

Sustainability Report

Annual Report 2022

Sustainability Report

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Leonteq is building sustainable growth across its business as it continues to integrate sustainability practices into its operations and management processes

Sustainability Highlights of 2022

Certified
**Great Place
to Work®**
Switzerland & Portugal

**Code of Conduct
& Ethics**
Published

**Member
of Advance**
The leading business
association for gender equality
in Switzerland

68%
Great Place to Work
Trust Index score

**Sustainability
Committee**
Established at Executive
Committee level

80%
Of clients are satisfied
with Leonteq's structured
product offering

**Client engagement
survey**
Conducted

**Supplier Code
of Conduct**
Published

100%
Renewable energy used to
power our headquarters and
data centres in Switzerland
and office in Portugal

**Global whistleblower
policy and Integrity
Line**
Established

**ESG targets
2026**
Established

**60
New jobs**
Created

Introduction

Leonteq launched a sustainability initiative in the fourth quarter of 2020 in recognition of the growing importance of environmental, social and governance (ESG) criteria and the increased focus being placed on sustainability practices by clients, investors, employees and the broader public. We also took this step in the knowledge that we have the potential to positively influence the conduct of our clients and partners and to strengthen our own sustainable business practices, by investing in this area. As part of this initiative – which took shape in the course of 2021 and 2022 – we have analysed Leonteq's sustainability efforts as a company and identified how and where we can integrate ESG considerations and sustainability practices into our own operations and management processes and how we can best support our clients and partners in investing responsibly. Our sustainability strategy aims to drive the sustainable development of our Group and to realise our ambition to become a leading provider of structured products addressing investors' sustainability preferences.

In connection with our sustainability initiative, Leonteq has, since 2021, published a Sustainability Report, which forms part of the Annual Report. Leonteq's Sustainability Report covers the reporting period 1 January 2022 to 31 December 2022 (in alignment with the Annual Report). The publication date of the Sustainability Report is 9 February 2023. The Report provides a comprehensive overview of Leonteq's approach to sustainability, the material topics that we have decided to focus on, our sustainability strategy and governance, as well as sustainability achievements reached and current sustainability measures and initiatives in place at the Group.

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. The Sustainability Report has been approved by Leonteq's Board of Directors. Limited assurance has been obtained over specific sustainability indicators from Leonteq's external auditor, Deloitte, and these indicators are listed in their Assurance Report on pages 118 and 119. The point of contact for inquiries regarding the Report can be found at the end of the Annual Report.

About Leonteq

Leonteq is a Swiss fintech company with a leading marketplace for structured investment solutions. Based on proprietary modern technology, the Group offers derivative investment products and services. Leonteq acts as both a direct issuer of its own products and as a partner to other financial institutions. Leonteq further enables life insurance companies and banks to produce capital-efficient, unit-linked pension products with guarantees.

Leonteq is committed to offering clients and partners excellent service delivered by an international team of experienced industry professionals. We have a strong presence in our home market of Switzerland and in Europe, as well as an established footprint in Asia.

Leonteq focuses on building a unique ecosystem for investment solutions with a highly automated marketplace. It offers B2B and B2B4C services to more than 1,000 financial intermediaries in more than 50 markets globally and aims to transform the pension savings market with an innovative D2C solution to be launched in 2023. Leonteq has a strong capital base of CHF 932.8 million as of 31.12.2022 and investment grade ratings assigned by renowned rating agencies. Leonteq's shares are listed on SIX Swiss Exchange. 39% of its equity capital is held by a shareholder group comprising the Swiss cooperative bank Raiffeisen Switzerland and the two founding partners, Lukas Rüfli and Sandro Dorigo. The remaining 61% is distributed among institutional investors as well as retail shareholders mainly from Switzerland. Leonteq's workforce consists of 582 experts from 55 different countries who administer CHF 12 billion of assets on the platform and support the continued development of the Group's ecosystem.

Our brand

Our brand identity is at the heart of our Group and our engagement with our stakeholders – helping to inspire trust and ensure transparency across all our activities. Our brand is the essence of our identity and it extends from our company name and logo to everything we do. The name “Leonteq” combines two components that make our Group what it is: “leon” and “teq”. “Leon” is associated with the botanical name for the Edelweiss flower (*Leontopodium alpinum*) and represents the Group's origin and its commitment to Swiss values. The second component – “teq” – emphasizes our innovative platform offering that combines state-of-the-art technology and expertise. Our logo is a symbol of our networks created both externally – by our platform along with our banking and insurance partners – as well as within our employee base.

Our mission

Based on our vision to be the leading marketplace for structured investment solutions, our mission is to deliver quality products and services to our partners and clients. We can achieve this by living our core values, which form the essence of our corporate culture. Our people work together every day with passion and dedication, combining their expertise to deliver quality services for the benefit of our clients, our partners and our Group.

Our culture

Leonteq's corporate culture, including our vision, mission statement and values, has been created and defined by Leonteq employees from across the Group. Initiatives related to our corporate culture are spearheaded by our Corporate Culture Committee. The members of the Committee represent all areas of the Group and are elected based on their functions and expertise.

Our Vision

[We aspire] to be the leading marketplace for structured investment solutions

Our Mission

We deliver quality products and services to our partners and clients

Our Values

Our core values build the foundation of our corporate culture. We live, respect and protect them

We are our culture

We shape and we develop it as it defines, guides and inspires us.



How we live our values



PASSION

We love what we do, take pride in our work, and are excited to be innovators in our field

- I complete my work with great care and attention.
- I engage regularly with my colleagues and encourage and motivate their contributions.
- I voice my ideas because my work inspires me to inspire others.
- I create a positive atmosphere in my team by having fun and motivating others.
- I am proud to work for Leonteq and inspired to contribute my best ideas.



QUALITY

We uphold professional excellence in everything that we do, creating sustainable relationships and driving innovation

- I always deliver my highest quality work on time.
- I give the same constructive feedback that I expect from my colleagues and clients.
- I challenge my team's processes and services because I know improvement is collective.
- I understand and accept that mistakes happen, and when they do, I learn and grow from them.
- I respect the time my colleagues need to complete their work.



EXPERTISE

We are a team of experts; we trust our specialists, develop our teams and share our knowledge

- I invest in my knowledge by staying curious, showing interest and educating myself.
- I am an expert in what I do, but I still acknowledge, respect and involve other experts when needed.
- I encourage my team to expand their professional network by connecting with market participants and specialists in their field.
- I share my knowledge and educate and help others to support company-wide excellence.



DEDICATION

Our success is driven by committing to and focusing on our clients' needs, professionally and in a solution-oriented manner

- I take responsibility and ownership in everything that I do.
- I am focused on achieving my and my company's goals.
- I know and care about the business and client needs.
- I am committed to going the extra mile for my team, my company and my clients.



PEOPLE TOGETHER

We believe in the power of collaboration between our employees, our clients and our partners, and we respect them for their values, knowledge and experience

- I am honest, friendly, professional and transparent with my colleagues.
- I arrive at meetings on time.
- I support and care for my colleagues always, humbly challenge them when needed, and celebrate with them when appropriate.
- I manage my stakeholders' expectations.
- I proactively collaborate and cooperate with others to reach a common goal.
- I respect others for who they are, what they believe in and where they come from.

Our offices

Leonteq's headquarters are located in Zurich, Switzerland. The Group has additional offices in 13 other locations: Amsterdam, Dubai, Geneva, Guernsey, Frankfurt, Hong Kong, Lisbon, London, Milan, Monaco, Paris, Singapore and Tokyo.



Our financial performance

2022 was an exceptional year in many ways. We recorded a strong result, underlining the resilience of our business model in extraordinary times and demonstrated our ability to further improve earnings quality thanks to our efforts to further diversify our offering. At the same time, we delivered tangible and measurable progress along our four strategic pillars and received notable external recognition for our platform and sustainability efforts.

Strong performance in 2022

2022 was marked by unprecedented market conditions with elevated levels of overall market volatility. Leonteq continued to focus on disciplined risk management and saw more than a two-fold increase in its net trading result in 2022. At the same time, in view of the generally more challenging market environment for investors, Leonteq recorded subdued levels of client activity in most of its regions, reducing net fee income by one third compared to 2021. Despite these headwinds, Leonteq's franchise remained strong, with around the same number of clients entering into transactions in 2022 as in the prior year. With the strong net trading result compensating for reduced client activity, total operating income grew to CHF 456.4 million in 2022, up 9% year on year.

Total operating income
(CHFm)

456.4
+9%

Capital base
(CHFm)

932.8
+7%

Group net profit
(CHFm)

156.4
+0%

Return on equity

19%
-2PP

Furthermore, turnover generated with Leonteq's own issued products remained relatively stable at CHF 13.6 billion, while turnover generated with Leonteq's historic platform partners decreased to CHF 6.4 billion in 2022 from CHF 10.4 billion in 2021. This demonstrates investor confidence in Leonteq's stand-alone position as an established player in the structured products market.

Reflecting Leonteq's increasingly diversified business offering that goes beyond the traditional structured products business, revenues from new business activities contributed 51% of overall revenues in 2022, an increase of 7 percentage points from the prior-year period. Client transactions decreased to 171,863 in 2022 (2021: 264,213) but remained above the pre-pandemic level of 164,007 recorded in 2019, reflecting Leonteq's continued business expansion.

Leonteq reported 11% growth in profit before taxes to CHF 193.3 million in 2022, up from CHF 174.5 million in 2021 and Group net profit of CHF 156.4 million in 2022, equalising the prior year's record result of CHF 155.7 million. Earnings per share rose by 1% to CHF 8.58, compared to CHF 8.47 in 2021.

Shareholders' equity totalled CHF 870.0 million as of 31 December 2022, compared to CHF 802.1 million as of 31 December 2021. Together with deferred fee income of CHF 62.8 million, Leonteq further strengthened its capital base to CHF 932.8 million as of 31 December 2022. Return on equity was 19% for 2022 (2021: 21%).

Platform assets
(CHF billion)

12.4
-23%

Client Transactions

171,863
-35%

Turnover
(CHF billion)

23.1
-20%

Products issued

28,835
-31%

The Leonteq share

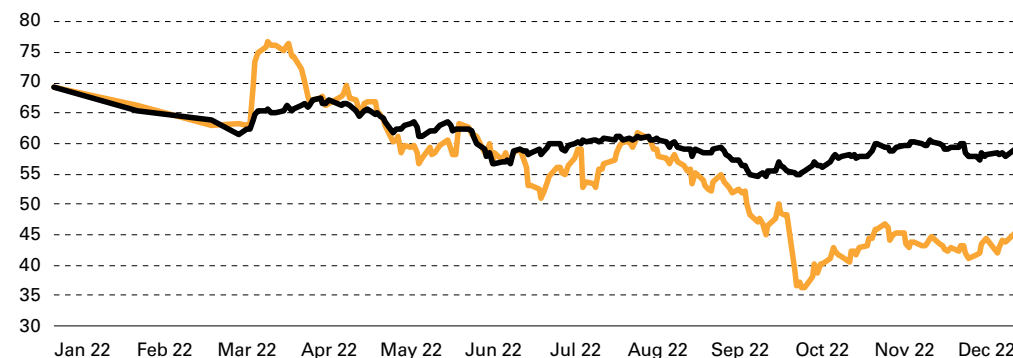
The registered shares of Leonteq AG have been traded on the main standard of SIX Swiss Exchange (Ticker: LEON) in Zurich since 2012.

Share price development in 2022

Leonteq's share price started the trading year 2022 at CHF 69.30. At the beginning of February, it slightly decreased following mainly market-related downturns in the context of rising inflation rates and the Ukraine/Russia conflict, which created a new supply chain, energy crisis and significant market volatility. Mid-March, the Leonteq share price reacted positively to an equity research report initiating with an outperform rating, resulting in an increase of the share price to CHF 76.90 on 22 March, reflecting its year-high. Thereafter, the Leonteq share price declined again and oscillated between CHF 50 and CHF 60. With the publication of record half-year results on 21 July and the announcement of record Group net profit of 118 million in the first half of 2022, the share price gained momentum, reaching CHF 61.05 by 12 August.

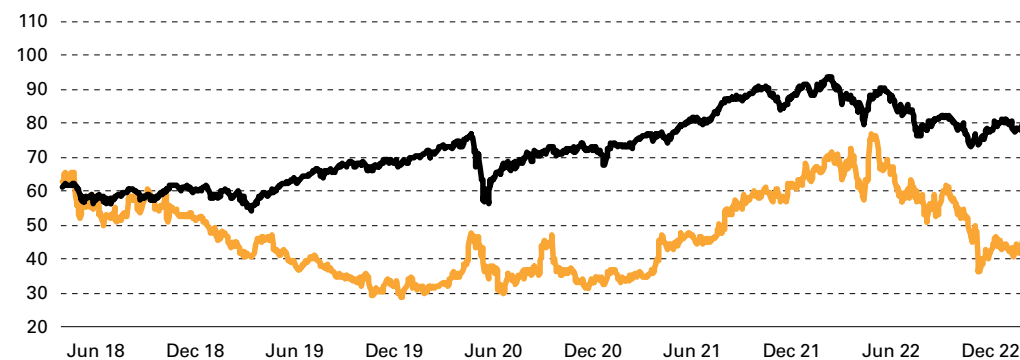
The Leonteq share price declined to CHF 36.45 on 12 October, marking the year-low in 2022, driven by certain allegations that were made through media concerning Leonteq issued products distributed by third-parties, including by a company based in the BVI, vaguely referring to potential tax evasion or money laundering offences attributed to third parties. Leonteq published an official statement which strongly refutes these allegations and engaged with its stakeholders on this matter. The share price recovered by the end of the year to CHF 43.70, corresponding to a decrease of 37% year-on-year (closing price of CHF 69.30 on the last trading day in 2021). Leonteq's market capitalisation reached CHF 827 million at the end of 2022.

Share price performance 2022



Leonteq share SPI (indexed)

Share price performance trend 2018 - 2022



Leonteq share SPI (indexed)

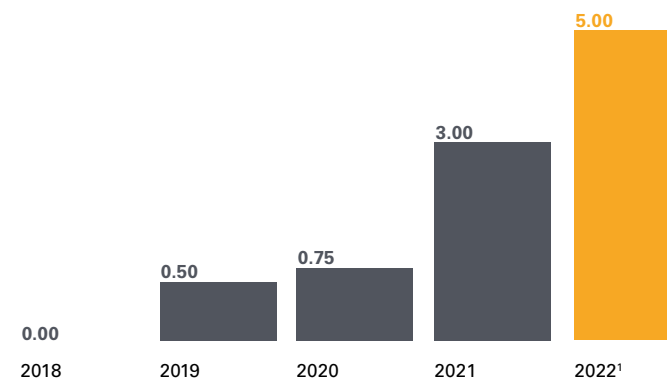
Attractive capital returns to shareholders

The Board of Directors will propose a dividend of CHF 4.00 (2021: 3.00) per share for the financial year 2022 at the Annual General Meeting on 30 March 2023, which is to be paid in equal amounts out of retained earnings and capital contribution reserves. In addition, the Board of Directors has approved the launch of a programme to buy back up to CHF 18 million purchase value of Leonteq AG shares, equivalent to a pro-forma distribution of CHF 1.00 per share.

The dividend in cash together with the share buyback thus correspond to a total distribution of CHF 5.00 per share for the financial year 2022, and a payout ratio of 58% of Group net profit, in line with the previously announced target of more than 50%.

From the financial year 2023 onwards, Leonteq will continue to target a payout ratio of more than 50% of Group net profits, with the ambition to pay an annual dividend of minimum CHF 2.00 per share combined with the intention to launch annual share buyback programmes if financial results permit.

Total distribution per share history 2018 - 2022 (CHF)¹



¹ Total distribution per share includes all distribution to shareholder including dividends (CHF 4.00 for 2022; Board of Directors' proposal to the Annual General Meeting) and share buyback programmes (pro-forma distribution of CHF 1.00 per share for 2022; equivalent to a buyback volume of up to CHF 18 million expected to be launched in early April 2023)

² Board of Directors' proposal to the Annual General Meeting

Key figures per share	2022	2021	2020	2019	2018
Book value (CHF)	46.1	42.9	34.4	34.9	35.4
Net profit (CHF)	8.6	8.5	2.1	3.3	5.3
Basic earnings (CHF)	8.58	8.47	2.15	3.35	5.4
Dividend (CHF) ¹	4.00	3.00	0.75	0.50	—
Dividend yield ¹	9.2%	4.3%	2.1%	1.5%	N/A
Total distribution	5.00	N/A	N/A	N/A	N/A
Payout ratio ²	58.3%	35.4%	35.4%	15.2%	N/A
Share price at year-end (CHF)	43.70	69.30	35.05	32.84	41.00
Full-year high (CHF)	76.90	70.60	47.74	47.42	65.70
Full-year low (CHF)	36.45	34.80	30.20	28.92	40.60

¹ 2022 dividend: Board of Directors' proposal to the Annual General Meeting

² Total distribution per share includes all distribution to shareholder including dividends and share buyback programmes (pro-forma distribution of CHF 1.00 per share for 2022; equivalent to a buyback volume of up to CHF 18 million expected to be launched in early April 2023)

Our approach to sustainability



“Sustainability is not just a goal, but a constant journey of improvement for how we address our impacts on environmental, social and governance aspects of our business. As a publicly listed, global company, with more than 550 employees and serving more than 1,000 financial intermediaries in over 50 markets, we stand behind the necessity of this topic and are committed to its advancement. We strive to make a positive impact through continuous improvements in our offering for our stakeholders, the robustness of our business operations and the transparency of our management processes.”

Sylvie Davidson, sustainability delegate of the Board of Directors



“Sustainability is a central part of our Growth Strategy 2026. In 2022, we continued to integrate ESG aspects and sustainability practices into our own operations and management processes. We also looked at how we can best support our clients and employees. Believing that our greatest ability for impact lies within our people, we have defined two ESG Targets, which are to increase our gender diversity and improve our Trust Index score among our employees.”

Marco Amato, Deputy CEO & CFO and Chairman of the Sustainability Committee

Growth Strategy 2026

Since the foundation of our Group in 2007, we have focused on developing an integrated technology platform that enables the automation of key processes in the value chain for the production and management of structured investment products and long-term savings and retirement solutions. In the first years after Leonteq was established, our business remained client focused and our value proposition centred around the transparency of our service offering. We subsequently entered our second phase as a platform business and white-labelling service provider, and we took advantage of major technology advancements to increase the scalability of our platform.

In 2018, Leonteq embarked on a new phase of business transformation and implemented several initiatives to invest in the growth of the Group and the scalability of its offering. Leonteq has successfully executed on this strategic plan, significantly enhanced its ecosystem and strengthened its market position as a leading fintech platform for structured investment solutions. This is underscored by its solid overall financial track record and strong capital base.

2022 marked the beginning of a new five-year strategy cycle: The pandemic-related trends affecting end-investors, digitalisation and online connectivity have accelerated the growth opportunities for Leonteq in terms of product distribution and white-labelling offerings. Against this backdrop, Leonteq developed its Growth Strategy 2026, which it is now executing with a focus on four dimensions: Offering, platform, regions and sustainability.

Our Sustainability Strategy 2026 – which is based on our business model and value creation capabilities – is a key element of our overall Growth Strategy 2026 that sets out a clear and comprehensible plan for Leonteq's continued sustainable growth and international success.

The importance of ESG and sustainable investing is now widely recognised, and Leonteq has been growing its sustainability offering since 2020, when it launched its dedicated sustainability initiative with the ambition of becoming a leading provider for structured investment solutions addressing investors' sustainability preferences. As a fintech company with approximately 600 employees and with offices and subsidiaries in 13 countries, we serve over 50 markets globally. We believe that we have a duty to act responsibly in order to create positive impact through our product and service offering as well as our business practices. Leonteq's sustainability strategy therefore focuses on the implementation of ESG best practices to support the sustainable development of the Group. We have defined two external ESG targets to be accomplished by 2026 alongside additional measures that will support the integration of ESG aspects into our business activities as well as our product and service offering. Our external targets align with two material topics that Leonteq believes it has the greatest ability to impact: Employee engagement and the diversity of its workforce. Employees are at the core of Leonteq's business and by making improvements in these areas, we believe positive change and further opportunities in other areas will follow.

Our sustainability strategy is designed to drive the sustainable development of our Group. In particular, we want to strengthen

our focus on responsible investing through the integration of ESG factors into our product and service offering. We also aim to further improve our environmental footprint, maintain an effective system of governance and consider additional social aspects in the interests of our employees and the broader community.

As an added result of these efforts, we expect to improve the ratings assigned to Leonteq by ESG rating agencies by 2026.

Leonteq has already taken several measures to strengthen our offering and business practices, which are explained throughout this Sustainability Report. We intend to expand on these measures by 2026.

Offering

We are further enlarging and diversifying our offering across products, asset classes and issuers.

Platform

We are at the forefront of digitalisation and will continue to invest in digital client solutions leveraging our scalable technology platform.

Regions

We continue to focus on our strong home market position whilst expanding our offering to a global client base.

Sustainability

We are implementing responsible investing opportunities for our clients and integrating best ESG practices for a sustainable development of our company.

Financial targets 2026

Total operating income (CHF million)

450-500

Return on equity

>15%

ESG targets 2026

Great Place to Work®
Trust Index score

>72%

Gender diversity

>25%

Strategic ESG measures and targets

Key progress made in 2022:


- Development of internal measures, KPIs and targets framework as well as key 2026 ESG targets
- Expansion of GHG emissions reporting framework from headquarters and data centres to largest three office locations
- Publication of Supplier Code of Conduct
- Launch of global employee engagement survey in cooperation with Great Place to Work
- Membership of Advance - a Swiss business association promoting gender equality
- Establishment of Sustainability Committee at Executive Committee level
- Publication of Code of Conduct & Ethics
- Establishment of global escalation and whistleblowing policy and publication of Leonteq Integrity Line
- Completion of client engagement survey

Key projects started in 2022:

- Development of responsible investing framework
- Employee data protection and security awareness training
- Development of community engagement framework
- Development of global tax policy
- Anti-corruption training for members of the Board of Directors

ESG ratings and external recognition

Leonteq is assigned an ESG rating by several ESG rating agencies, including ISS, MSCI, Refinitiv and Sustainalytics.




MSCI
ESG RATINGS

A


Upgraded from BB in 2022

CCC B BB BBB **A** AA AAA




SUSTAINALYTICS
a Morningstar company

Low Risk (score 17.6)
Upgraded from Medium Risk of experiencing material financial impacts from ESG factors




REFINITIV

B-
Upgraded from C in 2022



ISS QualityScore
GOVERNANCE
Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES

1
Highest Governance Quality Score



SIX Swiss Exchange

SPI ESG INDEX
Leonteq represented in the ESG Index by SIX

Sustainability Governance

Efficient and effective sustainability governance is essential to ensure that we continue to embed sustainability into our business practices and product and service offering, achieve steady progress towards our sustainability goals and recognise potential opportunities and challenges at an early stage.

The Board of Directors sets the overall direction and oversight of the Group's sustainability strategy, monitors the implementation of the sustainability strategy and approves the sustainability-related targets and KPIs.

In 2022, Leonteq established a Sustainability Committee, which is positioned at Executive Committee-level alongside the existing Product Approval Committee, Risk Committee, Treasury Committee, Service Line Committee and Index Committee. It is composed of six members and is chaired by the Chief Financial Officer. The remaining composition of the committee mirrors Leonteq's five sustainability focus areas – Responsible Investing, Environment, Social, Governance and Corporate Sustainability Reporting – and members are appointed as representatives of these focus areas based on their function within the Group. Committee members are either a member of the Executive Committee or hold a senior management position, whereby the Committee should not comprise more than three members of the Executive Committee.

The Sustainability Committee is primarily responsible for the implementation of the sustainability strategy defined by the Board of Directors of the Group, with the objectives to improve the integration of ESG practices across all business areas and to become a leading ESG provider for investment solutions. Specifically, the Sustainability Committee is responsible for overseeing the integration of best ESG practices across business activities and management approaches of the Group as well as overseeing the implementation of Leonteq's sustainability initiatives. The Sustainability Committee sets sustainability-related targets and KPIs for which implementation and effectiveness of actions taken is measurable.

The Sustainability Committee convenes four times a year. The Chairman of the Sustainability Committee provides monthly updates to the sustainability delegate of the Board of Directors. Additionally, the Sustainability Committee regularly submits updates and reports to the Board of Directors around the sustainability strategy, including KPIs, trends, regulatory requirements and recommendations.

In the process of the annual report preparation, the Audit and Risk Committee reviews the Sustainability Report and related disclosures in the Group's Annual Report ahead of the final sign-off provided by the Board of Directors before publication.

Board of Directors					
Audit & Risk Committee			Nomination & Remuneration Committee		
Executive Committee					
Product Approval Committee	Risk Committee	Treasury Committee	Service Line Committee	Index Committee	Sustainability Committee

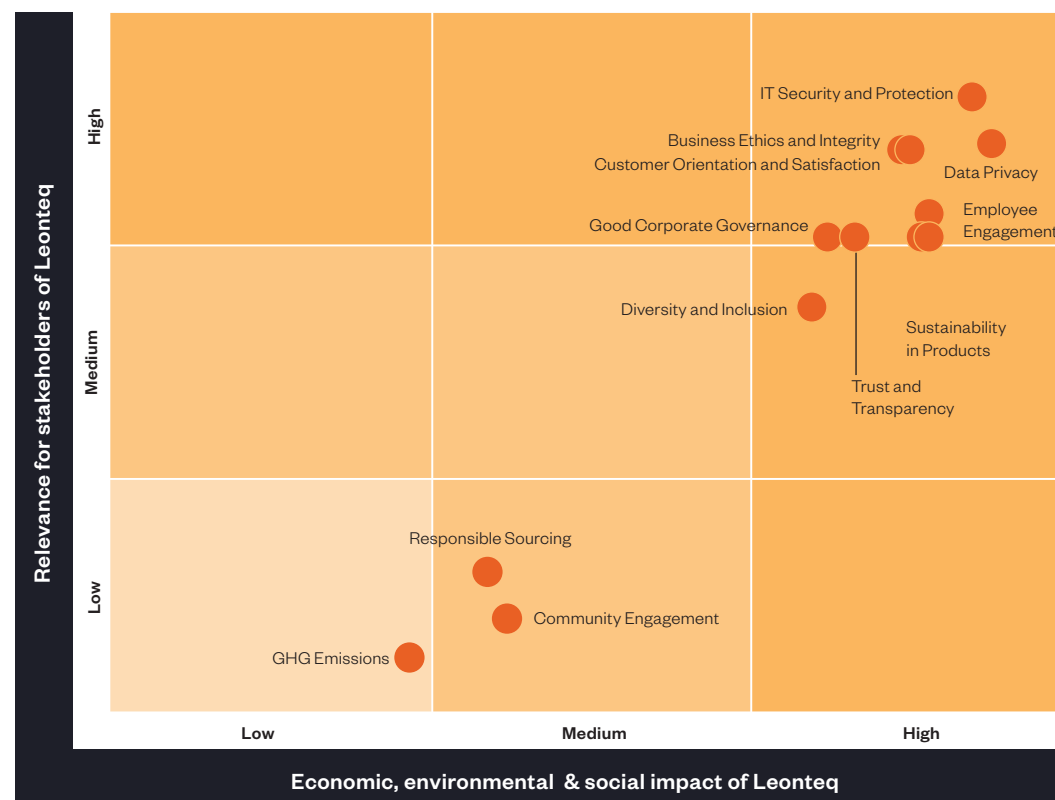
Material Topics

The Sustainability Report covers the topics that matter most to our Group and our stakeholders. Leonteq's 13 material topics were defined in 2021 and remain the same for the 2022 reporting period. As part of the process carried out in 2021 to define our material topics, we conducted a stakeholder engagement process together with external consultants specializing in the field of sustainability. This process involved two internal workshops and was also based on interviews with external stakeholders to gain the best possible understanding of which topics are most important to them and to identify areas where Leonteq should further focus its sustainability efforts.

The central outcome of the stakeholder engagement process is shown in the materiality matrix. It integrates input from all participating internal and external stakeholders and defines Leonteq's priorities in terms of their relevance from a stakeholder perspective and the significance of Leonteq's economic, environmental and social impacts. The materiality matrix on the right shows the significance of all topics Leonteq has identified during the above-mentioned stakeholder engagement process. Some topics refer to an existing Global Reporting Initiative (GRI) standard, while others have been identified as Leonteq's own topics that best fit its business as a structured investment product service provider.

Leonteq's material topics include: Trust and Transparency, Sustainability in Products, Employee Engagement, Employee Development, Diversity and Inclusion, Customer Orientation and Satisfaction, Responsible Sourcing, Good Corporate Governance, Business Ethics and Integrity, IT Security and Protection, Data Privacy, GHG Emissions and Community Engagement. Further information about where each material topic is covered in this report can be found in the GRI content index on pages 113 to 117.

Materiality matrix



Our engagements

Trust and transparency

As a public company listed on the SIX Swiss Exchange, the open and transparent communication of information about Leonteq's performance and business activities is critical and enables our stakeholders to make informed decisions and to draw conclusions about the performance of the Group. We consider open and transparent communication to be vital to build relationships of trust with all our stakeholders. They include our clients whose reputation and credibility are directly impacted by Leonteq's degree of transparency, as well as our shareholders, who have invested their capital in the Company, and employees who depend on Leonteq for paid employment and career development. In this context, we also aim to exemplify transparency within the financial sector and to serve as a benchmark for Leonteq's competitors. "Trust and Transparency" is therefore one of our 13 material topics and an overarching theme in our business operations.

Our corporate communications activities encompass a range of online and offline channels

in order to share information with Leonteq's stakeholders in the most effective way possible. We are committed to providing timely and adequate information to our stakeholders so that they can make informed decisions about Leonteq as well as the Group's product offering. We use targeted communication methods and various platforms, and we publish all our corporate and product news on our website. We promptly report all relevant information to fulfil our regulatory obligations as a securities firm and SIX-listed company. We are also active on LinkedIn, Twitter, Facebook and YouTube and reach different target groups through these channels.

Leonteq aims to provide all the necessary information to its stakeholders. At the same time, the Group limits some disclosures in cases where, for example, the sharing of (aggregated) data would allow information to be traced back to individuals or would place the Group at a competitive disadvantage.

Stakeholder engagement

Stakeholders	Clients and partners
	Employees
	Shareholders, investors and analysts
	Credit rating agencies
	ESG rating agencies
	Proxy advisors
	The media and general public
	Suppliers and service providers
	Counterparties and stock exchanges
	Regulators
	Internal and external auditors

Stakeholder engagement

Stakeholder group	Why we engage	Form of engagement
Clients and partners	Generating high levels of satisfaction and consistent value for our clients and business partners is of key importance to us in all that we do because it helps to strengthen their investment knowledge and security. In turn, this strengthens our relationship with our clients, resulting in recurring business flows.	<ul style="list-style-type: none"> • Ongoing dialogue with Client Relationship Officers and Key Account Managers • High quality marketing materials • Newsletters with product and business updates • Client events and global client survey
Employees	It is important that employees receive a consistent and transparent flow of information, which enhances their knowledge of the Group's activities and the understanding of the Group's strategy, business model and priorities. Providing regular platforms where our employees come together as a team fosters global cohesion and a healthy corporate culture.	<ul style="list-style-type: none"> • Regular information provided via Intranet, TV screens and email newsletters • Employee engagement surveys • Townhalls, Power Hours and other engagement sessions • Local and global staff events
Shareholders, investors and analysts	Maintaining regular contact with shareholders, investors and analysts throughout the year increases market transparency and strengthens relationships. Providing up-to-date information about financial and business performance enables investors to make fully-informed decisions when investing in Leonteq.	<ul style="list-style-type: none"> • General Meeting(s) • Annual and half year reports and results presentations • Results roadshows and investor conferences and regular dialogue between Investor Relations department and investors as well as analysts • Press releases
Credit rating agencies	To ensure the most accurate and up-to-date rating possible, Leonteq maintains regular contact with the rating agencies Fitch Ratings Ltd. and Japan Credit Rating Agency, Ltd. and routinely informs them about business developments.	<ul style="list-style-type: none"> • Ongoing dialogue with Investor Relations & Communications department • Annual meetings between our management team and rating analysts
ESG rating agencies	Providing regular feedback and information to facilitate appropriate ESG ratings by Inrate, ISS, MSCI, Refinitiv, Sustainalytics and S&P Global Ratings.	<ul style="list-style-type: none"> • Annual evaluation of assigned ESG ratings and reports • Regular engagement between Investor Relations and Communications department and ESG ratings analysts
Proxy advisors	Leonteq is subject to the recommendations of proxy advisors, which can influence voting results at Leonteq's Annual General Meeting. It is therefore important that they receive the information they require to give facts-based voting recommendations.	<ul style="list-style-type: none"> • Review of proxy voting guidelines • Regular engagement meetings between Investor Relations department and proxy advisors

Stakeholder group	Why we engage	Form of engagement
Media and general public	To ensure accurate information about the Group is being communicated and published.	<ul style="list-style-type: none"> • Annual and half year reports, presentations and brochures • Press releases and newsletters • Corporate website and social media channels • Ongoing dialogue with Investor Relations, Communications & Marketing department • Interviews
Suppliers and service providers	Each supplier or service provider is subject to pre-qualification screening to ensure operations are compliant. Correspondences are maintained throughout the business relationship to review requirements, submit payments and negotiate contracts, as needed.	<ul style="list-style-type: none"> • Pre-qualification screening • Ongoing correspondence with Procurement department • Clear and fair Supplier Code of Conduct
Counterparties and stock exchanges	Through close contact with counterparties and stock exchanges within Switzerland and abroad, (exchange) regulations are monitored and processes to respect them are adopted where applicable. Additionally, the ongoing evaluation of the counterparty network ensures that Leonteq is not exposed to any one counterparty; ensuring market access and business continuity whilst also maintaining cost discipline.	<ul style="list-style-type: none"> • Ongoing dialogue between stock exchanges (SIX Swiss Exchange, BX Swiss, Borse Frankfurt Zertifikate, EuroTLX and SeDeX) and Legal & Compliance department • Regular review meetings between counterparties and Risk Control, Finance and Operations departments
Regulators	To understand regulatory changes, provide updates and comply with its notification and regular reporting obligations.	<ul style="list-style-type: none"> • Ongoing reporting to FINMA (Switzerland), AFM (Netherlands), AMF and ACPR (France), BaFin (Germany), CCAF (Monaco), Consob (Italy), FCA (United Kingdom), GFSC (Guernsey), MAS (Singapore), FSA (Japan), SFC (Hong Kong), and DFSA (Dubai).
Internal and external auditors	To ensure the adequacy and effectiveness of the internal control system and risk management as well as to obtain independent assurance on the financial statements reporting.	<ul style="list-style-type: none"> • Regular dialogue between the CFO as well as the Finance department and Group head internal audit and lead external audit partner • Direct contact and regular meetings between Group head internal audit and lead external auditor partner and the Audit and Risk Committee • Regular dialogues between internal and external auditors

Association memberships and participation in external initiatives

Leonteq is a member of a number of associations, including the Swiss Structured Product Association, Italian Association of Certificates and Investment Products (ACEPI), Swiss Sustainable Finance (SSF), and Advance. The Company is also a signatory to the United Nations Global Compact (UNGC) as well as the UN-supported Principles for Responsible Investment (PRI).

Leonteq and the United Nations Global Compact and Sustainable Development Goals

Leonteq became a signatory to the United Nations Global Compact (UNGC) in 2021. Leonteq is committed to upholding the Ten Principles on human rights, labour, environment and anti-corruption and to making them part of our strategy, culture and day-to-day operations.

Our commitment to supporting the UN Sustainable Development Goals (SDGs) is reflected by our sustainability aspirations and our participation in the UNGC since 2021. The ambitious SDGs are expected to be achieved by 2030 through rigorous and immediate action taken by the public and private sectors globally. In 2022, we began our SDG journey by linking our efforts relating to each of our material topics with the SDGs we consider most relevant. We believe that our efforts support the realization of 14 of the 17 SDGs.

Further indication of how each material topic is linked to the SDGs can be found in the GRI Content Index on pages 113 to 117.



Leonteq and the Six Principles of the PRI

Leonteq became a signatory to the UN-supported Principles for Responsible Investment (PRI) in 2021. As a professional service partner, Leonteq recognises the influence it has over how its clients address ESG issues and acknowledges the relevance of ESG issues for investment management. It is therefore committed to providing, promoting and improving services that support the implementation of the PRI's Six Principles for Responsible Investment, and, in turn, contributing to developing a more sustainable global financial system.

Further information about Leonteq's implementation of the Six Principles of the PRI can be found in the following sections of the Sustainability Report: Our Responsible Investing on page 84, Sustainability in Products on pages 81 to 83 and Association Memberships and Participation in External Initiatives on pages 79 to 80.

Leonteq and Swiss Sustainable Finance

Leonteq has been a member of Swiss Sustainable Finance since 2021. In view of its ability to offer and implement sustainable investing opportunities for its clients and partners, Leonteq's ambition is to create awareness and inform its clients about ESG as well as the trends, risks and opportunities deriving from ESG. With its membership of Swiss Sustainable Finance (SSF), Leonteq is committed to driving sustainable investment approaches across this field. In 2022 Leonteq participated in the SSF workshop on the 'Role of Derivatives in Sustainable Products'. SSF's ambition is to publish a manual on the sustainable use of derivatives. Leonteq intends to continue participating in this workshop going forward.

Our commitment to supporting the UN Sustainable Development Goals (SDGs) is reflected by our sustainability aspirations and our participation in the UNGC since 2021

Leonteq and the Swiss Structured Products Association

As a leading marketplace for structured investment products, Leonteq actively promotes the image of the structured products sector within the Swiss finance industry and supports efforts to increase transparency and educate investors about this field. Leonteq has been an active member of the Swiss Structured Products Association (SSPA) since 2008. Leonteq representatives have taken part in the expert workgroups “Categorization” and “Documentation” since 2008, in the “Retail Expert Group” since 2018 and in the “Tax” expert group since 2021. In 2022, Leonteq joined the ESG expert working group as part of its increased involvement with SSPA in the area of ESG. It is actively supporting the establishment of a recognised common minimum standard across the Swiss structured product industry for products with sustainability features.

Leonteq is actively supporting the establishment of a recognised common minimum standard across the Swiss structured product industry for products with sustainability features

Italian Association of Certificates and Investment Products

Leonteq has been a member of the Italian Association of Certificates and Investment Products (ACEPI) since 2022. The Association aims to promote an interest in and knowledge of certificates and investment products among investors, taking the necessary measures to foster the development of efficient and transparent primary and secondary markets for these products. Membership of the Association enables Leonteq and other market operators to stay informed about developments in this area through ACEPI’s research, studies, conferences, seminars and training courses. Our role as a member of ACEPI also helps to position Leonteq as a recognised participant in the market. We will continue with our membership of ACEPI in 2023.

Leonteq and Advance

In 2022, as part of our efforts in the area of Diversity & Inclusion, Leonteq became a member of Advance, the leading business association for gender equality in Switzerland. By becoming a member of Advance – a network of 130+ Swiss-based companies committed to increasing the proportion of women in management – Leonteq is aspiring to improve the gender diversity of its own workforce and to give its leaders additional resources to nurture an inclusive working environment.

Leonteq is aspiring to improve the gender diversity of its own workforce and to give its leaders additional resources to nurture an inclusive working environment

Sustainable investing

2022 brought major geopolitical changes, record energy costs and surge in inflation, together with rising poverty, a global food crisis and new extreme weather events around the world. Against this backdrop, the importance of sustainable finance and sustainable investing are being discussed even more widely than before and scrutiny around greenwashing has intensified. In this context, Leonteq has taken a step forward in its ESG integration and stewardship responsibilities as an investor and has reassessed its own product offering and labelling to align them with emerging ESG regulations and guidelines.

Sustainability in products

Sustainable finance in general – and the sustainability credentials of financial products such as structured products – have become increasingly important to institutional and private investors. These offerings are also attracting growing attention from the general public, government bodies and the media. Demand for structured products that incorporate ESG aspects has increased in recent years. As a provider of investment solutions, Leonteq strives to offer exposure to ESG indices, as well as giving clients access to a wide range of investment solutions with ESG aspects.

The development and distribution of sustainability-themed products influences the sustainable development of the economy and environment. It affects in particular the security of investments and the performance generated for our clients, the mindset of our employees, and overall trust in the sector, which could potentially result in no further or fewer resulting regulations.

In consideration of these impacts, Leonteq is actively working with industry peers to develop recognised sustainability standards and guidelines for structured products in Switzerland and Europe. It is also continuing to integrate ESG factors into its range of products and services as a key aspect of Leonteq's sustainability strategy. These include offering innovative solutions for different client needs, creating awareness of ESG, promptly identifying the corresponding trends and risks, offering ESG-related investment opportunities and reporting transparently on ESG aspects in our products.

Leonteq offers a wide range of solutions to its clients, leveraging its IT infrastructure and engineering capabilities to do so. These solutions and services include the development, structuring, distribution, hedging and settlement, lifecycle management and market making of structured products, as well as the design and management of structured certificates and unit-linked life insurance policies. Employees from across Leonteq's different departments work in close cooperation with one another at all stages of the product lifecycle. They include our industry experts in our Sales, Structuring, Financial Engineering, Legal, Compliance and Product Services teams. Our Product Services function is specifically responsible for the documentation and issuance of structured products. It also ensures the proper labelling of each product termsheet by producing the necessary regulatory, legal and marketing documents for each structured product. Products are additionally approved by Leonteq's Executive Committee-level Product Approval Committee.

To offer investors a broad range of investment certificates with integrated ESG criteria, Leonteq has a large range of products on third-party indices. It is also currently developing a responsible investing framework that takes into account the new industry guidelines in Switzerland and Europe.

Responsible investing framework

Leonteq is currently developing a methodology to assess the sustainability of structured products and is in active discussions with relevant industry associations in Switzerland and Europe to agree on a common denominator when it comes to determining sustainability features in structured products. Until this methodology is in place, Leonteq ceased to apply ESG stamps and to include information on the ESG rating of the products' underlyings on its termsheets (as of November 2022). ESG search filters have also been removed from Leonteq's structured products websites. This decision was made in view of sustainability-related changes made to the EU MiFID II regime.

Product offering

Leonteq has been offering sustainability-themed products and tracker certificates to investors for a number of years. In recent years, Leonteq has contributed to the launch of the world's first donation certificate, and launched tracker certificates on the Morningstar Developed Europe Renewable Energy 30 Index, the H2 Technology index, Women in CEO Positions, the MSCI Europe ESG Leaders index and the FuW Eco Portfolio index. Leonteq also provided a TCM Green Bond Repack as well as tracker certificates on various Swissquote indices, including the Hydrogen Index, Global eMobility Index, Vegetarian Index, Global Recycling Index, Gender Equality Index and Rainbow Rights Index.

With its innovative offering, Leonteq is playing a pioneering role in shaping the future of sustainably conscientious tracker certificates. It received the award for "Best ESG Product" at the 2021 Swiss Derivative Awards for its tracker certificate on the Swissquote Rainbow Rights Index.

In 2022, Leonteq structured numerous product ideas for its clients including a green bond - a fixed-income instrument that is designed specifically to raise money for climate and environmental projects - as an underlying. As part of the fund derivatives and quantitative investment strategies initiatives, Leonteq regularly structures indices that have a sustainable investment ethos as their constituent funds.

Leonteq's sustainability-themed product offering comprises approximately 10% of Leonteq's AMC offering.



The tracker certificate on the Swissquote Gender Equality Index invests exclusively in companies with a proven track record in promoting equal opportunities for women in the workplace.



In 2021, Leonteq entered into a collaboration with MSCI® and created bespoke versions of their "ESG Leaders" range of indices. Leonteq has since provided 50 innovative products to its clients based on this offering. The MSCI® ESG Leaders Indices use a best-in-class approach by only selecting the companies with the highest MSCI ESG ratings and low ESG controversy exposure, leveraging MSCI's award winning research. This is in addition to the exclusion criteria that apply. To avoid taking active sector bets, the indices target a sector representation close to their benchmark.



The Globalance Low Carbon Index is only eligible for companies with the lowest possible carbon emissions and an above-average positive footprint that also generate a very high proportion of sales related to one of nine global megatrends.



In 2020, Leonteq entered into a collaboration with Morningstar® to create the Europe Renewable Energy 30 Index, an index of companies involved in the renewable energy sector. Energy security is of strategic importance to every government. Climate change is regarded as an existential threat, and the transition from the use of fossil fuels to renewable energy sources has a key part to play in efforts to achieve net zero especially in the European Union. Leonteq has introduced six innovative sustainability-themed products to its clients.



The FuW Eco-Portfolio Index focuses on companies pursuing a CO2 reduction strategy. In addition to meeting environmental criteria, newcomers must also achieve certain financial criteria (e.g. an attractive valuation, low leverage and sound profitability).



The tracker certificate on the Swissquote Green Energy Index allows investors to bank on the renewable energy sector as a whole. The underlying of the participation product focuses on companies which profit from growing demand for renewable energy.



The Swissquote Rainbow Rights Certificate selects companies for inclusiveness and equality including sexual orientation and identity rights with committed non-discrimination policies within corporate priorities.



The tracker certificate on the Swissquote Global Recycling Index invests in companies that are actively involved in the recycling, waste management, water treatment and pollution monitoring sectors or other environmental services with technologies, products and services.



The tracker certificate on the actively managed Swissquote Global eMobility Index gives investors access to companies that focus on electric vehicles and their drive technologies.



The H2 Technology Index covers the entire value chain of the topic "hydrogen". Companies are active in the field of hydrogen production, storage and distribution or are users, for example, in the industrial and mobility sectors. In addition, the index also includes energy producers geared to renewable energies.



The tracker certificate on the Swissquote Hydrogen Index offers a well-diversified position in this sector. Investors share in the performance of 19 hydrogen pearls, circumventing the risk associated with an individual equity.



The tracker certificate on the Swissquote Vegetarian Index covers companies that produce vegetarian products and generate at least 90% of their income from vegetarianism.



As part of our activity in the fund derivatives and quantitative investment strategies area, Leonteq regularly structures indices whose constituent funds comprise sustainable investment ethics. In 2022, Leonteq launched three proprietary indices on the JP Morgan AM Sustainable Funds as part of this initiative. These include the Leonteq Growth Index, the Leonteq Balanced Index, and the Leonteq Defensive Index.

Our Responsible Investing

ESG integration

Leonteq invests part of the proceeds from the issuance of structured products in a high-quality weighted average AA-rated bond portfolio comprising governments, supranational issuers, corporates and financials. When investing in bonds, Leonteq's treasury department considers criteria including: Credit spread, credit curve, interest rates, credit rating, asset liquidity, sector, country of risk and diversification metrics. In 2022, Leonteq added ESG ratings as an additional investment parameter by sourcing corresponding data from Refinitiv, which covers approximately 65% of the bonds Leonteq invests in. The bonds not covered by Refinitiv primarily include government agencies, development banks and cantonal banks.

With this expanded data source now in place, Leonteq's Treasury Committee focuses on investing in bonds rated B and above and has implemented a minimum ESG rating floor of D-. No investment is permitted below that minimum rating unless it is specifically approved by the committee. As of 31 December 2022, 91% of the ESG-rated bond portfolio comprised of bonds with a B rating or above. Leonteq also intends to establish a responsible investing framework that will define how the Group considers additional ESG criteria when investing in bonds going forward.

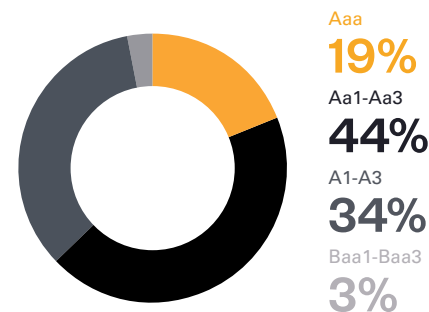
Stewardship

As an issuer of structured investment products, Leonteq hedges its exposure primarily by investing in listed equity securities or listed derivatives linked to the underlying securities used in structured products bought by our clients. The hedge portfolio currently consists of more than 2,000 listed companies with a market value of around CHF 3.7 billion as of 31 December 2022. The majority of these assets are in turn used for re-financing purposes and pledged as collateral with counterparties, whilst Leonteq holds the voting rights on the smaller portion of the portfolio. While this portfolio is not based on an active investment decision for the purpose of generating performance for the benefit of Leonteq or its clients (e.g. in an asset management business), Leonteq acknowledges the responsibility it has as an investor.

Therefore, Leonteq is in the process of appointing an internationally renowned proxy advisor to execute the voting rights in line with a pre-agreed proxy voting policy of the to be selected service provider for listed equities securities above a certain investment threshold starting latest with the 2024 AGM season.

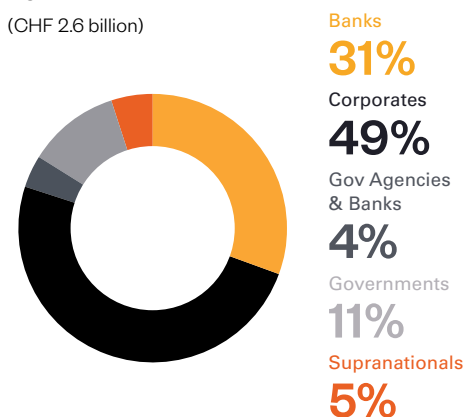
Investment portfolio by credit rating 2022

(CHF 2.6 billion)



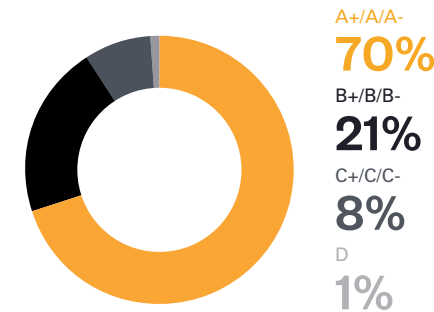
Investment portfolio by type of investment 2022

(CHF 2.6 billion)



ESG rating distribution

(CHF 1.7 billion)

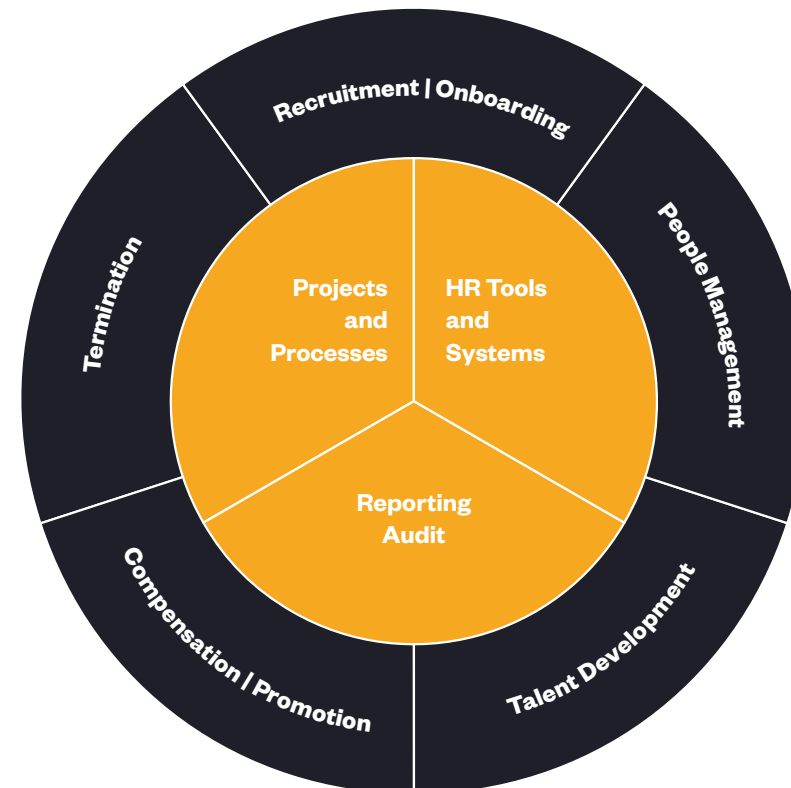


Sustainability in our business activities

Our people

At Leonteq, we recognise that employees are our most valuable asset and are key to our success in all areas of our business. Satisfied and motivated employees engage more effectively with their colleagues, perform better in their day-to-day work and show greater loyalty to the Group. Leonteq is committed to being an attractive employer that fosters the well-being and satisfaction of its employees and is mindful of the need for them to strike a good work/life balance. Employee well-being and satisfaction also impacts public health, while working conditions and benefits correlate with an individual's social security. Leonteq is therefore committed to offering its employees interesting work and a safe working environment, while promoting open communication within teams.

Leonteq's Human Resources department is led by the Chief People Officer, who is a member of the Executive Committee and Sustainability Committee. The department is responsible for positioning Leonteq as an employer of choice. To achieve this, we have a dedicated employment lifecycle that covers recruitment and onboarding, people management, talent development, compensation and promotion, and termination. Within each of these phases, programmes and processes are in place to support employees throughout their career at Leonteq.



Recruitment and onboarding

Leonteq offers full-time and part-time positions in recognition of the need for flexible working models. We employ a unique pool of structured investment product and IT experts as well as young professionals at the beginning of their careers. Leonteq's seasoned experts have extensive experience in our fields of business and many have been hired from major investment banks, leading law firms, Big 4 audit and management consulting companies, as well as from FINMA and SIX Swiss Exchange.

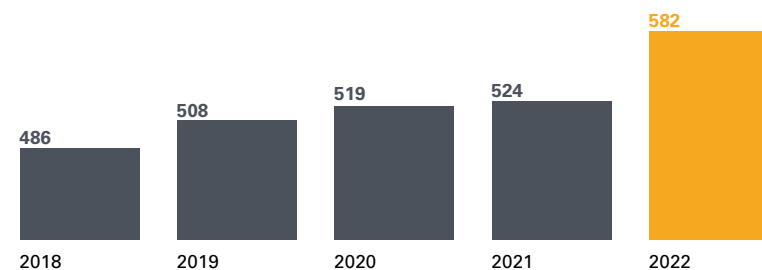
New employees complete a comprehensive onboarding programme, which provides them with an overview of the Group, its culture, its divisions, and its platform and its value chains. This programme includes three one-on-one sessions with colleagues from other areas of the Group. This exercise helps employees to learn and understand the company by gaining a perspective that goes beyond their own function. Additionally, it fosters Leonteq's corporate value 'People Together' from the beginning of the employee's journey with the Group.

Leonteq had a total of 595 employees, corresponding to 582 full-time equivalents (FTEs), as of 31 December 2022. This is an increase from 524 FTEs, or total headcount of 535, in the prior year.

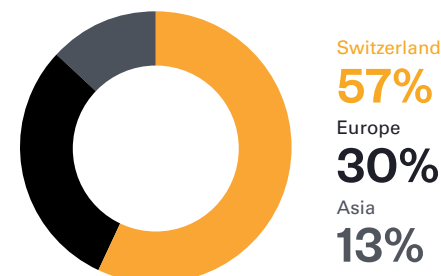
Of the 582 FTEs, 109 FTEs are female and 473 FTEs are male. Out of the global workforce, 334 FTEs are based in Switzerland, 175 in Europe and 73 in Asia, including the Middle East.

Of the total FTEs, 547 are permanent employees and 35 hold temporary employment contracts. 556 are full-time employees and 26 FTEs (corresponding to 39 headcount) work part-time of less than 100%.

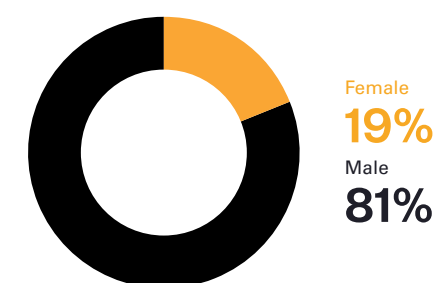
FTEs



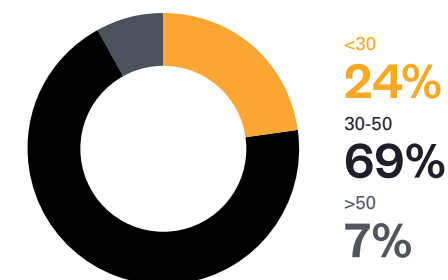
FTEs by region



FTEs by gender



FTEs by age group



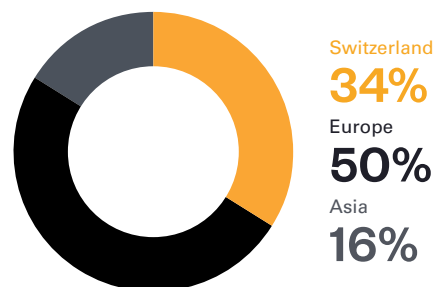
Leonteq employed a total of 582 FTEs as of 31 December 2022

FTEs		2022				2021			
		Total	Switzerland	Europe	Asia	Total	Switzerland	Europe	Asia
Employee contract									
Permanent	Female	104	49	34	21	90	50	20	20
	Male	443	263	131	49	402	257	102	43
Temporary	Female	5	3	1	1	1	1	0	0
	Male	30	19	9	2	31	15	13	3
Employee type									
Full-time	Female	92	38	32	22	77	39	18	20
	Male	464	273	140	51	416	258	113	45
Part-time	Female	17	14	3	0	14	12	2	0
	Male	9	9	0	0	17	14	2	1

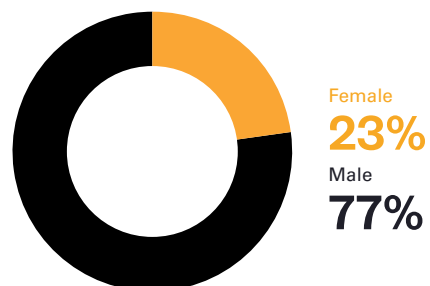
Workers who are not employees are contractors and work at Leonteq on specific projects. Contractors are not considered employees as they do not have an employment contract with Leonteq, and are therefore not included in the Group's FTE count. As at 31 December 2022, 112 contractors worked at Leonteq.

In 2022, Leonteq hired a total of 167 employees. This corresponds to a total of 165 FTEs.

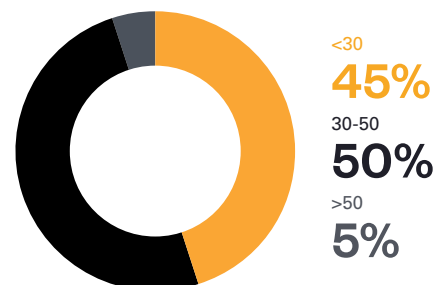
New hires by region



New hires by gender



New hires by age group



FTEs	2022	New hire rate ¹ 2022	2021	New hire rate ¹ 2021
New hires	165	30%	136	30%
Gender				
Female	37	33%	26	27%
Male	128	28%	110	27%
Age				
<30	74	60%	71	70%
30-50	82	20%	61	17%
>50	9	20%	4	10%
Region				
Switzerland	56	17%	53	17%
Europe	82	49%	64	48%
Asia	27	37%	19	33%

¹ Total number of new hires in relation to the average headcount for the respective period.

People management

Our people are at the core of our Group's success, and we strive to offer them a supportive framework throughout their time at Leonteq.

Leonteq's Human Resources department is the point of contact for employees and line managers throughout their time with the Group, reflecting Leonteq's HR open door policy. Employees are assigned a designated HR Business Partner and receive appropriate support in all employee-related matters.

In Switzerland, the agreement on the recording of working hours (VAZ) issued by the Employers' Association of Banks in Switzerland (AVG) is applicable to employees who meet the requirements stipulated in the VAZ.

Leonteq's flexible work set-up allows employees to work from home for up to two days per week, depending on their function and department. Additionally, they have the possibility to "work from anywhere" for up to one week every six months, depending on their function and department.



GREAT PLACE TO WORK®

Switzerland & Portugal

Leonteq took part in the Great Place to Work® initiative for the first time in 2022. Employees globally were asked to participate in an employee survey as the first step in this process. Based on the survey results, which included an overall Trust Index Score of 68%, as well as additional analyses of the company, Great Place to Work® certified Leonteq's locations in Switzerland and Portugal as Great Places to Work.

Leonteq aims to improve its overall Trust Index score to over 72% by 2026, and intends to further expand its certification across its locations.

To assist this endeavour, Leonteq will implement a biennial survey cycle, where the employee engagement survey will be conducted every other year with the in-between year used to implement measures identified through the survey.

Leonteq is currently working with Great Place to Work to conduct train-the-trainer sessions to support Leonteq's management in defining and implementing team- and corporate-level measures based on the 2022 survey results.

Trust Index Score

2022

68%

2021 Switzerland representative benchmark: 61%

Overall Satisfaction

2022

74%

2021 Switzerland representative benchmark: 67%

Health and Safety

Protecting the health and safety of employees is assigned the highest level of importance at Leonteq. As an employer of a diverse workforce in a world that is changing rapidly and in which new risks are constantly emerging, we consider it our duty as an employer to protect the health, safety and wellbeing of our employees. We examine environmental factors, economic impacts and social issues in this context, and have measures and programmes in place to ensure that employees know that Leonteq has their best interests at heart. It is important to Leonteq that its employees feel safe and comfortable at work and know that we prioritize their health and safety above all else.

Many factors can influence the working environment and thus impact on an employee's mental and physical health: Internal company politics, economic circumstances, an employee's personal or family situation, and of course, exceptional circumstances such as a pandemic. Leonteq's Human Resources department, led by the Chief People Officer, is always available to support all employees or their line managers in clarifying any issues that arise. For topics that extend beyond the remit and expertise of our Human Resources department, a complementary employee assistance service is offered through the specialised counselling firm Movis on topics ranging from work-related issues, to health, personal or financial issues.

Leonteq has a Health and Safety Officer, who is also responsible for Business Continuity Management (BCM) and is the IT risk delegate. The Health and Safety Officer leads a health and safety team consisting of evacuation officers (fire marshals) and first aiders; they complete

training refresher courses annually. Health and safety courses on emergency procedures, building evacuation and first aid assistance are provided to all employees upon joining the Group. Fire and evacuation drills are conducted regularly for all employees. Hazard identification, risk assessments and incident investigations are also conducted when required.

Leonteq acknowledges the impact that a desk job has on a person's physical health, and the stress and strain placed on the body due to a lack of exercise. Leonteq therefore offers standing desks, ergonomically designed chairs and adjusted lighting to provide optimal comfort and posture support.

The Group also takes part in external initiatives that promote employee health, such as the 'bike to work' initiative in Switzerland, which it has taken part in for the past several years. The Switzerland-wide 'bike to work' campaign benefits employee health and the environment. In 2022, 28 Leonteq employees formed seven teams and took part in the challenge to support sustainable mobility by cycling a total of 9,853 kilometres.

COVID-19

Leonteq has taken proactive steps to address the challenges created by the Covid-19 pandemic since the start of 2020, including promptly implementing a business continuity management plan at the start of 2020 in response to the pandemic. The Executive Committee implemented safety measures early on to protect the health and wellbeing of Leonteq employees, clients and other stakeholders as a matter of priority, while also seeking to protect Leonteq's business, ensure the continuity of operations and preserve profitability. The Group adapted its working arrangements on an ongoing basis to ensure employee safety and compliance with government rules and recommendations in the different jurisdictions in which it operates. The intensity and frequency of office cleaning was increased, and facemasks and additional hand sanitiser and towels were provided to employees in all office locations.

All Leonteq offices had to close or operate with significantly reduced occupancy through much of 2020, 2021 and part of 2022 in line with regulatory requirements. Leonteq has a sophisticated remote access set-up in place that allows for a swift and easy transition between onsite and remote working. Once lockdowns were imposed, employees were thus able to seamlessly transition to working from home from one day to the next

without disruption and they continued to work remotely for extended periods of time. As some governments eased restrictions, Leonteq took a phased approach to bringing staff back to the office.

Leonteq's priority at all times is to protect the health and safety of employees, clients and other stakeholders, as well as safeguarding the business and profitability

Talent development

Positions and functions that provide opportunities for development and give employees a sense of purpose, satisfaction and inspiration are important for employee motivation and wellbeing and thus also for the long-term success of the business. We recognize our responsibility for supporting the personal and professional development of our employees and the impact it has on their professional lives. We are therefore committed to giving our employees attractive training and development opportunities because a well-trained and diverse workforce increases the attractiveness, employability and innovative strength for the local labour market.

We invest in the development of our employees from day one and offer them regular opportunities to develop their skills and knowledge, both as part of their professional role in a company within the financial industry and in areas that are partly unrelated to their core field of work. Overseen by the Human Resources department and Chief People Officer, employees are provided with a variety of professional development opportunities as well as career planning and succession planning as part of Leonteq's Education & Talent Management programme.

The programmes to upgrade employee skills include Leonteq's Graduate Programme, the onboarding programme, Crypto Currency workshop, the Institute for Management Development (IMD) online structured products course, external presentation skills training, and leadership training, which, in 2022, included a Leadership Workshop and New Leaders Webinar. Leonteq also encourages employees who take external courses such as language courses and the CFA certification. It additionally works with MOVIS to provide employee transition assistance programmes to promote employability and help to manage change of direction due to retirement or the termination of employment.

IMD online course “Investing in Structured Products”

Together with the Institute for Management Development (IMD), Leonteq offers an online-based education course in structured investment products to clients and employees. This course combines the excellence and academic rigour of IMD's executive education with Leonteq's expertise and innovation in the structured products business.

The jointly-developed online course is a custom offering which is designed in two modules: The first, called “Foundations”, instructs participants on the fundamentals of structured products, while the second course, called “Advanced”, provides a deeper understanding of more complex topics and product features.

By completing these modules, participants gain a thorough understanding of structured products across all various product types. Participants who successfully complete the course receive a custom IMD-Leonteq certificate.

Employee who took the course: **171**

Employees who completed the certification: **122**

Average hours spent per employee: **11**

Language courses

Employees who attended: **25**

Average hours spent per employee: **36**

Graduate Programme

Graduates who attended the programme: **45**

Average hours spent per graduate: **45**

Leadership development

Employees who attended: **69**

Average hours spent per employee: **17**

Employee training hours

	2022
Average hours of training per employee	15
Gender	
Female	13
Male	15
Employee rank	
Senior Management	9
Professionals	16
Division	
Executive Committee members	2
Finance & Corporate Services	16
Human Resources	8
Investment Solutions	14
Legal & Compliance	14
Markets	18
Operations & IT	13
Risk Control	27

Young talent

Leonteq values and recognises the importance of young talent in its workforce. As part of its goal to develop the next generation of leaders, Leonteq has a talent pipeline in place to bring young professionals to the Group. Leonteq is actively involved in university recruiting activities, and continuously offers IT apprenticeships, internships and graduate positions to young employees. These different posts take the form of temporary contracts for students and young professionals at the start of their career.

As part of its efforts to connect with universities and young talent globally, Leonteq took part in 15 university events in Switzerland, Singapore, France and Portugal in 2022. This enabled it to reach over 1,000 students predominantly from finance and technology degree programmes at the following universities: London Business School, ESSEC Business School, Zurich University of Applied Sciences, ETH Zurich, University of St. Gallen, Haute école de gestion de Fribourg, EDHEC Business School, NOVA University Lisbon, University of Zurich and École polytechnique fédérale de Lausanne (EPFL).

The internship programme, lasting 6 to 12 months, gives university students and new graduates their first professional experience within the industry. In 2022, Leonteq hired 29 interns, 5 of whom subsequently took on graduate positions.

Leonteq's graduate programme, which was initiated in 2015 and ran in 2016, 2018, 2019, 2021 and 2022, offers long-term career development opportunities for new graduates in the form of tailored, business-specific professional training. Each year, Leonteq aims to have approximately 20 young professionals with master's degrees in the programme. The 12-month programme includes an off-campus, two-week intensive training course. Upon successful completion of the programme, graduates are usually offered permanent contracts for full-time employment. In 2022, Leonteq hired 18 Graduate Programme Attendees.

Leadership and professional development

A strong leadership team is crucial to the achievement of our business objectives. Our leadership programme educates management on various topics needed to successfully lead a team, including identifying employee potential, workplace diversity, and individual and professional growth. In 2022, Leonteq held two internally-led sessions – a Leadership Workshop as well as New Leaders Webinar – and encouraged its managers to attend events hosted by Advance.

As Leonteq employees who advance in their careers have the option to take on senior management positions, Leonteq additionally has several instruments in place to ensure the talent and professional potential of individual employees are identified and leveraged.

University recruiting

3

Student events

hosted at Leonteq

6

Fairs & education series

attended

6

Presentations

given online and in person

>1,000

students reached

Compensation and promotion

Appropriate compensation is an important factor determining employee satisfaction and loyalty. Leonteq is committed to offering employees fair and competitive compensation and benefits in line with market standards. Fixed compensation varies according to the responsibility, requirements and rank associated with the role as well as the individual employee's qualifications or expertise, experience and other attributes that influence performance. Variable compensation components are a direct reflection of the performance of the Group, division and individual and are awarded differently in accordance with an employee's function: Front-office employees receive variable compensation based on a sales formula, the Executive Committee members are awarded in line with their compensation model, and all non-sales functions are awarded variable compensation on a fully discretionary basis.

Employee performance is evaluated in an annual performance review, which takes into account specific criteria, including the extent to which the employee meets the requirements of the function, the achievements of individual targets and compliance with cultural values. Permanent employees with a start date of before 1 July are required to receive a year-end performance review with their managers. Employees who are on long-term leave, such as parental or sabbatical leave, during the year-end performance review period are also not subject to an annual review. Therefore, the percentage of employees that received an annual performance review is based on the total number of employees (in headcount) who are eligible for a performance review as stated in the aforementioned criteria.

The employee's rank is also evaluated during this annual process and promotions are awarded based on various criteria. Depending on the rank, employees must present their case to the Executive Committee or another designated committee, they must have held their previous rank for a certain period of time, and they must have succeeded in achieving defined KPIs as part of their performance review, among other factors. Leonteq intends to further enhance this process in the coming years.

Six different ranks apply at Leonteq: Employees, analysts, associates and directors (collectively defined as 'professionals') and executive directors and managing directors (collectively defined 'senior management').

Year-end performance review by gender

Female	98.95%
Male	98.76%

Completed
Not completed

Year-end performance review by employment level

Senior Management	98.57%
Professionals	98.88%

Completed
Not completed

In 2022, 99% of employees received a regular performance and career development review as part of Leonteq's year-end processes (YEP)



Year-end performance review by division

Executive Committee members		100.00%
Finance & Corporate Services		100.00%
Human Resources		100.00%
Investment Solutions		96.99%
Legal & Compliance		100.00%
Markets		100.00%
Operations & IT		98.93%
Risk Control		100.00%

Completed

Not completed

Leonteq-specific compensation and benefits

Length of service award

5, 15, 25, 35 years =

5 days of additional vacation

10, 20, 30, 40 years = up to a

2-month sabbatical

whereof 4 weeks are paid leave

Work from anywhere

Up to 1 week every half year of remote

**work anywhere
in the world**

Leonteq's benefit programme is provided to employees both on a global and regional level. Whilst benefits such as length of service award, work from anywhere allowance and corporate travel insurance are offered globally, local offerings such as automobile and public transportation discounts, laundry services, fitness offerings and food and drink discounts are organised locally and differ. The majority of benefits offered in each office location are for all employees working there. The 'work from anywhere' benefit is also dependent on an individual's function within the Group and not valid for all employees. The only benefits provided to full-time employees that are not provided to temporary and/or part-time employees are subsidised public transportation and lunch allowances.

Pension and insurance benefits

Leonteq employees in Switzerland additionally benefit from generous pension provision and are covered under Leonteq's accident insurance policy, which exceeds statutory requirements. In terms of accident insurance, Leonteq employees are insured against occupational and non-occupational accidents, in accordance with the Federal Accident Insurance Act, and Leonteq pays the employer and employee premiums for both occupational and non-occupational accidents. This insurance not only covers treatment costs but also additional capital insurance benefits in the event of disability or death.

Leonteq employees also benefit from an occupational benefit plan governed by separate regulations, which insures them against the financial consequences of retirement, disability and death in accordance with the established pension fund plan. As part of this offering, Leonteq also contributes to each employee's pension fund, paying the highest level of savings regardless of the employee's chosen contribution level. Equivalent benefits for Leonteq employees outside of Switzerland vary depending on local legal requirements.

Parental leave

New mothers and fathers are granted parental leave following the birth or adoption of a child. The amount of parental leave granted, is in line with the legal requirements in each country where Leonteq operates.

	Employees ¹ entitled to parental leave in 2022	Employees ¹ who took parental leave in 2022	Employees ¹ who returned to work from parental leave in 2022	Employees ¹ who were still working at Leonteq 12 months after returning from parental leave
Male	28	28	27	14
Female	10	10	6	3
Total	38	38	33	17

¹ Headcount

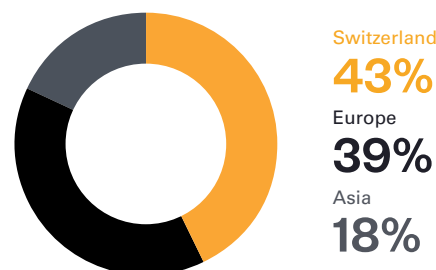
	Return to work rate	Retention rate
Male	100%	82%
Female	100%	75%
Total	100%	81%

Termination

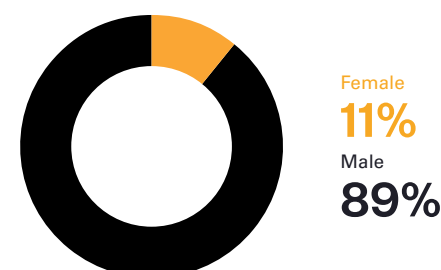
Leonteq is a young and dynamic company that seeks to attract and retain the best talents. In 2022, we experienced a total voluntary employee turnover rate (defined as the total number of employee-initiated resignations in relation to the average headcount of the respective period) of 12% (2021: 17%). This compares to the overall total employee turnover rate of 16% (2021: 26%). While we report fully on Leonteq's total 2022 turnover in the following tables, Leonteq considers voluntary turnover metrics when calculating its performance against benchmarks.

Leonteq has a core group of employees who have been with the Group for multiple years – meaning that we continue to benefit from their expertise and long experience. At the same time, our Group is consistently growing and Leonteq continues to welcome new talents. In total, 255 FTEs (45%) have worked for Leonteq for four or more years (2021: 248 FTEs, or 46%), and 327 FTEs (55%) have worked at Leonteq for less than 4 years (2021: 293 employees, or 54%).

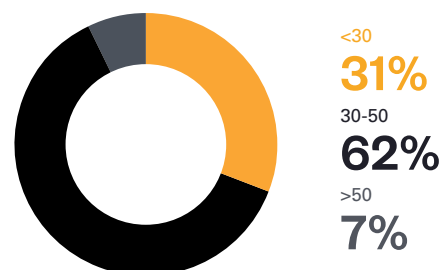
Leavers by region



Leavers by gender



Leavers by age group



Employee turnover

Leavers (in headcount)	2022	Turnover rate ¹ 2022	2021	Turnover rate ¹ 2021
Gender				
Female	10	9%	29	31%
Voluntary	9		23	
Involuntary	1		5	
External Influence ²	0		1	
Male	77	16%	90	22%
Voluntary	57		64	
Involuntary	17		19	
External Influence ²	3		7	
Age				
<30	27	21%	40	39%
Voluntary	21		29	
Involuntary	4		3	
External Influence ²	2		8	
30-50	54	13%	71	20%
Voluntary	42		54	
Involuntary	12		17	
External Influence ²	0		0	
>50	6	13%	8	21%
Voluntary	3		4	
Involuntary	2		4	
External Influence ²	1		0	
Region				
Switzerland	37	11%	75	24%
Voluntary	30		54	
Involuntary	5		18	
External Influence ²	2		3	
Europe	34	20%	24	18%
Voluntary	23		17	
Involuntary	10		2	
External Influence ²	1		5	
Asia	16	22%	20	34%
Voluntary	13		16	
Involuntary	3		4	
External Influence ²	0		0	
Rate of employee turnover	16%		26%	

¹ Total number of leavers irrespective of reason in relation to the average headcount for the respective period

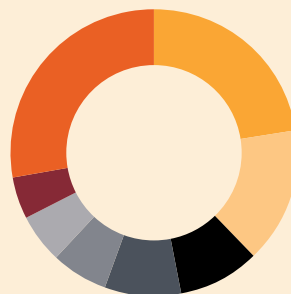
² Including employees with limited contracts or who retired

Diversity and inclusion

Leonteq is a global company and employs people from many different backgrounds. The diversity of our workforce enriches the Group as well as the local labour market, as each individual brings specific expertise to their employer. The different cultural backgrounds of our employees help to create a diverse environment with mixed teams whose varied profiles and experience have a positive impact on the business by introducing a range of perspectives – resulting in more diverse outcomes. In 2022, Leonteq employed people from 55 different nations, demonstrating the diversity of our workforce.

As a fintech company with a large portion of its employees in sales and IT roles, Leonteq is aware of the challenges faced when seeking to increase gender diversity. As is characteristic of these two disciplines across the industry, Leonteq's IT and front office staff (IT & Operations and Investment Solutions) have some of the lowest ratios of female employees. Leonteq nevertheless considers diversity across ranks and functions to be a very important factor to help it remain competitive and to position the Group as an employer of choice. It is therefore working to improve its diversity ratios and has defined as one of its key ESG targets to increase the gender diversity across the Group to over 25% by 2026. Some of Leonteq's Human Resources-led initiatives to increase gender diversity within the Group and to attract a more diverse demographic of employees include its participation in university job fairs and its measures to promote part-time and flexible working.

Nationality



Switzerland

23%

France

15%

Italy

9%

Portugal

9%

Germany

6%

United Kingdom

5%

Singapore

5%

Other

28%

In 2022, our workforce included employees from 55 different nations.



1-20 employees

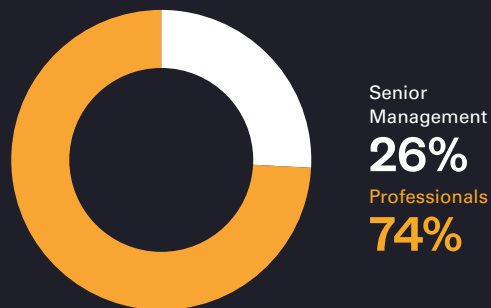
21-40 employees

41-80 employees

81-100 employees

>100 employees

Leonteq rank structure



Gender distribution by employment level

Employee Level (in FTEs)	Female	Female %	Male	Male %	Total
Senior Management	15	10.39%	136	89.61%	151
Professionals	94	23.13%	337	76.87%	431

Age distribution by employment level

Employee Level (in FTEs)	<30	<30 %	30-50	30-50 %	>50	>50 %	Total
Senior Management	1	0.65%	123	81.17%	27	18.18%	151
Professionals	135	30.84%	280	65.31%	16	3.85%	431

Total FTEs by division

Executive Committee members		7
Finance & Corporate Services		44
Human Resources		11
Investment Solutions		158
Legal & Compliance		64
Markets		60
Operations & IT		212
Risk Control		26

Gender distribution by division

Divisions (in FTEs)	Male	Male %	Female	Female %	Total FTE
Executive Committee members	6	86%	1	14%	7
Finance & Corporate Services	27	56%	17	44%	44
Human Resources	2	18%	9	82%	11
Investment Solutions	142	89%	16	11%	158
Legal & Compliance	42	65%	22	35%	64
Markets	55	92%	5	8%	60
Operations & IT	180	84%	32	16%	212
Risk Control	19	74%	7	26%	26

Age distribution by division

Divisions (in FTEs)	<30	<30 %	30-50	30-50 %	>50	>50 %	Total
Executive Committee members	0	0%	5	71%	2	29%	7
Finance & Corporate Services	9	19%	33	75%	2	6%	44
Human Resources	3	27%	7	64%	1	9%	11
Investment Solutions	53	33%	100	64%	5	3%	158
Legal & Compliance	10	17%	42	65%	12	18%	64
Markets	12	20%	44	73%	4	7%	60
Operations & IT	41	19%	155	73%	16	8%	212
Risk Control	8	30%	16	63%	2	7%	26

Non-discrimination

Ensuring the equal treatment of our employees, clients and other stakeholders at all times – regardless of race or ethnicity, gender, nationality, age, disability, sexual orientation, religion or any other status protected by law – is of the utmost importance at Leonteq. The Group has a zero-tolerance policy on harassment and discrimination, as defined in the Code of Conduct & Ethics. It has a defined escalation, whistleblowing and grievance process in place to manage any instances of harassment and discrimination.

Each type of discrimination or other violation of personal rights – such as sexual harassment, mobbing, xenophobia, curtailments of the freedom of religion or belief, etc. – is thoroughly investigated in an interview process. Any person committing acts of harassment and/or discrimination is subject to individual sanctions that include written warnings, personal interviews, transfer to another department or termination. Additionally, employees who have been subject to any discrimination and/or harassment within Leonteq receive support from the Group and they have the right to submit complaints without facing the risk of any negative consequences.

We strive to protect our employees' personal integrity in the workplace at all times, including throughout the hiring process, during their employment with the Group and in the event of the termination of the employment relationship.

There were no incidents of discrimination and no corrective actions taken in 2022.

Leonteq is additionally committed to the principle of offering existing and prospective employees equal opportunities in accordance with the laws and regulations of the jurisdictions in which it operates. In this context, in the course of 2020 and 2021, Leonteq conducted an equal pay analysis under the Federal Act on Gender Equality of the Swiss Confederation for staff employed in Switzerland and will report the results in accordance with the required timeline. It additionally has several rules in place to ensure equal treatment of its employees, including guaranteeing equal professional opportunities for its employees and equal pay for equal work.

Our clients

Based on our vision to be the leading marketplace for structured investment solutions, our mission is to deliver quality products and services to our partners and clients. From offering high-quality products and services to the delivery of transparent and responsible solutions, Leonteq's clients have the potential to generate real impact through sustainable investment opportunities. Generating high levels of satisfaction and consistent value for our clients and business partners is of key importance to us in all that we do because it helps to strengthen their investment knowledge and security.

We typically operate through intermediaries to whom, as part of our regulated B2B4C business model, we pay distribution fees and contractually agree the standards we expect of them, including duties towards their clients. The vast majority of these distribution partners are regulated financial intermediaries which have to comply with the regulations put in place by respective financial market authority. Our 1,030 clients are located in more than 50 markets globally. They are served by Leonteq's experienced sales team of industry experts that provides continuous support and is committed to building long-term client relationships. With a digital marketplace offering a vast universe of structured products, Leonteq gives clients access to a variety of issuers, asset classes and pay-offs that are available on the platform. The distribution of structured investment products is performed either by Leonteq or by its issuance partners. Leonteq's distribution capabilities are complemented by a dedicated in-house ideation, structuring and trading team and include a digital and automated pricing engine.

Marketing activities

As Leonteq continues to develop its business offering, each business area engages in product development, client communications and marketing activities. We have comprehensive processes in place to ensure accuracy and compliance with applicable legal regulations for best practice messaging and communication with clients, partners and other stakeholders. Our products and services meet the applicable legal and regulatory requirements with regard to labelling and transparency, including the disclosure of fees, a practice that Leonteq established long before it became a requirement.

Specifically, the documentation and issuance of structured products is created and designed in accordance with the Swiss Financial Services Act (FinSA). Leonteq provides its clients with legal and regulatory product documentation, such as Base Prospectuses, Issue Terms and Key Information Documents (PRIIPs and FINSA KIDs) as well as MiFID II documents.

Leonteq's internal control system comprises controls relating to its business, operational and IT processes, as well as information security controls and controls carried out by Leonteq's partners. The internal control system is audited on an annual basis in accordance with ISAE 3402. A comprehensive report documenting these controls is produced on an annual basis and is certified by means of an external audit.

Leonteq is not aware of any incidents of non-compliance concerning product and service information and labelling, or any incidents of non-compliance concerning marketing communications for the 2022 reporting period.

90%

of clients are satisfied with the speed, availability and user friendliness and design of LynQs

Client feedback

Client survey

In 2022, Leonteq conducted a global client survey. The survey was sent to 1,248 individuals across all the regions in which Leonteq operates. The response rate was 16%. The majority of respondents were professional investors located in Switzerland.

Based on the feedback received, Leonteq noted that most clients were satisfied with the customization, universe, pricing and quality of the issuers on our structured products, as well as with the user friendliness and design of Leonteq's digital one-stop-shop, LynQs. However, they called on Leonteq to broaden its offering in the area of thematic investments. Respondents also expressed an interest in the addition of further partners and issuers on Leonteq's platform. With regard to the topic of sustainable investment, the majority of clients requested greater transparency about ESG exposure. Leonteq intends to address this as part of the development of its responsible investing framework.

Client complaint process

Ensuring a high level of client satisfaction is a priority for Leonteq. We have a comprehensive client complaint process in place that is managed by our Complaints department. The process involves clarifying the legitimacy of a complaint. All complaints and claims are forwarded to the Complaints department, the head of the division that is subject of the complaint or claim and the General Counsel, if necessary or appropriate. If a complaint or claim is submitted, Leonteq issues a confirmation that it has been received within one week and informs the client of an expected date by which it will answer the complaint or claim if feasible. Ongoing coordination and monitoring are performed by the Complaints department, which also consults with the affected organisational units where necessary.

This process ensures that good relationships with clients are maintained and that errors are handled appropriately to avoid any recurrence and any detrimental impact on clients.

80%

of clients are satisfied with the customization, universe, pricing and quality of issuers of our structured products

Our suppliers

Leonteq is active in 13 countries around the globe and works with a variety of suppliers worldwide. As our business grows, our environmental and social footprint also increases due to our own activities as well as the operations of our suppliers and service providers.

Led by our Procurement team, Leonteq endeavours to work with suppliers who provide high-quality products and services at fair prices while maintaining sustainable practices. In doing so, Leonteq aims to promote sustainable behaviour by suppliers, with a focus on their environmental impact, as well as efforts around employee welfare and human rights. At the same time, we are aware that the suppliers we work with may be subject to more complex organisational structures.

In this context, Leonteq developed a Supplier Code of Conduct in 2022, which highlights the Group's environmental, social, economic and ethical expectations from the suppliers with which it works. Beginning in 2023, new suppliers will be required to acknowledge the Supplier Code of Conduct as part of their onboarding process; existing suppliers will additionally be asked to acknowledge the Supplier Code of Conduct before contracts are renewed.

Leonteq does not earmark a specific procurement budget amount for local suppliers but recognises the impact of its business on the local job market and economic development. Leonteq therefore strives to purchase local products and services from suppliers that create positive social and environmental impacts through their work, if both quality and pricing requirements are met.

Leonteq defines "local" as products or services that are purchased from suppliers located within the same country of operation. We base our analysis on invoices paid in the financial year and it does not include considerations for payments directly recorded in revenues, like trading related fees and interest expenses that are not paid as invoices. Leonteq defines its headquarters in Zurich, Switzerland as its sole significant location of operations. In 2022, the head office of Leonteq Securities AG, and the head office of Leonteq AG, spent a total of CHF 73.6 million on products and services, whereby 68% was purchased from a total of 349 local suppliers. While we aim to support Swiss businesses, we are aware that more complex supply chains exist behind the products that we source from our Swiss suppliers.

Supplier Code of Conduct

Leonteq is committed to preserving its high legal, ethical, and moral standards as well as a culture of compliance with local and international laws and regulations and expects the same from its suppliers.

Business Standards & Ethical Sourcing

We expect all our suppliers to conduct business with integrity and incorporate ethical and responsible behaviour into their processes and governance whilst complying with all relevant laws and regulations. Leonteq expects any information received by a supplier from Leonteq to be held securely with the same appropriate measures to safeguard that information and to ensure there is no disclosure of the data to any other party without Leonteq's permission.

Environmental Responsibility

We expect suppliers of Leonteq to work together with their supply chains to minimize the environmental impact of their operations and ensure business practices meet all applicable environmental laws and regulations.

Human Rights

Leonteq is committed to upholding the Universal Declaration of Human rights (enacted by the UN in 1948) and the conventions of the International Labour Organization (ILO) and in doing so is especially committed to no child labour, no forced or compulsory labour, freedom of association and the right to collective bargaining, as well as equal remuneration and non-discrimination. Leonteq requires that its suppliers implement and practice the same principles.

Leonteq's entire Supplier Code of Conduct is available on our [corporate website](#).

Leonteq hoodies

To mark its 15th anniversary, Leonteq purchased hoodies for its employees from the local Swiss company, NIKIN, which is recognised for its commitment to sustainability. This Swiss fashion label plants one tree for each product sold and strives to make sustainable fashion affordable. The hoodies purchased by Leonteq contributed to the "Renature Leiria" project in Portugal.

Our governance

Leonteq recognises that robust corporate governance and a clear governance structure with defined roles and responsibilities are vital for the long-term success of the Group. This instils the right mind-set among Leonteq employees, and reinforces the overall credibility of the financial sector.

The Group's corporate governance complies with the regulatory obligations that apply to it as a securities firm and publicly listed company, respectively. Leonteq provides transparent disclosures about its governance to help stakeholders assess the quality of the Group's corporate governance and to assist investors in their investment decisions. Leonteq's corporate governance framework comprises its governing bodies and its corporate governance policies, which define the competencies of the governing bodies and other corporate governance rules and procedures. Leonteq's governing bodies are the General Meeting, the Board of Directors, and external auditors.

In recent years, the Board of Directors has significantly improved the Company's governance framework and strengthened the independence, skills and diversity of the Board of Directors and its Committees, including increasing female representation from 0% in 2018 to 25% since 2021. As part of these changes, the Remuneration Committee became the Nomination and Remuneration Committee, the Audit Committee and the Risk Committee were combined, and all committees were newly composed so that all or at least the majority of their members are independent directors. Following the streamlining of the structure of the Executive

Committee in 2017 and the appointment of a new CEO in 2018, Leonteq redefined its compensation system for the Executive Committee in 2019 and implemented new transparent disclosures of performance evaluations and the resulting compensation outcomes. In 2020, the Group elevated the post of the Chief People Officer (CPO) to the level of the Executive Committee, which is testimony to its belief that Leonteq's success depends on its ability to attract, develop and retain talented professionals while ensuring a strong culture and compliant organisation.

As part of its 2026 ESG Targets, Leonteq has committed to increasing its Board of Directors gender diversity to over 30% female representation. In this context the NRC has initiated a process in 2022 to identify suitable candidates to be proposed as new members of the Board at a future Annual General Meeting.

Additional information about Leonteq's corporate governance can be found in the Corporate Governance section on pages 120 to 154.

Business ethics and integrity

As a financial services company that operates in regulated markets globally, Leonteq is committed to conducting its business honestly and transparently. We have a zero-tolerance approach to all forms of corruption. We strive to operate with integrity and according to a clearly defined set of business ethics to protect our interests as a company and to serve the best interests of our stakeholders.

Leonteq's approach to ethical business conduct, including the prevention of corruption, insider trading, market abuse and tax fraud, is designed to safeguard its own reputation, but also the reputation and credibility of the financial sector as a whole. Leonteq's approach is also designed to avoid negative impacts on its business and to protect the Group against the financial penalties and regulatory consequences of non-compliance.

Policies

We have a number of policies, including a global Code of Conduct & Ethics, that are communicated to all employees to ensure they understand what is expected of them in terms of ethical conduct and integrity as part of their contractual relationship with Leonteq. Leonteq policies are issued and overseen by the Executive Committee or, in the case of the Code of Conduct & Ethics, the Board of Directors. Together with members of our Compliance and other departments, they manage and monitor each policy.

Additionally, our employees are required to complete online compliance training courses based on Leonteq policies annually.

Code of Conduct & Ethics

Leonteq is committed to preserving its high legal, ethical and moral standards as well as a culture of strict compliance with local and international laws and regulations. In order to achieve a common understanding of our conduct and ethics standards, we have summarised them in our global Code of Conduct & Ethics, which is approved and overseen by the Board of Directors. It is read and acknowledged by all employees annually and acts as a guide in our everyday behaviour, actions and decisions.

Our standards include a commitment to business ethics and legal and regulatory standards, human rights and social responsibility – including a commitment to upholding the International Charter of Human Rights and the International Labor Organization core labour principles. Leonteq is additionally committed to environmental responsibility, responsible investment and to upholding its corporate values.

The Code of Conduct & Ethics can be found on the [Leonteq corporate website](#).

Code of Conduct & Ethics	Corporate Values
	Business ethics & legal and regulatory standards
	Human rights & social responsibility
	Environmental responsibility
	Responsible investment

These courses address specific areas of business integrity and include an annual compliance self-certification and training on personal account dealings, as well as educating employees about how to prevent market abuse, money laundering and financial crime. Trainings that were rolled out to employees via Leonteq's e-Training platform in 2022, included Basic Compliance, PAD, Anti-Money Laundering, Market Abuse, Financial Crime, Operational Risk, and Federal Act on Financial Services (for front-office employees only).

If a Leonteq employee or representative is found to have breached any of our rules, regulations or internal directives, they are subject to Leonteq's Compliance Sanctions Policy. The policy sets out different measures, depending on the severity of the breach – ranging from informal or formal warnings to discretionary financial penalties and ultimately dismissal.

In the event of a suspected breach of legal or regulatory requirements, internal guidelines or ethical standards, Leonteq has grievance mechanisms in place, including a global whistleblowing system.

Market abuse and insider trading

Market abuse and insider trading activities are prohibited by law. Leonteq takes the prevention of these offenses very seriously. Clear rules are in place internally to dictate Leonteq's policies. A series of measures and controls are used to detect breaches, including but not limited to the pre-approval of personal account dealings. Prior to any personal account dealings, employees must obtain pre-clearance from Compliance for transactions carried out through employee securities and custody accounts as well as those for which the employee is the beneficial owner or has power of attorney. The relevant transaction must not be carried out until the request has been granted explicit pre-clearance by Compliance. If pre-clearance for a requested transaction is denied, the transaction must not be executed. With this control mechanism, Leonteq ensures that personal account dealings are compliant with Leonteq's Code of Conduct for employees. Compliance also takes measures to detect market abuse in the form of front running or insider trading. It also establishes information barriers to prevent conflicts of interest or the misuse of information, and reserves the right to access all employees' recorded means to identify any signs of market abuse or insider trading.

Through these and other controls, Leonteq ensures that its employees and the Group itself uphold all relevant laws and regulations.

If a case of market abuse or insider trading is detected, it is reported immediately to the senior management of Leonteq and competent authorities are notified if required.

Anti-corruption

In order to reduce risks of bribery and corruption, Leonteq is committed to following strict rules and to doing business based solely on the quality of the products and services it offers and purchases, not in response to gifts or offers extended or accepted.

To this end, Leonteq takes steps to actively combat any form of corruption or bribery and has policies, including a policy governing gifts and entertainment, in place that outline key requirements for employees and its governing bodies to manage the risk of corruption, both internally and externally for Leonteq's clients. Leonteq's Compliance department regularly informs all employees (including the Executive Committee) about Leonteq's anti-corruption policies, enforces annual web-based training globally, and monitors anti-corruption activity continuously. In addition to standardised web training, our individual branches have the possibility to implement local training courses on anti-corruption topics. Compliance risk assessments, including risks related to corruption, are performed by Leonteq's team of experts on an annual basis. If adjustments to staff compliance training or communications are necessary, the Compliance department updates the training annually and increases or reduces its internal communication activities as needed. A compliance report is additionally submitted to the Executive Committee and the Board of Directors once a year. In 2022, there were no critical concerns communicated to the Executive Committee or Board of Directors.

In 2022, Leonteq's governance bodies did not receive training on anti-corruption.

Escalation and whistleblowing

In 2022, Leonteq expanded its whistleblowing system to the entire Group with the development of its global policy on Escalation and Whistleblowing.

The policy complements Leonteq's Code of Conduct & Ethics and requires employees to report any violations of laws, rules, regulations or the Code of Conduct & Ethics. Reports may be made on a confidential, anonymous basis if required and as permitted by law, using Leonteq's Integrity Line, which is a third-party escalation platform hosted by EQS and serves as a whistleblowing channel to escalate potential legal, regulatory or ethical misconduct.

This process is subject to supervision by the Audit and Risk Committee (ARC) of the Board of Directors of Leonteq. The ARC receives regular updates on significant reports received as well as on measures taken.

The Leonteq Integrity Line is also open to individuals outside of Leonteq who wish to report violations of laws, rules and regulations or Leonteq's Code of Conduct & Ethics.

The rollout of corruption-specific training for Leonteq's governance bodies is planned in the first half of 2023.

These and other measures and policies are actively measured to foster a sustainable, best-practice approach to business and to ensure that our clients and business partners receive the best possible service. The majority of Leonteq's business partners are distribution partners and as part of Leonteq's terms of business and/or distribution agreement it communicates its anti-corruption policies to all its distribution partners.

Leonteq has a framework in place to assess risks related to corruption. Risks are classified in terms of likelihood of occurrence and their impact. Depending on the outcome of this assessment, respective measures are implemented.

All operating entities within the Leonteq Group were assessed for risks related to corruption in 2022. In total, seven medium initial risks were identified. Identified risks include the lack of clarity of policies and procedures, which is addressed through Do's and Don'ts, Policy annexes and employee training. To ensure the Group-wide understanding of our policies, we continuously enhance our employee trainings on the implementation of anti-corruption measures.

In 2022, there were no confirmed incidents of corruption at Leonteq.

Leonteq is not aware of any significant instances of non-compliance with laws and regulation in the social and economic area and it received no fines during the reporting period.

Tax compliance

Leonteq strives to have a positive impact within the community and to contribute to a sustainable economy, society and environment. Taxes and other levies form the main component of Leonteq's financial contribution to the macro-economic stability of the different jurisdictions in which it operates.

Leonteq is committed to preventing any form of tax avoidance and tax fraud by stakeholders, including its clients, employees, and suppliers in relation to their interaction with Leonteq. Taxes are determined, secured, and collected in a comprehensive system that is subject to a rapid rate of legislative, regulatory, and technological change. Leonteq's tax management activities ensure the tax compliance of all Leonteq Group entities.

Taxes are covered by the overall governance and risk framework. Tax compliance has been adequately assured within the existing organizational setup, reporting lines and responsibilities. Leonteq's Group Taxes department reports directly to the Chief Financial Officer and manages a network of tax advisors locally. It applies the following principles in the management of Leonteq's tax affairs to mitigate risks and comply with tax legislation:

- We undertake our tax affairs with the aim of generating sustainable value while meeting all applicable legal and regulatory tax requirements.
- We give due consideration to the intent and spirit of tax laws, the social context within which we operate, and our standing and reputation with tax administrations, regulators, and the public.

Group Taxes submits regular updates about tax compliance and tax risks to the Executive Committee and the Audit and Risk Committee. Tax compliance errors are reported within the context of operational risk reporting, and the corresponding measures are reviewed and approved by the Audit and Risk Committee.

To further improve the Group's management of tax risk, tax compliance and tax transparency, Leonteq is in the process of developing a global Tax Policy, which will encompass the Group's good tax practices, its main principles of conduct in relation to taxes, and its approach regarding tax transparency. The Tax Policy will be embedded in the existing overall governance and risk framework. Leonteq plans to publish its Tax Policy in the course of 2023.

Leonteq follows the recommendations of the good tax practices codes implemented in the countries and territories in which the Group's companies do business, taking into account the specific needs and circumstances of all Group entities. The Group is also committed to complying with the OECD Guidelines for Multinational Enterprises in taxation. Leonteq cooperates with the competent tax authorities in the detection of and search for solutions to fraudulent tax practices of which the Company is aware that may be used in the markets in which the Group companies have a presence. The Group provides significant tax-related information and documents that may be requested by the competent tax authorities when exercising their powers, as soon as practicable and with the required scope. Leonteq notifies the appropriate body of the tax authority and discusses with it any relevant facts and issues it has noticed, allowing the authority to commence the appropriate investigative proceedings, if any,

and to foster agreement and consent during the inspection proceedings, to the extent that is reasonably possible without impairing good corporate governance.

Leonteq is not currently subject to the obligation to report its taxes on a country-by-country basis.

Public policy

Leonteq does not engage in any form of lobbying and has not made any financial or in-kind contributions to political parties, politicians or causes in 2022 and 2021.

Our IT security and personal data protection

In an increasingly digitalised world, Leonteq recognises the fundamental importance of personal data protection, professional secrecy and IT security and protection, which are key topics for many companies, particularly in the financial services sector. In periods of market volatility, it is especially relevant for business continuity. We know that our IT infrastructure and systems must work quickly, reliably and flawlessly to ensure business continuity. Our clients, employees, business partners and other stakeholders trust Leonteq to protect their personal data and sensitive information at all times, as a breach of personal data or IT security could potentially have negative economic repercussions or lead to the withdrawal of licences or the restriction of market access for Leonteq.

The fundamental goals of IT security management at Leonteq are to protect the confidentiality of important data, the integrity of our assets and the information they contain, and the availability of all systems, services and information when needed by employees, partners and clients.

Data breaches and incident management

In the event of a personal data breach, Leonteq has a comprehensive incident response plan in place: Leonteq informs, where regulatory required, the relevant supervisory authorities within 72 hours of the issue being detected in accordance with applicable data protection laws. In addition, where there is a significant risk that the personal data breach could adversely affect the impacted individuals' rights and freedoms, Leonteq informs those individuals without undue delay. In 2022, Leonteq did not receive any substantiated complaints concerning breaches of professional secrecy or losses of customer related data and there were no substantial internal breaches.

Leonteq has a dedicated Information Security team led by Leonteq's Chief Information Security Officer (CISO). It is also supported by external cyber security specialists. Their aim is to prevent,

mitigate and reduce the impact of cyber security-related events by identifying threats and risks, implementing appropriate safeguards, monitoring those safeguards and the assets required to manage security breaches, and responding to cyber security issues if and when they occur to ensure the reliability of information systems and communication technology used in Leonteq's critical operations. These areas are tested by means of ongoing internal checks and automated vulnerability scans as well as through a broad range of security tests conducted by external cyber security specialists on an annual basis and when new critical services are launched. In the event of a cyber security incident, the Cyber Security team is responsible for reducing the impact of that incident and for ensuring the recovery of services while working with external parties where necessary to document the incident and gather evidence.

In the event of an incident, Leonteq has a comprehensive Business Continuity Management (BCM) response plan in place. Key elements of the Group's BCM plan are: The establishment of a crisis management team, including the Chief Operating Officer (COO), regional branch managers and business critical department heads; the definition of communication plans for internal and external stakeholders; IT and infrastructure redundancies; and a flexible IT set-up that allows Leonteq employees to work from home or other locations without their ability to perform essential tasks being affected.

To ensure preparedness for any event requiring a BCM plan, Leonteq's BCM manager regularly conducts business impact analyses, interested parties analyses and risk assessments for departments across the Group. Employees are also informed about BCM as part of the induction day for new joiners and cyber incident training is provided for employees within key departments involved in business continuity and crisis management. The Group conducts annual reviews of its BCM plan and strategy with the Board of Directors and Executive Committee and holds biweekly BCM management reporting meetings. BCM tests are held several times per year (2-3 major BCM tests and 3-4 minor BCM tests per year) and Leonteq works with an external partner in the cloud space to build safe, secure, and stable business continuity as well as security platforms. Leonteq maintains a dedicated disaster recovery site.

Business continuity management

In view of the environmental, social and geopolitical challenges of recent years, business continuity has become increasingly important to Leonteq. The Business Continuity Management (BCM) team works closely with our Information Security Management and Infrastructure teams to preserve the continuity of operations and systems. To ensure the continued availability and stability of the business-critical functions and processes for our employees, clients and partners, and to reduce negative impacts of existing crises where possible, Leonteq maintains a comprehensive BCM plan and strategy that considers sustainability aspects, as many of today's challenges are related to global environmental and social factors. The BCM plan and strategy include contingency measures for a number of potential events and scenarios that could affect the Group's ability to operate. These events include the loss of human resources, potential IT failures, damage to premises, war, natural disasters and diseases, including pandemics.

More information about BCM and COVID-19 can be found on page 89.

More information about BCM and the Ukraine/Russia conflict can be found on page 107.

More information about BCM in the context of operational resilience at Leonteq can be found in the Risk and Control section of the Annual Report 2022 on page 188.

Cyber security and the protection of assets and data fall within the remit of Leonteq's Chief Information Security Officer, who reports directly to the Chief Operating Officer. Leonteq's approach to cyber security is defined in our official Group policies, instructions and guidelines. The Cyber Security team also receives input from the Legal and Compliance departments in regular meetings to ensure that Leonteq is up to date and aware of regulatory requirements. Mandatory training is given to all employees on this topic to support compliance.

Leonteq strives to address and defend itself against all forms of cybercrime and is continuously developing and refining its cyber security strategy to reflect current areas of focus and ensure its ongoing implementation. Leonteq's Data Protection and Cyber Security functions are in constant contact with the Risk, Legal and Compliance departments of Leonteq to ensure the Group's compliance with regulatory requirements in all the jurisdictions in which we operate. The measures used to ensure IT security and the protection of personal data of clients, employees, business partners and other stakeholders were further refined in 2022 and include the following key areas: Employee awareness, technical defences, data access and control, standardisation and certification, and operational resilience. The effectiveness of these measures is tracked through Leonteq's risk management procedures, its Global Control Forum, which comprises the CISO, CFO and regional office managers, as well as through several reporting and dashboarding methods, including Key Risk Indicators, maturity matrix, third-party risk management, business impact analyses, interested parties analyses, and our Operational Risk Assessment Process.

Cyber security and protection measures

Employee awareness

Employee awareness

Information sessions are regularly held for our employees as part of the Group's onboarding programme to ensure that Leonteq conducts its business in a safe and secure manner. Tips, precautionary practices, and general and specific information around identifying, understanding and remaining vigilant against cybercrime are also distributed to all employees via monthly newsletters, email announcements, the company intranet and an information security blog.

The Group is additionally developing annual employee training dedicated to data protection in 2023. The course will be integrated into Leonteq's annual employee training programme.

Technical defences

Technical defences

Leonteq follows state-of-the-art cyber security practices and uses a range of cyber security tools to monitor its environment in real time and to produce alerts if any risk indicators emerge. Any such indicators are followed up and investigated. Leonteq also has multiple layers of technical defences in place to protect against unauthorised access by internal or external parties. This includes the use of next-generation firewalls, intrusion detection systems and distributed denial of service protection at the network perimeter, together with internal countermeasures. This configuration is designed to ensure that no part of Leonteq's network is exposed to cyber security risks due to the failure of any single component and that data cannot be accessed without users passing through multiple checks. In cases where Leonteq is dependent on third-party services and service providers, any failure of or interruption or damage to the services of such third-party service providers could affect Leonteq's business.

Critical third-party services and service providers undergo data protection impact analysis prior to initiation of the contract. Cloud service providers are additionally assessed based on internal policies to ensure appropriate safeguards are in place.

Additional information about Leonteq's cyber security lines of defence and defence governance can be found in the Risk and Control section on page 205.

Leonteq also ensures that its security configurations are reviewed and engages external security specialists to test, check and advise on how it can improve its operational security. It takes all the necessary technical and organisational measures – as set out in the applicable data protection laws – to protect the data of its employees, clients, partners and other stakeholders against loss and unauthorised collection, processing, alteration and disclosure.

Data access and control

Standardisation and certification

Operational resilience

Data access and control

In line with the laws applicable to Leonteq, such as European General Data Protection Regulation, the Swiss Federal Act on Data Protection, and DIFC Data Protection Law as well as the Group's risk management framework, Leonteq also assigns the utmost importance to preventing data loss and leaks, as a loss of personal data or a breach of IT security could potentially have negative economic repercussions as well as negatively affect Leonteq's stakeholders.

Leonteq only ever processes the personal data of its employees, clients, partners, service providers, shareholders or other counterparties where this is required in order to comply with legal obligations, where necessary to enter into or perform a contract, where a third party has given its consent for Leonteq to process the data for a specific purpose, or where the processing of data is in the legitimate interests of Leonteq or third parties. Further information about Leonteq's privacy statement and the collection and processing of the data of service providers, shareholders, partners, clients, distributors and counterparties is available on Leonteq's corporate website.

Leonteq is also responsible for all the information and personal data where we are the designated data controller and data processor and define the use and management of that personal data. The majority of our data is held in our Swiss-based data centres, but we are also controllers of data that is hosted by external providers, such as Cloud services. Additionally, we produce reports and management information and we provide data uploads to partner organisations where required.

Data protection and professional secrecy at Leonteq are managed by members of the Legal, Compliance and Security teams. The Legal and Compliance teams report to the General Counsel, and the Security team reports to the COO. The General Counsel and the COO are members of the Executive Committee. They are also responsible for making recommendations or creating policies to support the safe and secure processing of personal data, for assessing new critical systems using the dual-control principle, and, in the event of an incident, for advising the Group on the appropriate response. Leonteq also retains the services of external providers such as external legal experts specialising in data protection and professional secrecy and a security forensic service provider that specialises in cyber security and responses to cyberattacks.

To ensure proper data management, Leonteq strictly controls access to information using its identity access management tool. This role creation and modelling tool enables us to manage user account provisioning, permissions and deprovisioning. All individual and group employee permissions are managed using this tool.

In this context, Leonteq maintains a robust data management framework that manages all data and information, including personal, corporate and public data. This framework was further developed throughout 2022 in preparation of the 2023 regulatory requirements. It places an increased focus on classification, ownership and responsibility, inventory and discovery, cataloguing, and data lifecycle and valuation.

Standardisation and certification

IT security is an important measure in the protection of the Group's data and information systems and is standardised, certified and audited. Leonteq's IT and security policies are reviewed and updated annually. The compliance of the internal Leonteq system is additionally measured through the Group's internal control process, on either a monthly, quarterly or annual basis depending on the control parameters. Leonteq's internal control system, which comprises controls relating to its business, operational and IT processes as well as controls of information security, is validated on an annual basis in accordance with the International Standard on Assurance Engagements (ISAE) 3402. A comprehensive report documenting these controls is produced on an annual basis and is certified by means of an external audit.

Audits of Leonteq's data and information systems are included in the annual audit of Leonteq's IT systems. This is performed by Leonteq's external auditor as part of the annual regulatory audit. In addition to these external audits, the IT department and its systems are audited annually by our internal audit team. Furthermore, penetration tests are performed annually by external companies specialising in IT and cyber security.

The Group's BCM programme, which covers disaster recovery and crisis management procedures, is aligned with all regulatory requirements and internationally recognised standards and is audited in accordance with ISO 22301:2019. This audit is conducted annually and covers the planning, implementation and operation of the Group's plan to protect against, reduce the likelihood of, prepare for, respond to and recover from disruptive incidents, if and when they arise.

Operational resilience

Recognising the increased potential for significant disruptions to companies' operations from cyber security incidents or technology failures among other internal or external events, Leonteq has a comprehensive operating model framework in place and is currently working to increase its processes, maturity and operational risk measures through its Operational Risk & Resilience Programme. Through this initiative, Leonteq will ensure it continues to follow best practices and satisfy regulatory requirements when it comes to third-party risk management as well as other operational themes.

Our environmental footprint

As a company with a global presence, Leonteq has offices at 14 locations in Switzerland, Europe, Asia and the Middle East and two data centres in Switzerland that use large amounts of electricity to power the Group's operations. Additionally, some Leonteq employees have to travel internationally as part of their role, and all members of staff commute to their local office locations. The release of greenhouse gas (GHG) emissions and the use of energy from non-renewable sources are a growing concern among investors and the general public in view of their impact on the climate and environment. Leonteq recognises that contributing to the reduction of GHG emissions could result in potential positive impacts on climate change mitigation and is developing a comprehensive environmental reporting framework to better understand its current impacts and where and how it can further develop measures and targets.

In 2022, Leonteq expanded its environmental reporting framework to include its three largest office locations – Zurich, Lisbon and Singapore – as well as its two data centres, which are located in Switzerland (2021: the scope was limited to Leonteq's headquarters in Zurich and its two data centres).

In 2023, Leonteq intends to expand its environmental reporting framework to include all 14 of its office locations globally. It also plans to develop a framework under which the Group will reach climate neutrality over the mid term and net zero over the long term.

With the support of EWZ (Elektrizitätswerk der Stadt Zürich) in Switzerland, EDP in Lisbon and Tuas Power Supply in Singapore, Leonteq is taking steps to improve its energy efficiency and reduce its energy consumption and GHG emissions through several programmes and initiatives. This approach is designed to help the Group transition towards a less GHG-intensive footprint.

In 2022, Leonteq expanded its environmental reporting framework to include its three largest office locations – Zurich, Lisbon and Singapore – as well as its two data centres, which are located in Switzerland

Renewable energy

In Zurich, Leonteq is continuing to optimise its energy consumption as part of its commitment to the cantonal target agreement ("Kantonale Zielvereinbarung") to lower energy usage by 2029. Leonteq made this commitment in 2019 with the ambition over 10 years to reduce its power consumption by 11.3% compared to a 2029 extrapolation. The electricity used to power our offices and data centres in Switzerland primarily comes from Swiss and European hydropower plants as well as from wind energy, biomass and solar, and is 100% renewable energy. In 2022, our Zurich headquarters used a total of 1,143 megawatt hours (MWh) of energy (2021 restated: 1,126 MWh), and our data centres used 1,771 MWh (2021 restated: 1,770 MWh). As Leonteq aims to continuously improve its energy efficiency and reduce its energy consumption, starting in 2023, Leonteq will source its electricity exclusively from sources in Switzerland, instead of both Switzerland and Europe, resulting in a 0.002 kg CO₂-eq decrease per kilowatt hour (kWh).

In Lisbon, we used 65 MWh in 2022. In 2021, the energy used for our office, which opened in October 2021, was marginal (3 MWh). The electricity used to power, heat, and cool our office came fully from hydropower plants. This measure was implemented during 2022 and reduces Leonteq's average CO₂ consumption in Lisbon from 3.69 kg CO₂ per kWh average in 2021 to zero in 2022.

In Singapore, the electricity used for our office (power, heating, cooling) amounted to 93 MWh in 2022 (2021: 95 MWh).

Ukraine/Russia conflict and Europe's power shortage

The energy crisis resulting from the Ukraine/Russia conflict has impacted companies across Europe and Switzerland, including Leonteq. In view of the predicted power shortage in winter 2022/2023, Leonteq implemented (short-term) the energy-saving measures recommended by the Swiss government in its headquarters in Zurich in October 2022 to support Switzerland's efforts to lower energy consumption. These measures included lowering the ambient temperature in its offices, reducing indoor lighting and screen running times, and switching off illuminated external signage on buildings. These measures made a positive contribution to Switzerland's energy-saving efforts and reduced Leonteq's energy consumption in Zurich by 10%. However, the Group has also taken measures to ensure business continuity if energy becomes scarce, such as the storage of diesel to power Leonteq's data centres for up to one month. Leonteq recognises that these contingency measures could potentially have negative environmental impacts.

Leonteq offices



Zurich office

Our Zurich office is located in a building constructed and operated according to the Minergie building standard, which is a registered quality label for new and refurbished low-energy buildings. We are committed to providing comfortable working conditions for employees while reducing energy consumption. The Zurich office is also equipped with a controlled air exchanger.



Lisbon office

Our Lisbon office is located in the Edifício Castilho building, which is situated in Lisbon's Prime zone, and is easily accessible by public transportation. The building has a BREEAM certificate with a score of 'very good'. BREEAM is a long-established global science-based method of assessing, rating and certifying the sustainability of buildings.



Singapore office

Our Singapore office is located in the Asia Square Tower 1 at Marina Bay in Singapore. The building is one of Singapore's most energy efficient commercial developments. It has achieved both the LEED-CS Platinum certification by the US Green Building Council and Green Mark Platinum Award by the Building and Construction Authority of Singapore, making it one of Asia's greenest buildings.

GHG emissions

In 2022, Leonteq's operations in Zurich, Lisbon and Singapore generated a total of 100 tons of CO₂e emissions (2021 restated: 93 tCO₂e) and 306 tons of CO₂e from air travel from employees based in Zurich, Lisbon and Singapore (2021 restated: 74 tCO₂e). As 2022 was the second year in which Leonteq reported its CO₂ emissions data, it has used the 2021 reporting year as the baseline for the 2022 data reporting year and has limited the system boundaries to its three largest operations – Zurich (including its headquarters and its two data centres), Lisbon and Singapore – where the majority of its employees (448 FTEs) are located. The data collected in Leonteq's Zurich, Lisbon and Singapore locations account for 77% of Leonteq's FTEs. The Group's 2021 figures have been restated to now also consider Leonteq's expanded system boundary.

Scope 1 and 2

Leonteq's scope 1 emissions include one company car (with a combustion engine, diesel) in use at its headquarters in Zurich.

Leonteq's scope 2 emissions include the use of electricity and cooling energy from 100% renewable energy sources at its headquarters. The heating in Leonteq's headquarters is connected to the local district heating system. The portion of renewable energy used by the district heating is currently 42%, according to the municipal provider ERZ Entsorgung + Recycling Zürich. Leonteq's data centres provide services for all Leonteq locations and are therefore not included in the CO₂-intensity ratio that is calculated based on the number of FTEs located in its headquarters in Zurich. The electricity used at Leonteq's two data centres in Zurich also come from 100% renewable energy sources.

Greenhouse gas emissions

	Leonteq HQ Switzerland tCO ₂ e	Leonteq data centre Switzerland tCO ₂ e	Total emissions Portugal tCO ₂ e	Total emissions Singapore tCO ₂ e	Total emissions Leonteq Group tCO ₂ e	CO ₂ Intensity (in kg CO ₂ e/FTE)
Scope 1 (excluding fugitive emissions) ¹	1.27	–	–	–	1.27	2.84
Scope 2 (market-based) ²	35.71	26.51	0	37.93	100.14	223.79
Scope 2 (location-based) ³	143.09	226.66	13.11	37.93	420.79	940.30
Scope 3 (limited to business travel by air) ⁴	248.74	–	14.88	42.39	306.01	683.82
Total net carbon emissions (market-based)⁵	285.72	26.51	14.88	80.32	407.43	910.46

¹ Fugitive emissions are not yet included. The CO₂e factor accounts for all other GHG. We use the emission factor from the Swiss Mobitool (www.mobitool.ch) for direct use for an average car fleet (Diesel): 106.01 g CO₂e/pkm.

² For district heating we rely on the conversion factors provided by our energy supplier for both market-based and location-based figures: 104.4 g CO₂e/kWh (2021) and 111.6 g CO₂e/kWh (2022). For electricity we rely on emission factors provided by our power suppliers: EDP in Portugal (0 g CO₂e/kWh, hydropower) and EWZ in Switzerland (between 14 g CO₂e/kWh to 15.46 g CO₂e/kWh for different renewable power products). For Singapore we used the location-based factor (see below).

³ District heating: see fn 2; for electricity we rely on emission factors from www.carbonfootprint.com for the production fuel mix in Portugal (201.55 g CO₂e/kWh), from the Energy Market Authority in Singapore (405.7 g CO₂e/kWh, grid emission factor) and the Swiss Federal Office for the Environment (128 g CO₂e/kWh, average consumer mix).

⁴ Scope 3 data is limited to category 6 business travel by air. We use data from two travel agencies Egencia and Finass. Egencia uses conversion factors from DEFRA/BEIS of the UK Government. Finass has a cooperation with the Swiss Foundation myclimate, who uses state-of-the-art emission factors based on more of a dozen specific parameters.

⁵ Scope 1, 2 and 3 are in line with the Greenhouse Gas Protocol (www.ghgprotocol.org).

Scope 3

Leonteq's scope 3 emissions only encompass data from business travel by air for employees working in Zurich, Lisbon and Singapore.

Leonteq observed an increase in its scope 3 emissions compared to the previous reporting year. This is primarily due to business travel by air increasing back to its pre-pandemic frequency. As a global company, Leonteq requires a certain level of travel between office locations. At the same time, we recognise the negative impact it has on the environment and are working on a model to reduce our scope 3 emissions either through fewer flights taken or by compensating the emissions generated on the Group's behalf.

When traveling to the office, employees were encouraged to follow the sustainable commuting practices that have been in place at Leonteq for several years. As part of these efforts, Leonteq subsidizes Swiss public transport pass costs for employees working in Switzerland with a contribution of 15% of the cost and offers a very limited number of parking spaces.

Initiatives to support the reduction of greenhouse gases

PET and carton recycling

As in previous years, Leonteq continues to recycle PET bottles as part of the PET-Recycling Schweiz initiative in Switzerland and it also began disposing the milk cartons it purchases through Tetra Pak's "Carton to Creations" recycling programme. Tetra Pak is a multinational food processing and packaging solutions company that works closely with its clients and suppliers to provide safe, innovative and environmentally sound products.

Hardware reselling

Every year, Leonteq collects its used, broken and outdated hardware and sells it to CBA Computer Broker AG. By enabling the reuse and recycling of our equipment, we are contributing to climate protection. In addition to reducing its CO2 emissions by 28.43 tons in 2022, these efforts help to reduce waste and landfill usage caused primarily by consumer electronics with a short lifespan. The reselling of hardware also enables people and companies in economically weaker regions to purchase long-lasting quality hardware. By reselling its hardware, Leonteq saved 28.43 tons of CO2 in 2022.

Our community engagement

Our engagement with the communities in which we operate has a positive impact on society as a whole and creates benefits for our employees and our Group by fostering a sense of belonging and strengthening our ties to the community.

In terms of community engagement and broader philanthropic activities, Leonteq is still a relatively young company and has not yet developed significant commitments in this area. Leonteq has so far focused primarily on activities to improve the health and wellbeing of children and young adults and has previously also supported biathlon sports in Switzerland at a regional and national level. Leonteq was also the lead sponsor of the Swiss-Ski youth biathlon teams from 2014 to 2020.

Leonteq does not currently have an overarching community engagement strategy in place but seeks to support initiatives that either fall within the scope of its corporate culture and marketing strategies or are driven by regional teams and take the form of hands-on projects and employee volunteering, sponsorship and donations.

Beyond our role as an employer, Leonteq's business activities currently have a relatively low impact on local communities but we remain committed to engaging with them and we plan to develop a structured community engagement framework in the future.

Hands-on projects and employee volunteering

Donations

Girls Who Code

With the aim of linking Leonteq's core area of business to its community engagements, we donated CHF 20,000 to Girls Who Code for the second consecutive year in 2022. The mission of this global non-profit organisation is to close the gender gap in technology and to change the image of programmers and what they do. With the support of corporate and philanthropic partners, Girls Who Code is building the world's largest pipeline of future female engineers and is on track to close the gender gap in new entry-level tech jobs by 2030. Girls Who Code has over 8,500 programmes worldwide, including summer immersion courses, college loops, clubs and "code at home" activities for girls and young women.

Christmas Jumper Day

In 2022, Leonteq participated in the global "Save the Children Christmas Jumper Day" fundraising campaign. Employees were encouraged to wear a festive sweater on 8 December 2022 and to make a personal donation to Save the Children. Leonteq also donated to the cause by matching the total amount contributed by employees. Through this festive engagement, the Group and employees raised GBP 612 (CHF 722).



Girls who Code

Christmas Jumper Day – Zurich



Sponsorships

Sailing team Monaco

Leonteq has sponsored a Monaco sailing team since 2021. Since sailing is a popular sport in Monaco that attracts a high level of interest from potential Leonteq clients, we are contributing EUR 25,000 (CHF 25,125) to a one-year sponsorship agreement that supports the sailing team and promotes the Leonteq brand. The Leonteq boat and sailing team captained by Pierrik Devic finished second in the J/70 World Championships that took place in October 2022 in Monaco. They also achieved second place in the second Act of the Monaco Winter series.

Red Ants Rychenburg

Leonteq has been a sponsor of Red Ants Rychenburg since 2016. Red Ants Rychenburg is a women's floorball club in Winterthur, Switzerland, that consists of 11 teams and 250 active members, 200 of whom are juniors. Each season, the top team plays in the National League A, and the club's ambition is to have two or three U21-A players make it into League A.

As part of this commitment, we donate CHF 5,000 annually for our "silver sponsor" status. This entitles us to have the Leonteq logo featured on the Red Ants website, match tickets of the National A team, match programmes and club magazines. Leonteq is also named at National A home games as a silver sponsor and sponsor of Best Player prizes.

Leonteq's sponsorship helps 250 players, coaches and trainers to pursue their passion for floorball. The club can additionally ensure its professional club life, create optimal training and playing conditions, hire skilled trainers and offer players meaningful leisure time activities.

Ski Club Borgata

In 2022, Leonteq became a sponsor of the Ski Club Borgata in Italy. It is located in Sestriere, Piedmont, where the winter-long ski practice attracts the attention of many potential Leonteq clients. Leonteq has provided EUR 5,000 (CHF 5,025) of sponsorship funding, which will help to support the Ski Club and increase our the visibility of our brand, which is featured on skiwear for children.



Ski Club Borgata

Leonteq's sailing team



Red Ants Rychenburg



Appendices

GRI Content Index

GRI Standard	Disclosure	Reference / Response	SDGs supported
GRI 1: 2021	Foundation		
GRI 2: 2021	General Disclosures		
The organization and its reporting practices			
GRI 2-1	2-1 Organizational details	Annual Report, pages 2, 64, 67, 122-123, 126-127	
GRI 2-2	2-2 Entities included in the organization's sustainability reporting	Annual Report, pages 102-104, 213, 214, 266	
GRI 2-3	2-3 Reporting period, frequency and contact point	<p>The Sustainability Report is published as a chapter in the Annual Report on 9 February 2023. The reporting period is 1 January 2022 to 31 December 2022.</p> <p>Questions about the Sustainability Report may be addressed to: Investor Relations +41 58 800 18 55 investorrelations@leonteq.com</p>	
GRI 2-4	2-4 Restatements of information	Annual Report, pages 107, 109, 219	
GRI 2-5	2-5 External assurance	Annual Report, pages 118-119	
Activities and workers			
GRI 2-6	2-6 Activities, value chain and other business relationships	Annual Report, pages 26-49, 64	
GRI 2-7	2-7 Employees	Annual Report, pages 86-87	8, 10
GRI 2-8	2-8 Workers who are not employees	Annual Report, page 87	8

GRI Standard	Disclosure	Reference / Response	SDGs supported
Governance			
GRI 2-9	2-9 Governance structure and composition	Annual Report, pages 122, 126-127, 131-145	5, 16
GRI 2-10	2-10 Nomination and selection of the highest governance body	Annual Report, pages 131-133	5, 16
GRI 2-11	2-11 Chair of the highest governance body	The chairman of the Board of Directors is a non-executive, independent member of the Board of Directors.	16
GRI 2-12	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report, pages 136 138, 147	16
GRI 2-13	2-13 Delegation of responsibility for managing impacts	Annual Report, page 74	
GRI 2-14	2-14 Role of the highest governance body in sustainability reporting	Annual Report, page 74	
GRI 2-15	2-15 Conflicts of interest	Annual Report, page 138	16
GRI 2-16	2-16 Communication of critical concerns	Annual Report, pages 102-103	
GRI 2-17	2-17 Collective knowledge of the highest governance body	The Board of Directors and Audit and Risk Committee receive regular updates on latest developments around sustainability regulations, trends and best practices from external experts.	
GRI 2-18	2-18 Evaluation of the performance of the highest governance body	Annual Report, pages 138, 141	
GRI 2-19	2-19 Remuneration policies	Annual Report, pages 161-168	
GRI 2-20	2-20 Process to determine remuneration	Annual Report, pages 169-179	
GRI 2-21	2-21 Annual total compensation ratio	The annual total compensation ratio is confidential business information and thus not disclosed.	
Strategy, policies and practices			
GRI 2-22	2-22 Statement on sustainable development strategy	Annual Report, page 71	
GRI 2-23	2-23 Policy commitments	Annual Report, pages 101-102	
GRI 2-24	2-24 Embedding policy commitments	Annual Report, pages 101-103, 105	
GRI 2-25	2-25 Processes to remediate negative impacts	Annual Report, pages 99, 101-106	
GRI 2-26	2-26 Mechanisms for seeking advice and raising concerns	Annual Report, pages 101-102	16
GRI 2-27	2-27 Compliance with laws and regulations	Annual Report, pages 102-103	
GRI 2-28	2-28 Membership associations	Annual Report, pages 79-80	

GRI Standard	Disclosure	Reference / Response	SDGs supported
Stakeholder engagement			
GRI 2-29	2-29 Approach to stakeholder engagement	Annual Report, pages 76-78	
GRI 2-30	2-30 Collective bargaining agreements	Annual Report, page 88	8
GRI 3: 2021	Material Topics		
Materiality assessment and list of material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Annual Report, page 75	
GRI 3: Material Topics 2021	3-2 List of material topics	Annual Report, page 75	
Trust and Transparency			
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, page 76	
Sustainability in Products			5, 7, 13
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, page 81	
Employee Engagement			3, 5, 8, 10
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, pages 85-89	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Annual Report, pages 86-87	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Annual Report, page 94	
GRI 401: Employment 2016	401-3 Parental leave	Annual Report, page 94	
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Annual Report, page 89	
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Annual Report, page 89	
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Annual Report, page 89	
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annual Report, page 89	

GRI Standard	Disclosure	Reference / Response	SDGs supported
Employee Development			4, 5, 8, 10
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, pages 86, 90-91	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Annual Report, pages 90-91	
GRI 404: Training and Education 2016	404-2 Programmes for upgrading employee skills and transition assistance programmes	Annual Report, pages 90-93	
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Annual Report, pages 92-93	
Diversity and Inclusion			5, 8
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, page 96	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Annual Report, pages 96-98, 132-133	
Customer Orientation and Satisfaction			12, 16
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, page 99	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Annual Report, page 99	
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Annual Report, page 99	
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	Annual Report, page 99	
Responsible Sourcing			8
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, page 100	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Annual Report, page 100	
Good Corporate Governance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, page 101	

GRI Standard	Disclosure	Reference / Response	SDGs supported
Business Ethics and Integrity			1, 10, 16, 17
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, page 101	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Annual Report, page 103	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Annual Report, pages 102-103	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Annual Report, page 103	
GRI 207: Tax 2019	207-1 Approach to tax	Annual Report, page 103	
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	Annual Report, page 103	
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	Annual Report, page 103	
GRI 207: Tax 2019	207-4 Country-by-country reporting	Annual Report, page 103	
GRI 415: Public Policy 2016	415-1 Political contributions	Annual Report, page 103	
IT Security and Data Protection			
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, pages 104-106	
Data Privacy			16
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, pages 104-106	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Report, page 104	
GHG Emissions			3, 7, 8, 12, 13, 14, 15
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, pages 107-109	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Annual Report, page 107	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Annual Report, page 109	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Annual Report, page 109	
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Annual Report, pages 109-110	
GRI 305: Emissions 2016	305-4 GHG emissions intensity	Annual Report, page 109	
Community Engagement			
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report, pages 111-112	



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To the Management of
Leonteq AG

Our engagement

We have been engaged to conduct a limited assurance engagement on selected sustainability indicators presented in the Sustainability Report and Governance Report 2022 of Leonteq Group (comprising Leonteq AG and its subsidiaries) for the year ended 31 December 2022. Comparative figures were not reviewed.

Basis of our assurance work

Our work was carried out by a multi-disciplinary team of sustainability and assurance specialists in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). To achieve limited assurance, ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

Scope and subject matter

Our limited assurance procedures focused on the sustainability indicators for the year ended 31 December 2022 presented in the Sustainability Report and Governance Report 2022 as listed below:

- The total number of employees, and a breakdown of this total by gender and by region as well as the total number of permanent, temporary, full-time and part-time employees and a breakdown by gender and by region as shown on page 86.
- The percentage of employees per employee category in each of the following diversity categories; gender and age group as shown on page 86.
- The percentage of individuals within the organization's governance bodies in each of the following diversity categories; gender and age group as shown on page 133.
- Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period as shown on page 92.
- Total number and rate of new employee hires during the reporting period, by age group, gender and region as shown on page 87.

- Total number and rate of employee turnover during the reporting period, by age group, gender and region as shown on page 95.
- Scope 1: Direct emissions (excluding fugitive emissions), Scope 2 emissions and Scope 3: Indirect emissions from business travel by air (tonnes CO₂e) as shown on page 109.

Criteria

The reporting criteria ("Applicable Criteria") used by Leonteq Group are the Standards of the Global Reporting Initiative (GRI) and Greenhouse Gas Protocol (GHG Protocol).

Inherent limitations

The accuracy and completeness of non-financial information is subject to inherent limitations given its nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with Leonteq AG Group's reporting guidelines used to present such non-financial information.

Responsibility of Leonteq Group's Management

The Management of Leonteq Group is responsible for the preparation of the Sustainability Report and Governance Report and the information contained therein in accordance with the aforementioned Applicable Criteria. This responsibility includes developing, implementing and safeguarding internal controls of material importance for the preparation of a report that is free of material misstatements, whether due to fraud or error. This responsibility includes selecting and applying Applicable Criteria as well as measurement methods and estimates deemed suitable in view of the circumstances.

Our responsibility

Our responsibility is to express a conclusion on the selected sustainability indicators based on our limited assurance procedures. ISAE 3000 (Revised) requires that we plan and perform our procedures to obtain limited assurance, whether the selected sustainability indicators have been prepared, in all material respects, in accordance with the Applicable Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limited assurance procedures performed

Our procedures consisted primarily of:

- Inquiring of the Leonteq Group Sustainability Team to understand the governance and review process for data management and collection, the process around reporting, the review and challenge made internally over the data and expectations of year end performance given the understanding of the operations during the year;

- Inquiring of key personnel involved in the data collection, management and reporting processes, to obtain an understanding of the process for how the information is captured, processed and reported including how this feeds up to the Group;
- Inspecting documentation to corroborate the results of these inquiries, including seeking supporting evidence for the statements made, and documentation of reporting processes and minutes of relevant meetings; and
- Conducting analytical procedures and inspecting and testing underlying data on a non-statistical sample basis to assess whether the data has been collected and reported in accordance with the Applicable Criteria, including inspecting source documentation.

Our independence and quality controls

We have complied with the independence and other ethical requirements established by the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which are based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Deloitte AG applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

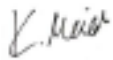
Conclusion

Based on procedures performed, nothing has come to our attention that causes us to believe that the sustainability indicators are not prepared, in all material respects, in accordance with the Applicable Criteria.

Deloitte AG



Marcel Meyer
Licensed Audit Expert
Auditor in Charge



Konstantin Meier
Director

Zurich, 7 February 2023

Leonteq's Annual Report 2022 and the latest Sustainability Report can be accessed at
www.leonteq.com/annual-report-2022

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This annual report may contain specific forward-looking statements, e.g. statements including terms like 'believe', 'assume', 'expect', 'forecast', 'project', 'may', 'could', 'might', 'will' or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the Company or any of its affiliates or subsidiaries and those explicitly or implicitly presumed in these statements. These factors include, but are not limited to: (1) general market, macroeconomic, governmental and regulatory trends, (2) movements in securities markets, exchange rates and interest rates and (3) other risks and uncertainties inherent in our business. Against the background of these uncertainties, you should not rely on forward-looking statements.

In addition, currently, it is very difficult to provide a meaningful prediction on how the governmental actions in response to the ongoing outbreak of a novel coronavirus disease (COVID-19) and other COVID-19 related factors will affect Leonteq's operations and how long such measures will remain in place. The COVID-19 outbreak has caused, and may continue to cause, uncertainty, economic instability and a significant decrease of total economic output in the affected areas and globally. The impact of the COVID-19 outbreak on the general economic environment in the markets in which Leonteq operates remain uncertain and could be significant. Against the background of these uncertainties, you should not rely on forward-looking statements.

Neither the Company nor any of its affiliates or subsidiaries or their respective bodies, executives, employees and advisers assume any responsibility to prepare or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this annual report or to adapt them to any change in events, conditions or circumstances, except as required by applicable law or regulation.

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