from customers.

In addition to the above-mentioned headcount, we also work with external software engineers (153 headcounts as of 31.12.2023<sup>1</sup>) **GRI 2-8**.

In 2023, the average App Store rating for the Swissquote Trading App held steady at a strong 4.4 out of 5, mirroring the previous year's high standard. The average Play Store is at 3.4 out of 5, a notable improvement from 2021, however a decrease as compared to 2022. The Play Store ratings decrease is linked to a recent update that revamped the Swissquote app with a new design and enhanced security.

<sup>1</sup> Subject to PwC assurance engagement

Despite improving user experience, the changes required customers to adapt to new habits. During this adjustment period, the ratings temporarily fell. Additionally, we introduced extra security checks, like two-factor authentication and biometrics, to safeguard against phishing and theft. These measures, though critical for protection, add a slight delay to platform access, affecting store ratings.

We were pleased to observe that in 2023 the conversion rate (i.e., clients that enter a section compared to clients that actually use this section to place a trade) associated with our online ESG tool is 27%, which is largely above the industry average of 5%.

We also measure the ESG score improvements of the trading activity and track the new ESG feature related to lending activities to ensure our offerings align with our sustainability commitments and market demands.

» **Further details can be found in the section on Innovation and Access to Finance**

## INNOVATION AND ACCESS TO FINANCE

**As a pioneer in the online financial services 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.**

### Relevance of Innovation and Access to Finance (impacts, risks, opportunities)

Swissquote is dedicated to advancing new ideas, products, and services to meet the changing needs of customers, with agility and convenience. This involves challenging conventions via innovation and technology to democratise financial markets and make investment opportunities more accessible to all. Innovation is key to achieving sustainable development and empowering communities.

Swissquote’s culture of innovation benefits our direct clients and contributes to the broader democratisation and

# Sustainability Report

accessibility of financial markets, fostering impactful trading. Moreover, innovation enhances the health of the financial sector and can improve experiences for clients and stakeholders alike – a principal driver for us. On the flip side, a lack of innovation and access to finance may limit trading opportunities for clients and could have larger societal impacts.

Embracing innovation and democratisation not only enhances Swissquote's competitive edge but also paves the way for new business prospects. It reinforces our brand and aids in attracting and retaining both clients and highly skilled technical professionals. Additionally, innovative improvements in internal processes can result in cost efficiencies and increased profitability. The absence of innovation and financial democratisation could have negative consequences on Swissquote's overall business performance and profitability.



## GOALS

- **Bring new, disruptive products to the market and differentiate ourselves through innovation**
- **Reinforce reputation as a pioneering organisation**
- **Democratise finance by providing free educational content and knowledge sharing**

## Measures in 2023

In 2023, our strategic pillars have evolved, focusing on a mobile-first approach that puts global markets at our traders' and investors' fingertips in line with their needs. With the aim to transform into a universal digital bank, we introduced an innovative suite of daily banking services accessible via multiple channels. Simplification is key, and we are making wealth building more straightforward for mid-term and passive investors with easy investment solutions. Enhancing our trading platforms for better navigation and a unified customer experience is another goal, alongside empowering traders and investors with insightful market analysis and technological tools to enrich their trading experience. Additionally, we are harnessing our new crypto exchange, SQX, to enrich our offerings in the cryptocurrency space, including staking services for crypto holders.

Furthermore, we have introduced securities lending services, enabling clients to generate additional income from

their portfolios under any market conditions and helping them diversify their revenue streams.

Strengthening Swissquote's digital banking evolution, a new debit card is available primarily as a virtual offering, with a physical card made from 85% recycled PVC. Such a step advances our journey towards becoming a universal digital bank with comprehensive daily banking packages.

In July 2023, we launched 'Invest Easy,' a simple, one-click investment and saving solution integrated with Swissquote's online banking platform. It offers four professionally predefined strategies tailored to individual risk profiles, competitive interest rates of up to 2% on cash deposits depending on currency, and low-to-no fees. With this new gateway to guided wealth building, we aim to simplify investment and make wealth building more accessible than ever.

With our newly launched Impact Investing certificate, we provide an opportunity for customers' portfolio to grow with competitive companies, while participating in the direct financing of social and environmental projects. 50% of dividends paid out are used to finance a sustainable project. The first project financed was Santé Solaire of Saloafrika.

In 2023, our efforts to nurture a culture of innovation was rewarded, having Swissquote and Yuh being ranked second and third of their category in the list of innovative companies 2024 published by PME, BILANZ Wirtschaftsmagazin and Statista.

To address the financial knowledge gap and inspire more women to invest, Swissquote has launched several initiatives aimed at empowering women investors. Notably, a trading event in Zurich was designed exclusively for women. Such initiatives led to an increase in the proportion of women active investors from 20% in 2022 to 22% in 2023. To complement this initiative, Swissquote has expanded its educational resources with a new free webinar dedicated to active ESG investing, showcasing our tools that align investment choices with personal values for sustainable impact.

At Swissquote we are reaching tens of thousands of people thanks to offering our services in up to ten languages. More than 80,000 people follow us on our YouTube channels, where we also live-streamed also the Swissquote Trading Day, organised in June 2023 in Geneva. Around 3,000 people gathered to talk to a wide range of experts about financial markets. Those free events and communication channels allow Swissquote to make financial information more accessible to all even in hard-to-reach areas and thereby improve financial inclusion. We believe sharing knowledge on finance free of charge is central to working towards reducing inequalities when it comes to access to finance.

# Sustainability Report

## How We Manage Innovation and Access to Finance

Swissquote has consistently positioned itself at the forefront of digital banking innovation, leveraging technology to meet the growing customer expectation for platforms that are convenient, easy-to-use, and available on demand. With over 25 years of innovation, we have built a reputation as a proven innovator, which is integral to our brand awareness and instrumental in attracting and retaining tech talent, who make up 38% of our workforce. By prioritising innovation, we not only maintain our competitive edge but also respond swiftly to market shifts. We strive not to pass additional costs of innovation to our clients by investing in automation and backend processes.

Swissquote develops innovative solutions by constantly exploring new technologies and understanding our customers' needs and behaviours to enhance their experience. In driving innovation, our product strategy is spearheaded by think tanks for ideation and development teams to implement innovation projects once a budget is allocated. Such people-centric approach to innovation relies on our ability to hire and retain the best talents and remain committed to our employees' wellbeing.

Our innovation product strategy is supported by a robust product management framework. This framework ensures client satisfaction through continuous feedback, detailed KPIs analysis, market screenings for competitive alignment, and focused market research to evaluate the need for and effectiveness of our offerings. As we advance, Swissquote remains dedicated to continuous innovation, incorporating available technologies like artificial intelligence to serve client needs.

We continuously measure our effectiveness. Product managers define time-specific key result targets for each project, and by closely monitoring these KPIs, we gain insights into our clients' responses to new products. At the same time, we collect clients' qualitative (via a built-in feedback tool) and quantitative (via surveys) feedback and monitor the market and benchmarks in the product strategy team.

We believe that by providing free educational content we participate in democratising finance and financial inclusion.

Swissquote offers multi-asset class opportunities to all our customers including small-scale private investors as well as a wide range of online information, products, and services and thus aims to create value for society.

## Performance Indicators

	2023	2022
Total number of online tradable securities	3,744,340	3,470,202

Our other performance indicators, guiding our innovation and access to finance strategic decisions, include product adoption rate, product usage, and trading activity rate on the platform.

» Further details can be found in the section on Customer Experience, Product Governance and Talent Recruitment, Development, and Retention



# 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.

## FINANCIAL PERFORMANCE

**Swissquote aspires to grow as a company and to provide exceptional value to investors by pioneering new markets in the online financial services industry. By reinvesting in innovation and improvement of our operations 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.**

### Relevance of Financial Performance (impacts, risks, opportunities)

Swissquote is dedicated to fostering sustainable growth, which is essential for maintaining our long-term economic value creation and contributing to economic progress for all stakeholders, in accordance to legal requirements.

Our commitment to sustainable growth aligns with shareholders' expectations for returns and guarantees financial stability for other stakeholders. With this consistent advancement, Swissquote reinforces confidence in the online banking sector and the overall financial ecosystem, whereas the opposite could harm Swissquote's financial stability with

# Sustainability Report

consequences for our stakeholders (i.e., clients, employees) and society at large.

Financial health is key to Swissquote's stability, profitability, and sustainable development. Moreover, it maintains stakeholders' trust and fortifies Swissquote's reputation as a reliable and expanding online financial services company. A poor financial performance could have effects on Swissquote's stability and on its reputation.



## GOALS 2023

- » **Maintain net revenues and pre-tax profit of CHF 495 million and CHF 230 million respectively**
- » **Achieve a pre-tax margin above 45%**

## MEDIUM-TERM

- » **Increase net revenues and pre-tax profit**
- » **Achieve a pre-tax margin above 50%**
- » **Reach a margin on assets of approximately 100 bps**
- » **Increase client assets with net new money acquisition**

## Measures in 2023

In 2023, Swissquote achieved a set of record financial numbers, with net revenues and pre-tax profit respectively above CHF 530 million and CHF 255 million, exceeding initial guidance published of CHF 495 million and CHF 230 million. Our solid asset class diversification allowed strong results in challenging market conditions. Non-transaction-based revenues (e.g., net interest income and custody fees) were the main contributors to the growth. In a context of low market volatility, these non-transaction-based revenues surpassed the level of transaction-based revenues (e.g., brokerage income) for the first time. Client assets reached an all-time high of CHF 58 billion as of 31 December 2023, demonstrating the high quality of our customers' accounts, while net new monies reached the counter value of CHF 5 billion in 2023.

A challenge we address lies in appropriate distribution of income among our stakeholders, encompassing employees, investors, and the wider community. A new payout policy was therefore adopted to increase transparency and predictability for investors.

## How We Manage Financial Performance

Our business strategy centres on the long-term growth of our operations, emphasising innovative products, client experience enhancement, and expanding to new markets. To achieve this, we balance profitability and capital efficiency, maintaining a long-term view perspective that allows for creating value for our financial group and stakeholders via sustainable growth.

As a qualitative, mid-capitalised company, we recognise our investors' expectations of substantial growth. We meticulously plan to fulfil these expectations while safeguarding financial stability for our clients, employees and other stakeholder groups.

We are here for the long run and use a comprehensive approach to financial performance, with the aim of sharing the value we generate across our diverse stakeholder groups. While we share profits with our shareholders through dividends, we retain a portion of the revenues to strategically reinvest in innovative services and products that disrupt markets and make financial trading accessible to everyone. Furthermore, we also incentivise our employees with equity-based compensation schemes, enhancing operations and profitability, and ensuring that we attract and retain talent.

As an online trading platform, Swissquote navigates the intricacies of macro trends, including geopolitical unrest and economic fluctuations, which can affect our customers' trading activities. We mitigate these influences by maintaining a balanced and diverse product portfolio 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 the mid-term outlook 2025 and growth targets.

Our financial statements are biannually audited by external auditors. We consistently measure our financial results against our objectives, implementing adjustments as needed to remain on course. Upholding our status as a strongly capitalised bank according to Basel III is fundamental to our success. Hence, the allocation of created value duly reflects regulatory capital constraints by considering the reference capital.



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## Performance Indicators

For information about direct economic value generated, reference is made to the statement of financial position, income statement and statement of comprehensive income on page 20 and following **GRI 201-1**.

Swissquote receives CHF 75,978 as redistribution of the revenue from the CO<sub>2</sub> levy from the Swiss government. The CO<sub>2</sub> levy is a tax on fossil thermal fuels that is redistributed annually to the population and the economy. It aims to promote the reduced use of fossil fuels **GRI 201-4**.

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

## 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.**

### Relevance of Compliance, Governance, and Ethics (impacts, risks, opportunities)

Swissquote is committed to conducting business with a high standard of compliance, responsibility, diligence, and integrity. We strictly comply with all applicable laws and regulations. Our employees are dedicated to uphold our Code of Conduct and corporate values in all dealings with clients, shareholders, colleagues, and other stakeholders, ensuring that we also steer clear of anti-competitive behaviour.

The entire Swissquote ecosystem benefits from robust corporate governance. Ethical, respectful, honest and transparent management and rigorous compliance with regulations align with the best interests of all our shareholders and stakeholders. Conversely, unethical conduct, legal infractions, corruption, or violations of human rights can adversely affect our employees, clients, suppliers, and have broader detrimental effects on the environment, society, and the economy.

Maintaining exemplary governance and transparency not only strengthens Swissquote's reputation but also contributes to our economic prosperity, allowing for the early detection of potential risks. On the other hand, allegations of corruption or unfair business practices can have negative impact on reputation and result in severe legal and financial repercussions.

More specifically, under Swiss criminal law, any private company may be held liable of acts of active corruption (bribery) that were committed by and can be attributed to its employees, related third parties or agents, unless the company can show that it has taken all the reasonable organisational measures that are required in order to prevent such an offence. In case of violation of anti-bribery or anti-corruption principles, Swissquote and/or its employees may face severe sanctions, which may include criminal conviction (custodial sentence and/or fine), the materialisation of civil risks and sanctions and business restrictions imposed by FINMA, in addition to a significant negative impact on Swissquote's reputation. All these negative consequences may also be applicable in case of breach of other laws and regulations, including laws combating money laundering and terrorist financing.



### GOALS



**Aim for zero incidents that could harm our reputation and duly take into account those aspects when assessing the performance of the management**

### Measures in 2023

In 2023, we required that all Swissquote employees complete training on a range of topics, including client identification data, general data protection regulations, anti-money laundering, personal data protection, cross-border, and whistleblowing. For certain employees, we also introduced additional compulsory training in their specific areas of expertise **GRI 2-24**.

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 in 2023. Furthermore, Swissquote was not subject to any legal action for anti-competitive

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behaviour, anti-trust or monopoly practices in 2023 **GRI 206-1, GRI 2-27**.

As legal and regulatory requirements related to sustainability become increasingly complex, including the recent implementation of non-financial reporting obligations in Switzerland, we acknowledge that maintaining compliance with all relevant regulations presents an ongoing challenge that Swissquote is prepared to address in the coming years. As from the year 2023, listed companies of public interest must publish a report on non-financial matters in accordance with Articles 964a and following of the Swiss Code of Obligations. Swissquote Group Holding Ltd is incorporated in Switzerland and falls under the definition of companies of public interest, so we have put effort into ensuring our non-financial reporting is compliant with revised Code of Obligations.

## How We Manage Compliance, Governance, and Ethics

Swissquote takes pride in adherence to good corporate governance and ethical business practices, aligning with regulations on socioeconomic, environmental, anti-corruption, and anti-competitive standards. As an international finance group headquartered in Switzerland and listed on the SIX Swiss Exchange, we fully comply with the latter's Directive on Information relating to Corporate Governance and meet all applicable regional and national requirements, ensuring transparency, fairness, and stakeholder protection. Conducting business with integrity is essential to prevent regulatory risks and safeguard our reputation.

Our core values are:

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

Our stakeholders expect unwavering accountability from us at all times – and our procedures and organisational structure are designed to address all concerns and anticipate any potential issues.

In alignment with both the letter and spirit of the laws and regulations, we identify and adopt best practices to secure compliance across our operations. Applying a comprehensive set of policies and rules, we identify, prevent, mitigate and, more generally, manage risks such as those related to conflicts of interest, money laundering, terrorism financing, corruption and market abuses. For instance, our

procedure for video and online identification during digital account openings complies to anti-money laundering and “know-your-customer” standards set by FINMA.

Our commitment to sustainable development is reinforced by several internal or public policies and directives, which are all approved by the Board of Directors and/or the Executive Management:

- Code of Conduct;
- Supplier Code of Conduct;
- Whistleblowing Policy;
- Responsible Investment Guidelines;
- Anti-Bribery and Corruption Policy;
- Regulations relating to own-account transactions and insider trading;
- Anti-money laundering policy **GRI 2-23**.

We foster a culture of ethics and expect employees to abide by our Code of Conduct, which is, together with other key documents, presented during our induction programme for new employees. This programme 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 the Standard Terms and Conditions that form an integral part of every employee's contract. Furthermore, Swissquote requires all employees to review, understand and acknowledge receiving policies on banking secrecy, money laundering, anti-bribery and corruption and insider trading **GRI 2-24**.

Swissquote has defined its anti-bribery and anti-corruption principles in its Anti Bribery and Corruption Policy (« ABC Policy ») a version of which is available online since early 2024. This policy is also applicable to the foreign entities of the Group to the extent that they do not have their own (more stringent) policies on the subject. As a matter of course, passive corruption (the acceptance of bribes) is equally not acceptable by Swissquote. The ABC Policy gives in particular clear guidance with regards to the determination of acceptable and prohibited behaviours, what action must be taken in case an advantage is offered and the sanctions that Swissquote may take in case of breach. To raise awareness among employees and reduce the corresponding risks, these elements, completed by a number of examples to illustrate the various cases, also form the content of a regular training session that is mandatory for all employees **GRI 205-2** (subject to PwC assurance engagement).

# Sustainability Report

Our Whistleblowing Policy was established to uphold our commitment to high ethical standards by encouraging Board members, employees, and contractors to report any actual or suspected misconduct to the line manager, the Group Head Human Resources, Group Chief Risk Officer, Group Chief Legal Officer to the Chair of Swissquote Audit & Risk Committee as applicable. This policy allows for anonymous submissions and guarantees confidentiality, coupled with a strict no-retaliation stance. Reports of whistleblowing, barring urgent cases that require direct attention of the Group Board of Directors, are briefed by Executive Management in their quarterly updates to the Group Board of Directors. All reported breaches of ethics are thoroughly investigated and met with appropriate corrective measures **GRI 2-16, GRI 2-26**.

The Controlling & Risk department conducts checks in line with ongoing risk assessments to ensure compliance with internal procedures, with significant findings reported to the Human Resources and Legal departments. Every employee at Swissquote is contractually obliged to comply with our standards and violations can result in disciplinary actions.

For external stakeholders seeking advice on particular directives or policies, we offer a platform (<https://www.swissquote.com/en-ch/private/help/contact>) with email contacts (e.g., [investorrelations@swissquote.ch](mailto:investorrelations@swissquote.ch)). Our employees can find relevant information via our "Inside Swissquote" intranet in a dedicated section on our Rules & Tools, which includes information on all relevant regulations, **GRI 2-26**.

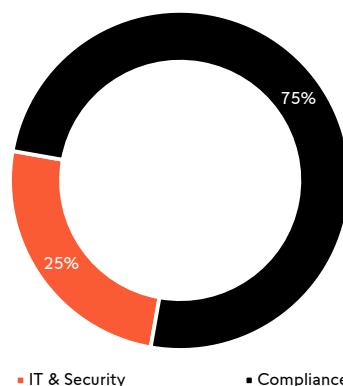
The Board of Directors is ultimately responsible for all ESG decisions and supervise performance related to annual objectives for sustainability, gender diversity and wage fairness, **GRI 2-12**. Since 2021, our stakeholder engagement team, headed by the Chairman of the Board of Directors, conducts annual meetings with several of our major shareholders. These discussions cover a range of topics critical to Swissquote, including our strategy, remuneration policies, and Board of Director's perspective on these matters.

## Performance Indicators

Our e-learning programme ensures that employees are well versed in all relevant laws, regulations, and internal policies. Swissquote's training agenda defines mandatory courses and frequencies for each employee. In 2023, all employees participated in trainings on client identification data, general data protection regulation, cross-border, anti-money

laundering, and whistleblowing. Selected employees also received specialised training. Compliance trainings constitute 75% of all mandatory training, with new hires undergoing induction sessions. Annually, employees must acknowledge their understanding and acceptance of regulations on own-account transactions and insider trading **GRI 2-24**. In 2023, there were no identified incidents of corruption<sup>2</sup> **GRI 205-3**.

## MANDATORY TRAINING BY CATEGORY, 2023



Swissquote was not subject to any legal action for anti-competitive behaviour, anti-trust or monopoly practices in 2023 **GRI 206-1**. In 2023, there were no financial and in-kind political contributions made directly or indirectly by Swissquote **GRI 415-1**.

No significant risks related to corruption was identified through the global bribery and corruption risk assessment conducted in 2023 **GRI 205-1**.

We measure our effectiveness by both external and internal auditors' feedback, as well as the approval rate of the Remuneration Report at our ordinary General Meeting, which saw an increase to 91.03% in 2023 from 89.18% in 2022. For more detailed information, see the Remuneration Report.

➤➤ Further details can be found in the section on Data Privacy and Security

<sup>2</sup> Subject to PwC assurance engagement

## PRUDENT INVESTMENT APPROACH

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

### Relevance of a Prudent Investment Approach (impacts, risks, opportunities)

Swissquote's strategy for safeguarding financial interests includes risk management strategies, regulatory compliance, and the integration of ESG criteria into our own investment decisions. These measures are designed to protect Swissquote's assets and boost long-term risk-adjusted returns for our stakeholders.

Following our mission to democratise finance and empower investors, we typically do not offer direct investment advice or asset management services (apart from Robo-Advisory and our Investment Inspiration tools). Additionally, despite our core activity not typically comprising of direct loans to corporations, we have incorporated ESG factors in our lending activities (see section Product Governance). Hence, our focus lies on the allocation of our own assets.

By channelling own assets into companies that champion social and environmental solutions through innovative technologies, products, and services, Swissquote can help fostering sustainable economic growth and societal progress. This strategic alignment of financial goals with responsible and impactful practices contributes to sustainable development as well as positive changes in society and the planet. The lack of a prudent investment approach could undermine Swissquote's leverage to contribute to sustainable development.

Prudent investing is key to safeguarding Swissquote's capital and essential for our long-term operational viability. Integrating ESG criteria can attract socially conscious investors, while prudent risk management and compliance can reinforce our reputation. Not considering these factors could have a negative impact on client trust, competitive advantage, sustainable growth, and increase risk exposure and financial instability for Swissquote.

### GOALS

- » Adequately and vigilantly manage the various risks affecting our assets
- » Apply best-practice risk management policies
- » Integrate ESG criteria in our own investment process
- » Increase allocation of own investment in thematic and impact investing by minimum 100% by 2030
- » Measure and disclose the greenhouse gas (GHG) emissions associated with loans and investments following the PCAF methodology by 2024

### Measures in 2023

In 2023, Swissquote Bank Ltd ensured that our investment decisions were aligned with our Responsible Investment Policy, leading to an improvement in the average Refinitiv ESG rating of our own investments from B- in December 2022 to B+ by December 2023. Additionally, we integrated a greater number of green bonds into our portfolio (value of CHF 46 million at the end of 2023). Moving forward and in line with our new climate strategy, we will increase the allocation of own investment in thematic and impact investing by minimum 100% by 2030 compared to the level of CHF 46 million as at 31 December 2023. Thematic investments are investments in themes or assets specifically related to ESG factors. Impact investing seeks to generate a positive, measurable social or environmental impact alongside financial return. This objective therefore includes, but is not limited to, green investments such as green bonds. Also, we will continue to focus on climate and environmental risks that may impact our assets. In this regards, we implemented a new climate risk management framework defining Swissquote's process for managing climate-related risks and aiming to assess how climate-related risks impact other risk classes such as credit, market, liquidity and operational and reputational risks. In this context, we performed stress testing and climate-related scenarios analysis to evaluate the resilience of Swissquote's strategy. It is finally worth noting that we further improved our non-financial reporting, with new climate-related disclosures under the framework proposed by the Task Force on Climate-related Financial Disclosures (TCFD).

# Sustainability Report

This year as well marked the broadening of our Responsible Investment Policy's scope, which now encompasses not only Swissquote's investment securities portfolio but also our sovereign debt portfolio (treasury bills and other eligible bills). All the securities in our sovereign debt portfolio had a Refinitiv ESG rating with a portfolio average ESG score of A- as of December 2023. To enhance transparency, we have made a public Responsible Investment Guidelines available on our website, disclosing our dedication to responsible investing for our own assets. The Responsible Investment Policy has refined the selection of potential bond investments, yet still provides ample variety to guarantee adequate diversification across sectors and company names in our portfolio.

We are proud to have joined the Partnership for Carbon Accounting Financials (PCAF) in 2023, an industry-led initiative whose mission is to facilitate the alignment with the Paris Climate Agreement by proposing a standardised methodology for financial institutions to assess and disclose their financed greenhouse gas emissions. In joining this partnership, the Company commits to measure and disclose the GHG emissions associated with our portfolio of loans, investments, (re)insurance underwriting, and other financial products and services within a period of three years using jointly developed GHG accounting methodologies.

In 2023, Swissquote also became a member of the Institutional Investors Group on Climate Change (IIGCC), the leading European membership body that supports and enables the investment community in driving significant and real progress towards a Net Zero by 2030 and a resilient future. These will be achieved through capital allocation decisions, stewardship and successful engagement with companies, policy makers and fellow investors.

With our newly launched ESG bonus on Lombard loans, the scope of assets now encompassing ESG considerations has been further broadened.

## How We Manage Investments

For us, prudent investment means diligently working to secure long-term returns through investments in responsibly managed organisations. By focusing on high-quality issuers, we aim to mitigate credit deterioration while keeping an appropriate risk level.

As a publicly traded company with a Swiss banking licence with over 570,000 client accounts, we comply with all relevant rules and standards to protect our customer assets and shareholder equity, including full compliance to the Basel III framework.

Beyond Swiss laws and regulations for licensed banks, which mandate proper capital and liquidity reserves as well as risk

diversification, our Board of Directors has established internal risk management guidelines shaping our investment strategy. These include:

- List of 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.

Swissquote's Responsible Investment Policy for own assets formalises how we integrate ESG factors in making our own investment decisions. Together with the diversification rules, these guidelines ensure we are minimising investments in less sustainable companies and reduce sustainability risks that could have a financial impact. Our Asset and Liability Management and Treasury department, which oversees Swissquote's balance sheet, is responsible for compliance with this Policy as well as with risk management guidelines. Compliance with the Responsible Investment Policy is supervised by our Finance department, while compliance with risk management guidelines is daily monitored by our Controlling and Risk department. Compliance is audited by external auditors.

In particular, we use the following criteria in selecting products for Swissquote's 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) or qualified as Medium Risk or better by Morningstar Sustainalytics 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 (armaments, oil sands, coal, tobacco, genetic engineering, gambling and adult entertainment);
- Exclude companies listed on the exclusion list of the Swiss Association for Responsible Investments (SVVK).

# Sustainability Report

Since the Asset and Liability Management and Treasury department is charged with ensuring that the ESG strategy, as outlined by the Board of Directors, is properly implemented in our own investment decisions, we have implemented compulsory training on responsible investment for all departmental employees. Additionally, we have established control procedures to guarantee compliance with the Responsible Investment Policy.

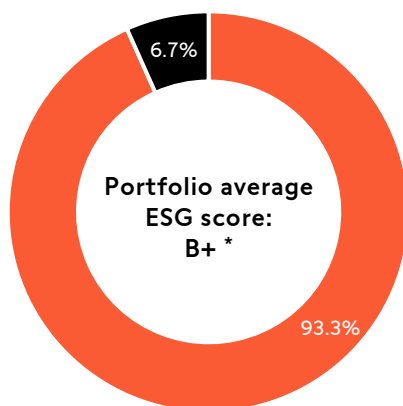
» Further details can be found in the section on Product Governance and Innovation and Access to Finance

## Performance Indicators

Swissquote's commitment to a prudent investment approach is reflected in comprehensive performance indicators. We actively screen and report on investments in excluded controversial sectors or companies as well as on investments in companies with ESG scores below our set threshold. The proportion of our investment portfolio with an ESG rating is continuously monitored, alongside the calculation and reporting of the portfolio's average ESG rating, ensuring our investment decisions align with sustainable and ethical standards.

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## INVESTMENT SECURITIES PORTFOLIO AS OF 31.12.23



- Corporate bonds with ESG rating
- Corporate bonds being unrated from ESG perspective

\* Good relative ESG performance as per Refinitiv ESG rating.

## TRANSPARENCY AND CREDIBILITY IN THE MARKET

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

### Relevance of Transparency and Credibility in the Market (impacts, risks, opportunities)

Swissquote is dedicated to achieving credibility by strictly adhering to rules and regulations concerning the labelling and marketing of products and services, while also striving for utmost clarity and transparency on the products and services offered to customers. As a regulated bank at two of our locations – supervised by the FINMA in Switzerland and the CSSF in Luxembourg – we ensure reliability and fulfil all required guarantees and capital requirements.

Consistently offering dependable products and solutions and communicating on them regularly enhances Swissquote's transparency for all stakeholders. This commitment to credibility has a broader impact on security and trust within the financial, fintech, and banking sectors, whereas an intransparent business conduct could reduce trust in the financial sector.

Transparent communication with our clients is also essential in preserving their trust and maintaining Swissquote's good reputation. Market credibility is integral to our long-term business prosperity, ensuring stability and fostering sustainable growth, while the lack thereof could have negative consequences for our reputation and financial health.

### GOALS

- » **Remain a profitable company and trustworthy partner for customers**
- » **Maintain a strong equity capital ratio well above minimum requirements**
- » **Propose continuity in the dividend payout ratio**
- » **Apply best practice standards in financial and non-financial reporting**
- » **Support meaningful regulation and appreciate being regulated by respectful regulators worldwide**
- » **Unambiguous communication with stakeholders especially regarding terms & conditions and pricing policy applicable to customers**
- » **Apply best practice remuneration and corporate governance rules**
- » **Maintain ESG rating scores**

### Measures in 2023

Building and maintaining trust with our clients, partners, employees, and investors is an essential aspect of our business strategy, as it plays a critical role in increasing loyalty, positive reviews, testimonials and ultimately, increasing revenues. Our efforts in applying best practice remuneration and corporate governance rules have been rewarded by our receiving a satisfactory zRating® score attributed by Inrate (corporate governance rating for Swiss listed companies with a maximum total of 100 points). In the 2023 zRating Study, Swissquote ranked 15<sup>th</sup> out of 169 listed Swiss companies and second in the financial services industry. Furthermore, Newsweek placed Swissquote as third in its "World's Most Trustworthy Companies 2023" list for the financial services category, ahead of all other Swiss companies.

Such public recognition is a testament of the hard work of Swissquote's employees, ensuring that we are true to our core values, especially "Champion the Customers", "Do the right thing", "Always say it as it is" and "In pursuit of excellence".

The main insights from our annual customer survey on credibility reveal that we are the Swiss leaders in brand awareness, and our continued media presence has earned the trust of not only beginners but also those transferring from

# Sustainability Report

other large players in the banking sector. More than ever, clients choose our services for the trust, stability, and security we have established. Additionally, the survey highlights that traders value the friendliness of our customer care combined with trustworthiness (and regulated operator status) and private data security. Swissquote received an overall average score of 6 out of 7 for the factor “trust”.

## How We Manage Transparency and Credibility in the Market

Swissquote stands out from traditional financial providers, forging a distinctive market position through creativity, software development, customer service, and investor empowerment. Our reputation for reliability and flexibility is allowing us to gradually transition from a second bank used for trading purposes to the preferred and sole banking partner for our customers. Our commitment to exceptional service and individual client needs is setting us on the course to becoming a universal digital bank with a comprehensive suite of products and services.

Transparency is paramount as we progress. By offering reliable, credible, and competitive products and solutions accessible to all, Swissquote is elevating quality and transparency for stakeholders and enhancing security and trust within 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.

Our status of regulated banks, under the supervision of the FINMA in Switzerland and the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg, or regulated financial institutions in other jurisdictions where the Group is active with all the guarantees and capital requirements, establishes customers’ trust. Annual extensive financial and regulatory audits by external auditors reinforce this trust.

We understand that long-lasting, trusted relationships are built on transparency. We communicate clearly and openly about relevant aspects of our business activities to our customers, partners, and other stakeholders. We use clear and unambiguous language.

Swissquote’s role extends beyond banking; we are a public media vector with our online global financial platform, adhering

to strict restrictions and information publication obligations. In response to these requirements, we engage our legal and compliance departments, extensively use ad hoc disclaimers, and apply a comprehensive set of policies and rules, we identify, prevent, mitigate and, more generally, manage risks such as those related to conflicts of interest, money laundering, terrorism financing, corruption and market abuses. Our Executive Management and the Board of Directors are briefed daily on media coverage, ensuring swift action if our reputation is at risk.

## Performance Indicators

In 2023, we remained profitable and maintained a strong equity capital ratio well above minimum requirements. Further information is available in the financial risk management section of our Financial Report. In addition, the proposed payout per share significantly increased for 2023, in line with our new payout policy.

	2023	2022
Capital ratio in %	25.1%	24.8%
Net profit in CHFm	217.6	157.4
Payout per share in CHF	4.30	2.20

In 2023, Swissquote Group Holding SA maintained its MSCI ESG rating of AA<sup>3</sup> (on a scale of AAA-CCC), a zRating score of 74, and improved its Sustainalytics ESG Risk rating from “medium risk” to “low risk”.

	2023	2022
Sustainalytics overall ESG risk score	Low	Medium
MSCI ESG ratings assessment	AA	AA
zRating® score	74	74

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 2023 [GRI 417-2](#), [GRI 417-3](#).

» **Further details can be found in the section on Innovation and Access to Finance**

<sup>3</sup> The use by Swissquote Group Holding Ltd 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 Ltd 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.





# How we uphold 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.

## **TALENT RECRUITMENT, DEVELOPMENT, AND RETENTION**

**Our employees are driven by a shared ambition to make trading opportunities accessible for all. We are an employer that makes employees feel at home, where individuality, initiative,**

**and team spirit are valued. Our team's diversity in backgrounds, cultures, nationalities, and skills make us powerful innovators. Nurturing great talent is at the heart of our people management, with growth and career development opportunities as well as competitive compensation and benefits as essential motivators for our skilled professionals to excel.**

# Sustainability Report

## Composition of the workforce

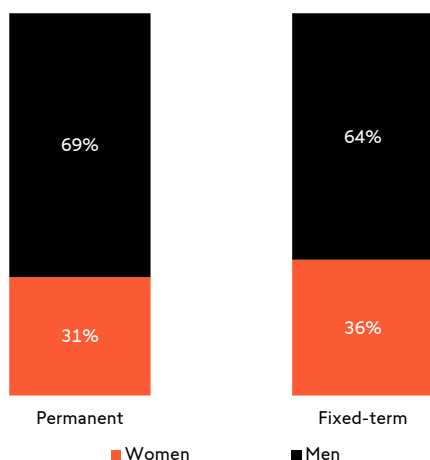
Data covers locations in Switzerland, Luxembourg, and Dubai. 2022 data have been restated to include Dubai.

GRI 2-7

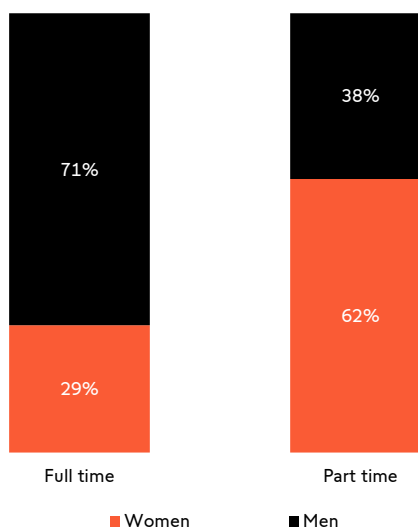
in FTE	2023 <sup>4</sup>	share	2022	share
<b>Total employees</b>	<b>1,061</b>		<b>993</b>	
Employees*	1,033		975	
Apprentices, interns, trainees, externals	28		18	
<b>Employees by employment contract*</b>	<b>1,033</b>	<b>100%</b>	<b>975</b>	<b>100%</b>
Permanent	987	96%	944	97%
Fixed-term	46	4%	31	3%
<b>Employees by employment type*</b>	<b>1,033</b>	<b>100%</b>	<b>975</b>	<b>100%</b>
Full time	954	92%	886	91%
Part time	79	8%	89	9%
Employees in other locations	73		64	
Total employees at Group level	1,134		1,056	

\* excluding apprentices, interns, trainees

### BY EMPLOYMENT CONTRACT, 2023



### BY EMPLOYMENT TYPE, 2023



<sup>4</sup> Subject to PwC assurance engagement

# Sustainability Report

## Relevance of Talent Recruitment, Development, and Retention (impacts, risks, opportunities)

Swissquote is committed to attracting and developing talented employees, a journey that begins with our recruitment initiatives and extends through comprehensive education and training programmes. By focusing on competency building and career progression, we aim to leverage our employees' strengths and potential.

Talent development and ongoing education empower Swissquote's employees to become masters of their craft, grow their careers and improve their general wellbeing. We believe in our duty as an employer to train and develop competencies not only for our company but also for the economic landscape. Similarly, we recognise the value of supporting communities, in which we do business.

Talent development and retention allows Swissquote to secure the skills our teams need for long-term business success and competitiveness in the market. By retaining employees, Swissquote can reduce talent acquisition costs, experience higher morale, and strengthen the company culture, institutional knowledge, and long-term leadership.



### GOALS

- » **Encourage current employees to refer candidates from their network**
- » **Support professional growth and internal mobility**
- » **Attract and retain talents to enhance performance and capacity for innovation**
- » **Closely monitor turnover for a healthy balance between institutional knowledge and industry best practice**
- » **Increase engagement and commitment to maximise job satisfaction**
- » **Maintain reputation as a competitive and attractive workplace and online reputation as an attractive employer**
- » **Maintain an Employer Value Proposition (EVP) which people can identify with and that improves employees' engagement**

## Measures in 2023

In 2023, we have further developed Workday, our tool to access employees' personal and professional data, by integrating talent and learning modules. We followed deployment of these modules with a dedicated training session on identifying and retaining talent provided to all managers as well as with a newsletter explaining functionalities of this software to all employees.

We remain focused on developing and implementing departmental career paths, while maintaining one global culture. Satisfied employees are increasingly likely to recommend employment at Swissquote, that is why we see referral as key metrics of employees' satisfaction. We are delighted that, despite observing a decrease in proportion compared to the previous year (2023: 16% versus 2022: 21%), it is still the third most used recruitment channel. In early 2024, we released a new online platform to support referral and internal mobility, aiming at further boosting the number of referrals made as well as enhancing employees' career internally. This tool will give employees more information about open positions, simplify the application process and help enhance internal mobility.

In early 2023, we communicated our redefined Employer Value Proposition (EVP) to all employees. As part of the EVP, we follow the motto for Swissquote: "We are all in". Visual campaigns on social media included a manifesto movie starring more than 70 employees and illustrating the three pillars of our EVP – innovation, friendliness and growth. As Swissquote faces high competition in the European technology talent market, further compounded by the scarcity of German-speaking professionals, such initiatives are crucial.

Internal campaigns messaging our value proposition as well as thorough induction presentation are indispensable for integrating our international teams into one culture and providing equal level of information to all. We relocated our Bucharest Tech Hub, opened in 2022, into a premium location at the heart of the city and promoted benefits of this unique workplace with professional photo session for the team.

We have created a new "GreenIT" module within our internal Tech Talent Academy for young graduates to raise awareness about the environmental footprint of digital services and encourage newcomers to participate in the green IT effort in their daily work. We have also hosted an annual JOM event in Switzerland (Journée Oser tous les Métiers – "A day to dare all professions") open to employees' children aged 10 to 12 and dedicated to removing existing gender barriers to accessing different professional career paths.

# Sustainability Report

Collecting employee feedback on a regular basis is key to ensuring our employees have ownership in our cultural evolution and business growth. We take feedback outcomes into account while implementing various elements of work experience, such as seating arrangements, food preferences or commuting choices. We conducted a pulse employee survey in order to evaluate the level of satisfaction and motivation of our employees. The questions were based on our EVP, evaluating if our employees are “all in” (i.e., pride and motivation) and assessing the overall atmosphere at our company. Employees were also asked how they evaluate Swissquote’s level of innovation, and how satisfied they were with their own development at Swissquote. 629 participants took part in the survey and the average grade was 3.9 out of 5. The best grade was given to the atmosphere in their team. The results of the survey were presented to the staff in early 2024 and actions will be taken accordingly in the future.

In the future, such surveys will be conducted on a quarterly basis to ensure employees’ feedback is collected and action taken where appropriate.

Our revamped employer image and branding resonated also outside of the Company. In 2023, we ranked as the best employer in the financial industry in the annual survey by Handelszeitung and PME Statista. In the Universum ranking, the leading employer branding specialist among students globally, we have reached the 21st position for most attractive employer in Switzerland for IT students, jumping by 14 places in a year.

## How We Manage Talent Recruitment, Development, and Retention

At Swissquote, our employees are united in making trading accessible to everyone. We strive to nurture a workplace that values personality, initiative, and above all team spirit. Developing top talent is central to our approach to people management.

Recruitment, onboarding, development and retention lie within the responsibility of our Human Resources department, specifically the Talent Acquisition and Management team. However, all managers play vital role in developing and engaging our employees.

Key commitments in the area encompass Swissquote’s values. They are backed by various instruments and processes, including the departments’ career paths (i.e., role description which are built upon our vision, mission and responsibilities), duties and responsibilities of the hierarchical ranks, competencies referential and the Employer Value Proposition.

Excessive turnover is often attributed to a misalignment between a company’s direction and its employees’ goals, or

when employees perceive a lack of opportunities for professional advancement. We succeeded in maintaining our turnover at a reasonable level by using three specific measures: employing thoughtful hiring informed by various feedback analyses, taking actions based on those analyses when required and finally, offering numerous pathways for growth, both vertically and horizontally. Thus, we are able to offer competence building, formal appraisals and feedback, as well as provide employees with career development opportunities across different functions and locations. Accordingly, we focus on 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.

Our human resources specialists analyse employee records to identify opportunities for development or progression within departments or for internal mobility. At our banks in Switzerland and Luxembourg, for instance, the appraisal process is a regular, year-long dialogue that concludes with a year-end review. All employees and their direct supervisors collaboratively set individual and team objectives each year. Managers ensure these goals not only reflect the individual’s job description and level but also align with our broader strategy, letting everyone add their strengths to the organisation’s collective achievements. These objectives are regularly assessed, leading to a formal annual review where managers evaluate employees’ performances in relation to their responsibilities and objectives.

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.

Each new manager undergoes the Management Toolbox Training, which acquaints them with our expectations and covers smart objective setting, providing constructive feedback, labour law, and recruitment. Furthermore, in recent years we have extended the training on personality typologies for managers, focusing on communication and collaboration challenges. In 2024, we aim to offer refresher courses for our all our managers.

We formalised, in collaboration with a sample of managers, our management career paths in the Software Engineering department and are now extending it to other departments. These career paths aim to train, develop and

# Sustainability Report

retain the best talent at Swissquote, proving that our talent development efforts evolve as we grow and expand.

Career pathways can often look non-linear, and good managers are invaluable in supporting employees' journeys. On top of informal mentoring and providing all Swissquote employees with professional development opportunities, we established a Tech Talent Academy to provide interested young graduates with the know-how and training to pursue careers in software engineering. Our 2023 cohort included 15 junior software engineers receiving a three-month training programme.

Nurturing and developing talent extend also to the young entering their first job. In recent years, we have enhanced our apprenticeship programmes in Switzerland. We employ 25 apprentices in total across three key sectors: commercial, banking, and informatics. Eight out of the 25 apprentices joined Swissquote in 2023. At the conclusion of their apprenticeships, the majority are offered a permanent position in our team. We offer the apprentices a couple of introductory days to familiarise themselves with the company and financial industry. The apprentices have the opportunity to discover various departments within the company by spending a few months in each department over their three years of apprenticeship. Each apprentice has a supervisor who ensures that the learning process runs smoothly, acts as an intermediary between the school and the work, and provides regular feedback and evaluations **GRI 404-2**.

We prioritise open and constant communication and hold at least two staff meetings a year to present Swissquote's financial performance and status as well as offer a Q&A session with our CEO, CFO and CSO. We consistently seek feedback through engagement surveys to monitor employee satisfaction. These include regular management surveys, which help us identify ways to better support our teams, and surveys on their general wellbeing, such as employee satisfaction surveys. Our employees can also provide feedback via special surveys. For instance, in our bank in Luxembourg, we annually benchmark our initiatives against those of local banks using the Luxembourg Bankers Association (ABBL) survey. Globally, we run various surveys on topics like food options, organisational changes, and special events to fine-tune our services and empower our employees to shape our company culture. A page on our intranet is dedicated to share feedback from these surveys, providing main insights as well as informing about the related actions (when possible) that will be taken.

## Performance Indicators

At Swissquote, we measure our success in talent management through several key performance indicators. We track the increase in applications submitted via our website, engagement levels through response rates on LinkedIn, the participation rate to internal surveys and the percentage of roles filled by referrals and internal promotions. These metrics, along with our Talent Assessment Matrix and turnover rates – especially among key employees – provide insights into our recruitment's effectiveness and our strategies for talent development and retention. Participation in internal surveys and exit interview analyses further inform our continuous efforts to enhance the work experience and uphold Swissquote as an employer of choice.

In 2023, the average annual training hours per full-time employee (FTE) for employees with management function was 12.4 hours, while the average annual training hours per FTE for employees without management function was 7.5 hours<sup>5</sup> **GRI 404-1**. Every employee also has a performance appraisal at least once every year to discuss performance, career perspectives and objectives<sup>5</sup> **GRI 404-3**.

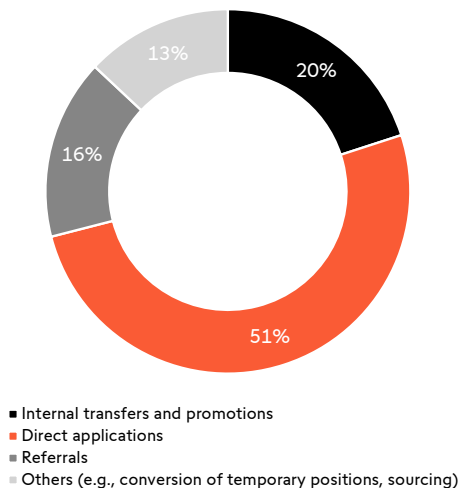
The turnover increased to 14% in 2023 (2022: 10%) (number of employees with a permanent contract that left the company after their trial period, in relation to the average number of employees with a permanent contract between beginning and end of the year)<sup>5</sup>. In 2023, the company did not undergo any large-scale redundancy at any location where we have offices **GRI 401-1**.

Over 2022 and 2023 the organisation spent over CHF 500,000 per year on training (e.g., management courses, seminars, certified trainings or tools).

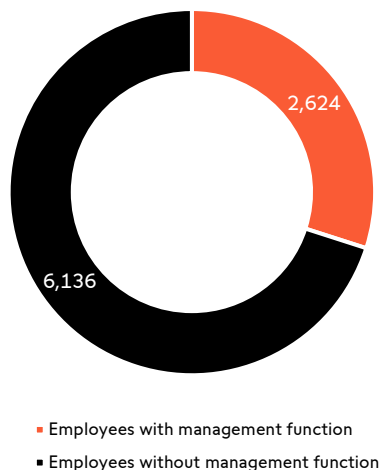
<sup>5</sup> Subject to PwC assurance engagement

# Sustainability Report

RECRUITMENT CHANNEL, 2023



TOTAL HOURS OF TRAINING, 2023



## COMPENSATION AND BENEFITS

**We expect our employees to make a significant contribution, and we reward them accordingly. This includes fair and competitive compensation, generous benefits, an enjoyable work environment, prioritising work-life balance and a focus on health and wellbeing.**

### Relevance of Compensation and Benefits (impacts, risks, opportunities)

Swissquote is dedicated to providing fair and competitive compensation and benefits, while ensuring physical and mental health and safety measures to employees.

Our commitment to offering attractive compensation and benefits and a supportive work environment plays a key role in fostering employee satisfaction, motivation, and overall health. By aligning our remuneration policy with market standards, crucial especially within the financial industry, we aim to attract and retain a diverse and skilled workforce, thereby enhancing employee engagement and wellbeing. On the other side, unsatisfying compensation

structures and the lack of benefits could negatively impact employee wellbeing.

Compelling compensation structure and prioritising employee health and safety enable Swissquote to attract talent, retain valuable employees as well as enhance knowledge, and maximise employee engagement and performance, while a lack thereof could have negative consequences for Swissquote’s operational and financial performance.



## GOALS

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

### Measures in 2023

In 2023, we provided complete transparency to employees regarding the calculation of the annual bonus and the factors influencing its level. This clarity offers greater insight into the Company's strategy and vision, underscoring the significance of each employee's role in Swissquote's success.

The human resources landscape in the fintech industry is highly competitive. We have to compete for acquiring talent both with the financial industry and start-ups and scale-ups companies active in technology. Our employees regularly receive alternative job offers, compelling us to look abroad, especially for scarce engineering profiles. These international candidates have then even more abundant choices and flexibility to relocate into different countries. Therefore, maintaining attractiveness as an employer is crucial to our success.

We are committed to fostering a healthy and secure work environment, recognising the stress and pressure today's society places on individuals. To address this, we are developing stress management initiatives for both employees and managers, set to launch in 2024, with a pilot session already conducted in 2023. Annually, we organise flu vaccination campaigns and we offer paid leave for blood donations as well as medical appointments. We have also set up a nursing room in our headquarters' offices to give mums-to-be and new mums the opportunity to rest, as well as to use a breast pump for nursing mothers in a calm environment equipped with an armchair, a sofa and a refrigerator to store breast milk. In our headquarters, we facilitate workers' access

to voluntary health promotion by offering subscriptions to fitness and sport activities at preferential prices **GRI 403-6**.

Furthermore, in 2023, we have partnered with the CVCI (Chambre vaudoise du commerce et de l'industrie) to provide all employees access to a free hotline for discussing conflict or harassment situations they may encounter and to receive support. Swissquote has also signed the CVCI's "Charte de prévention et gestion des conflits internes" demonstrating our proactive stance on such critical workplace issues.

### How We Manage Compensation and Benefits

Compensation and benefits serve as foundation in cultivating skilled team members who are inspired to do their best work. We employ salary grids to ensure equal and fair treatment, thus preventing disparities in compensation.

Alongside fair and competitive compensation, each employee is eligible for an annual bonus, known as the profit award, which is determined by the employee 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 the position. Our seniority recognition programme includes additional days of vacation and cash bonuses. While we reward individual performance via personalised pay reviews, we also embrace the fact that we are one company and share both profit award and employee share or option plan uniformly among employees.

We are convinced that employees are more engaged when their private life and career are in harmony, which is why we emphasise work-life balance. This includes offering flexible working hours if feasible, part-time roles (including at senior management levels), and sabbatical leave options. Even before the pandemic, we permitted employees to work remotely at least once a week; this has since increased to two days a week when operationally feasible. Additionally, we provide the option to work remotely for several days per year from another country within the European region.

In our management training courses for new managers, we focus on mental health awareness and maintaining a safe work environment. For instance, our e-learning training module teaches managers to recognise early signs of burnout and potential mobbing among team members. This approach aims to prevent any decline in mental health and work conditions, safeguarding our employees' wellbeing and engagement. In our offices in Luxembourg, employees have access to employees assistance programmes to help support their well-being and mental health.

At Swissquote Bank Ltd, all employees are eligible to fully paid parental leave (16 weeks paid leave for women and

# Sustainability Report

2 weeks paid leave for men). Additionally, employees that need to take time off to take care of a sick child can take up to 14 weeks of paid leave (up to 80% of salary).

While being competitive in every aspect can be a challenge given our size, we have successfully cultivated an inspiring work environment where conventional norms are challenged and ideas flourish. In addition to financial remuneration, Swissquote provides a variety of programmes and benefits that enhance our appeal as an attractive employer. Our offerings range from fitness subscriptions, diverse sports activities, and bike-sharing options to vouchers for goods and services, onsite cooking facilities, food services, dedicated prayer spaces for employees of all faiths, electric car charging stations and an in-house pub. We do not prescribe any dress code regulations and create a deliberately vibrant social atmosphere with an active social calendar.

At Swissquote, we prioritise health and safety and require all employees to complete an e-learning training module on health and safety measures, including accident prevention, emergency procedures, workstation ergonomics, health awareness, work-life balance, and emergency contacts. At Swissquote Bank Europe Ltd annual reminders of the health & safety rules and guideline are provided to employees to ensure awareness of the protocols. Additionally, at Swissquote Bank Ltd, employees can become volunteer firefighters and first responders. We perform annual evacuation drills in our headquarters and offices in Luxembourg and Dubai to enhance preparedness, followed by feedback sessions. Each open office space has one trained employee responsible for coordinating safe evacuations. We use the software system Workday to record working hours, track overtime for proper compensation when appropriate, and monitor absenteeism. All of these elements are important in our efforts to preserve employees' wellbeing and maintain work-life balance.

Global remuneration policy is decided by the Board of Directors (for instance, decisions on annual bonus, global budget allocated to pay review, etc.), while distribution of merit increases are validated by the Executive Management. The Human Resources department is responsible for the correct implementation and provides relevant recommendations or modifications proposals.

At Swissquote, our Pay for Performance policy clearly links remuneration with work performance, tying compensation to the achievement of strategic business objectives and overall performance. Designed in line with best practices, the policy is structured to prevent incentives for risk-taking that exceed our risk appetite. All permanent employees are eligible for an annual pay review, which

considers individual performance, career progression, and external factors such as allocated budget and salary benchmarks. The pay review process ensures that personal performance and achievements are acknowledged and rewarded, reflecting the value each employee brings to the Company. These processes and decisions are made collaboratively between the Human Resources department and the respective department's director. Furthermore, managers are requested to provide information on team members' performance data directly in the software Workday, ensuring that each individual's situation is addressed and reviewed during the process.

The regular engagement surveys we run to monitor employee satisfaction include queries on employee satisfaction with our compensation and benefits policy. Additionally, 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 biennial compensation and benefit review to compare our approach to that of the local market.

## Performance Indicators

Within our compensation and benefits framework, we measure the effectiveness of our actions against key indicators. We assess the reasons for employee departures, evaluate the take-up of our employee share and option plans, the percentage of salary reviews and the distribution of salary reviews according to performance, and monitor the percentage of employees promoted.

Swissquote operates a defined benefit plan in Switzerland and defined contribution plans in foreign locations. For pensions in Switzerland, Swissquote goes beyond minimum legal requirements. 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. Besides, every year the employee can choose if they want to increase their personal contribution to mirror Swissquote's contribution, hence providing additional incentive to the employees **GRI 201-3**.

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**.



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While in Luxembourg 71% of our employees were part of a collective bargaining agreement in 2023, our employees in other locations are not held to that or other similar policy. **GRI 2-30.**

»» Further details can be found in the section on Diversity, Equity and Inclusion and in the Remuneration Report

## DIVERSITY, EQUITY AND INCLUSION

**We embrace diversity along every line: gender, age, (social) origin, culture, ethnicity, 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.**

### Relevance of Diversity, Equity and Inclusion (impacts, risks, opportunities)

Swissquote is committed to promoting diversity, equity, and inclusion across our workforce, ensuring equal opportunities and fair treatment, and diligently protecting employees from any discrimination.

By promoting diversity, we not only combat discrimination but also serve as an inspiration and a role model in society. As a fintech company, mixing finance and technology, we recognise that diversity fuels success and provides added value. Greater diversity means more perspectives and fewer missed opportunities, enabling our employees to become active contributors more quickly. We raise awareness internally and externally about the benefits of pursuing technical roles, focusing on recruiting more women to foster an adequate diversity and steer us towards a more inclusive future.

An inclusive company culture that offers equal development opportunities to all ensures Swissquote benefits from an ideal talent pool, with employees from varied backgrounds contributing to our success. The broader the range of perspectives at Swissquote, the more effectively we can make decisions for our diverse customer base globally. Without following an approach that fosters

diversity, equity and inclusion, Swissquote would only be able to draw from a smaller talent pool and could experience reputational damage.



### GOALS

- »» Offer equal opportunities to all our employees
- »» Monitor and obtain external assurance on gender equal pay (Fair-ON-Pay certified)
- »» Promote and support diversity in the organisation
- »» Support people with disabilities via intentional outreach and workplace modifications

### Measures in 2023

We aim to provide a work environment that meets the fundamental needs of all employees. To better understand gender equality within our Swiss entities, we conducted a survey for all employees. In 2023, we focused on this topic by establishing the Women in Tech community that gathers regularly (with an average of 30 participants) to discuss relevant topics and offer the human resources team recommendations for attracting more women in tech roles. The community's goal is to enhance the professional experiences of women at Swissquote, boost their engagement, and inspire by elevating the visibility of women in Tech as role models both internally and externally. This year, we added an equal employer disclaimer to our job descriptions to underscore our dedication to diversity and inclusion.

Actions implemented in 2023 also included collaborating with external partners like "Girls in Tech", a global community offering tech women workshops, events, mentoring programmes and hackathons. We also supported educational initiatives such as "Robots are Girls' business" and "Coding Club for Girls" to encourage young girls in technology. We participated in various diversity-focused events such as "Future is Diverse" and "Women's contact day" as well as invited women speakers to DevTalks, a major tech conference. We also invited influential tech speakers like Stefania Chaplin to lead workshops and serve as inspiring figures for our company.

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Enhancing gender equality is a key initiative for us as Swissquote faces a significant hurdle in recruiting women for technical domains, such as developers or roles in informatics, as well as specialised banking roles like eForex trading and quantitative analysis.

## How We Manage Diversity, Equity and Inclusion

Swissquote is actively working to continue excluding biases in our recruitment process to enhance company-wide diversity. We advertise vacancies on both European and global platforms and assemble diverse hiring teams to promote equal opportunities. Our inclusive culture supports remote work and part-time options for all, including in managerial roles.

To advance gender equity, we have chosen EDGE, the leading global standard for workplace diversity, equity, and inclusion, providing a structured framework for assessment. EDGE certification is built on five pillars: equal pay, recruitment and promotion process, leadership development, flexible working, and organisational culture and involves an independent audit performed by a third party. The equity is assessed via both quantitative and qualitative measures, evaluating statistical data, policies and practices, including a standardised employee survey. In 2023, we conducted a survey with our employees to evaluate their satisfaction on the five previously mentioned pillars and had a participation rate of 55%. We noticed that our employees were very satisfied with the flexibility offered. At the same time, the survey highlighted that the related procedures on flexible working should be clarified, and consequently, we issued a policy on this topic in early 2024. We have developed a concrete action plan for the next two years, focusing on the five pillars with policies on gender diversity, defining career paths, and developing training to promote gender equality.

In accordance with our Standard Terms and Conditions and Code of Conduct, Swissquote upholds a respectful workplace that is free from discrimination and harassment and champions equal opportunities, compensation, and treatment. These principles are embedded in our policies, including our whistleblowing policy, which is accompanied by a robust reporting and escalation process to promptly tackle any incidents of intolerance, discrimination, or harassment. We also worked on a Diversity and Inclusion Plan in 2023 that was published on our website in early 2024. This policy

details our dedication to fair treatment, non-discrimination, and fostering an environment of equal opportunity.

The key responsibility for Diversity, Equity and Inclusion lies with the human resources team and the Board of Directors sets appropriate Diversity, Equity and Inclusion objectives for the company.

## Performance Indicators

To guide our strategies to promote Diversity, Equity and Inclusion at all levels of our organisation, we monitor our employee turnover with a special focus on women, examine the proportion of women in each sector, evaluate their representation in different management positions and track the percentage of promotions given to women.

Swissquote Bank Ltd 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, having reviewed the analyses by auditors and communicating to its employees and, as such, fully complies with the Swiss Federal Act on Gender Equality. Looking forward, we are committed to refining our processes for the upcoming EDGE audit in 2025, ensuring continued adherence to equitable pay standards<sup>6</sup> **GRI 405-2**.

No incident of discrimination has been reported during the reporting period **GRI 406-1**.

»» **Further details can be found in the section on Talent Recruitment, Development, and Retention and Compensation and Benefits**

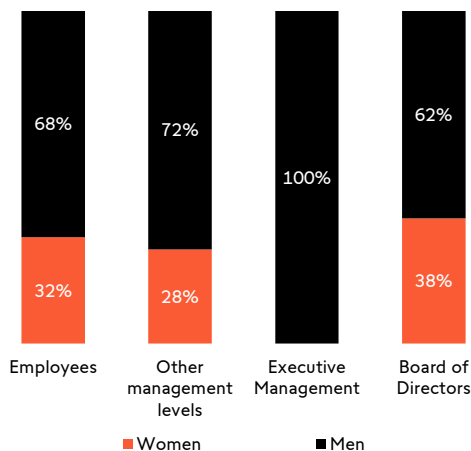


<sup>6</sup> Subject to PwC assurance engagement

# Sustainability Report

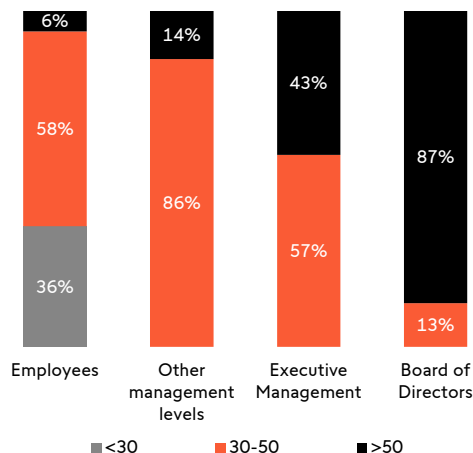
## DIVERSITY BY GENDER, 2023<sup>7</sup>

GRI 405-1



## DIVERSITY BY AGE GROUP, 2023<sup>7</sup>

GRI 405-1



Other management levels refers to vice-directors, directors and managing directors.

## PROTECTION OF HUMAN RIGHTS

**We firmly uphold human rights, integrating respect and dignity of every individual into all aspects of our company culture, from employee relations to client interactions and investment strategies.**

### Relevance of Human Rights (impacts, risks, opportunities)

Swissquote is dedicated to advancing and protecting human rights across all facets of our business, from internal operations to investment decisions. Our commitment is to honour the fundamental rights and dignity of all individuals, be it within our workforce, among our clients or other stakeholders.

In our steadfast commitment to human rights, we foster an equitable and respectful work environment and integrate

these values into our financial practices. This dedication not only reinforces human rights in the broader economy but also reflects our culture in every business interaction.

By protecting human rights throughout our operations as well as in financial activities, we foster a supportive workplace culture, while attracting and retaining both employees and clients, safeguarding our sustainable growth, and preventing potential reputational damage and legal issues.



GOALS



**No association with violation of human rights**

<sup>7</sup> Subject to PwC assurance engagement

# Sustainability Report

## Measures in 2023

When talking about human rights we refer to the definition of the International Bill of Human Rights, which also covers freedom of children from social and economic exploitation.

In 2023, we have assessed the operations of Swissquote and have come to the conclusion that they do not involve material risks of violating human rights due to the nature of the industry we are active in and the countries we operate in.

To integrate the protection of human rights in our own asset investment decisions, we are excluding companies generating more than 5% of their revenues in controversial sectors as well as companies listed on the exclusion list of the Swiss Association for Responsible Investments (SVVK). Additionally, we verify that we exclude all instruments issued by countries listed on the exclusion list of the SVVK from our investments in sovereign debt instruments. Indeed, Switzerland's federal government has issued a comprehensive military or repression goods embargo against these countries due to violation of international law, namely human rights.

Finally, our assessment conducted for 2023 established that Swissquote falls below the quantitative thresholds stipulated by the Swiss Code of Obligations Art. 964j-I and related Ordinance. Swissquote is thus exempt from the Swiss due diligence and reporting obligations on minerals and metals from conflict-affected areas and child labour.

## How We Manage Human Rights

At Swissquote, we take pride in our robust corporate governance and ethical business practices, including adherence to socioeconomic and environmental regulations. We are dedicated to upholding human rights, as embodied in the Swiss Federal Constitution and the European Convention on Human Rights, across all our operations.

Protecting human rights and respecting each individual is integral to being recognised as a serious and trustworthy company, both for our employees and clients. This principle is in particular reflected in one of our core values: "Do the right thing." At Swissquote, we perceive integrity as our crucial value. With an outstanding professionalism we always abide by the regulation of our industry and do the right thing in our interactions with all stakeholders.

Our commitment to human rights spans across our operations, targeting three main stakeholder groups: our employees, our suppliers, and our clients. The Code of Conduct for employees reflects our dedication to integrating ESG standards into strategic planning and everyday activities, while our publicly accessible Supplier Code of Conduct sets

forth similar rules and principles, requiring our suppliers to reject all forms of forced or child labour. For our clients, we offer ESG investment tools to evaluate social implications of their investment and choose stocks aligned with the human rights principles.

Our Board of Directors bears the ultimate responsibility for the ESG strategy, supervising the Executive Management's performance against the annual sustainability goals. The Board of Directors also guides the Executive Management and its interdisciplinary ESG working group.

## Performance Indicators

In 2023, none of our investments in sovereign debt were issued by countries listed on the exclusion list of the SVVK.

»» Further details can be found in the section on Compliance, Governance, and Ethics, and Prudent Investment Approach

## SOCIAL ENGAGEMENTS

**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.**

### Relevance of Social Engagements (impacts, risks, opportunities)

Swissquote's community initiatives aim to enhance local relations and development, including fostering education and innovation, cultural enrichment as well as charitable donations and investments in infrastructure and services in local communities.

Our engagement with local and regional communities can promote a rich cultural life, foster the development of talent, and contribute to sustainable development.

At Swissquote we take pride in being a good corporate citizen and thus creating a positive feedback loop that starts with creating shared success and comes back to us through positive reputation, supportive communities, loyal customers, and motivated employees.

### GOALS

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

### Measures in 2023

In 2023, we continued to support local sports clubs with more than CHF 800,000 in grants to local groups, such as the Zurich Lions Hockey Club and the Servette Hockey Club, who won the Swiss National League championship 2022/2023. Swissquote also supported various local educational and cultural entities such as SimplyAct in the organisation of their FoodSave banquet in the purpose of raising awareness of food wastage in schools or an international firefighter competition in Gland, Switzerland. A blood donation has been organised in the headquarters' building in cooperation with the Red Cross. More than 70 employees subscribed to this event. Annually, we provide

free advertising space in our magazine to the "Make a Wish" charitable foundation during each Christmas season. We have also participated in other local communal initiatives by financially supporting a running event, the installation of an ice skating rink, a party for the Swiss national day and "meet your local producer" events.

In 2023, Swissquote launched its first Impact Investing certificate, targeting companies with strong dividend yield potential and robust ESG credentials. Half of the generated dividends fund sustainable development initiatives focused on health, education, economic progress, or renewable energy, directly impacting underprivileged communities. As investment increases, so does the number of projects supported. The first project sponsored is Santé Solaire of Solafrica, a Swiss not-for-profit organisation, with Swissquote donating CHF 30,000 to increase access to sustainable energy in economically disadvantaged regions. This initiative aligns with our commitment to social engagement and tangible contributions to global sustainable development.

Following the earthquakes that occurred in Turkey and Syria in early 2023, Swissquote has contributed with a donation of CHF 100,000 to Swiss Solidarity (La Chaîne du Bonheur) that is providing immediate aid to the populations directly affected by these disasters. Furthermore, we have leveraged our communication channels (i.e., websites, social media) to facilitate donations from our customers. This action helped to raise over 5,500 CHF through our "Together for Turkey and Syria" campaign.

We are also committed to supplying free menstrual health products and have therefore installed sanitary product distributors at the restrooms of our headquarters. Over the past year, more than 6,000 products were used by the employees. This action may be extended to further locations in the future.

In Luxembourg, our Corporate Social Responsibility Committee concentrates its actions around four pillars: Health and education, Environment, Community support and Fair economy. In 2023, the Committee supported 14 different actions, such as the participation of six employees in the charity run "LëtZ Go Gold" to raise money to fight childhood cancer, a donation to the Red Cross Luxembourg to support their actions with regards to the earthquake victims in Turkey, Morocco, and Syria as well as the collection of food and hygiene/wellbeing products for a homeless shelter opened during winter.

# Sustainability Report

## How We Manage Social Engagements

Our corporate citizenship efforts are centred on fostering education and innovation, alongside supporting causes important to our employees, such as local cultural enrichment, eco-friendly transportation, and poverty alleviation.

In Luxembourg, we established a Corporate Social Responsibility Committee dedicated to actively organising activities that support local communities, improve the workplace and employee wellbeing, and positively impact the environment. The Committee is composed of six volunteering employees from different departments, including representatives from management.

In Switzerland, 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 trustbuilding technologies, building on state-of-the-art research at EPFL and beyond.

## Performance Indicators

In line with our commitment to our local community in Gland, we donated in 2023 CHF 18,858 to fund a Publibike electric bike station in Gland and an additional CHF 8,643 to gift annual Publibike Business subscriptions to 321 employees at our headquarters. We also donated over CHF 130,000 to Swiss not-for-profit organisations as well as CHF 400,000 to the EPFL. Finally, we continued to support various local initiatives throughout the year in Gland and region, donating a total of CHF 27,816 **GRI 203-1**.

We were pleased to see our commitment towards education materialise into a 100% conversion rate to fix hire for our Tech Talent Academy.

	2023	2022
Tech Talent Academy conversion rate to fix hire	100%	80%

Through the joint venture Yuh, Swissquote offers banking services to the population with a lower income (i.e., low fees, no hidden costs). Moreover, we are committed to provide free educational content and knowledge sharing **GRI 203-2**.

We are active in community engagement, impact assessments, and development programmes at our locations that make up more than 90% of our total workforce **GRI 413-1**.

» **Further details can be found in the section on Talent Recruitment, Development, and Retention, and Innovation and Access to Finance**



# How we address environmental responsibility

Every business can help address climate change by reducing greenhouse gas emissions and waste. 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.

## ENERGY USE AND CLIMATE RESILIENCE

**Using renewable energy and using it efficiently is crucial to gaining climate resilience. We lower the carbon footprint of our operations as well as our investment portfolio. At Swissquote we give particular attention to all three “Rs” of circularity – we aim to reduce waste by digitalising paper flows, we reuse part of our equipment, and we recycle our office waste.**

### Relevance of Energy Use and Climate Resilience (impacts, risks, opportunities)

We are actively pursuing energy efficiency and renewable energy sourcing to diminish our carbon footprint, aiming also to lower our investment portfolios’ emissions and to incorporate climate considerations into our risk management strategy.

Embracing renewable energy can result in more sustainable operations, reduced reliance on fossil fuels while also contributing to carbon footprint reduction, which plays a key role in mitigating climate change. Swissquote’s initiatives in this area could serve as a catalyst for the broader financial industry, fostering awareness and education around

# Sustainability Report

sustainability and strengthening stakeholder relation, while enabling access to finance for impactful ventures may contribute to climate resilience. Our commitment to reducing waste, especially single-use plastics, further alleviates environmental strain and promotes climate resilience.

Our renewable energy sourcing and climate resilience initiatives can enhance Swissquote's reputation, potentially attracting environmentally conscious investors. Conversely, overlooking climate change mitigation and adaptation could result in missed opportunities for sustainable growth and increase the risk of regulatory and reputational challenges.



## GOALS

- » **Achieve net zero scopes 1 and 2 by 2030 by switching to renewable energy where possible and using Renewable Energy Certificates / Energy Attribute Certificates otherwise**
- » **Complete our scope 3 emissions calculation**
- » **Improve the energy efficiency of our headquarters buildings by 10% over 10 years between 2016 and 2026**
- » **Increase our CO<sub>2</sub> savings by approximately 7 tons per year over 10 years between 2016 and 2026**
- » **Choose renewable local energy sources whenever possible and consider this criterion an important decision trigger in future lease agreements.**
- » **Promote usage recycling and reduce waste generated in operations**

## Measures in 2023

In 2023, our IT procurement staff completed a day-long training on green IT procurement to integrate sustainability into their purchasing decisions. The session covered best practices, existing actions, action plan formulation, and interpreting sustainability ratings for IT hardware/software.

Post-training, we have taken commitments like opting for reconditioned phones instead of new ones and organised regular follow-ups throughout the year.

Our Swissquote magazine is printed locally in Switzerland, and we use 100% biodegradable materials for wrapping.

We are also proud to have observed various bottom-up ESG-related initiatives set up by our employees throughout the year, such as the development of a script for Linux users, allowing our software engineering department to automatically shut down computers to reduce energy consumption.

We have also been replacing conventional lighting with LED lighting, which is more sustainable and uses less energy. Currently, over 70% of our overall lighting is provided with LED in our headquarters of Gland and we aim to increase that proportion over the coming years. Since 2023, we are sourcing 100% of the electricity we consume at our headquarters in Gland from a Swiss hydraulic source. During the reporting period, we collected data in order to extend the calculation of our Scope 3 emissions. In the current report, we are disclosing our Scope 3 emissions for the categories of purchased goods and services (Category 1), business travel (Category 6), employee commuting (Category 7) and, for the first time, capital goods (Category 2) and waste generated in operations (Category 5). We will continue to work on our GHG disclosures in the future and the scope and methodology will be refined over time. Throughout 2023, we have also focused on identifying a solution to replace the current gas heating system at one of the building in our headquarters by a less energy intensive solution, which we aim to install in 2024.

During 2023, we extended the scope of the digitalisation initiative launched in 2022 by covering additional internal processes.

In late 2023, the Board of Directors approved our climate strategy, which covers two main goals: managing climate-related financial risks and contributing to the transition to a more sustainable economy. The strategy was designed to guide the company towards the implementation of measures to achieve the previously stated goals. Notably, it contains an objective to achieve net zero scope 1 and 2 by 2030. Net zero scopes 1 and 2 means achieving a balance between emissions and removals of GHGs from the atmosphere for the scopes 1 and 2 GHG emissions as defined by the GHG Protocol Corporate Standard. Scope 1 emissions are direct emissions from owned or controlled sources while Scope 2 emissions are indirect emissions from the generation of purchased energy. We plan to reduce our Scope 1 and 2 emissions to near zero by 2030 by stepping up our efforts to



# Sustainability Report

improve energy efficiency and switching to renewable energy where possible and using Renewable Energy Certificates (RECs) / Energy Attribute Certificates (EACs) otherwise. Indeed, while we plan to engage with landlords in order to try to switch to renewable energy in the offices we rent and will consider energy source as an important criterion in future lease agreements, we will use RECs and EACs in the meantime. A detailed implementation plan will be prepared and disclosed in 2024. Lastly, mindful of their crucial importance, we are committed to complete our Scope 3 emissions calculation to include indirect emissions (not included in scope 2) that occur in our value chain by 2024.

Finally, in 2023, we have included climate risk in our traditional risk management framework by evaluating the financial impact of climate risk on traditional financial risk categories such as credit, market, liquidity and operational and reputational risks. In this context, we performed stress

testing and climate-related scenarios analysis to evaluate the resilience of Swissquote's strategy. Further information are disclosed in our new Task Force on Climate-related Financial Disclosures (TCFD) report.

## Environmental indicators

In comparison to 2022, we fully integrated our fifth location, Dubai, into the data evaluation in 2023. Therefore, the 2023 completeness of data was enhanced. Overall consumption of energy in 2023 was rather stable compared to 2022, despite a 7% increase in FTEs. Taking the increase in FTEs into account, our 2023 consumption was a stark 6% decrease in kWh of energy consumed per FTE. Greenhouse gas emissions were down 10% overall and decreased by 15% per FTE compared with 2022, **GRI 302-1, GRI 302-3, GRI 302-4, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5.**

	2023 <sup>8</sup>	2022	Delta
<b>Total energy consumption in MWh</b>	<b>3,542</b>	<b>3,514</b>	<b>1%</b>
<b>Electricity</b>	<b>2,927</b>	<b>2,979</b>	<b>-2%</b>
Electricity (purchased)	2,908	2,960	-2%
<i>Of which energy consumption from renewable sources</i>	<i>99%</i>	<i>99%</i>	<i>0%</i>
Electricity (self-generated and consumed)	19	19	0%
<i>Of which energy consumption from renewable sources</i>	<i>100%</i>	<i>100%</i>	<i>0%</i>
<b>Heat</b>	<b>561</b>	<b>491</b>	<b>14%</b>
Natural gas	359	361	-1%
Biogas	41	34	21%
Heat pump	129	58	122%
District heating	32	38	-16%
Fuels (petrol/diesel)	54	44	23%
<b>Energy consumption in kWh per FTE</b>	<b>3,338</b>	<b>3,539</b>	<b>-6%</b>
<b>Total paper &amp; waste consumption in tons</b>	<b>276</b>	<b>260</b>	<b>6%</b>
Paper consumption (t)	162	154	5%
Waste (t)	114	106	8%
<b>Paper &amp; waste consumption in t per FTE</b>	<b>0.260</b>	<b>0.262</b>	<b>-1%</b>

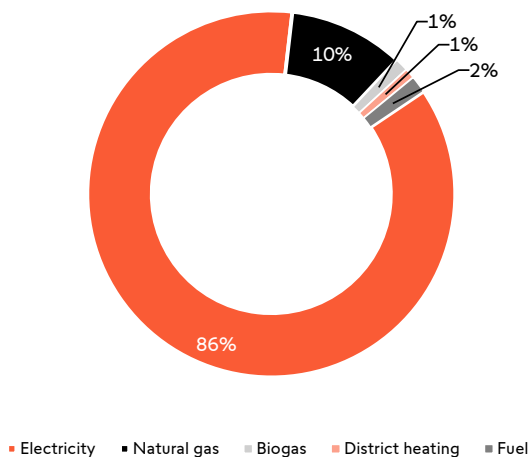
<sup>8</sup> Subject to PwC assurance engagement

# Sustainability Report

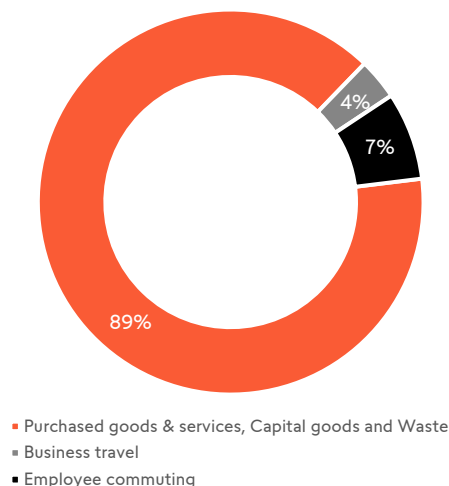
	2023 <sup>9</sup>	2022	Delta
<b>Greenhouse gas emissions in tCO2e</b>	<b>14,930</b>	<b>16,501</b>	<b>-10%</b>
<b>Scope 1</b>	<b>79</b>	<b>77</b>	<b>3%</b>
Natural gas	66	66	0%
Fuels	13	11	18%
<b>Scope 2</b>	<b>34</b>	<b>29</b>	<b>17%</b>
Heat pump	12	4	200%
District heating	6	7	-14%
Electricity (purchased)	16	18	-11%
<b>Scope 3 operational</b>	<b>14,817</b>	<b>16,395</b>	<b>-10%</b>
Purchased goods and services & Capital goods	13,209	14,952	-12%
Waste generated in operations (waste only)	2	2	0%
Business travel	512	312	64%
Employee commuting	1,094	1,129	-3%
<b>Greenhouse gas emissions in kgCO2e per FTE</b>	<b>14,072</b>	<b>16,617</b>	<b>-15%</b>
FTE in locations covered by environmental indicators	1,061	993	7%

Data in the above tables is based on locations in Gland, Zurich, Bern, Luxembourg and Dubai. Greenhouse gas inventory is 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 DEFRA, IEA, Exiobase and MobiTool. Reference is made to the Basis for preparation.

## SHARE OF ENERGY CONSUMPTION, 2023



## SCOPE 3 EMISSIONS BY TYPE, 2023



<sup>9</sup> Subject to PwC assurance engagement

# Sustainability Report

## How We Manage Energy Use and Climate Resilience

Our recycling guidelines are designed to enhance recycling efforts across our offices, reducing paper waste, while our Banking Applications team deployed a digital tool digitalising paper flows. The tool not only helps eliminate the need for printing as regards legal tracking flow, but it also facilitates remote work. All obsolete electronics are sent to SWICO for recycling, and old servers are sold for parts reuse. Finally, we collect most packaging materials, including plastic, cardboard, and expanded polystyrene for recycling.

Located within a five-minute walk from a railway station, our Swiss offices encourage eco-friendly commuting, and we are actively promoting soft mobility for easy access to the Gland site. Electric vehicle charging stations at our premises offer discounted electricity for employees.

We monitor and seek to make our energy consumption more efficient. Since 2016, we have set energy efficiency objectives for our headquarters buildings with the canton of Vaud in Switzerland. In the first seven years since then, we improved significantly and surpassed our 2026 target: increasing the energy efficiency of our headquarters buildings by 10% and reducing our CO<sub>2</sub> consumption by 7 tons every year compared to 2016, despite employing more people and growing our IT infrastructure.

Our environmental progress is confirmed by annual external audits, in line with our agreement with the Canton of Vaud, and for 2023, our environmental initiatives have been evaluated by external auditors at the fiscal year's end.

In 2023, the solar thermal collectors installed in 2013 produced 16 MWh of energy that was used to heat domestic water at our headquarters.

Finally, it is worth noting that sustainable construction features such as energy efficiency and water conservation are planned for the construction of our new headquarter office in Gland. In particular, the building is expected to use energy-efficient technologies such as LED lighting, solar panels, smart building management systems and heating pump. Ventilation will be switched off when spaces such as conference rooms are not used and air quality sensors will adapt ventilation rates to save energy while ensuring high air quality and healthy workspace. Also, rainwater harvesting, allowing usage of collected and stored water for building needs, will help promote water conservation. The new construction will also incorporate green roofs that will offer new habitats for plants and insects that may have lost theirs due to new construction, in order to preserve nature and biodiversity. These investments are expected to cost more than CHF 2.5 million. With the creation of a public park, more trees are expected to be on the site than currently. Concrete parking lots will be limited and built within the building footprint as separated construction would take up additional space instead of natural vegetated land.

## Performance Indicators

For information about financial implications and other risks and opportunities due to climate change, see TCFD Report **GRI 201-2**.

	2023	2022
Percentage of digital workflow in client onboarding	89%	87%

»» Further details can be found in the TCFD Report

# About this Sustainability 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 14 March 2024 and covers the calendar year 2023 (same as for the 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, diversity and composition of the workforce indicators presented on pages 257 and 272 as we extended the scope of our disclosures to include our offices located in Dubai **GRI 2-4**. Unless otherwise stated, the reporting scope comprises all Swiss and foreign undertakings on which we have sole or joint control. 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 the independent practitioner's limited assurance report provided by PricewaterhouseCoopers SA on Selected Non-Financial Disclosures referenced in Article 964b of the Swiss CO, as well as key indicators such as "Composition of the workforce" (on page 257), "Diversity by gender", "Diversity by age group" (on page 266), "Energy consumption" and "Greenhouse gas emissions" (on pages 272 and following). 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 276 and following, **GRI 2-5**.

The Board of Directors of Swissquote Group Holding Ltd approved the Sustainability Report as part of the Annual Report at its meeting on March 13, 2024. The Sustainability Report serves as a report on non-financial matters in accordance with art. 964c para. 1 of the Swiss Code of Obligations.

The contact point for questions regarding the Sustainability Report is Nadja Keller, CEO Assistant/Media

Relations, Swissquote, email: [nadja.keller@swissquote.ch](mailto:nadja.keller@swissquote.ch), **GRI 2-3**.

## Independent practitioner's limited assurance report

### on Selected Indicators and Non-Financial Disclosures in Swissquote Group Holding Ltd's Sustainability Report 2023 to the Board of Directors of Swissquote Group Holding Ltd, Gland.

We have been engaged by the Board of Directors of Swissquote Group Holding Ltd (the "Company") to perform assurance procedures to provide limited assurance on selected indicators 2023 (referred to hereafter as the "Selected Indicators 2023" and summarised in Table A) presented in the 2023 GRI Content Index as well as the selected non-financial Disclosures 2023 as referenced in the Swiss Code of Obligations index table on pages 287-289 applying article 964b paragraph 3 CO (referred to hereafter as "Selected Non-financial Disclosures 2023" and summarised in Table B) included in the section "Sustainability Report" of the Company's Annual Report 2023.

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 2023.

The Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023 were prepared by the Board of Directors of the Company based on its sustainability reporting guidelines, which are based on the "GRI Standards" published in 2021 by the Global Reporting Initiative, the Greenhouse Gas Protocol Initiative Corporate Standards (Revised Edition) (hereafter the "reporting Criteria") as well as the disclosure requirements of Article 964b of the Swiss Code of Obligations ("CO"). The reporting Criteria together with assumptions and estimates are presented and made available in the Basis for preparation section in the Sustainability Report 2023 on the Company's Group website [<https://www.swissquote.com/en/group/investor-relations/sustainability>].

#### Inherent limitations

The accuracy and completeness of the Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023 is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data and non-exhaustive related legal and scientific definitions. In addition, the quantification of sustainability indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g. emissions of different gases. Our assurance report has therefore to be read in connection with the reporting Criteria in the Sustainability Report 2023 used by the Company, its definitions and procedures disclosed in that section.

#### Board of Directors' responsibility

The Board of Directors of Swissquote Group Holding Ltd is responsible for the preparation and presentation of the section in the Sustainability Report 2023 based on the reporting Criteria. This responsibility includes the design, implementation and maintenance of such internal control as the Company's Directors consider necessary to support the preparation and presentation of the Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023 that are free from material misstatement whether due to fraud or error. Furthermore, the Board of Directors of the Company is responsible for the selection and application of the reporting Criteria, including making assumptions and estimates, and adequate record keeping.

PricewaterhouseCoopers SA, avenue C.-F. Ramuz 45, case postale, CH-1001 Lausanne, Switzerland  
Téléphone: +41 58 792 81 00, Téléfax: +41 58 792 81 10, [www.pwc.ch](http://www.pwc.ch)

PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

### **Independence and quality management**

We are independent of the Company 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) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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 express a conclusion with limited assurance on the Selected Indicators 2023 (Table A) as well as the Selected Non-Financial Disclosures 2023 (Table B) for the year ended 31 December 2023. We conducted our limited assurance 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 with ISAE 3410, "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Selected Indicators 2023 (Table A) as well as the Selected Non-Financial Disclosures 2023 (Table B) for the year ended 31 December 2023 are not prepared, in all material respects, in accordance with the related reporting 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.

### **Summary of the work performed**

We performed the following procedures:

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement.
- Assessing the suitability in the circumstances of the Company's use of the reporting Criteria, applied as explained in the "Basis for preparation" for the preparation of the Selected Indicators 2023 (Table A) and Selected Non-Financial Disclosures 2023 (Table B).
- Assessment of the presentation of the business model and of the description of the main risks associated with all the consolidated entities' activities, including where relevant and proportionate, of the risks associated with their business relationships, their products or services, against the related reporting Criteria.
- Identification of risks of material misstatement in the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).
- Inspecting relevant documentation related to the preparation of the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B) and their application against the related reporting Criteria.
- Interviewing representatives at Group level responsible for the data collection and reporting as well as other stakeholders involved in the reporting process.
- Performing tests on a sample basis of evidence supporting the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).
- Reperformance of relevant calculations.
- Reconciliation of data sources with financial reporting data and other underlying records.
- Assessment of the presentation of the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).

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

### Conclusion

Based on the procedures we performed, and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Indicators 2023 (Table A) as well as the Selected Non-Financial Disclosures 2023 (Table B) as referenced in the Swiss Code of Obligations index table applying article 964b paragraph 3 CO for the year ended 31 December 2023 in the section "Sustainability Report" of the Swissquote Group Holding Ltd's Annual Report 2023 are not prepared, in all material respects, in accordance with the related reporting Criteria.

### Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of the Swissquote Group Holding Ltd, and solely for the purpose of reporting to them on the result of our assurance engagement and no other purpose. We will 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 might be used, or to any other person to whom our report is shown or into whose hands it might 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 Basis for Preparation, 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 2023 and the Selected Non-Financial Disclosures 2023, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the Board of the Swissquote Group Holding Ltd for our work or this report.

PricewaterhouseCoopers SA



Christophe Kratzer



Erol Baruh

Gland, 13 March 2024

### Enclosures:

- Annex 1: Selected Indicators 2023 summarized in Table A
- Annex 2: Selected Non-Financial Disclosures 2023 summarized in Table B

*"The maintenance and integrity of the Swissquote Group Holding Ltd's website and its content are the responsibility of the Swissquote Group Holding Ltd's management; 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 2023, the Selected Non-Financial Disclosures 2023 or the Basis for Preparation since they were initially presented on the Swissquote Group Holding Ltd's website."*

**Table A**  
**Selected Indicators 2023**

Subject Matter Information	GRI Disclosures reference	Page
Composition of the workforce	2-7	257
Workers who are not employees	2-8	243
Communication and training about anti-corruption policies and procedures	205-2	249
Confirmed incidents of corruption and actions taken	205-3	250
Total energy consumption	302-1	272
Energy intensity	302-3	272
Greenhouse gas emissions, including scope 1, scope 2 and scope 3 (cat. 1, 2, 5, 6 and 7) and GHG emissions intensity	305-1 305-2 305-3 305-4	273
Employee turnover	401-1	260
Average hours of training that the organisation's employees have undertaken during the reporting period, by employee category	404-1	260
Percentage of employees receiving regular performance and career development reviews	404-3	260
Diversity by gender and by age group	405-1	266
Ratio of basic salary and remuneration of women to men	405-2	265



**Table B - Selected Non-Financial Disclosures 2023**

<b>Subject Matter Information</b>	<b>Reference</b>
<b>General aspects</b>	
<b>Description of the business model (art. 964b, al. 2, ch.1 CO)</b>	
Organizational details	GRI 2-1
Activities, value chain and other business relationships	GRI 2-6
Employees	GRI 2-7
Workers who are not employees	GRI 2-8
Statement on sustainable development strategy	GRI 2-22
Membership associations	GRI 2-28
<b>Description of the main risks (art. 964b, al. 2, ch. 4 CO)</b>	
Process to determine material topics	GRI 3-1
List of material topics	GRI 3-2
Management of material topics	GRI 3-3 (b)
Role of the highest governance body in overseeing the management of impacts	GRI 2-12
Delegation of responsibility for managing impacts	GRI 2-13
<b>Environmental matters</b>	
<b>Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)</b>	
Management of material topics	GRI 3-3 (c)
<b>Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)</b>	
Management of material topics	GRI 3-3 (d); (e) (i)
<b>Key performance indicators (art. 964b, al.2, ch. 5 CO)</b>	
Energy consumption within the organisation	GRI 302-1
Energy intensity	GRI 302-3
Direct (Scope 1) GHG emissions	GRI 305-1
Energy indirect (Scope 2) GHG emissions	GRI 305-2
Other indirect (Scope 3) GHG emissions	GRI 305-3
GHG emissions intensity	GRI 305-4
<b>Employee-related matters</b>	
<b>Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)</b>	
Management of material topics	GRI 3-3 (c)
<b>Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)</b>	
Management of material topics	GRI 3-3 (d); (e) (i)
<b>Key performance indicators (art. 964b, al.2, ch. 5 CO)</b>	
New employee hires and employee turnover	GRI 401-1
Benefits provided to full-time employees that are not provided to temporary or part-time employees	GRI 401-2
Average hours of training that the organisation's employees have undertaken during the reporting period, by gender and employee category	GRI 404-1

Programs for upgrading employee skills and transition assistance programs	GRI 404-2
Percentage of employees receiving regular performance and career development reviews	GRI 404-3
Diversity of governance bodies and employees	GRI 405-1
Ratio of basic salary and remuneration of women to men	GRI 405-2
Governance structure and composition	GRI 2-9
Nomination and selection of the highest governance body	GRI 2-10
<b>Social matters</b>	
<b>Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)</b>	
Management of material topics	GRI 3-3 (c)
<b>Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)</b>	
Management of material topics	GRI 3-3 (d); (e) (i)
<b>Key performance indicators (art. 964b, al.2, ch. 5 CO)</b>	
Direct economic value generated and distributed	GRI 201-1
Defined benefit plan obligations and other retirement plans	GRI 201-3
Infrastructure investments and services supported	GRI 203-1
<b>Combating corruption</b>	
<b>Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)</b>	
Management of material topics	GRI 3-3 (c)
<b>Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)</b>	
Management of material topics	GRI 3-3 (d); (e) (i)
<b>Key performance indicators (art. 964b, al.2, ch. 5 CO)</b>	
Communication and training about anti-corruption policies and procedures	GRI 205-2
Confirmed incidents of corruption and actions taken	GRI 205-3

# GRI Content Index

Swissquote has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.



		Page	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
<b>GRI 1 used</b>	GRI 1: Foundation 2021		
<b>Applicable GRI Sector Standard(s)</b>	None		
<b>General Disclosures</b>			
<b>THE ORGANIZATION AND ITS REPORTING PRACTICES</b>			
GRI 2: General Disclosures 2021	2-1 Organizational details	275	
	2-2 Entities included in the organization's sustainability reporting	275	
	2-3 Reporting period, frequency and contact point	275	
	2-4 Restatements of information	275	
	2-5 External assurance	275	
<b>ACTIVITIES AND WORKERS</b>			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	26-30, 231	
	2-7 Employees	257	
	2-8 Workers who are not employees	243	

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## GOVERNANCE

GRI 2:	2-9 Governance structure and composition	228	
General Disclosures 2021	2-10 Nomination and selection of the highest governance body	228	
	2-11 Chair of the highest governance body	228	
	2-12 Role of the highest governance body in overseeing the management of impacts	228, 250	
	2-13 Delegation of responsibility for managing impacts	228	
	2-14 Role of the highest governance body in sustainability reporting	229	
	2-15 Conflicts of interest	228	
	2-16 Communication of critical concerns	250	
	2-17 Collective knowledge of the highest governance body	228	
	2-18 Evaluation of the performance of the highest governance body	157	
	2-19 Remuneration policies	228	
	2-20 Process to determine remuneration	228	
	2-21 Annual total compensation ratio	210	

## STRATEGY, POLICIES AND PRACTICES

GRI 2:	2-22 Statement on sustainable development strategy	13, 226	
General Disclosures 2021	2-23 Policy commitments	249	
	2-24 Embedding policy commitments	248, 249, 250	
	2-25 Processes to remediate negative impacts	228	
	2-26 Mechanisms for seeking advice and raising concerns	250	
	2-27 Compliance with laws and regulations	249	
	2-28 Membership associations	232	

## STAKEHOLDER ENGAGEMENT

GRI 2:	2-29 Approach to stakeholder engagement	231	
General Disclosures 2021	2-30 Collective bargaining agreements	264	

## Material Topics

GRI Standard	Disclosure	Page	Omission (Requirements omitted (RO), Reason (R), Explanation (E))
GRI 3:	3-1 Process to determine material topics	229	
Material Topics 2021	3-2 List of material topics	229, 230	

## CUSTOMER EXPERIENCE

GRI 3:	3-3 Management of material topics	233-235	
Material Topics 2021			
Own indicator	Net promoter score	235	
Own indicator	IPSOS score	234	
Own indicator	Inbound calls	235	

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## DATA PRIVACY AND SECURITY

GRI 3: Material Topics 2021	3-3 Management of material topics	236-238
GRI 418: Customer Privacy-2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	238

## BUSINESS CONTINUITY AND IT RESILIENCE

GRI 3: Material Topics 2021	3-3 Management of material topics	238- 239
Own indicator	Availability of the e-trading application	239

## PRODUCT GOVERNANCE

GRI 3: Material Topics 2021	3-3 Management of material topics	240-243
Own indicator	FTEs dedicated to technology	243
Own indicator	App ratings	243
Own indicator	Percentage of total theme trading AuM invested in "Sustainability & Impact Investing focus" certificates	243

## INNOVATION AND ACCESS TO FINANCE

GRI 3: Material Topics 2021	3-3 Management of material topics	243- 245
Own indicator	Total number of online tradable securities	245

## FINANCIAL PERFORMANCE

GRI 3: Material Topics 2021	3-3 Management of material topics	246-248
GRI 201: Economic Performance 2016	201-1 Direct economic value generated	248
	201-4 Financial assistance received from government	248

## COMPLIANCE, GOVERNANCE AND ETHICS

GRI 3: Material Topics 2021	3-3 Management of material topics	248-250
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	250
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# Swiss Code of Obligations index

Selected Non-Financial disclosures included in the section “Sustainability Report” of the Company’s Annual Report 2023 for the period from 1 January to 31 December 2023 and referenced in the Art. 964b CO index table 2023 based on the GRI Standards, the Greenhouse Gas Protocol Initiative Corporate Standards (Revised Edition) and the disclosure requirements of Article 964b of the Swiss Code of Obligations.

Subject Matter Information	Section	GRI Disclosures reference
<b>GENERAL ASPECTS</b>		
<b>Description of the business model (Art. 964b, al. 2, ch.1 CO)</b>		
Organisational details	About this Report	GRI 2-1
Activities, value chain and other business relationships	Business model (Annual Report), Scope of operations of the Group and reportable segments (Financial Report), Stakeholder Engagement	GRI 2-6
Employees	Talent Recruitment, Development, and Retention	GRI 2-7
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Membership associations	Stakeholder Engagement	GRI 2-28
<b>Description of the main risks (Art. 964b, al. 2, ch. 4 CO)</b>		
Process to determine material topics	Materiality Assessment	GRI 3-1
List of material topics	Materiality Assessment	GRI 3-2
Management of material topics	Sustainability Report	GRI 3-3 (b)
Role of the highest governance body in overseeing the management of impacts	General information	GRI 2-12
Delegation of responsibility for managing impacts	General information	GRI 2-13
<b>ENVIRONMENTAL MATTERS</b>		
<b>Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)</b>		
Management of material topics	Energy Use and Climate Resilience	GRI 3-3 (c)
<b>Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)</b>		
Management of material topics	Energy Use and Climate Resilience	GRI 3-3 (d); (e) (i)
<b>Key performance indicators (Art. 964b, al.2, ch. 5 CO)</b>		
Energy consumption within the organization	Energy Use and Climate Resilience	GRI 302-1
Direct (Scope 1) GHG emissions	Energy Use and Climate Resilience	GRI 305-1
Energy indirect (Scope 2) GHG emissions	Energy Use and Climate Resilience	GRI 305-2
Other indirect (Scope 3) GHG emissions	Energy Use and Climate Resilience	GRI 305-3



# Sustainability Report

GHG emissions intensity	Energy Use and Climate Resilience	GRI 305-4
Reduction of GHG emissions	Energy Use and Climate Resilience	GRI 305-5
Climate disclosures based on the recommendations of the TCFD	TCFD report (not assured)	
<b>EMPLOYEE-RELATED MATTERS</b>		
<b>Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)</b>		
Management of material topics	Talent Recruitment, Development, and Retention Compensation and Benefits Talent Recruitment, Development, and Retention	GRI 3-3 (c)
<b>Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)</b>		
Management of material topics	Talent Recruitment, Development, and Retention Compensation and Benefits Talent Recruitment, Development, and Retention	GRI 3-3 (d); (e) (i)
<b>Key performance indicators (Art. 964b, al.2, ch. 5 CO)</b>		
New employee hires and employee turnover	Talent Recruitment, Development, and Retention	GRI 401-1
Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits	GRI 401-2
Average hours of training that the organization's employees have undertaken during the reporting period, by gender and employee category	Talent Recruitment, Development, and Retention	GRI 404-1
Programs for upgrading employee skills and transition assistance programs	Talent Recruitment, Development, and Retention	GRI 404-2
Percentage of employees receiving regular performance and career development reviews	Talent Recruitment, Development, and Retention	GRI 404-3
Diversity of governance bodies and employees	Diversity, Equity and Inclusion	GRI 405-1
Ratio of basic salary and remuneration of women to men	Diversity, Equity and Inclusion	GRI 405-2
Governance structure and composition	General information	GRI 2-9
Nomination and selection of the highest governance body	General information	GRI 2-10
<b>SOCIAL MATTERS</b>		
<b>Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)</b>		
Management of material topics	Social Engagements, Prudent Investment Approach, Compliance, Governance and Ethics, Innovation and Access to Finance, Product Governance, Data Privacy and Security, Diversity, Equity and Inclusion	GRI 3-3 (c)
<b>Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)</b>		
Management of material topics	Social Engagements	GRI 3-3 (d); (e) (i)
<b>Key performance indicators (Art. 964b, al.2, ch. 5 CO)</b>		
Direct economic value generated and distributed	Financial Performance	GRI 201-1
Defined benefit plan obligations and other retirement plans	Compensation and Benefits	GRI 201-3
Infrastructure investments and services supported	Social Engagements	GRI 203-1
<b>RESPECT FOR HUMAN RIGHTS</b>		
<b>Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)</b>		
Management of material topics	Protection of Human Rights	GRI 3-3 (c)
<b>Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)</b>		
Management of material topics	Protection of Human Rights	GRI 3-3 (d); (e) (i)
<b>Key performance indicators (Art. 964b, al.2, ch. 5 CO)</b>		

# Sustainability Report

## COMBATING CORRUPTION

<b>Policies adopted, including the due diligence applied (Art. 964b, al. 2, ch. 2 CO)</b>		
Management of material topics	Compliance, Governance and Ethics	GRI 3-3 (c)
<b>Measures taken to implement these policies (Art. 964b, al. 2, ch. 3 CO)</b>		
Management of material topics	Compliance, Governance and Ethics	GRI 3-3 (d); (e) (i)
<b>Key performance indicators (Art. 964b, al.2, ch. 5 CO)</b>		
Communication and training about anti-corruption policies and procedures	Compliance, Governance and Ethics	GRI 205-2
Confirmed incidents of corruption and actions taken	Compliance, Governance and Ethics	GRI 205-3

# Taskforce on Climate-related Financial Disclosures report

TCFD Recommendations	Answers:	Reference:
<b>GOVERNANCE</b>		
a) How Swissquote's Board oversees climate-related risks and opportunities	<p>Swissquote's Board of Directors is ultimately responsible to oversee all environmental, social and governance (ESG) matters, including climate-related risks and opportunities. The Board of Directors as "a whole" is responsible for Sustainability matters. While there is no dedicated ESG committee, it is worth noting that:</p> <ul style="list-style-type: none"> <li>- As part of its activities, the <b>Audit &amp; Risk Committee</b> closely follows climate-related risks, in particular with respect to any disclosures in the Sustainability Report</li> <li>- The <b>Nomination &amp; Remuneration Committee</b> closely follows up on the achievement of annual objectives set to the Executive Management and indirectly employees eligible for cash bonus. These objectives comprise ESG-related objectives.</li> </ul> <p>The Board of Directors delegates the duties of implementing the business strategy, the climate strategy and the climate risk management framework to the Executive Management, which reports back to the Board of Directors when appropriate (but at least annually). The Chair ensures that all relevant matters are part of the Board meeting agenda and subject to an appropriate follow-up.</p> <p>Climate-related topics are mainly presented to the Board of Directors during the Strategy Board meeting and the Annual Conference on Risks (except if circumstances may require it differently). Any key sustainability and climate-related elements, which have a strategic component are submitted to the Board of Directors, reviewed and finally approved by this body.</p> <p>Additionally, at the beginning of each calendar year, the Board of Directors approves the Sustainability Report as part of the annual reporting process before it is published (and as the Board of Directors does for the financial reporting). The Board of Directors has decided that the Sustainability Report should include an external assurance report. In this context, the Board of Directors reviews annually any recommendations that could be raised by the auditors (management letter).</p> <p>The Board of Directors supervises performance related to annual objectives of the Executive Management and indirectly employees eligible for a cash bonus. The objectives set are classified in three categories:</p> <ul style="list-style-type: none"> <li>- Financial objectives (60%),</li> <li>- Growth objectives (25%) and</li> <li>- ESG objectives (15%).</li> </ul>	<p>For more information on the ESG oversight of the Board of Directors, see Corporate Governance Report pages 158</p> <p>For more information on the remuneration policy, see</p> <ul style="list-style-type: none"> <li>- Page 193</li> <li>- Page 199</li> </ul> <p>For more information on the materiality assessment, see Sustainability Report page 229.</p>

# Sustainability Report

## TCFD report

TCFD Recommendations	Answers:	Reference:
b) How Swissquote's management assesses and manages climate-related risks and opportunities	<p>The ESG objectives, which are by definition non-financial objectives, are derived from the materiality assessment and can typically, but not exclusively, cover climate-related objectives.</p> <p>The Board of Directors defines the Group sustainability strategy, including the climate strategy. The Executive Management is in charge of its implementation in accordance with guidance received from the Board of Directors and formally submits key sustainability and climate-related decisions for review and approval by the Board of Directors.</p> <p>The climate strategy covers two areas:</p> <ul style="list-style-type: none"> <li>– The management of climate-related risk, not only in order to protect own assets of the Group but also in order to help customers navigate through the challenges of climate-related risks.</li> <li>– The contribution to the transition to a more sustainable economy by favouring not only own capital allocation but also customers' capital allocation towards more responsible investments and reducing the climate impact of our operations.</li> </ul> <p>A cross-departmental working group is in charge of assisting the Executive Management with the implementation of the strategy. It comprises members of the management and employees from various departments such as Finance, Human Resources, Legal, Controlling and Risk, Asset and Liability Management and Treasury, Marketing, Product Strategy, IT &amp; Security, Software engineering, Data Management, Building &amp; Support, and Investor Relations. The Executive Management oversees the progress made on the climate strategy.</p> <p>In addition, Swissquote reviews and identifies the materiality of new and existing ESG topics with the support of consultants at least every third year or more often when commended by external events or circumstances. The process is coordinated by the Finance department and under the direct supervision of the Chief Financial Officer (CFO). The materiality assessment is submitted for review and approved by the Board of Directors.</p> <p>This climate risk management framework is built on the principle that climate-related risks are drivers of the existing risk categories (credit risk, market risk, operational risk and liquidity risk). The Controlling and Risk department, under the supervision of the Chief Risk Officer (CRO), ensures that sustainability and climate-related risks are integrated into our existing risk framework. In particular, all risk types are reassessed annually to include potential impacts of sustainability or climate-related risks. Finally, the Executive Management with the assistance of the Controlling and Risk department is in charge of the implementation of the "climate risk management framework", which was approved by the Board of Directors in 2023.</p>	For more information on Swissquote's climate strategy, see "Strategy" in this report (page 291 and following)
<b>STRATEGY</b>		
a) Climate-related risks and opportunities (short, medium, and long-term).	Swissquote applies the TCFD recommendations to identify climate-related physical and transitional risks that may affect us over a short to medium term and a long to very long-term horizon. Considering the nature of its business and the internal framework in place, Swissquote is expected to be less affected by climate-related risks than other financial institutions that may have a traditional banking business model (especially those having large commercial lending/corporate loan business or that are active in trade finance). While we assess potential effects in the short to medium term as limited, we recognise the challenges that may arise from climate change and the importance of considering climate-related risks and opportunities to ensure the resilience of our business model in the long to very long-term.	

# Sustainability Report

## TCFD report

TCFD Recommendations	Answers:	Reference:										
	<p>The time horizons that apply for Swissquote are as follows:</p> <table border="1"><thead><tr><th>Time horizon</th><th>Definition</th></tr></thead><tbody><tr><td>Short-term</td><td>One year</td></tr><tr><td>Medium-term</td><td>Two to five years</td></tr><tr><td>Long-term</td><td>Six to ten years, which covers the maximum duration of our investments so that portfolio can be fully adjusted within this timeframe if required.</td></tr><tr><td>Very long-term</td><td>Eleven years and beyond</td></tr></tbody></table>	Time horizon	Definition	Short-term	One year	Medium-term	Two to five years	Long-term	Six to ten years, which covers the maximum duration of our investments so that portfolio can be fully adjusted within this timeframe if required.	Very long-term	Eleven years and beyond	
Time horizon	Definition											
Short-term	One year											
Medium-term	Two to five years											
Long-term	Six to ten years, which covers the maximum duration of our investments so that portfolio can be fully adjusted within this timeframe if required.											
Very long-term	Eleven years and beyond											
	<p><b>RISKS</b></p> <p>Swissquote's assessment shows that climate-related risk drivers can be captured by traditional financial risk categories. For that reason, the Group regularly assesses how to properly incorporate climate-related financial risks into the existing framework. The Group will also continuously develop its capacity and expertise in relation to climate-related financial risks. For the time being, the following observations and responses have been formulated:</p> <p>There are mainly four of the traditional risk categories that could be impacted either by transition risks (policy changes, technology progress, changes in behaviour/client demand) or physical risks (acute risk of extreme weather events and chronic risk of different weather patterns). These categories are the following ones:</p> <p><b>Credit risk:</b></p> <ul style="list-style-type: none"><li>– Transitions or physical risks might typically increase credit risk arising from our own balance sheet management activities (e.g., Investment securities and Lombard loans).</li><li>– In this context, some climate-related risk drivers have been integrated across own investing and Lombard loans activities of the Group.</li></ul> <p><b>Market risk:</b></p> <ul style="list-style-type: none"><li>– Overall, in line with its business model and risk management strategy, the net market risk exposure of the Group is assessed as low.</li><li>– That being said, physical risks might for example result in increased market risk in our balance sheet management, especially with extreme market movements.</li></ul> <p><b>Operational and reputational risk:</b></p> <ul style="list-style-type: none"><li>– Transition risks could materialise in increased regulatory risk from new climate-related regulations.</li><li>– In addition, damage to physical assets, employment and workplace security as well as business interruptions and system failures because of climate-related physical risks should not be under-estimated.</li><li>– The importance of assessing reputational risks and opportunities stemming from environmental (including climate-related) and social factors has become increasingly important for companies due to the rising awareness of climate change issues and the heightened attention they receive from all stakeholders (e.g., offering products with heavy environmental impacts).</li></ul> <p><b>Liquidity risk:</b></p> <ul style="list-style-type: none"><li>– Increased liquidity risk in the balance sheet management coming from potential stress/additional drawdown from customers in certain geographies or sensitive sectors in response to a climate-related risk event in the short to medium term.</li></ul> <p>Overall, while there is still progress to be made in refining the risk management approach to better integrate climate-related risks, our risk framework now takes into account the fact that climate change increases the probability of extreme scenario happening concurrently.</p>											

# Sustainability Report

## TCFD report

TCFD Recommendations	Answers:	Reference:				
	<p><b>OPPORTUNITIES</b></p> <p>Swissquote identified a few opportunities in its capacity of:</p> <ul style="list-style-type: none"> <li>– A standalone company: reducing our operational footprint could result both in an improvement of our profitability and a higher climate resilience of our organisation in the long to very long term.</li> <li>– An employer: attracting and retaining employees that are sensitive to climate and/or sustainability topics and thus appreciate Swissquote’s climate policy and practices.</li> <li>– A commercial business model: improving our offering of innovative ESG products and services as well as proposing Theme Trading products related to sustainability and Impact investing. Indeed, certain assets perceivably positioned to benefit from climate change might have strong performance in the future. Hence, we aim at allowing our clients to seize climate-related investment opportunities.</li> </ul>					
<p>b) Impact of climate-related risks and opportunities on Swissquote’s business, strategy, and financial planning</p>	<p>Swissquote’s climate strategy was approved in 2023 and focuses on two axes:</p> <ol style="list-style-type: none"> <li>1. Managing climate-related financial risks</li> <li>2. Contribute to the transition to a more sustainable economy</li> </ol> <p>While the current strategy is described hereafter, it is worth mentioning that further initiatives will be elaborated in the future.</p>					
	<p><b>Manage climate-related financial risks</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="394 864 742 923" style="width: 50%;">Help our clients to navigate through the challenges of climate risks</th> <th data-bbox="742 864 1100 923" style="width: 50%;">Protect our own assets</th> </tr> </thead> <tbody> <tr> <td data-bbox="394 923 742 1021"> <ul style="list-style-type: none"> <li>– Offer innovative ESG products and services</li> <li>– Propose free educational content on ESG topics</li> </ul> </td> <td data-bbox="742 923 1100 1021"> <ul style="list-style-type: none"> <li>– Integrate climate-related risk considerations into the Group Risk management framework (“Climate risk management framework”)</li> </ul> </td> </tr> </tbody> </table>	Help our clients to navigate through the challenges of climate risks	Protect our own assets	<ul style="list-style-type: none"> <li>– Offer innovative ESG products and services</li> <li>– Propose free educational content on ESG topics</li> </ul>	<ul style="list-style-type: none"> <li>– Integrate climate-related risk considerations into the Group Risk management framework (“Climate risk management framework”)</li> </ul>	
Help our clients to navigate through the challenges of climate risks	Protect our own assets					
<ul style="list-style-type: none"> <li>– Offer innovative ESG products and services</li> <li>– Propose free educational content on ESG topics</li> </ul>	<ul style="list-style-type: none"> <li>– Integrate climate-related risk considerations into the Group Risk management framework (“Climate risk management framework”)</li> </ul>					
	<p><b>Business:</b> Swissquote’s customers are typically self-directed clients who take their own investment decisions. Our objective is to help them navigate through the challenges of climate-related risks. By offering innovative ESG products and services such as ESG tools allowing them to assess companies from a non-financial angle, we enable our clients to have a more holistic view to make their investment decisions (e.g., display of ESG scores and detailed performance on greenhouse gas (GHG) emissions, filtering capabilities to avoid controversial industries such as fossil fuel). We aim to enable our clients to identify the climate-related investment opportunities thanks to the technology offered in our platform and the free educational content on ESG topics.</p> <p><b>Strategy:</b> Our specific business model and scope of activity imply limited credit and market exposure. When it comes to protecting our own assets, we have integrated climate-related risk considerations into our risk management framework. Overall, the strong diversification of our investments required by our Risk Management Policy and the exclusion rules for controversial sectors (e.g., coal, oil sands) defined in our Responsible Investment Policy ensure limited climate-related risks (i.e., no concentrations of investments that might be exposed to carbon-related risks).</p> <p><b>Financial/capital planning:</b> Identifying, mitigating, and managing potential risks that climate change may pose is central to a proper financial/capital planning. Physical risks can result in material financial losses, impairing the creditworthiness of underlying invested assets. Transition risks can lead to unexpected technological developments and disrupt business models. Such elements are taken into consideration when assessing the level of buffers reflected the capital planning process.</p>	<p>See notes to the consolidated financial statements, Section II: Scope of operations of the Group and reportable segments pages 27 – 30 of our Financial Report</p> <p>See note on Client assets and Assets under management of our Financial Report page 116</p>				

# Sustainability Report

TCFD report

TCFD Recommendations	Answers:	Reference:
	<b>Contribute to the transition to a more sustainable economy</b>	
	<b>Reduce the climate impact of our operations</b>	<b>Favour capital allocation towards responsible investments</b>
	<ul style="list-style-type: none"> <li>– Achieve net zero scopes 1 and 2 by 2030 by switching to renewable energy where possible and using Renewable Energy Certificates / Energy Attribute Certificates otherwise</li> <li>– Improve energy efficiency and promote usage recycling</li> <li>– Encourage use of public transportation / reduce business travel emissions</li> <li>– Complete scope 3 disclosures for own operations</li> </ul>	<ul style="list-style-type: none"> <li>– Offer Theme Trading products related to sustainability and impact investing</li> <li>– Encourage investment in sustainable products through our Responsible Investment Policy and responsible lending practices</li> <li>– Increase allocation of own investments in thematic and impact investing by minimum 100% by 2030</li> <li>– Complete scope 3 Category 15 disclosures for financed emissions</li> </ul>

Swissquote is committed to reducing the climate impact of its own operations. This is accomplished in particular by measures and capital expenditures that aim at improving energy efficiency and favour the usage of renewable energy. Further information is disclosed in the environmental part of our Sustainability Report.

As all financial institutions, we recognise the role we can play in favouring capital allocation towards responsible investments and catalysing the transition to a low carbon economy. The broad investment universe available in our platform allows investments in companies positioned to benefit from the challenges of climate change. We also offer Theme Trading products related to sustainability and impact investing. In particular, we offer our clients investment strategies focusing on relevant climate-related themes (e.g., recycling, green energy, sustainable energy, decarbonisation, eMobility and hydrogen themes).

In addition to the Responsible Investment Policy for own investments implemented in 2022, Swissquote became a member of the Institutional Investors Group on Climate Change (IIGCC) in 2023, whose mission focuses on bringing the investment community together to make significant progress towards a net zero and climate resilient future by 2030. Swissquote in particular committed to increasing its allocation of own investments in thematic and impact investing by minimum 100% by 2030. It is also worth noting that we have implemented responsible lending practices for our Lombard loan business (focusing on offering leverage to our clients based on the quality of their securities portfolio deposited with Swissquote). In particular, we incentivise clients making responsible investments by offering pledge rates bonuses on securities having favourable ESG scores.

See Energy Use and Climate Resilience section of the Sustainability Report (pages 270-274)

Swissquote Responsible Investment Guidelines can be found in the Corporate documents under the Investor Relations section of the Swissquote website

# Sustainability Report

## TCFD report

<b>TCFD Recommendations</b>	<b>Answers:</b>	<b>Reference:</b>
c) Resilience of Swissquote's strategy (considering different climate-related scenarios, including a 2°C or lower scenario)	<p><b>Approach</b></p> <p>For its first TCFD report, Swissquote focused on evaluating the impact of two specific selected climate-related risk scenarios, which influence both physical risk and transition risk levels.</p> <p>As a first step, the focus was made on the implementation of a qualitative scenario. We strive to further extend the scope of our scenario analysis in the coming years in order to refine our approach and better apprehend the impacts of climate change (i.e., add scenarios and more granular analysis over different time horizons). The future TCFD reports will be updated accordingly.</p> <p>Over short to medium term horizons, the financial impact of these scenarios is estimated as the potential impact on the consolidated equity. In other words, the financial impact indicates the share of the equity value that might be at risk of being lost in the context of the climate-scenario analysis. Climate transition, however, will evolve over decades. Therefore, analysis over a long timeframe aims at assessing the sensitivity of Swissquote's current business to the defined scenario. The result is hence not a precise forecast but is instead used to inform strategic decision-making (e.g., portfolio allocation).</p> <p><b>Selected scenario:</b></p> <p>The main selected scenario is called "Net Zero 2050" as defined by the Network for Greening the Financial System (NGFS). The "Current Policies" scenario was also analysed. The NGFS framework consist of six scenarios that are characterised by their overall level of physical and transition risks. These levels are driven by the level of policy ambition, policy timing, coordination, and technology levers.</p>	<p>Source of the scenario: NGFS: <a href="https://www.ngfs.net/ngfs-scenarios-portal/explore/\$\$">https://www.ngfs.net/ngfs-scenarios-portal/explore/\$\$</a></p>



# Sustainability Report

## TCFD report

TCFD Recommendations	Answers:	Reference:
	<b>SELECTED NGFS SCENARIOS</b>	Net Zero 2050 Current Policies
	<b>BRIEF DESCRIPTION</b>	Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO <sub>2</sub> emissions around 2050. Some jurisdictions such as the US, the EU and Japan reach net zero for all greenhouse gases by this point. Current Policies assume that only currently implemented policies are preserved, leading to high physical risks. This scenario is typically used to consider the long-term physical risks to the economy and financial system on current path to a “hot house world”.
	<b>°C POLICY AMBITION</b>	1.4°C Net CO <sub>2</sub> emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century. 3°C+ Emissions grow until 2080 leading to about 3°C of warming and severe physical risks.
	<b>PHYSICAL RISKS</b>	Relatively low impact on physical risks. As the effects of climate change are limited thanks to ambitious measures, the frequency of extreme weather events does not increase significantly (hence no major impact on insurance premiums and property values). High impact on physical risks. If no further measures are introduced, 3°C or more of warming could occur by 2100. This would likely: - result in deteriorating living condition in parts of the world - lead to some irreversible impacts like sea-level rise - cause increase in exposure to the natural hazards covered in the NGFS suite such as river floods or tropical cyclones and direct damages on physical assets - impact global physical labour productivity, which is projected to decrease by 10% or more in a 3°C world, about three times higher than if warming were limited to 1.5°C. The impact is most pronounced in tropical regions with particularly high impacts in Africa and Asia. Physical risk to the economy could result from disruption to ecosystems, health, infrastructure and supply chains.
	<b>TRANSITION RISKS – POLICY</b>	Immediate and smooth policy reaction with medium regional policy variation. This scenario assumes that ambitious climate policies are introduced immediately, leading to higher transition risks. No policy reaction as only current policies considered, with low regional policy variation.
	<b>TRANSITION RISKS – TECHNOLOGY CHANGE</b>	Fast change in technology. A proliferation of ecological technologies, such as renewable energy and energy-efficient systems, is expected. Slow change in technology.

# Sustainability Report

## TCFD report

TCFD Recommendations	Answers:	Reference:																																							
	<p><b>TRANSITION RISKS -CARBON DIOXIDE REMOVAL (CDR)</b> Medium-high use of carbon dioxide removal. CDR is used to accelerate the decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production</p>	Low use of carbon dioxide removal.																																							
	<p><b>Purpose:</b> The Net Zero 2050 scenario was selected because it represents a significant level of change from a transition perspective (and in particular from a technology perspective).</p> <p>Reaching net zero global CO<sub>2</sub> emissions by 2050 will require an ambitious transition across all sectors of the economy with a key focus on decarbonising the electricity supply, increasing electricity use, increasing energy efficiency, and developing new technologies to tackle hard-to-abate emissions. Therefore, this scenario is relevant to ascertain transition risk from our activities.</p> <p>On the other hand, the Current Policies scenario was considered, as it does imply high impact on physical risks.</p> <p><b>Observations:</b> The below table presents Swissquote's own exposures in the sectors identified by PACTA<sup>9</sup>: power, coal mining, oil &amp; gas upstream sectors, auto manufacturing, cement, steel, and aviation with the shipping industry to be added soon. Collectively, these sectors account for about 75% of global greenhouse gas emissions. As shown below, while those sectors are expected to be the most impacted by transition risk in our scenario analysis, Swissquote only has very limited related exposure from its treasury activities.</p>																																								
	<table border="1"> <thead> <tr> <th style="text-align: left;">Sectors as at 31 December 2023</th> <th style="text-align: right;">Investments from treasury activities in KCHF</th> <th style="text-align: right;">Percentage of total assets</th> </tr> </thead> <tbody> <tr> <td>Power</td> <td style="text-align: right;">37,307</td> <td style="text-align: right;">0.4%</td> </tr> <tr> <td>Coal mining</td> <td style="text-align: right;">3,042</td> <td style="text-align: right;">0.0%</td> </tr> <tr> <td>Oil &amp; gas upstream sectors</td> <td style="text-align: right;">7,321</td> <td style="text-align: right;">0.1%</td> </tr> <tr> <td>Auto manufacturing</td> <td style="text-align: right;">41,066</td> <td style="text-align: right;">0.4%</td> </tr> <tr> <td>Cement</td> <td style="text-align: right;">12,570</td> <td style="text-align: right;">0.1%</td> </tr> <tr> <td>Steel</td> <td style="text-align: right;">2,103</td> <td style="text-align: right;">0.0%</td> </tr> <tr> <td>Shipping industry</td> <td style="text-align: right;">14,530</td> <td style="text-align: right;">0.1%</td> </tr> <tr> <td>Aviation</td> <td style="text-align: right;">464</td> <td style="text-align: right;">0.0%</td> </tr> <tr> <td>Other sectors expected to be more impacted by transition risk (e.g., agriculture and chemicals)</td> <td style="text-align: right;">23,287</td> <td style="text-align: right;">0.2%</td> </tr> <tr> <td>Other sectors expected to be less impacted by transition risk</td> <td style="text-align: right;">8,510,092</td> <td style="text-align: right;">85.4%</td> </tr> <tr> <td>Other assets (not in the scope of treasury activities)</td> <td style="text-align: right;">1,308,007</td> <td style="text-align: right;">13.1%</td> </tr> <tr> <td><b>Total assets</b></td> <td style="text-align: right;"><b>9,959,789</b></td> <td style="text-align: right;"><b>100.0%</b></td> </tr> </tbody> </table>	Sectors as at 31 December 2023	Investments from treasury activities in KCHF	Percentage of total assets	Power	37,307	0.4%	Coal mining	3,042	0.0%	Oil & gas upstream sectors	7,321	0.1%	Auto manufacturing	41,066	0.4%	Cement	12,570	0.1%	Steel	2,103	0.0%	Shipping industry	14,530	0.1%	Aviation	464	0.0%	Other sectors expected to be more impacted by transition risk (e.g., agriculture and chemicals)	23,287	0.2%	Other sectors expected to be less impacted by transition risk	8,510,092	85.4%	Other assets (not in the scope of treasury activities)	1,308,007	13.1%	<b>Total assets</b>	<b>9,959,789</b>	<b>100.0%</b>	
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<sup>9</sup> Paris Agreement Capital Transition Assessment (PACTA) is an open platform to measure whether an investment portfolio aligns with the commitments of the Paris Agreement.

# Sustainability Report

## TCFD report

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**TCFD Recommendations****Answers:****Reference:**

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In addition, deposits from clients exposed to geographies with higher sensitivity to climate-related risks are also analysed. In particular, Swissquote takes into consideration the top 50 countries with less readiness and more vulnerability to Climate events according to the Notre-Dame University's Notre Dame-Global Adaptation Index (ND-Gain). The results show that only a few clients are domiciled in the riskiest countries in terms of climate-related risks, representing total cash deposits of CHF 4.4 million (less than 0.1% of total clients' deposits). Swissquote's high-quality liquid assets (HQLA) level is well above the level of cash deposits of such clients. Hence, the Group would be in a position to face exceptional unexpected potential additional drawdown from clients located in those geographies in case of extreme weather events, which might occur in the analysed scenarios.

Furthermore, the Group has limited exposure (less than CHF 46 million of own assets as at 31 December 2023) in insurance and real estate sectors, which are assessed as potentially more exposed to physical risks under the Current Policies scenario. Sovereign debt quality might as well be negatively impacted under this scenario, especially for countries particularly exposed to physical risks. As at 31 December 2023, the Group does not have sovereign debt exposure to the top 50 countries with less readiness and more vulnerability to Climate events according to the Notre-Dame University's Note Dame-Global Adaptation Index (ND-Gain).

It is as well worth noting that Swissquote mainly operates from Switzerland and that none of the countries where the Group has offices is part of the top 50 countries with less readiness and more vulnerability to Climate events according to the Notre-Dame University's Notre Dame-Global Adaptation Index (ND-Gain). Moreover, less than 6% of the Group's employees are based in Africa and Asia (including Dubai), which are the regions that will be the most impacted by global labour productivity decrease under the Current Policies scenario. Also, the Group having rather mass affluent customers (average assets per account of around CHF 100,000), they are expected to be typically less affected than other populations by inflation and reduction of purchasing power, which could occur in the Current Policies scenario.

While the effects of climate change scenarios are extremely difficult to predict and quantify at this stage, notably due to the lack of available data and models, we recognise the limitations of the work performed and will continue our efforts to refine our analysis in the coming years.

Finally, these figures represent the current situation whereas climate-related risks and opportunities will continue to be taken into consideration in future allocation and decision-making. With very limited long-term exposure (less than CHF 105 million as at 31.12.2023 out of the total assets in the scope of treasury activities of more than CHF 8,652 million or approximately 1.2%), and no very long-term exposure, the Group keeps the flexibility to manage its own assets depending on future risk assessments.

# Sustainability Report

## TCFD report

<b>TCFD Recommendations</b>	<b>Answers:</b>	<b>Reference:</b>
	<p>Overall, the resilience of Swissquote's strategy through the above scenario is supported by the following elements:</p> <ul style="list-style-type: none"><li>– The nature of our business (very limited corporate loan business, no trade finance activities).</li><li>– Our climate strategy aiming to manage climate-related financial risks and contribute to the transition to a more sustainable economy. This includes related capital expenditure investments of above CHF 200,000 both in 2023 and in 2022. In addition, Swissquote holds a total amount of investments of CHF 46 million in green bonds (thematic and impact investing instruments) at the end of 2023.</li><li>– The risk management framework in place, including the climate risk management framework, which ensures high diversification and low exposure in sector/geographic areas with higher climate-related risks, as well as limited duration of our own assets.</li><li>– The location of our operations (Switzerland as the main backbone) as well as our business continuity and IT resilience practices which ensure resilience of our operations at all times, including in case of a climate-related disruption.</li></ul>	<p>See Business continuity and IT resilience section of the Sustainability Report (pages 238-239)</p>

### RISK MANAGEMENT

a) Process for identifying, assessing, and responding to climate-related risks and opportunities	<p>As mentioned in question b) of the Governance section, the Executive Management, with the assistance of the Controlling and Risk department, is in charge of the implementation of the climate risk management framework, which was approved by the Board of Directors in 2023.</p>	
b) Swissquote's processes for managing climate-related risks	<p>Swissquote's assessment is that climate-related risk drivers can be captured into traditional risk categories. In this context, the climate risk management framework aims to assess how climate-related risks impact other risk classes. The approach over short to medium-term horizons is described hereafter.</p>	<p>See c) of the Strategy section (page 295)</p>
c) How Swissquote integrates processes for identifying, assessing and managing climate-related risks into overall risk management	<p>This framework in particular defines the following process:</p> <ol style="list-style-type: none"><li>1. Risk identification: Assess climate-related risk factors and determine how they translate into traditional risk categories. In particular, all risk types are re-assessed annually to include the potential impacts of sustainability or climate-related risks. Both transition risks and physical risks as well as micro and macro factors were taken into consideration. Impacted risks are both financial (credit risk, market risk, liquidity risk) and non-financial (operational and reputational, including regulatory).</li><li>2. Monitoring &amp; risk management: Monitor exposures and use stress testing to quantitatively determine potential impacts and confirm the resilience of the business model over short to medium-term horizons.</li><li>3. Reporting: Enable disclosure of climate-related risk metrics both internally (to the impacted departments, to the Executive Management and to the Board of Directors) and externally.</li></ol>	

Key elements of the impacted risk categories are presented hereafter:

#### CREDIT RISK

##### Risk identification

Credit risk may arise if counterparties in our balance sheet (e.g., debt securities) or underlying collaterals (e.g., Lombard loans) have been impacted by climate-related risks.

##### Monitoring and risk management

- Assess and monitor exposure to sectors with higher sensitivity to climate-related risks.
- Perform stress tests including increased default probability of counterparties which might be strongly impacted by climate-related risks.

# Sustainability Report

## TCFD report

<b>TCFD Recommendations</b>	<b>Answers:</b>	<b>Reference:</b>
	<p><b>Reporting</b> Monitor analysis of sector exposures as well as stress test outcome.</p> <p><b>MARKET RISK</b></p> <p><b>Risk identification</b> Adverse climate events may trigger extreme market movements and price shocks.</p> <p><b>Monitoring and risk management</b></p> <ul style="list-style-type: none"><li>– Assess and monitor exposure to sectors with higher sensitivity to climate-related risks.</li><li>– Assess sensitivity impact on trading and banking book from price shocks and market volatility. Climate-related risks are treated as a price trigger, in the same way as market events, for commodity prices, exotic currencies and emerging market interest rates.</li><li>– Perform stress tests considering extreme scenarios happening concurrently.</li></ul> <p><b>Reporting</b> Monitor analysis of sector exposures as well as stress test outcome.</p> <p><b>OPERATIONAL AND REPUTATIONAL RISK</b></p> <p><b>Risk identification</b> Climate change and extreme weather conditions could result in damage to infrastructure, adversely impacting business operations. Regulatory risk from new climate-related regulation as well as reputational risk might also occur.</p> <p><b>Monitoring and risk management</b> Analyse potential events impacting business continuity (e.g., unavailability of staff, loss of a third party, energy shortage etc.) and monitor closely climate-related laws and regulations.</p> <p><b>Reporting</b> Qualitative description of sensitivity, result of the Business Impact Analysis (BIA) and Continuity of Operations Plan (COOP) campaign and quarterly Laws and Regulations Reports.</p> <p><b>LIQUIDITY RISK</b></p> <p><b>Risk identification</b> The bank could experience high stress liquidity outflow from customers that are domiciled or active in countries with a higher level of climate-related risks.</p> <p><b>Monitoring and risk management</b></p> <ul style="list-style-type: none"><li>– Assess and monitor deposits from clients exposed to geographies and sectors with higher sensitivity to climate-related risks.</li><li>– Perform additional stress testing (increased drawdown for customers located in certain geographies or active in sensitive sectors) to assess the impact of climate-related risks on liquidity.</li></ul> <p><b>Reporting</b> Monitor analysis of sector and geographical exposures as well as stress test outcome.</p> <p>Over long to very long-term horizons, Swissquote uses climate-scenario analysis to confirm the resilience of Swissquote's strategy. Reference is made to c) of the Strategy section regarding the planned extension of the use of scenario analysis and reporting in the coming years.</p>	<p>See Business continuity and IT resilience in Sustainability Report (pages 238-239)</p>

# Sustainability Report

## TCFD report

TCFD Recommendations	Answers:	Reference:
<b>METRICS AND TARGETS</b>		
a) Metrics used by Swissquote to assess climate-related risks and opportunities in line with the company's strategy and risk management process	<p>In line with our Climate strategy, the following metrics are in particular used to assess climate-related risks and opportunities:</p> <ul style="list-style-type: none"><li>– Measurement of scope 1, scope 2 and scope 3 emissions. We have started to disclose selected categories of scope 3 emissions in our 2022 Sustainability report, with the clear objective to further increase the scope and report a comprehensive picture over time. Starting 2023, the scope 3 emissions newly include Categories 2 (Capital Goods) and 5 (Waste Generated in operations) and hence present a more comprehensive vision of the emissions of our operations. In addition, we are in the progress of calculating remaining relevant scope 3 categories. In particular, we focus on Category 15 emissions according to the Partnership for Carbon Accounting Financials (PCAF) methodology, which we intend to disclose in our next reporting cycle. Indeed, Swissquote assessed financed emissions to be the largest source of total emissions as it is typically the case for the financial sector.</li><li>– Own exposures in the sectors identified by PACTA, as well as in other sectors expected to be more impacted by transition risk (e.g., agriculture and chemicals).</li><li>– Own exposures in top 50 countries in terms of climate-related risks.</li><li>– Own exposures in insurance and real estate sectors, which are assessed as potentially more exposed to physical risks.</li><li>– Amount of deposits from clients domiciled in top 50 countries in terms of climate-related risks.</li><li>– Amount of own investments in thematic and impact investing.</li><li>– Climate-related capital expenditure investments.</li><li>– Percentage of total theme trading AuM invested in "Sustainability and Impact Investing focus" certificates.</li><li>– Share of our customers' collateral (Lombard loan or other margin loans) particularly exposed to climate-related risks.</li></ul>	

# Sustainability Report

## TCFD report

### TCFD Recommendations

b) Scope 1, Scope 2, and partial Scope 3 greenhouse gas (GHG) emissions

### Answers:

We have measured scope 1, 2 and 3 emissions in accordance with the GHG protocol. Details on methodology are presented in the Basis for preparation document published at the end of our Annual Report and summarised below.

### Reference:

See Basis for preparation document (page 304)

See Environmental section in Sustainability Report (pages 270-274)

	2023	2022	Delta
<b>Total energy consumption in MWh</b>	<b>3,542</b>	<b>3,514</b>	<b>1%</b>
Electricity	2,927	2,979	-2%
Electricity (purchased)	2,908	2,960	-2%
Electricity (self-generated and consumed)	19	19	0%
Heat	561	491	14%
Natural gas	359	361	-1%
Biogas	41	34	21%
Heat pump	129	58	122%
District heating	32	38	-16%
Fuels (petrol/diesel)	54	44	23%
<b>Energy consumption in kWh per FTE</b>	<b>3,338</b>	<b>3,539</b>	<b>-6%</b>
<b>Total paper &amp; waste consumption in tons</b>	<b>276</b>	<b>260</b>	<b>6%</b>
Paper consumption (t)	162	154	5%
Waste (t)	114	106	8%
<b>Paper &amp; waste consumption in t per FTE</b>	<b>0.260</b>	<b>0.262</b>	<b>-1%</b>

	2023	2022	Delta
<b>Greenhouse gas emissions in tCO<sub>2</sub>e</b>	<b>14,930</b>	<b>16,501</b>	<b>-10%</b>
<b>Scope 1</b>	<b>79</b>	<b>77</b>	<b>3%</b>
Natural gas	66	66	0%
Fuels	13	11	18%
<b>Scope 2</b>	<b>34</b>	<b>29</b>	<b>17%</b>
Heat pump	12	4	200%
District heating	6	7	-14%
Electricity (purchased)	16	18	-11%
<b>Scope 3 operational</b>	<b>14,817</b>	<b>16,395</b>	<b>-10%</b>
Purchased Goods and services & Capital goods	13,209	14,952	-12%
Waste generated in operations (waste only)	2	2	0%
Business travel	512	312	64%
Employee commuting	1,094	1,129	-3%
<b>Greenhouse gas emissions in kgCO<sub>2</sub>e per FTE</b>	<b>14,072</b>	<b>16,617</b>	<b>-15%</b>

# Sustainability Report

## TCFD report

<b>TCFD Recommendations</b>	<b>Answers:</b>	<b>Reference:</b>
c) Targets used by Swissquote to manage climate-related risks and opportunities; performance against targets	<p>In line with our climate strategy, the following targets were defined:</p> <ul style="list-style-type: none"><li>– Achieve net zero scope 1 and 2 by 2030 by switching to renewable energy where possible and using Renewable Energy Certificates / Energy Attribute Certificates otherwise.</li><li>– Complete our scope 3 emissions calculation.</li><li>– Improve the energy efficiency of our headquarters buildings by 10% over 10 years, between 2016 and 2026.</li><li>– Increase our CO<sub>2</sub> savings by approximately 7 tons per year over 10 years, between 2016 and 2026.</li><li>– Choose renewable local energy sources whenever possible and consider this criterion an important decision trigger in future lease agreements.</li><li>– Promote recycling and reduce waste generated in operations.</li><li>– Encourage use of public transportation and reduce business travel emissions.</li><li>– Integrate ESG criteria in our own investment process, respecting minimum ESG score and excluding controversial sectors (e.g., coal and oil sands).</li><li>– Increase allocation of own investments in thematic and impact investing by minimum 100% by 2030.</li></ul>	



# Basis for preparation

### Introduction

The 2023 Sustainability Report marks the fourth year of non-financial disclosures for Swissquote provided as an integral part of our Annual Report. In line with our commitment to transparency towards all our stakeholders, this report includes comprehensive insights about our approach to sustainability and key performance data in accordance with GRI Standards.

### Reporting scope

Unless otherwise stated, the reporting scope comprises all Swiss and foreign undertakings on which we have sole or joint control. For the composition of the workforce and environmental indicators, the reporting scope comprises our offices in Switzerland, Luxembourg and Dubai based on materiality (i.e.: locations where FTEs exceed 3% of total employees at Group level) and we will gradually include our offices in London, St. Julian's, Bucharest, Hong Kong, Singapore and Limassol 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 in particular the composition of our workforce, other human resources indicators such as employee turnover and average hours of training 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. This tool allows us to track other human resources indicators such as turnover and training hours.

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 and Dubai offices. Once controls have been performed to ensure quality and robustness, the data

are transmitted to Sustainerv GmbH, a specialised global management consulting firm that assists Swissquote in Sustainability reporting and calculating our carbon footprint since 2020. It should be noted that methodologies used for emissions calculation are still evolving and some low level of uncertainty remain in reported data, especially as scope 3 categories are calculated using average CO<sub>2</sub> emission factors as disclosed thereafter. Therefore, scope and methodologies applied will be refined over time.

The perimeter of the carbon footprint includes data from heating, district heating, natural gas, fuels and electricity (energy), purchased goods and services, capital goods, waste generated in operations, business travels (air, rail and hotel), and employee commuting.

For Scope 1 emissions, we used DEFRA conversion factors for specific fuels of the same year as the consumption took place (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022/2023>). The emissions from Scope 2 are reported according to the market-based approach when available and location-based method when not. 99% of our electrical consumption is reported according to the market-based method, in combination with the use of emission factors from IEA (<https://www.iea.org/data-and-statistics/data-product/emissions-factors-2022/2023>);

For Scope 3:

- Category 1 – Purchased goods and services & Category 2 – Capital goods: The locations providing Purchased goods and services & Capital goods data cover approximately 90% of our total FTEs. These CO<sub>2</sub> emissions are calculated using a spend-based method and EXIOBASE (v3.9 adjusted for inflation) is used to source emission factors. These two categories are grouped since the calculation method is identical for both categories and the nature of the goods generating emissions is also similar. Data used for the calculation of other operating and marketing expenses as well as capital goods are directly extracted from our procure to pay system (Dynamics 365 Business Central). All capital goods items as per financial statements are included in the Category 2 emissions calculation except

# Sustainability Report

- for proprietary software and building under construction;
- Category 5 – Waste generated in operations: The locations providing Waste data cover approximately 90% of our total FTEs. This category only includes emissions from disposal of solid waste (and not wastewater due to lack of available data at this stage). These CO<sub>2</sub> emissions are calculated using a waste-type-specific method which involves estimating emissions based on total waste going to each disposal method and average CO<sub>2</sub> emission factors for each disposal method from DEFRA (<https://www.gov.uk/government/publications/green-house-gas-reporting-conversion-factors-2023>);
  - Category 6 – Business travel: These CO<sub>2</sub> emissions for flights and hotel nights are calculated using the distance-based method and CO<sub>2</sub> emissions factors are of the same year as the travel start year from DEFRA. For stays in countries not covered by DEFRA factors, we used factors according to <https://www.hotelfootprints.org/>. For rails emissions, the report provided by Swiss Federal Railways (SBB) for rail travel was considered;
  - Category 7 – Employee commuting: These CO<sub>2</sub> emissions are calculated individually for all offices in scope using the respective commuting distance and commuting mode according to a detailed employee survey carried out in each country. Emissions factors are of the same year as the commute year from DEFRA for offices abroad and from mobitool v3.0 and v.2.0.2 for offices in Switzerland.

## Reporting period

This report covers the period between 1 January 2023, and 31 December 2023.

## Independent practitioner's limited assurance report provided by PricewaterhouseCoopers AG

Please see PwC's limited assurance report included in the 2023 Sustainability Report for details on the limited assurance provided.